# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

# Form 10-Q

**(Mark One)**

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended September 26, 2026**

**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from to**

**Commission File Number 001-36861**

## Lumentum Holdings Inc.

**(Exact name of Registrant as specified in its charter)**

| **Delaware** | **47-3108385** |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification Number) |

**1001 Ridder Park Drive, San Jose, California 95131**
(Address of principal executive offices including Zip code)
**(408) 546-5483**
(Registrant's telephone number, including area code)

**Securities registered pursuant to Section 12(b) of the Act:**

| **Title of each class** | **Trading Symbol(s)** | **Name of each exchange on which registered** |
|---|---|---|
| Common Stock, par value of $0.001 per share | LITE | Nasdaq Global Select Market |

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Large accelerated filer | ☒ | Accelerated filer | ☐ | Non-accelerated filer | ☐ | Smaller reporting company | ☐ |
| | | | | | | Emerging growth company | ☐ |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 30, 2026, the Registrant had 90.7 million shares of common stock outstanding.

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## PART I - FINANCIAL INFORMATION

### ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

**LUMENTUM HOLDINGS INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**
***(in millions, except per share data)***
**(*Unaudited*)**

| | Three Months Ended | |
|---|---|---|
| | **September 26, 2026** | **September 27, 2025** |
| Net revenue | $ 1,262.6 | $ 533.8 |
| Cost of sales | 599.5 | 332.8 |
| Amortization of acquired developed intangibles | 19.1 | 19.5 |
| Gross profit | 644.0 | 181.5 |
| Operating expenses: | | |
| Research and development | 191.8 | 81.4 |
| Selling, general and administrative | 99.3 | 85.1 |
| Restructuring and related charges | — | 8.3 |
| Gain on sale of business, net | (6.9) | — |
| Total operating expenses | 284.2 | 174.8 |
| Income from operations | 359.8 | 6.7 |
| Other income (expense), net: | | |
| Interest expense | (2.4) | (5.7) |
| Interest and other income, net | 12.9 | 4.2 |
| Total other income (expense), net | 10.5 | (1.5) |
| Income before income taxes | 370.3 | 5.2 |
| Income tax provision | 10.0 | 1.0 |
| Net income | $ 360.3 | $ 4.2 |
| | | |
| Net income per share: | | |
| Basic | $ 3.90 | $ 0.06 |
| Diluted | $ 3.54 | $ 0.05 |
| | | |
| Shares used to compute net income per share - common stock and preferred stock assuming conversion: | | |
| Basic | 92.5 | 70.3 |
| Diluted | 101.7 | 78.3 |

*See accompanying Notes to Condensed Consolidated Financial Statements.*

**LUMENTUM HOLDINGS INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
***(in millions)***
***(Unaudited)***

| | Three Months Ended | |
|---|---|---|
| | **September 26, 2026** | **September 27, 2025** |
| Net income | $ 360.3 | $ 4.2 |
| Other comprehensive (loss) income, net of tax: | | |
| Foreign currency translation adjustments | — | (0.3) |
| Net change in unrealized (loss) gain on available-for-sale securities | (3.5) | 0.4 |
| Other comprehensive (loss) income, net of tax | (3.5) | 0.1 |
| Comprehensive income, net of tax | $ 356.8 | $ 4.3 |

*See accompanying Notes to Condensed Consolidated Financial Statements.*

**LUMENTUM HOLDINGS INC.**
**CONDENSED CONSOLIDATED BALANCE SHEETS**
***(in millions, except par value)***
**(*Unaudited*)**

| | September 26, 2026 | June 27, 2026 |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 1,272.2 | $ 2,043.5 |
| Short-term investments | 707.4 | 694.9 |
| Accounts receivable, net | 625.7 | 520.3 |
| Accrued accounts receivable | 100.0 | — |
| Inventories | 807.7 | 691.6 |
| Prepayments and other current assets | 340.0 | 211.6 |
| Total current assets | 3,853.0 | 4,161.9 |
| Property, plant and equipment, net | 1,410.4 | 1,159.1 |
| Operating lease right-of-use assets, net | 26.5 | 29.2 |
| Goodwill | 1,069.9 | 1,069.3 |
| Other intangible assets, net | 294.1 | 326.9 |
| Deferred tax asset | 557.3 | 530.9 |
| Other non-current assets | 62.8 | 30.2 |
| Total assets | $ 7,274.0 | $ 7,307.5 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Current liabilities: | | |
| Accounts payable | $ 737.1 | $ 567.4 |
| Accrued payroll and related expenses | 132.7 | 146.3 |
| Accrued expenses | 58.0 | 64.9 |
| Current portion of long-term debt | 1,360.3 | 1,596.9 |
| Operating lease liabilities, current | 13.8 | 13.5 |
| Other current liabilities | 89.7 | 91.5 |
| Total current liabilities | 2,391.6 | 2,480.5 |
| Long-term debt | 39.3 | 40.5 |
| Operating lease liabilities, non-current | 16.8 | 20.3 |
| Deferred tax liability | 7.3 | 7.1 |
| Other non-current liabilities | 246.4 | 115.2 |
| Total liabilities | 2,701.4 | 2,663.6 |
| Commitments and contingencies (Note 14) | | |
| Stockholders' equity: | | |
| Preferred stock, $0.001 par value, 10 authorized shares, 2.9 shares and 2.9 shares issued and outstanding as of September 26, 2026 and June 27, 2026, respectively | 0.0 | 0.0 |
| Common stock, $0.001 par value, 990 authorized shares, 90.6 shares and 88.6 shares issued and outstanding as of September 26, 2026 and June 27, 2026, respectively | 0.1 | 0.1 |
| Additional paid-in capital | 12,002.0 | 12,430.1 |
| Accumulated deficit | (7,436.0) | (7,796.3) |
| Accumulated other comprehensive income | 6.5 | 10.0 |
| Total stockholders' equity | 4,572.6 | 4,643.9 |
| Total liabilities and stockholders' equity | $ 7,274.0 | $ 7,307.5 |

*See accompanying Notes to Condensed Consolidated Financial Statements.*

**LUMENTUM HOLDINGS INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
***(in millions)***
***(Unaudited)***

| | Three Months Ended | |
|---|---|---|
| | **September 26, 2026** | **September 27, 2025** |
| **OPERATING ACTIVITIES:** | | |
| Net income | $ 360.3 | $ 4.2 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation expense | 43.6 | 27.8 |
| Stock-based compensation | 132.5 | 42.4 |
| Bad debt recovery | — | (0.1) |
| Change in valuation allowance on deferred tax assets | 0.3 | (0.3) |
| Gain on sale of business, net | (6.9) | — |
| Amortization of acquired intangibles | 32.8 | 34.4 |
| Write-down and loss on sales and dispositions of property, plant and equipment | 3.8 | 0.4 |
| Amortization of debt issuance costs | 0.6 | 0.8 |
| Inducement expense on partial repurchase of 2026 Notes | — | 5.9 |
| Other non-cash items | 1.9 | (3.0) |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (105.4) | (56.9) |
| Inventories | (114.2) | (57.5) |
| Operating lease right-of-use assets, net | 2.7 | (2.6) |
| Prepayments and other current and non-current assets | (114.2) | (2.4) |
| Income taxes, net | (78.8) | (1.9) |
| Accounts payable | 87.0 | 28.8 |
| Accrued payroll and related expenses | (13.6) | 11.4 |
| Operating lease liabilities | (3.2) | 1.7 |
| Accrued expenses and other current and non-current liabilities | 38.5 | 24.8 |
| Net cash provided by operating activities | 267.7 | 57.9 |
| **INVESTING ACTIVITIES:** | | |
| Payments for acquisition of property, plant and equipment | (229.8) | (76.2) |
| Purchase of investment | (5.0) | — |
| Proceeds from sale of business, net of selling costs | 10.9 | — |
| Purchases of short-term investments | (76.5) | (58.3) |
| Proceeds from maturities and sales of short-term investments | 60.2 | 66.7 |
| Proceeds from the sales of property, plant and equipment | 5.6 | — |
| Net cash used in investing activities | (234.6) | (67.8) |
| **FINANCING ACTIVITIES:** | | |
| Proceeds from the issuance of 2032 Notes, net of issuance costs | — | 1,255.7 |
| Proceeds from the exercise of stock options | 0.5 | 1.5 |
| Payment for partial repurchase of 2026 Notes | — | (843.1) |
| Payment for 2032 Notes capped call options | — | (102.0) |
| Payment of withholding taxes related to net share settlement of restricted stock units | (306.9) | (47.4) |
| Principal payments on term loans | (4.7) | (2.6) |
| Payment for conversions of convertible notes | (493.3) | — |
| Net cash (used in) provided by financing activities | (804.4) | 262.1 |
| (Decrease) increase in cash and cash equivalents | (771.3) | 252.2 |
| Cash and cash equivalents at beginning of period | 2,043.5 | 520.7 |
| Cash and cash equivalents at end of period | $ 1,272.2 | $ 772.9 |
| **Supplemental disclosure of cash flow information:** | | |

**LUMENTUM HOLDINGS INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
***(in millions)***
***(Unaudited)***

| | | |
|---|---|---|
| Cash paid for taxes, net | $ 88.3 | $ 3.2 |
| Cash paid for interest | 2.7 | 0.1 |
| **Supplemental disclosure of non-cash investing and financing activities:** | | |
| Unpaid property, plant and equipment in accounts payable and accrued expenses | 253.5 | 66.6 |
| Unpaid debt issuance costs related to the issuance of 2032 Notes | — | 1.1 |
| Right-of-use assets obtained in exchange for new operating lease liabilities | — | 5.2 |

*See accompanying Notes to Condensed Consolidated Financial Statements.*

**LUMENTUM HOLDINGS INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**
***(in millions)***
**(*Unaudited*)**

| | Series A Convertible Preferred Stock | | Common Stock | | Additional Paid-In Capital | Accumulated Deficit | Accumulated Other Comprehensive Income | Total Stockholders' Equity |
|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | | | | |
| **Balance as of June 27, 2026** | **2.9** | **0.0** | **88.6** | **0.1** | **12,430.1** | **(7,796.3)** | **10.0** | **4,643.9** |
| Net income | — | — | — | — | — | 360.3 | — | 360.3 |
| Other comprehensive loss | — | — | — | — | — | — | (3.5) | (3.5) |
| Issuance of shares in connection with vesting of restricted stock units and performance stock units | — | — | 0.8 | — | — | — | — | — |
| Withholding taxes related to net share settlement of restricted stock units | — | — | (0.4) | — | (306.9) | — | — | (306.9) |
| Exercise of stock options | — | — | 0.1 | — | 0.5 | — | — | 0.5 |
| Stock-based compensation | — | — | — | — | 135.3 | — | — | 135.3 |
| Conversion of convertible notes for conversion value in excess of principal amount | — | — | 1.5 | — | (257.0) | — | — | (257.0) |
| **Balance as of September 26, 2026** | **2.9** | **0.0** | **90.6** | **0.1** | **12,002.0** | **(7,436.0)** | **6.5** | **4,572.6** |

| | Common Stock | | Additional Paid-In Capital | Accumulated Deficit | Accumulated Other Comprehensive Income | Total Stockholders' Equity |
|---|---|---|---|---|---|---|
| | Shares | Amount | | | | |
| **Balance as of June 28, 2025** | **69.8** | **0.1** | **1,986.8** | **(861.2)** | **9.0** | **1,134.7** |
| Net income | — | — | — | 4.2 | — | 4.2 |
| Other comprehensive income | — | — | — | — | 0.1 | 0.1 |
| Issuance of shares in connection with vesting of restricted stock units and performance stock units | 1.3 | — | — | — | — | — |
| Withholding taxes related to net share settlement of restricted stock units | (0.4) | — | (47.4) | — | — | (47.4) |
| Exercise of stock options | 0.2 | — | 1.5 | — | — | 1.5 |
| Stock-based compensation | — | — | 46.4 | — | — | 46.4 |
| Fair value of incremental consideration on partial repurchase of 2026 Notes | — | — | (256.9) | — | — | (256.9) |
| Capped call options related to 2032 Notes, net of tax | — | — | (101.8) | — | — | (101.8) |
| **Balance as of September 27, 2025** | **70.9** | **0.1** | **1,628.6** | **(857.0)** | **9.1** | **780.8** |

*See accompanying Notes to Condensed Consolidated Financial Statements.*

**LUMENTUM HOLDINGS INC.**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
**(Unaudited)**

**Note 1. Description of Business and Summary of Significant Accounting Policies**

***Description of Business***

Lumentum Holdings Inc. ("we," "us," "our", "Lumentum" or the "Company") is a global leader in optical and photonic technologies and an industry-leading provider of optical and photonic products based on revenue and market share. Our products are essential to a range of cloud, artificial intelligence and machine learning ("AI/ML"), telecommunications, consumer, and industrial end-market applications. We operate in one reportable segment as a single, integrated enterprise. See "Note 15. Operating Segments and Geographic Information".

We disaggregate revenue by type of product, which are Components and Systems, and by geography. A Components product is defined as one of the individual building blocks that goes into creating a larger solution. It is typically not a complete solution on its own but rather a specialized element that enables system functionality. This includes semiconductor laser chips, laser sub-assemblies, line subsystems and wavelength management systems. These are supplied to customers who then integrate them into their own full system solutions. Components represent foundational parts that support or enable that system's operation and include optical chips and subsystems that are supplied to cloud data center operators, AI/ML infrastructure providers, and network equipment manufacturer customers.

A Systems product is defined as a complete, stand-alone solution that delivers full functionality to the end customer. It is typically self-contained and ready to operate within a customer's network or application environment. This includes optical modules, optical circuit switches, and industrial lasers such as short-pulse solid-state lasers and kilowatt-class fiber lasers. These products integrate multiple technologies and subsystems into a finished solution that directly addresses a customer's needs. A system represents the end-product that can be deployed and used independently.

Our products enable high-capacity optical links for cloud computing, AI/ML workloads, and data center interconnect ("DCI") applications, as well as for communications service provider networks. Our offerings support access (local), metro (intracity), long-haul (intercity and global), and submarine (undersea) network infrastructure. Our products serve enterprise network infrastructure needs, including storage area networks ("SANs"), local area networks ("LANs"), and wide area networks ("WANs"). Demand for our products is fueled by the ongoing expansion of network capacity required to support cloud services, AI/ML processing, streaming video, video conferencing, wireless and mobile connectivity, and the internet of things ("IoT"). In addition, our industrial laser products are used for precision material processing across diverse industries, including semiconductor and microelectronics fabrication, electric vehicle and battery production, metal cutting and welding, and advanced manufacturing that emphasize greater manufacturing precision, flexibility, and sustainability.

***Basis of Presentation***

We have prepared the condensed consolidated financial statements in accordance with U.S. generally accepted accounting principles ("GAAP"), which requires management to make estimates and assumptions that affect the amounts reported in our condensed consolidated financial statements and accompanying notes. Management bases its estimates on historical experience and various other assumptions believed to be reasonable. Although these estimates are based on management's best knowledge of current events and actions that may impact us in the future, actual results may be different from the estimates. Our critical accounting policies are those that affect our financial statements materially and involve difficult, subjective or complex judgments by management. These policies are inventory valuation, revenue recognition, income taxes, goodwill and business combinations.

We operate in one reportable segment as a single, integrated enterprise, with a unified management team overseeing operations across the entire company, rather than through discrete operating segments. The chief operating decision maker ("CODM") is our Chief Executive Officer, who reviews financial information presented as a single enterprise for purposes of allocating resources and evaluating financial performance. Refer to "Note 15. Operating Segments and Geographic Information" for more details.

Our business and operating results depend significantly on general market and economic conditions. The current global macroeconomic environment is volatile and continues to be adversely impacted by many factors including inflation, a dynamic supply chain and demand environment, changes in trade policies, including heightened, scheduled, or threatened tariffs, trade restrictions including for certain rare earth minerals, and signs of a fluctuating macroeconomic environment.

**LUMENTUM HOLDINGS INC.**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**
**(Unaudited)**

We are actively monitoring and assessing the ongoing global trade environment, particularly with respect to recent changes in tariff regulations. We have assessed the potential impacts of heightened restrictions and tariffs on our allowance for credit losses, the carrying value of our goodwill and other long-lived assets, inventory valuation, and revenue recognition. While we have determined there was not a material impact to our condensed consolidated financial statements as of September 26, 2026 and for the quarter ended September 26, 2026, import tariffs implemented by the U.S. and other countries, as currently in effect and/or proposed, could have a material impact on our results in the future. The impact of tariffs is dependent on negotiations with customers and suppliers and other mitigation efforts and potential further changes in global trade policies, including higher tariffs in the U.S. or other countries.

***Fiscal Years***

We utilize a 52-53 week fiscal year ending on the Saturday closest to June 30th. Every fifth or sixth fiscal year will have a 53-week period. The additional week in a 53-week year is added to the third quarter, making such quarter consist of 14 weeks. Our fiscal year 2027 is a 53-week year ending on July 3, 2027, with the quarter ended September 26, 2026 being a 13-week quarterly period. Our fiscal year 2026 was a 52-week year that ended on June 27, 2026, with the quarter ended September 27, 2025 being a 13-week quarterly period.

***Principles of Consolidation***

The condensed consolidated financial statements are prepared in accordance with GAAP and include the accounts of Lumentum Holdings Inc. and its wholly owned subsidiaries. All inter-company transactions and balances are eliminated in consolidation.

***Accounting Policies***

The condensed consolidated financial statements and accompanying notes should be read in conjunction with the audited consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the fiscal year ended June 27, 2026. There were no significant changes to our accounting policies during the three months ended September 26, 2026.

**Note 2. Recently Issued Accounting Pronouncements**

***Accounting Pronouncements Recently Adopted***

In July 2025, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2025-05, Financial Instruments - Credit Losses (Topic 326), Measurement of Credit Losses for Accounts Receivable and Contract Assets, which amends ASC 326-20 to provide a practical expedient for all entities, related to the estimation of expected credit losses for current accounts receivable and current contract assets that arise from transactions accounted for under ASC 606. We adopted ASU No. 2025-05 in the first quarter of fiscal year 2027 and it did not have a material impact on our condensed consolidated financial statements and disclosures as a result of the adoption.

***Accounting Pronouncements Not Yet Effective***

In December 2025, the FASB issued ASU No. 2025-12, Codification Improvements, the purpose of which is to update the codification for a broad range of topics arising from technical corrections, unintended applications of the codification, clarifications, and other minor improvements. ASU No. 2025-12 is effective for fiscal years beginning after December 15, 2026, with early adoption permitted. We plan to adopt ASU No. 2025-12 in the first quarter of fiscal year 2028. We are currently evaluating the impact of this ASU on our financial statements and disclosures.

In December 2025, the FASB issued ASU No. 2025-10, Government Grants (Topic 832), which adds guidance to ASC 832 on the recognition, measurement, and presentation of government grants. ASU No. 2025-10 is effective for fiscal years beginning after December 15, 2028, with early adoption permitted. We are currently evaluating the impact of this ASU on our financial statements and disclosures.

**LUMENTUM HOLDINGS INC.**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**
**(Unaudited)**

In September 2025, the FASB issued ASU No. 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Sub-topic 350-40), Targeted Improvements to the Accounting for Internal-Use Software, which amends certain aspects of the accounting for and disclosure of software costs under ASC 350-40. The amendments also supersede the guidance on Web site development costs in ASC 350-50 and relocate that guidance, along with the recognition requirements for development costs specific to Web sites, to ASC 350-40. ASU No. 2025-06 is effective for fiscal years beginning after December 15, 2027, with early adoption permitted. We plan to adopt ASU No. 2025-06 in the first quarter of fiscal year 2029. We are currently evaluating the impact of this ASU on our financial statements and disclosures.

In November 2024, the FASB issued ASU No. 2024-03, Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40), which requires disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. In January 2025, the FASB issued ASU No. 2025-01, which revises the effective date of ASU No. 2024-03, to clarify that all public business entities are required to adopt the guidance in annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. We plan to adopt ASU No. 2024-03 in fiscal year 2028. We are currently evaluating the impact of this ASU on our financial statements and disclosures.

**LUMENTUM HOLDINGS INC.**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**
**(Unaudited)**

**Note 3. Earnings Per Share**

We calculate basic net income per share pursuant to the two-class method as a result of the issuance of the Series A Convertible Preferred Stock (the "Preferred Stock") in March 2026. Our Preferred Stock represents a second class of common stock for purposes of computing net income per share under the two-class method as it is entitled to receive dividends on an as-converted basis in the same manner as holders of common stock and does not have any material preferential rights relative to our common stock.

Diluted net income per share is calculated assuming the Preferred Stock has been converted into common stock, and the related shares are included in the diluted weighted-average share. As the Preferred Stock participates on an if-converted basis, and there are no dividends, the income allocated to the two classes of stock converges and the results are mathematically equal. Thus, basic and diluted net income per share is calculated assuming the Preferred Stock have been converted into common stock, and the related shares are included in the weighted average shares outstanding. Refer to Note 13. Equity for more details.

The following table sets forth the computation of basic and diluted net income per share (*in millions, except per share data*):

| | Three Months Ended | |
|---|---|---|
| | September 26, 2026 | September 27, 2025 |
| **Basic income per share:** | | |
| Numerator: | | |
| Net income | $ 360.3 | $ 4.2 |
| Denominator: | | |
| Weighted average shares outstanding - basic: | | |
| Common stock | 89.6 | 70.3 |
| Preferred stock | 2.9 | — |
| Weighted average shares outstanding - basic: | 92.5 | 70.3 |
| Basic income per share | $ 3.90 | $ 0.06 |
| **Diluted income per share:** | | |
| Numerator: | | |
| Net income | $ 360.3 | $ 4.2 |
| Denominator: | | |
| Weighted average shares outstanding - basic | 92.5 | 70.3 |
| Effect of dilutive securities from ESPP | — | 0.1 |
| Effect of dilutive securities from stock options | 0.2 | 0.4 |
| Effect of dilutive securities from RSUs and PSUs | 2.5 | 1.9 |
| Shares issuable assuming conversion of the convertible notes | 6.5 | 5.6 |
| Weighted average shares outstanding - diluted | 101.7 | 78.3 |
| Diluted income per share | $ 3.54 | $ 0.05 |

Potentially dilutive common shares result from stock-based benefit plans, which includes the assumed exercise of outstanding stock options, assumed vesting of equity awards, and assumed issuance of stock under the ESPP, all using the treasury stock method.

Potentially dilutive common shares issuable upon conversion of our outstanding convertible notes are determined using the if-converted method. Under each series of convertible notes, we are required to satisfy our conversion obligation with respect to converted notes by paying cash equal to the principal amount of such converted notes and paying or delivering, as the case may be, cash, shares of common stock or a combination of cash and shares of common stock, at our election, with respect to any conversion value in excess thereof. Refer to "Note 9. Debt" for more details.

Our outstanding capped call options are anti-dilutive under GAAP as they are specifically designed to mitigate the dilutive impact of the 2032 Notes, such that no dilution will occur until the capped call price is exceeded. Refer to "Note 9. Debt" for more details. There were no other material anti-dilutive shares excluded from the calculation of diluted net income per share during the three months ended September 26, 2026 and September 27, 2025.

**Note 4. Business Combinations**

***Manufacturing Facility Acquisition***

On March 17, 2026, we acquired a manufacturing facility in Greensboro, North Carolina for $38.0 million in cash from a third party. The acquired business mainly included land and building, machinery and equipment and an assembled workforce. As part of the transaction, we also entered into a transitional supply agreement (the "supply agreement") with the third party wherein we will be acting as an agent whereby we will manufacture wafers for the third party for approximately 15 months. The third party is primarily responsible for fulfillment, has discretion in establishing pricing, and bears inventory and credit risk. Accordingly, revenue is recognized on a net basis, representing the amount of consideration or reasonable margin to which we expect to be entitled in exchange for arranging for the specified goods or services to be provided.

We have applied the acquisition method of accounting in accordance with ASC 805 *Business Combinations* for this transaction, with respect to the fair value of purchase price consideration and the identifiable assets and liabilities acquired, including the supply agreement, which have been measured at estimated fair value as of the acquisition date. We allocated the fair value of the purchase price consideration to the assets acquired and liabilities assumed as of the acquisition date based on their estimated fair values. The excess of purchase price consideration over the fair value of net assets acquired is recorded as goodwill. Our preliminary allocation of the purchase price consideration to the assets acquired and liabilities assumed as of the acquisition date is as follows (*in millions*):

| | | Fair Value |
|---|---|---|
| Total purchase price consideration, net of cash received | $ | 38.0 |
| Assets acquired | | |
| Property, plant and equipment, net | | 38.9 |
| Liabilities assumed | | |
| Other liabilities [1] | | 9.9 |
| Goodwill | $ | 9.0 |

[1] Since the supply agreement is priced at a discount below its fair market value, we accounted for it as a below-market contract liability, which will be amortized and recorded as revenue over the term of the supply agreement. During the three months ended September 26, 2026, we have recognized approximately $1.9 million of this amount to net revenue. Refer to "Note 16. Revenue Recognition" for further details.

The goodwill of $9.0 million arising from this acquisition has been attributed to the value of the assembled workforce and the strategic benefits associated with acquiring an operational fabrication facility to expand our capacity. None of the goodwill is expected to be deductible for local tax purposes. Refer to "Note 8. Goodwill and Other Intangible Assets."

We also incurred a total of $0.4 million acquisition-related costs representing professional and other direct acquisition costs, which are recorded as selling, general and administrative expense in our consolidated statement of operations during fiscal year 2026.

**LUMENTUM HOLDINGS INC.**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**
**(Unaudited)**

***Cloud Light Acquisition***

On November 7, 2023, we completed the acquisition of Cloud Light Technology Limited ("Cloud Light"). In accordance with a definitive merger agreement, dated as of October 29, 2023, between us and Cloud Light, cash consideration included $75.8 million of cash held in an escrow fund to support Cloud Light's indemnification obligations and customary adjustment for working capital. In November 2025, we and the former shareholders of Cloud Light mutually agreed to settle outstanding indemnification claims for $27.5 million and signed a settlement agreement releasing the balance of the escrow fund to the former Cloud Light shareholders and releasing them of their indemnification obligations. Since the measurement period has expired, we recorded the settlement amount of $27.5 million as escrow settlement in our consolidated statements of operations for fiscal year 2026.

**Note 5. Cash, Cash Equivalents and Short-term Investments**

The following table summarizes our cash, cash equivalents and short-term investments by category for the periods presented (*in millions*):

| | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value |
|---|---|---|---|---|
| **September 26, 2026:** | | | | |
| Cash | $ 489.2 | $ — | $ — | $ 489.2 |
| Cash equivalents: | | | | |
| Certificates of deposit | 32.0 | — | — | 32.0 |
| Commercial paper | 3.5 | — | 0.0 | 3.5 |
| Money market funds | 747.4 | — | — | 747.4 |
| U.S. Agency securities | 0.1 | — | — | 0.1 |
| Total cash and cash equivalents | $ 1,272.2 | $ — | $ — | $ 1,272.2 |
| Short-term investments: | | | | |
| Commercial paper | 58.2 | — | (0.1) | 58.1 |
| Corporate debt securities | 363.5 | — | (4.3) | 359.2 |
| Municipal bonds | 4.8 | 0.0 | (0.1) | 4.7 |
| U.S. Agency securities | 163.8 | 0.0 | (1.3) | 162.5 |
| U.S. Treasury securities | 123.6 | 0.1 | (0.8) | 122.9 |
| Total short-term investments | $ 713.9 | $ 0.1 | $ (6.6) | $ 707.4 |
| | | | | |
| **June 27, 2026:** | | | | |
| Cash | $ 635.9 | $ — | $ — | 635.9 |
| Cash equivalents: | | | | |
| Certificate of deposit | 131.8 | — | — | 131.8 |
| Commercial paper | 14.5 | — | 0.0 | 14.5 |
| Money market funds | 1,261.3 | — | — | 1,261.3 |
| Total cash and cash equivalents | $ 2,043.5 | $ — | $ — | $ 2,043.5 |
| Short-term investments: | | | | |
| Commercial paper | $ 54.6 | $ — | $ (0.1) | $ 54.5 |
| Corporate debt securities | 350.7 | 0.1 | (1.2) | 349.6 |
| U.S. Agency securities | 154.7 | 0.0 | (0.4) | 154.3 |
| U.S. Treasury securities | 136.8 | 0.0 | (0.3) | 136.5 |
| Total short-term investments | $ 696.8 | $ 0.1 | $ (2.0) | $ 694.9 |

**LUMENTUM HOLDINGS INC.**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**
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We review our investment portfolio to identify and evaluate investments that have indicators of possible impairment. Factors considered in determining whether a loss is other-than-temporary include, but are not limited to, the length of time and extent a security's fair value has been below its cost, the financial condition and near-term prospects of the investee, the credit quality of the security's issuer, likelihood of recovery and our intent and ability to hold the security for a period sufficient to allow for any anticipated recovery in value. For the debt instruments we own, we also evaluate whether we have the intent to sell the security or whether it is more likely than not that we will be required to sell the security before recovery of its cost basis. We have not recorded our unrealized losses on our short-term investments into income because we do not intend to sell nor is it more likely than not that we will be required to sell these investments prior to recovery of their amortized cost basis.

We use the specific-identification method to determine any realized gains or losses from the sale of our short-term investments classified as available-for-sale. During the three months ended September 26, 2026, we did not realize significant gains or losses on a gross level from the sales of our short-term investments classified as available-for-sale.

During the three months ended September 26, 2026 and September 27, 2025, our interest and other income, net was $12.9 million and $4.2 million, respectively, which includes interest and investment income on cash equivalents and short-term investments of $20.4 million and $8.6 million, respectively.

As of September 26, 2026 and June 27, 2026, we recorded interest receivables of $8.6 million and $11.1 million, respectively, included in prepayments and other current assets within the condensed consolidated balance sheets. We did not recognize an allowance for credit losses against interest receivables in any of the periods presented.

The following table summarizes unrealized losses on our cash equivalents and short-term investments by category that have been in a continuous unrealized loss position for less than 12 months as of the periods presented, respectively (*in millions*):

| | Continuous Loss Position for Less Than 12 Months | | Gross Unrealized Losses |
|---|---|---|---|
| | Fair Value | Unrealized Losses | |
| **September 26, 2026:** | | | |
| U.S. Agency securities | $ 159.0 | $ (1.3) | $ (1.3) |
| Commercial paper | 61.6 | (0.1) | (0.1) |
| Corporate debt securities | 329.6 | (4.3) | (4.3) |
| Municipal bonds | 4.6 | (0.1) | (0.1) |
| U.S. government bonds | 118.8 | (0.8) | (0.8) |
| Total | $ 673.6 | $ (6.6) | $ (6.6) |
| **June 27, 2026:** | | | |
| U.S. Agency securities | $ 130.5 | $ (0.4) | $ (0.4) |
| Commercial paper | 69.0 | (0.1) | (0.1) |
| Corporate debt securities | 275.8 | (1.2) | (1.2) |
| U.S. government bonds | 106.9 | (0.3) | (0.3) |
| Total | $ 582.2 | $ (2.0) | $ (2.0) |

There were no unrealized losses on our cash equivalents and short-term investments that have been in a continuous unrealized loss position for more than twelve months as of September 26, 2026 and June 27, 2026.

The following table classifies our short-term investments by remaining maturities (*in millions*):

| | September 26, 2026 | | June 27, 2026 | |
|---|---|---|---|---|
| | Amortized Cost | Fair Value | Amortized Cost | Fair Value |
| Due within 1 year | $ 244.4 | $ 243.9 | $ 247.9 | $ 247.8 |
| Due in 1 year to 5 years | 469.5 | 463.5 | 448.9 | 447.1 |
| Total | $ 713.9 | $ 707.4 | $ 696.8 | $ 694.9 |

All available-for-sale securities have been classified as current, based on management's intent and ability to use the funds in current operations.

**Note 6. Fair Value Measurements**

We determine fair value based on the fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value assumes that the transaction to sell the asset or transfer the liability occurs in the principal or most advantageous market for the asset or liability and establishes that the fair value of an asset or liability shall be determined based on the assumptions that market participants would use in pricing the asset or liability. The classification of a financial asset or liability within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The fair value hierarchy prioritizes the inputs into three levels that may be used to measure fair value:

Level 1: Inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument.

Level 3: Inputs are unobservable inputs based on our assumptions.

The fair value of our Level 1 financial instruments, such as money market funds and U.S. Treasury securities, which are traded in active markets, is based on quoted market prices for identical instruments. The fair value of our Level 2 fixed income securities is obtained from an independent pricing service, which may use quoted market prices for identical or comparable instruments or model driven valuations using observable market data or inputs corroborated by observable market data. Our marketable securities are held by custodians who obtain investment prices from a third-party pricing provider that incorporates standard inputs in various asset price models. Our procedures include controls to ensure that appropriate fair values are recorded, including comparing the fair values obtained from our pricing service against fair values obtained from another independent source.

Financial assets measured at fair value on a recurring basis are summarized below (*in millions*):

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **September 26, 2026:** [1] | | | | |
| Assets: | | | | |
| Cash equivalents: | | | | |
| Certificates of deposit | $ 32.0 | $ — | $ — | $ 32.0 |
| Commercial paper | — | 3.5 | — | 3.5 |
| Money market funds | 747.4 | — | — | 747.4 |
| U.S. Agency securities | 0.1 | — | — | 0.1 |
| Short-term investments: | | | | |
| Commercial paper | — | 58.1 | — | 58.1 |
| Corporate debt securities | — | 359.2 | — | 359.2 |
| Municipal bonds | — | 4.7 | — | 4.7 |
| U.S. Agency securities | — | 162.5 | — | 162.5 |
| U.S. Treasury securities | 122.9 | — | — | 122.9 |
| Total assets | $ 902.4 | $ 588.0 | $ — | $ 1,490.4 |

[1] Excludes $489.2 million in cash held in our bank accounts as of September 26, 2026.

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **June 27, 2026** [1] | | | | |
| Assets: | | | | |
| Cash equivalents: | | | | |
| Commercial paper | $ — | $ 14.5 | $ — | $ 14.5 |
| Certificate of deposit | 131.8 | — | — | 131.8 |
| Money market funds | 1,261.3 | — | — | 1,261.3 |
| Short-term investments: | | | | |
| Commercial paper | — | 54.5 | — | 54.5 |
| Corporate debt securities | — | 349.6 | — | 349.6 |
| U.S. Agency securities | — | 154.3 | — | 154.3 |
| U.S. Treasury securities | 136.5 | — | — | 136.5 |
| Total assets | $ 1,529.6 | $ 572.9 | $ — | $ 2,102.5 |

[1] Excludes $635.9 million in cash held in our bank accounts as of June 27, 2026.

***Financial Instruments Not Recorded at Fair Value on a Recurring Basis***

We report our financial instruments at fair value with the exception of our convertible notes, refer to “Note 9. Debt”. The estimated fair value of the convertible notes was determined based on the trading price of the convertible notes as of the last day of trading for the period. We consider the fair value of the convertible notes to be a Level 2 measurement as they are not actively traded in markets.

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**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**
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The carrying amounts and estimated fair values of the convertible notes are as follows for the periods presented (*in millions*):

| | September 26, 2026 | | June 27, 2026 | |
|---|---|---|---|---|
| | Carrying Amount | Estimated Fair Value | Carrying Amount | Estimated Fair Value |
| 2032 Notes | $ 1,256.4 | $ 6,438.4 | $ 1,256.1 | $ 5,411.1 |
| 2029 Notes | 27.1 | 368.1 | 54.7 | 640.2 |
| 2028 Notes | 21.1 | 151.0 | 179.1 | 1,108.7 |
| 2026 Notes | 4.2 | 40.0 | 54.7 | 447.2 |
| | $ 1,308.8 | $ 6,997.5 | $ 1,544.6 | $ 7,607.2 |

As of September 26, 2026 and June 27, 2026, the carrying value of our Japan term loans in aggregate was $90.8 million and $92.8 million compared to the fair value of approximately $90.0 million and $91.6 million, respectively.

As of September 26, 2026 and June 27, 2026, the fair value of our capped call options is approximately $263.0 million and $200.0 million, respectively.

***Assets Measured at Fair Value on a Non-Recurring Basis***

We periodically review our intangible and other long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Determination of recoverability is based on the lowest level of identifiable estimated undiscounted cash flows resulting from use of the asset and its eventual disposition. If not recoverable, an impairment loss would be calculated based on the excess of the carrying amount over the fair value.

Management utilizes various valuation methods, including an income approach, a market approach and a cost approach, to estimate the fair value of intangibles and other long-lived assets. During the annual impairment testing performed in the fourth quarter of fiscal year 2026, we concluded that there was no impairment of our intangible and other long-lived assets. We review our intangible and other long-lived assets for impairment at least annually in the fourth quarter of each fiscal year, absent any interim indicators of impairment. There were no indicators of impairment during the three months ended September 26, 2026.

**Note 7. Balance Sheet Details**

***Allowance for Current Expected Credit Losses***

We did not have any allowance for credit losses other than our allowance for uncollectible accounts receivable. As of September 26, 2026 and June 27, 2026, the allowance for credit losses on our trade receivables was $3.3 million and $3.5 million, respectively.

***Accrued Accounts Receivable***

In September 2026, we entered into a manufacturing capacity reservation agreement with a certain customer. Under the agreement, the customer made a financial commitment, payable in two installments. The first installment of $100.0 million became due to us upon the execution of the agreement. Accordingly, we recorded $100.0 million in accrued accounts receivable within current assets and an offsetting contract liability within other non-current liabilities in our condensed consolidated balance sheets.

***Inventories***

The components of inventories were as follows (*in millions*):

| | September 26, 2026 | June 27, 2026 |
|---|---|---|
| Raw materials and purchased parts | $ 455.4 | $ 370.2 |
| Work in process | 267.3 | 232.4 |
| Finished goods | 85.0 | 89.0 |
| Inventories | $ 807.7 | $ 691.6 |

In July 2026, we completed the sale of a certain product line for $12.3 million. The transaction comprised of assets, consisting primarily of $4.8 million of inventory and $0.3 million of machinery and equipment, together with associated license, supply, transition-service, and facility arrangements. Additionally, we incurred selling costs of $0.3 million during the three months ended September 26, 2026. The transaction was accounted for in accordance with ASC 805, Business Combinations. Therefore, a gain on sale of $6.9 million was recognized during the three months ended September 26, 2026, which is included in operating expenses in our condensed consolidated statements of operations.

***Property, Plant and Equipment, Net***

The components of property, plant and equipment, net were as follows (*in millions*):

| | September 26, 2026 | June 27, 2026 |
|---|---|---|
| Land | $ 92.1 | $ 92.1 |
| Buildings and improvements | 333.1 | 295.3 |
| Machinery and equipment | 1,321.4 | 1,141.6 |
| Computer equipment and software | 42.7 | 42.1 |
| Furniture and fixtures | 13.3 | 13.1 |
| Leasehold improvements | 53.6 | 53.1 |
| Construction in progress | 448.4 | 377.4 |
| | 2,304.6 | 2,014.7 |
| Less: Accumulated depreciation | (894.2) | (855.6) |
| Property, plant and equipment, net | $ 1,410.4 | $ 1,159.1 |

Our construction in progress primarily includes building improvements and machinery and equipment that are available to be placed in service in the next 12 months.

In connection with our acquisition of a business in March 2026, we recorded $38.9 million of property, plant and equipment in our condensed consolidated balance sheets. Refer to “Note 4. Business Combinations” for details.

In March 2026, we completed the sale of two commercial real estate properties located in San Jose, California. The properties consist of commercial buildings used by us for office, research and development and manufacturing support activities. The agreement provided for a cash purchase price of $43.0 million and included a short-term rental arrangement under which we occupied the properties through July 2026. We recorded a loss on sale of $7.7 million during fiscal year 2026, which was included in the selling, general and administrative expenses in our condensed consolidated statements of operations.

During the three months ended September 26, 2026 and September 27, 2025, we recorded depreciation expense of $43.6 million and $27.8 million, respectively.

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**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**
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***Operating Lease Right-of-Use Assets***

Operating lease right-of-use assets, net were as follows (*in millions*):

| | September 26, 2026 | June 27, 2026 |
|---|---|---|
| Operating lease right-of-use assets | $ 59.3 | $ 59.3 |
| Less: accumulated amortization | (32.8) | (30.1) |
| Operating lease right-of-use assets, net | $ 26.5 | $ 29.2 |

***Other Current Liabilities***

The components of other current liabilities were as follows *(in millions)*:

| | September 26, 2026 | June 27, 2026 |
|---|---|---|
| Restructuring accrual and related charges [1] | $ 0.1 | $ 2.4 |
| Warranty reserve [2] | 24.1 | 24.7 |
| Deferred revenue and customer deposits – current [3] | 12.2 | 15.4 |
| Income tax payable [4] | 12.3 | 38.3 |
| Other current liabilities | 41.0 | 10.7 |
| Other current liabilities | $ 89.7 | $ 91.5 |

[1] Refer to “Note 11. Restructuring and Related Charges.”

[2] Refer to “Note 14. Commitments and Contingencies.”

[3] Refer to “Note 16. Revenue Recognition.”

[4] Refer to “Note 12. Income Taxes.”

***Other Non-Current Liabilities***

The components of other non-current liabilities were as follows (*in millions*):

| | September 26, 2026 | June 27, 2026 |
|---|---|---|
| Asset retirement obligations | $ 9.1 | $ 9.0 |
| Pension and related accruals [1] | 7.9 | 7.2 |
| Unrecognized tax benefit | 89.4 | 67.2 |
| Deferred revenue and customer deposits – non-current [2] | 109.5 | 1.4 |
| Other non-current liabilities [3] | 30.5 | 30.4 |
| Other non-current liabilities | $ 246.4 | $ 115.2 |

[1] We have defined benefit pension plans in Japan, Switzerland, and Thailand. Pension and related accrual of $7.9 million as of September 26, 2026 represents $8.3 million of non-current portion of benefit obligation, offset by $0.4 million of funding for the pension plan in Switzerland. Pension and related accrual of $7.2 million as of June 27, 2026 relates to $7.9 million of non-current portion of benefit obligation, offset by $0.7 million of funding for the pension plan in Switzerland. We typically re-evaluate the assumptions related to the fair value of our defined benefit obligations annually in the fiscal fourth quarter and make any updates as necessary. During the three months ended September 26, 2026 and September 27, 2025, our contribution expense to the 401(k) Plan in the United States was $0.8 million and $0.7 million, respectively. Our contribution expense to all defined contribution plans outside the United States was $3.4 million and $2.7 million during the three months ended September 26, 2026 and September 27, 2025, respectively.

[2] The outstanding amount as of September 26, 2026 includes $100.0 million of contract liability to a certain customer. Refer to “Accrued Accounts Receivable” discussion above for further details.

(3) The outstanding amount as of September 26, 2026 and June 27, 2026 includes about $21.4 million for an indemnification liability related to the sale of certain assets. Refer to "Note 14. Commitments and Contingencies" for further details.

**Note 8. Goodwill and Other Intangible Assets**

The following table presents goodwill June 27, 2026 and September 26, 2026 (*in millions)*:

| | Total |
|---|---|
| Balances as of June 27, 2026 | $ 1,069.3 |
| Acquisition of a business (1) | 0.6 |
| Balances as of September 26, 2026 | $ 1,069.9 |

(1) On March 17, 2026, we acquired a manufacturing facility in Greensboro, North Carolina. The acquired business mainly included land and building, machinery and equipment and an assembled workforce, offset by the liabilities assumed. The goodwill of $9.0 million arising from this acquisition is attributed to the value of the assembled workforce and the strategic benefits associated with acquiring an operational fabrication facility to expand our capacity. During the three months ended September 26, 2026, prior to the measurement period, we recorded a $0.6 million increase to goodwill as an adjustment to the purchase price allocation. Refer to "Note 4. Business Combinations" for details.

***Impairment of Goodwill***

We review goodwill for impairment during the fourth quarter of each fiscal year or more frequently if events or circumstances indicate that an impairment loss may have occurred. In the fourth quarter of fiscal year 2026, we completed the annual impairment test of goodwill, which indicated there was no goodwill impairment. There were no indicators of goodwill impairment during the three months ended September 26, 2026.

***Other Intangibles***

Our intangible assets are amortized on a straight-line basis over the estimated useful lives, except for certain customer relationships, which are amortized using an accelerated method of amortization over the expected customer lives, more accurately reflecting the pattern of realization of economic benefits we expect to derive. Acquired developed technologies are amortized to cost of sales and research and development expenses. Acquired customer relationships are amortized to selling, general and administrative expenses in the condensed consolidated statement of operations.

In-process research and development ("IPR&D") is initially capitalized at fair value as an intangible asset with an indefinite life and assessed for impairment thereafter. When an IPR&D project is completed, the IPR&D is reclassified to acquired developed technologies intangible asset and amortized over the asset's estimated useful life. During fiscal year 2026, we recorded a $2.5 million write-off of IPR&D intangible asset for project we will no longer pursue, which was from the NeoPhotonics acquisition. We recognized this charge as research and development expense in our consolidated statements of operations during the year ended June 27, 2026. Therefore, we have no IPR&D as of September 26, 2026.

During the annual impairment testing performed in the fourth quarter of fiscal year 2026, we concluded that our intangible and other long-lived assets were not impaired at the asset group level. We review our intangible and other long-lived assets for impairment at least annually in the fourth quarter of each fiscal year, absent any interim indicators of impairment. There were no indicators of impairment at the asset group level during the three months ended September 26, 2026.

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The following tables present details of all of our intangible assets as of the periods presented (*in millions, except for weighted average remaining amortization period*):

| September 26, 2026 | Gross Carrying Amounts | Accumulated Amortization | Net Carrying Amounts | Weighted Average Remaining Amortization Period (Years) |
|---|---|---|---|---|
| Acquired developed technologies | $ 828.4 | $ (657.8) | $ 170.6 | 3.3 |
| Customer relationships | 419.5 | (296.0) | 123.5 | 3.2 |
| Order backlog | 14.0 | (14.0) | — | — |
| Trade name and trademarks | 3.0 | (3.0) | — | — |
| Total intangible assets | $ 1,264.9 | $ (970.8) | $ 294.1 | |

| June 27, 2026 | Gross Carrying Amounts | Accumulated Amortization | Net Carrying Amounts | Weighted Average Remaining Amortization Period (Years) |
|---|---|---|---|---|
| Acquired developed technologies | $ 828.4 | $ (638.7) | $ 189.7 | 3.5 |
| Customer relationships | 419.5 | (282.3) | 137.2 | 3.4 |
| Order backlog | 14.0 | (14.0) | — | — |
| Trade name and trademarks | 3.0 | (3.0) | — | — |
| Total intangible assets | $ 1,264.9 | $ (938.0) | $ 326.9 | |

The following table presents details of amortization for the periods presented *(in millions)*:

| | Three Months Ended | |
|---|---|---|
| | September 26, 2026 | September 27, 2025 |
| Cost of sales | $ 19.1 | $ 19.5 |
| Research and development | 0.1 | 0.4 |
| Selling, general and administrative | 13.6 | 14.5 |
| Total amortization of intangibles | $ 32.8 | $ 34.4 |

Based on the carrying amount of our acquired intangible assets as of September 26, 2026, and assuming no future impairment of the underlying assets, the estimated future amortization is as follows *(in millions)*:

| **Fiscal Years** | |
|---|---|
| Remainder of 2027 | $ 90.7 |
| 2028 | 83.0 |
| 2029 | 52.6 |
| 2030 | 46.5 |
| 2031 | 20.0 |
| Thereafter | 1.3 |
| Total future amortization | $ 294.1 |

**LUMENTUM HOLDINGS INC.**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**
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**Note 9. Debt**

Our debt consists of the following:

| | September 26, 2026 | | | June 27, 2026 | | |
|---|---|---|---|---|---|---|
| | Short-term | Long-term | Total | Short-term | Long-term | Total |
| Convertible notes [1] | $ 1,308.8 | $ — | $ 1,308.8 | $ 1,544.6 | $ — | $ 1,544.6 |
| Term loans | 51.5 | 39.3 | 90.8 | 52.3 | 40.5 | 92.8 |
| Total | $ 1,360.3 | $ 39.3 | $ 1,399.6 | $ 1,596.9 | $ 40.5 | $ 1,637.4 |

[1] Since the closing price of our stock continued to be at least 130% of the applicable conversion price for each series of Notes for 20 of the last 30 trading days of our first quarter of fiscal year 2027, all of our Notes remain convertible at the option of the holders during the second quarter of fiscal year 2027. The outstanding Notes are recorded as current portion of long-term debt, which is presented as current liabilities in our condensed consolidated balance sheets as of September 26, 2026 and June 27, 2026, net of unamortized debt issuance costs. For further details with regards to our conversion obligation, refer to "*Notes Settlement Method Upon Conversion*" discussion below.

The table below summarizes the applicable conversion price and the equivalent 130% of the conversion price of each series of Notes (*per share amount*):

| | Conversion Price | 130% of Conversion Price |
|---|---|---|
| 2032 Notes | $ 187.77 | $ 244.10 |
| 2029 Notes | 69.54 | 90.40 |
| 2028 Notes | 131.03 | 170.34 |
| 2026 Notes | 99.29 | 129.08 |

The table below summarizes activities related to the aggregate principal amount of our convertible notes during the three months ended September 26, 2026 (*in millions*):

| | June 27, 2026 | Debt Conversions [1] | September 26, 2026 |
|---|---|---|---|
| 2026 Notes | $ 54.8 | $ (50.6) | $ 4.2 |
| 2028 Notes | 179.6 | (158.5) | 21.1 |
| 2029 Notes | 54.9 | (27.7) | 27.2 |
| 2032 Notes | 1,265.0 | — | 1,265.0 |
| | $ 1,554.3 | $ (236.8) | $ 1,317.5 |

[1] Refer to "Debt Conversions" discussion below.

*Debt Conversions*

As of October 30, 2026, we have received early conversion requests totaling $779.9 million aggregate principal amount of the Notes (or the "Converted Notes"), which principal amount will be settled in cash and the conversion value in excess thereof will be settled in cash, shares of common stock, or a combination of cash and shares of common stock, at our election, in accordance with Indenture governing the applicable series of Converted Notes. As of September 26, 2026 and June 27, 2026, the aggregate cumulative principal amount of the Converted Notes settled in cash was $756.2 million and $519.4 million, respectively. We accounted for these conversions in accordance with ASC 470-20 Debt with Conversion and Other Options wherein the carrying amount of the Converted Notes, including any unamortized issuance costs, forfeited interest, and cash transferred are recognized in additional paid-in capital account to reflect the shares issued and no gain or loss is recognized.

*Debt Equitizations*

On April 7, 2026, we entered into privately negotiated exchange arrangements with certain holders of our 2026 Notes and 2029 Notes. Pursuant to these agreements, we issued an aggregate of approximately 5.7 million shares of our common stock in exchange for approximately $264.8 million and $209.7 million aggregate principal amount of the 2026 Notes and 2029 Notes, respectively, and the related conversion value in excess of the principal amounts thereof. The issuance of common stock in the exchange transactions resulted in incremental dilution of approximately 0.6 million shares of our common stock related to the aggregate principal amount.

On May 29, 2026, we entered into privately negotiated exchange arrangements with certain holders of our 2028 Notes. Pursuant to these agreements, we issued an aggregate of approximately 5.0 million shares of our common stock in exchange for approximately $650.4 million aggregate principal amount of the 2028 Notes, and the related conversion value in excess of the principal amount thereof. The issuance of common stock in the exchange transactions resulted in incremental dilution of approximately 0.8 million shares of our common stock related to the aggregate principal amount.

We accounted for these debt equitizations in accordance with ASC 470-50 Debt Modifications and Extinguishment, wherein we recognized a loss on debt extinguishment of $7,756.6 million in our consolidated statements of operations for the year ended June 27, 2026. The loss consisted primarily of $7,755.1 million of conversion value in excess of principal amounts, $3.1 million of related transaction costs and $2.9 million of unamortized debt issuance costs. These amounts were partially offset by $2.9 million of forfeited interest and $1.6 million of negotiated exchange discount. For income tax purposes, substantially all of the loss was non-deductible, except for approximately $4.4 million primarily related to the write-off of unamortized debt issuance costs and certain interest-related amounts. There was no debt equitization during the three months ended September 26, 2026.

*Debt Inducement*

On September 8, 2025, concurrent with the issuance of the 2032 Notes, we used approximately $843.1 million of the net proceeds to repurchase $581.1 million aggregate principal amount of the 2026 Notes. We also paid $0.7 million of the related accrued interest. We have adopted and applied ASU 2024-04, Debt with Conversion and Other Options: Induced Conversions of Convertible Debt Instruments. We determined that this transaction met the requirements for the settlement of debt as an induced conversion. Accordingly, we recorded $256.9 million, which represents the increase in the fair value of the debt, as a reduction to additional paid-in capital within our consolidated balance sheets as of June 27, 2026, and recognized an inducement expense of $5.9 million in our consolidated statements of operations during the year ended June 27, 2026, which represents the excess of fair value of the total consideration over the fair value of securities issuable pursuant to the original conversion terms. There was no debt inducement during the three months ended September 26, 2026.

***Convertible Notes***

*2032 Notes*

On September 8, 2025, we issued $1,265.0 million in aggregate principal amount of 0.375% Convertible Senior Notes due in 2032 (“2032 Notes”) in a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”). The 2032 Notes are governed by an indenture between us and U.S. Bank Trust Company, National Association, as trustee (the “2032 Indenture”). The 2032 Notes are unsecured, rank equally with all of our existing senior unsecured indebtedness, and do not contain any financial covenants, restrictions on dividends, incurrence of senior debt or other indebtedness, or the issuance or repurchase of securities by us.

The net proceeds from the sale of the 2032 Notes were approximately $1,254.7 million, after deducting $10.3 million of debt issuance costs. Concurrent with the issuance of the 2032 Notes, we used $843.1 million of the net proceeds to repurchase $581.1 million aggregate principal amount of the 0.50% Convertible Senior Notes due in 2026 and $102.0 million of the net proceeds to pay the cost of the capped call transactions (the “2032 Capped Call Options”). We intend to use the remaining net proceeds for general corporate purposes, which may include the repayment or repurchase of our indebtedness, including any of our existing convertible notes, capital expenditures, working capital and potential acquisitions.

The 2032 Notes bear interest at a rate of 0.375% per year, payable semi-annually in arrears on March 15 and September 15 of each year, beginning on March 15, 2026. The 2032 Notes will mature on March 15, 2032, unless earlier redeemed, repurchased by us, or converted pursuant to their terms.

The initial conversion rate is 5.3257 shares of common stock per $1,000 principal amount of the 2032 Notes (which is equivalent to an initial conversion price of approximately $187.77 per share). The conversion rate is subject to adjustment upon the occurrence of certain events specified in the 2032 Indenture but will not be adjusted for any accrued and unpaid interest. In addition, upon the occurrence of a make-whole fundamental change (as defined in the 2032 Indenture) or our issuance of a notice of redemption, we will, in certain circumstances, increase the conversion rate by a number of additional shares for a holder that elects to convert the 2032 Notes in connection with such make-whole fundamental change or notice of redemption.

Prior to the close of business on the business day immediately preceding December 15, 2031, holders of the 2032 Notes may convert their 2032 Notes only under the following circumstances:

- during any fiscal quarter commencing after December 27, 2025 (and only during such fiscal quarter), if the last reported sale price of the common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on the last trading day of the immediately preceding fiscal quarter is greater than or equal to 130% of the applicable conversion price of the 2032 Notes, or $244.10, on each applicable trading day;
- during the five consecutive business day period after any five consecutive trading day period (the "2032 measurement period") in which the trading price per $1,000 principal amount of 2032 Notes for each trading day of the 2032 measurement period was less than 98% of the product of the last reported sale price of our common stock and the applicable conversion rate on each such trading day;
- if we call any or all of the 2032 Notes for redemption, at any time prior to the close of business on the second scheduled trading day immediately preceding the redemption date; or
- upon the occurrence of specified corporate events as specified in the 2032 Indenture.

On or after December 15, 2031 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert their 2032 Notes at any time. For further details with regards to our conversion obligation, refer to "*Notes Settlement Method Upon Conversion*" discussion below.

We may redeem for cash all or any portion of the 2032 Notes, at our option (subject to the partial redemption limitation set forth in the 2032 Indenture), on or after March 20, 2029, if the last reported sale price of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading-day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption at a redemption price equal to 100% of the principal amount of the 2032 Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. No sinking fund is provided for the 2032 Notes. If we elect to redeem fewer than all of the outstanding 2032 Notes, at least $100.0 million aggregate principal amount of the 2032 Notes must be outstanding and not subject to redemption as of the redemption notice date. Upon the occurrence of a fundamental change (as defined in the 2032 Indenture), holders may require us to repurchase all or a portion of their 2032 Notes for cash at a price equal to 100% of the principal amount of the 2032 Notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

As of October 30, 2026, we have not received any early conversion requests with respect to the 2032 Notes.

*2032 Capped Call Options*

In September 2025, in connection with the issuances of the 2032 Notes, we entered into privately negotiated capped call transactions (the "2032 Capped Call Options") with certain financial institutions (the "2032 Capped Call Counterparties"). The 2032 Capped Call Options cover, subject to anti-dilution adjustments substantially similar to those applicable to the 2032 Notes, the number of shares of our common stock that initially underlie the 2032 Notes and are generally expected to reduce potential dilution to our common stock upon any conversion of 2032 Notes and/or offset any cash payments we would be required to make in excess of the principal amount of converted 2032 Notes, as the case may be, with such reduction and/or offset subject to a cap. The cap price of the 2032 Capped Call Options was initially $268.24 per share, and is subject to certain adjustments under the terms of the 2032 Capped Call Options. If the market price per share of our common stock, as measured under the terms of the 2032 Capped Call Options, exceeds the cap price of the 2032 Capped Call Options, there would be dilution and/or there would not be an offset of any potential cash payments in excess of the principal amount of converted 2032 Notes, in each case, to the extent that such market price exceeds the cap price of the 2032 Capped Call Options.

Each of the 2032 Capped Call Options was executed pursuant to a separate agreement entered into by us and each of the 2032 Capped Call Counterparties. The 2032 Capped Call Options are not part of the terms of the 2032 Notes and will not affect any holder's rights under the 2032 Notes. Holders of the 2032 Notes will not have any rights with respect to the 2032 Capped Call Options. We concluded that the 2032 Capped Call Options met the criteria for equity classification because they were indexed to our common stock and we have the discretion to settle the 2032 Capped Call Options by us receiving shares or cash subsequent to March 20, 2029. As a result, the $102.0 million payment was recorded as a reduction to additional paid-in capital within our condensed consolidated balance sheets as of September 26, 2026 and June 27, 2026, along with the offsetting associated current tax impact.

We made a tax election to integrate the 2032 Notes and the 2032 Capped Call Options for federal income tax purposes pursuant to applicable U.S. Treasury Regulations. Accordingly, the $102.0 million gross cost of the purchased 2032 Capped Call Options will be deductible for income tax purposes as original issue discount interest over the term of the 2032 Notes. At inception, we recorded a deferred tax asset. During the interim periods of fiscal year 2026, the deferred tax asset was fully offset by a valuation allowance, resulting in no net impact to additional paid-in capital. Based on our year-end assessment of the realizability of our U.S. deferred tax assets, we concluded that the current-year deferred tax asset attributable to the 2032 Capped Call Options was more likely than not realizable. Accordingly, as of June 27, 2026, the deferred tax asset was recognized without a valuation allowance, and the corresponding $25.0 million deferred tax benefit was recorded as an increase to additional paid-in capital, consistent with the accounting for the underlying equity transaction. During the three months ended September 26, 2026, tax deductions arising from amortization of the capped call premium reduced income taxes payable by $0.9 million, with a corresponding reduction in the related deferred tax asset. No additional tax benefit was recorded in additional paid-in capital during the quarter. As of September 26, 2026, the remaining deferred tax asset continued to be recognized without a valuation allowance.

*2029 Notes*

On June 16, 2023, we issued $603.7 million in aggregate principal amount of 1.50% Convertible Senior Notes due in 2029 ("2029 Notes") in a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act. The 2029 Notes are governed by an indenture between us and U.S. Bank Trust Company, National Association, as trustee (the "2029 Indenture"). The 2029 Notes are unsecured and do not contain any financial covenants, restrictions on dividends, incurrence of senior debt or other indebtedness, or the issuance or repurchase of securities by us.

The 2029 Notes bear interest at a rate of 1.50% per year, payable semi-annually in arrears on June 15 and December 15 of each year. The 2029 Notes will mature on December 15, 2029, unless earlier redeemed, repurchased by us, or converted pursuant to their terms.

The initial conversion rate is 14.3808 shares of common stock per $1,000 principal amount of the 2029 Notes (which is equivalent to an initial conversion price of approximately $69.54 per share). The conversion rate is subject to adjustment upon the occurrence of certain events specified in the 2029 Indenture but will not be adjusted for accrued and unpaid interest. In addition, upon the occurrence of a make-whole fundamental change (as defined in the 2029 Indenture) or our issuance of a notice of redemption, we will, in certain circumstances, increase the conversion rate by a number of additional shares for a holder that elects to convert the 2029 Notes in connection with such make-whole fundamental change or notice of redemption.

Prior to the close of business on the business day immediately preceding September 15, 2029, holders of the 2029 Notes may convert their 2029 Notes only under the following circumstances:

- during any fiscal quarter (and only during such fiscal quarter), if the last reported sale price of the common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on the last trading day of the immediately preceding fiscal quarter is greater than or equal to 130% of the applicable conversion price of the 2029 Notes, or $90.40, on each applicable trading day;
- during the five consecutive business day period after any five consecutive trading day period (the "2029 measurement period") in which the trading price per $1,000 principal amount of 2029 Notes for each trading day of the 2029 measurement period was less than 98% of the product of the last reported sale price of our common stock and the applicable conversion rate on each such trading day;
- if we call any or all of the 2029 Notes for redemption, at any time prior to the close of business on the second business day immediately preceding the redemption date; or
- upon the occurrence of specified corporate events as specified in the 2029 Indenture.

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On or after September 15, 2029 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert their 2029 Notes at any time. For further details with regards to our conversion obligation, refer to "*Notes Settlement Method Upon Conversion*" discussion below.

We may redeem for cash all or any portion of the 2029 Notes, at our option (subject to the partial redemption limitation set forth in the 2029 Indenture), on or after June 22, 2026, if the last reported sale price of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading-day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption at a redemption price equal to 100% of the principal amount of the 2029 Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. No sinking fund is provided for the 2029 Notes. If we elect to redeem fewer than all of the outstanding 2029 Notes, at least $100.0 million aggregate principal amount of the 2029 Notes must be outstanding and not subject to redemption as of the redemption notice date. Upon the occurrence of a fundamental change (as defined in the 2029 Indenture), holders may require us to repurchase all or a portion of their 2029 Notes for cash at a price equal to 100% of the principal amount of the 2029 Notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

Refer to debt conversions and equitizations discussions above for further details.

*2028 Notes*

In March 2022, we issued $861.0 million in aggregate principal amount of 0.50% Convertible Senior Notes due in 2028 (the "2028 Notes") in a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act. The 2028 Notes are governed by an indenture between us and U.S. Bank Trust Company, National Association, as trustee (the "2028 Indenture"). The 2028 Notes are unsecured and do not contain any financial covenants, restrictions on dividends, incurrence of senior debt or other indebtedness, or the issuance or repurchase of securities by us.

The 2028 Notes bear interest at a rate of 0.50% per year, payable semi-annually in arrears on June 15 and December 15 of each year. The 2028 Notes will mature on June 15, 2028, unless earlier redeemed, repurchased by us, or converted pursuant to their terms.

The initial conversion rate is 7.6319 shares of common stock per $1,000 principal amount of the 2028 Notes (which is equivalent to an initial conversion price of approximately $131.03 per share). The conversion rate is subject to adjustment upon the occurrence of certain specified events, but will not be adjusted for accrued and unpaid interest. In addition, upon the occurrence of a make-whole fundamental change (as defined in the 2028 Indenture) or our issuance of a notice of redemption, we will, in certain circumstances, increase the conversion rate by a number of additional shares for a holder that elects to convert the 2028 Notes in connection with such make-whole fundamental change or notice of redemption.

Prior to the close of business on the business day immediately preceding March 15, 2028, holders of the 2028 Notes may convert their 2028 Notes only under the following circumstances:

- during any fiscal quarter (and only during such fiscal quarter), if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during the 30 consecutive trading days ending on the last trading day of the immediately preceding fiscal quarter is greater than or equal to 130% of the applicable conversion price, or $170.34, on each applicable trading day;
- during the five consecutive business day period after any five consecutive trading day period (the "measurement period") in which the trading price per $1,000 principal amount of the 2028 Notes for each trading day of such measurement period was less than 98% of the product of the last reported sale price of our common stock and the applicable conversion rate on each such trading day;
- if we call any or all of the 2028 Notes for redemption, at any time prior to the close of business on the second business day immediately preceding the redemption date; or
- upon the occurrence of specified corporate events, as specified in the 2028 Indenture.

On or after March 15, 2028 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert their 2028 Notes at any time. For further details with regards to our conversion obligation, refer to "*Notes Settlement Method Upon Conversion*" discussion below.

We may redeem for cash all or any portion of the 2028 Notes, at our option (subject to the partial redemption limitation set forth in the 2028 Indenture), on or after June 20, 2025, if the last reported sale price of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading-day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption at a redemption price equal to 100% of the principal amount of the 2028 Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. No sinking fund is provided for the 2028 Notes. If we elect to redeem fewer than all of the outstanding 2028 Notes, at least $100.0 million aggregate principal amount of the 2028 Notes must be outstanding and not subject to redemption as of the redemption notice date. Upon the occurrence of a fundamental change (as defined in the 2028 Indenture), holders may require us to repurchase all or a portion of their 2028 Notes for cash at a price equal to 100% of the principal amount of the 2028 Notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

We initially bifurcated the principal amount of the 2028 Notes into liability and equity components. The liability component of the 2028 Notes was initially valued at $629.8 million based on the contractual cash flow discounted at an appropriate comparable market on non-convertible debt borrowing rate at the date of issuance, which was 5.7%, with the equity component representing the residual amount of the proceeds of $231.2 million, which was recorded as a debt discount. Upon adoption of ASU 2020-06 in the first quarter of fiscal year 2023, our 2028 Notes were accounted for as a single liability, net of unamortized debt issuance costs.

Refer to debt conversions and equitizations discussions above for further details.

*2026 Notes*

In December 2019, we issued $1,050.0 million in aggregate principal amount of 0.50% Convertible Senior Notes due in 2026 (the "2026 Notes") in a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act. The 2026 Notes are governed by an indenture between us and U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association), as trustee (as supplemented by the First Supplemental Indenture, dated as of September 25, 2024, the "2026 Indenture"). The 2026 Notes are unsecured and do not contain any financial covenants, restrictions on dividends, incurrence of senior debt or other indebtedness, or the issuance or repurchase of securities by us.

The 2026 Notes bear interest at a rate of 0.50% per year, payable semi-annually in arrears on June 15 and December 15 of each year. The 2026 Notes will mature on December 15, 2026, unless earlier redeemed, repurchased by us, or converted pursuant to their terms.

The initial conversion rate is 10.0711 shares of common stock per $1,000 principal amount of the 2026 Notes (which is equivalent to an initial conversion price of approximately $99.29 per share). The conversion rate is subject to adjustment upon the occurrence of certain events specified in the 2026 Indenture but will not be adjusted for accrued and unpaid interest. In addition, upon the occurrence of a make-whole fundamental change (as defined in the 2026 Indenture) or our issuance of a notice of redemption, we will, in certain circumstances, increase the conversion rate by a number of additional shares set forth in the 2026 Indenture or a holder that elects to convert the 2026 Notes in connection with such make-whole fundamental change or notice of redemption.

Prior to the close of business on the business day immediately preceding September 15, 2026, holders of the 2026 Notes may convert their 2026 Notes only under the following circumstances:

- during any fiscal quarter (and only during such fiscal quarter), if the last reported sale price of the common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding fiscal quarter is greater than or equal to 130% of the conversion price of the 2026 Notes, or $129.08 on each applicable trading day;
- during the five consecutive business day period after any five consecutive trading day period (the "2026 measurement period") in which the trading price per $1,000 principal amounts of the 2026 Notes for each trading day of the 2026 measurement period was less than 98% of the product of the last reported sale price of our common stock and the applicable conversion rate for the 2026 Notes on each such trading day;
- if we call any or all of the 2026 Notes for redemption, at any time prior to the close of business on the second business day immediately preceding the relevant redemption date; or
- upon the occurrence of specified corporate events.

On or after September 15, 2026 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert their 2026 Notes at any time. For further details with regards to our conversion obligation, refer to "*Notes Settlement Method Upon Conversion*" discussion below.

We may redeem for cash, all or any portion of the 2026 Notes, at our option, after December 20, 2023, if the last reported sale price of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading-day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which we provide a notice of redemption at a redemption price equal to 100% of the principal amount of the 2026 Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. No sinking fund is provided for the 2026 Notes. Upon the occurrence of a fundamental change (as defined in the 2026 Indenture), holders may require us to repurchase all or a portion of the 2026 Notes for cash at a price equal to 100% of the principal amount of the 2026 Notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

We initially bifurcated the principal amount of the 2026 Notes into liability and equity components. The liability component of the 2026 Notes was initially valued at $734.8 million based on the contractual cash flows discounted at an appropriate comparable market non-convertible debt borrowing rate at the date of issuance of 5.8% with the equity component representing the residual amount of the proceeds of $315.2 million, which was recorded as a debt discount. Upon adoption of ASU 2020-06 in the first quarter of fiscal year 2023, our 2026 Notes were accounted for as a single liability, net of unamortized debt issuance costs.

Refer to debt inducement, conversions, and equitizations discussions above for further details.

*Notes Settlement Method Upon Conversion*

Upon conversion, we are required to satisfy our conversion obligation with respect to such converted Notes by paying cash equal to the principal amount of such converted Notes and paying or delivering, as the case may be, cash, shares of common stock or a combination of cash and shares of common stock, at our election, with respect to any conversion value in excess thereof, if any. This is in accordance with the respective Indenture governing the applicable series of converted Notes.

Our convertible notes consisted of the following components as of the periods presented (*in millions*):

| **September 26, 2026** | **2026 Notes** | **2028 Notes** | **2029 Notes** | **2032 Notes** | **Total** |
|---|---|---|---|---|---|
| Principal | $ 4.2 | $ 21.1 | $ 27.2 | $ 1,265.0 | $ 1,317.5 |
| Unamortized debt issuance costs | 0.0 | 0.0 | (0.1) | (8.6) | (8.7) |
| Net carrying amount of the liability component | $ 4.2 | $ 21.1 | $ 27.1 | $ 1,256.4 | $ 1,308.8 |

| **June 27, 2026** | **2026 Notes** | **2028 Notes** | **2029 Notes** | **2032 Notes** | **Total** |
|---|---|---|---|---|---|
| Principal | $ 54.8 | $ 179.6 | $ 54.9 | $ 1,265.0 | $ 1,554.3 |
| Unamortized debt issuance costs | (0.1) | (0.5) | (0.2) | (8.9) | (9.7) |
| Net carrying amount of the liability component | $ 54.7 | $ 179.1 | $ 54.7 | $ 1,256.1 | $ 1,544.6 |

The following table sets forth interest expense information related to the convertible notes for the periods presented *(in millions)*:

| | **Three Months Ended** | |
|---|---|---|
| | **September 26, 2026** | **September 27, 2025** |
| Contractual interest expense | $ 1.3 | $ 4.7 |
| Amortization of debt issuance costs | 0.5 | 0.8 |
| Total interest expense | $ 1.8 | $ 5.5 |

**LUMENTUM HOLDINGS INC.**
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The future interest and principal payments related to our convertible notes based on their respective contractual maturities are as follows as of September 26, 2026 *(in millions)*:

| Fiscal Years | 2026 Notes | 2028 Notes | 2029 Notes | 2032 Notes | Total |
|---|---|---|---|---|---|
| Remainder of 2027 | $ 4.2 | $ 0.1 | $ 0.4 | $ 2.4 | $ 7.1 |
| 2028 | — | 21.2 | 0.4 | 4.7 | 26.3 |
| 2029 | — | — | 0.4 | 4.7 | 5.1 |
| 2030 | — | — | 27.4 | 4.7 | 32.1 |
| 2031 | — | — | — | 4.7 | 4.7 |
| Thereafter | — | — | — | 1,269.8 | 1,269.8 |
| Total payments | $ 4.2 | $ 21.3 | $ 28.6 | $ 1,291.0 | $ 1,345.1 |

***Term Loans***

*SMBC Term Loan*

On August 9, 2024, we entered into a term loan agreement (the "SMBC 2029 Term Loan") with Sumitomo Mitsui Banking Corporation ("SMBC"). The SMBC 2029 Term Loan provides an aggregate principal amount of 6.4 billion Japanese yen ("JPY"). The loan requires monthly principal payments of approximately 53.3 million JPY, from August 31, 2024 to June 30, 2029 and interest based on a fixed annual interest rate of 0.88%, with the remaining principal of approximately 3.3 billion JPY due on the loan maturity date of July 31, 2029. Under the loan agreement, we cannot prepay the outstanding loan without SMBC's approval. In the event we prepay the outstanding loan with SMBC's approval, we shall pay SMBC a settlement amount calculated pursuant to the terms of the loan agreement. The SMBC 2029 Term Loan is secured by the real estate owned in Sagamihara, Japan.

On December 18, 2025, we entered into another term loan agreement (the "SMBC 2026 Term Loan") with SMBC. The SMBC 2026 Term Loan provides an aggregate principal amount of 7.5 billion JPY. The loan requires monthly principal payments of 125.0 million JPY and interest based on a fixed annual interest rate of 1.44%, with the remaining principal of approximately 6.1 billion JPY due on the loan maturity date of December 19, 2026, subject to repayment pitch of 60 months. Under the loan agreement, we cannot prepay the outstanding loan without SMBC's approval. In the event we prepay the outstanding loan with SMBC's approval, we shall pay SMBC a settlement amount calculated pursuant to the terms of the loan agreement. The SMBC 2026 Term Loan is secured by the real estate owned in Sagamihara, Japan.

The SMBC 2029 Term Loan and the SMBC 2026 Term Loan are collectively referred to as SMBC Term Loans. We are expected to maintain a debt service coverage ratio of at least 1.2 as of the end of each fiscal year for our Japan entity both in accordance with the terms of the SMBC term loan agreements and maintain a U.S. dollar deposit account with a balance, translated into JPY, equal to or greater than the outstanding principal amount of the SMBC 2026 Term Loan in accordance with the terms of the SMBC 2026 Term Loan agreement.

As of September 26, 2026, we had $73.6 million in principal amount outstanding in SMBC Term Loans, of which the short-term portion of $45.8 million is recorded as current liabilities while the long-term portion of $27.8 million is recorded as long-term debt in our condensed consolidated balance sheets.

**LUMENTUM HOLDINGS INC.**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**
**(Unaudited)**

*Mizuho Term Loan*

On September 20, 2024, we entered into a term loan agreement (the "Mizuho Term Loan") with Mizuho Bank, Ltd. ("Mizuho"), in order to finance our planned manufacturing expansions. The Mizuho Term Loan provides for borrowings of 4.5 billion JPY with a 5-year term from the funding date September 20, 2024. The loan requires quarterly principal payments of approximately 225.0 million JPY commencing on December 20, 2024 with the final payment on September 20, 2029. The Mizuho Term Loan bears interest at a fixed annual rate of 0.90%. The Mizuho Term Loan is secured by the real estate assets owned by Lumentum Japan, Inc. The Mizuho Term Loan agreement requires that we and certain of our domestic subsidiaries comply with covenants relating to customary matters, including obtaining approval from Mizuho prior to transferring, creating a security interest, or disposing of the collateral assets; obtaining approval from Mizuho prior to a business transfer, business acquisition, corporate reorganization or changes such as mergers, company splits, share exchanges or share transfers or capital structure changes; obtaining approval from Mizuho prior to changing our indirect ownership in Lumentum Japan, Inc; and obtaining approval from Mizuho prior to a distribution of dividends by Lumentum Japan, Inc. to its shareholders. In addition, under the Mizuho Term Loan, we maintain certain balance in U.S. dollar time and savings deposit accounts in accordance with the terms of the Mizuho Term Loan Agreement.

As of September 26, 2026, we had $17.2 million in principal amount outstanding, of which the short-term portion of $5.7 million is recorded as current liabilities while the long-term portion of $11.5 million is recorded as long-term debt in our condensed consolidated balance sheets.

The SMBC Term Loan and the Mizuho Term Loan are collectively referred to as Japan Term Loans.

***Revolving Credit Facility***

On December 19, 2025, we entered into a credit agreement (the "Credit Agreement") with the lenders party thereto and Wells Fargo Bank, National Association, as administrative and collateral agent. The Credit Agreement provides for a senior secured revolving credit facility in an aggregate principal amount of $400.0 million, including a $23.0 million sublimit for the issuance of letters of credit. The Credit Agreement provides that we have the right at any time and from time to time to incur one or more incremental revolving commitments and/or incremental term loans up to an unlimited amount, subject to certain customary conditions precedent and other requirements. The proceeds of the loans under the Credit Agreement may be used for working capital and general corporate purposes.

Revolving loans under the Credit Agreement may be borrowed, repaid and reborrowed, without premium or penalty (subject to customary breakage costs), until their maturity date under the Credit Agreement, at which time all amounts borrowed must be repaid. Revolving loans under the Credit Agreement will mature on December 19, 2030, subject to earlier maturity on the date that is 91 days prior to the final scheduled maturity date of our existing outstanding convertible notes, if on such date, we are unable to satisfy certain liquidity and/or total net leverage requirements.

At our option, borrowings bear interest at either a base rate plus an applicable margin ranging from 0.50% to 1.50%, or a term Secured Overnight Financing Rate ("SOFR") plus a margin ranging from 1.50% to 2.50%, in each case with such margin based upon our secured net leverage ratio, as determined in accordance with the terms of the Credit Agreement. Interest is payable quarterly in arrears with respect to borrowings bearing interest at the alternate base rate or on the last day of an interest period, but at least every three months, with respect to borrowings bearing interest at a term SOFR rate. We are required to pay to the Administrative Agent for the account of each Lender a commitment fee on a quarterly basis in an amount equal to 0.15% to 0.35% (depending on our secured net leverage ratio) of unused availability under the revolving facility. We are also obligated to pay other fees customary for revolving credit facilities of this size and type.

The Credit Agreement contains customary representations, warranties, affirmative and negative covenants, and events of default. The negative covenants include, among others, restrictions on liens, investments, indebtedness, fundamental changes, restricted payments, transactions with affiliates and prepayments of subordinated debt, all subject to certain exceptions. In addition, the Credit Agreement contains financial covenants, tested at the end of each fiscal quarter, requiring us to maintain a secured net leverage ratio of less than or equal to 3.25:1.00, subject to a 0.50:1.00 step-up for four fiscal quarters in connection with a material acquisition, and an interest coverage ratio of no less than 3.00:1.00.

The obligations under the Credit Agreement are required to be guaranteed by certain of our material domestic subsidiaries and are secured by substantially all of our subsidiary guarantors' assets, subject to customary exceptions.

As of September 26, 2026, there were no borrowings outstanding under the revolving credit facility.

We incurred financing costs of about $2.4 million in connection with the revolving credit facility, which was presented as other non-current assets in our condensed consolidated balance sheets and are amortized to interest expense over the term of the facility. As of September 26, 2026, the remaining unamortized financing costs was about $2.1 million.

**Note 10. Accumulated Other Comprehensive Income**

Our accumulated other comprehensive income, net of tax, consists of the accumulated net unrealized gains or losses on foreign currency translation adjustments, defined benefit obligations and available-for-sale securities.

The changes in accumulated other comprehensive income, net of tax, were as follows for the periods as presented (*in millions*):

| | Foreign Currency Translation Adjustments, Net of Tax [1] | Defined Benefit Obligations, Net of Tax [2] | Unrealized Loss on Available-for-Sale Securities, Net of Tax [3] | Total |
|---|---|---|---|---|
| Beginning balance as of June 27, 2026 | $ 9.6 | $ 1.4 | $ (1.0) | $ 10.0 |
| Other comprehensive loss, net | — | — | (3.5) | (3.5) |
| Ending balance as of September 26, 2026 | $ 9.6 | $ 1.4 | $ (4.5) | $ 6.5 |

| | Foreign Currency Translation Adjustments, Net of Tax [1] | Defined Benefit Obligations, Net of Tax [2] | Unrealized Gain (Loss) on Available-for-Sale Securities, Net of Tax [3] | Total |
|---|---|---|---|---|
| Beginning balance as of June 28, 2025 | $ 9.9 | $ (1.6) | $ 0.7 | $ 9.0 |
| Other comprehensive gain (loss), net | (0.3) | — | 0.4 | 0.1 |
| Ending balance as of September 27, 2025 | $ 9.6 | $ (1.6) | $ 1.1 | $ 9.1 |

[1] In fiscal year 2019, we established the functional currency for our worldwide operations as the U.S. dollar. Translation adjustments reported prior to December 2018 remain as a component of accumulated other comprehensive income in our condensed consolidated balance sheets, until all or a part of the investment in the subsidiaries is sold or liquidated. In fiscal year 2023, we acquired IPG telecom transmission product lines. The functional currency of the Brazilian entities acquired as part of this acquisition was the local currency. In fiscal year 2026, we sold our Brazilian entities, and therefore, recognized the related accumulated translation adjustments to earnings.

[2] We re-evaluate the assumptions related to the fair value of our defined benefit obligations annually in the fiscal fourth quarter and make any updates as necessary.

[3] For the three months ended September 26, 2026 and September 27, 2025, our unrealized gain (loss) on available-for-sale securities is presented net of tax of $1.1 million and nil, respectively.

**Note 11. Restructuring and Related Charges**

We have initiated various strategic restructuring actions primarily to reduce costs, consolidate our operations, rationalize the manufacturing of our products and align our business in response to market conditions and as a result of our acquisitions.

The following table summarizes activities of restructuring and related charges for the periods as presented (*in millions*):

| | Three Months Ended | |
|---|---|---|
| | September 26, 2026 | September 27, 2025 |
| Balance as of beginning of period | $ 2.4 | $ 2.5 |
| Charges | — | 8.3 |
| Payments and other adjustments | (2.3) | (4.9) |
| Balance as of end of period | $ 0.1 | $ 5.9 |

During the three months ended September 27, 2025, we recorded restructuring and related charges of $8.3 million related to a reduction in force during the period in order to enhance operational efficiency and realign our investments toward the most critical initiatives. No similar charges were recognized during the three months ended September 26, 2026.

Any changes in the estimates of executing our restructuring activities will be reflected in our future results of operations.

**Note 12. Income Taxes**

Our tax provision for interim periods has generally been determined using an estimate of our annual effective tax rate, adjusted for discrete items, if any, that arise during the period. Each quarter, we update our estimate of the annual effective tax rate, and if the estimated annual effective tax rate changes, we make a cumulative adjustment in such period. Our quarterly tax provision and estimate of our annual effective tax rate are subject to variation due to several factors, including variability in pre-tax income (or loss), the mix of jurisdictions to which such income relates, changes in how we do business, and tax law developments.

We recorded a tax provision of $10.0 million for the three months ended September 26, 2026. Our tax provision for the three months ended September 26, 2026 includes a discrete tax benefit of $37.0 million primarily related to the tax benefit from a windfall in connection with stock-based compensation vested during the quarter.

We recorded a tax provision of $1.0 million for the three months ended September 27, 2025. Our tax provision for the three months ended September 27, 2025 includes a discrete tax benefit of $0.6 million primarily related to the tax benefit from a windfall in connection with stock-based compensation vested during the quarter and foreign return to provision differences, partially offset by the tax expense from currency re-measurement of certain tax related accounts.

Our estimated effective tax rate for the three months ended September 26, 2026 differs from the 21% U.S. statutory rate primarily due to the income tax benefits from foreign rate differential and various income tax credits, partially offset by the income tax expense from foreign income inclusions in the U.S.

We regularly assess our ability to realize our deferred tax assets on a quarterly basis and will establish a valuation allowance if it is more-likely-than-not that some portion of the deferred tax assets will not be realized. As of September 26, 2026, we maintain a valuation allowance on deferred tax assets related to U.S. federal foreign tax credit carryforwards and California research and development credit carryforwards. We also maintain a full valuation allowance on our Canada deferred tax assets, and a partial valuation allowance on our U.K. deferred tax assets. We will continue to assess the need for a valuation allowance against our remaining deferred tax assets and may increase or decrease our valuation allowance materially in the future. Any such change will be recognized as a component of the provision for income taxes in the period in which the change in assessment occurs.

As of September 26, 2026, we had $98.1 million of unrecognized tax benefits, which, if recognized, would affect the effective tax rate. We are subject to examination of income tax returns by various domestic and foreign tax authorities. The timing of resolution and closure of these tax examinations is highly unpredictable. Although it is possible that certain ongoing tax examinations may be concluded within the next 12 months, we cannot reasonably estimate the impact to tax expense and net income from tax examinations that could be resolved or closed within the next 12 months. Subject to audit timing and uncertainty, we expect the amount of unrecognized tax benefit that would become recognized due to expiration of the statute of limitations and affect the effective tax rate to decrease by $3.7 million over the next 12 months.

**LUMENTUM HOLDINGS INC.**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**
**(Unaudited)**

**Note 13. Equity**

***Series A Convertible Preferred Stock***

On March 2, 2026, we completed the issuance and sale of approximately 2.9 million shares of our Series A Convertible Preferred Stock, par value $0.001 per share (the "Series A Preferred Stock") to NVIDIA Corporation ("NVIDIA"), in a private placement pursuant to a Securities Purchase Agreement. The shares of Series A Preferred Stock were sold at a price of $695.31 per share for an aggregate purchase price of $2.0 billion in cash. The Series A Preferred Stock has the following terms which are set forth in the Certificate of Designation filed with the Secretary of State of the State of Delaware (the "Certificate of Designation"):

*Conversion.* The Series A Preferred Stock will convert on a one-for-one basis into shares of our common stock (i) at the option of the holder, provided, that, no holder may exercise this conversion right until the expiration or termination of the applicable waiting period (or any extension thereof) under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder or (ii) automatically immediately before the closing of a qualified sale. A qualified sale is defined as the bona fide sale of the Series A Preferred Stock to the Company or a non-affiliate of the holder.

*Dividends.* Each holder of Series A Preferred Stock will be entitled to receive dividends in the same manner as holders of our common stock, as determined on an as-converted basis, assuming all outstanding shares of Series A Preferred Stock have converted pursuant to the terms of the Certificate of Designation as of immediately prior to the record date of the applicable dividend.

*Voting Rights.* Other than with respect to the election of directors, for which the Series A Preferred Stock will not be entitled to vote, holders of Series A Preferred Stock will vote together with holders of our common stock on an as-converted basis. We may not alter or change adversely the powers, preferences or rights of the Series A Preferred Stock or alter or amend the Certificate of Designation without the affirmative vote or consent of a majority of the outstanding shares of Series A Preferred Stock.

*Dissolution, Liquidation or Winding Up.* In connection with a dissolution, liquidation or winding up of the Company, distributions to our stockholders shall be made among the holders of Series A Preferred Stock and our common stock pro rata in proportion to number of shares held by each such holder. All shares of Series A Preferred Stock shall be treated as if they had been converted to our common stock pursuant to the terms of the Certificate of Designation immediately prior to such event.

*No Preemptive or Redemption Rights.* The holders of Series A Preferred Stock have no preemptive or redemption rights.

***Description of Lumentum Stock-Based Compensation Plans***

*Equity Incentive Plans*

We adopted the 2015 Equity Incentive Plan (the "2015 Plan") in connection with our separation from JDS Uniphase Corporation ("JDSU" and now, Viavi Solutions Inc.) in July 2015. The 2015 Plan provided for the grant of incentive stock options, within the meaning of Section 422 of the Internal Revenue Code, to our employees and any parent and subsidiary corporations' employees, and for the grant of nonstatutory stock options ("stock options"), restricted stock awards ("RSAs"), restricted stock units ("RSUs"), stock appreciation rights ("SARs"), performance units ("PSUs") and performance shares to our employees, directors and consultants and any parent or subsidiary corporations' employees and consultants.

In November 2023, we adopted and assumed the Amended and Restated Share Option Scheme of Cloud Light Optoelectronics Limited (the "Cloud Light Scheme" and together with the 2015 Plan, the "Prior Plans") in connection with the Cloud Light acquisition. The Cloud Light Scheme provides for the grant of stock options, RSAs, RSUs, SARs, and performance shares to eligible employees and other service providers.

In February 2025, our board of directors approved the 2025 Inducement Equity Incentive Plan (the "Inducement Plan") in accordance with Listing Rule 5635(c)(4) of the corporate governance rules of the Nasdaq Stock Market, which became effective in February 2025. The Inducement Plan has substantially the same terms and conditions as the 2015 Plan, however, the Inducement Plan may only be used for grants to new employees and not for existing employees, executives, directors or consultants. The Inducement Plan provides for the grant of stock options, RSAs, RSUs, SARs, PSUs and performance shares to eligible employees and other service providers.

In November 2025, our stockholders approved the 2025 Equity Incentive Plan (the "2025 Plan"), under which the number of shares of common stock reserved for issuance was 3.2 million shares plus up to 3.9 million shares subject to awards granted under Prior Plans that, after the effective date of the 2025 Plan: (x) are forfeited, canceled or expire (whether voluntarily or involuntarily) or settled in cash, or (y) issued under the Prior Plans pursuant to an award that is forfeited, or repurchased by us as unvested, for an amount not greater than the original purchase price. The 2025 Plan became effective upon receiving stockholder approval. Upon the effective date of the 2025 Plan, the 2015 Plan and the Cloud Light Scheme terminated and no further grants will be made thereunder, but such plans continue to govern the terms of outstanding awards previously granted under such plans. The 2025 Plan has substantially the same terms and conditions as the 2015 Plan. The 2015 Plan, the Inducement Plan, the Cloud Light Scheme and the 2025 Plan are collectively referred to as the "Equity Incentive Plans."

As of September 26, 2026, we had 2.5 million shares subject to stock options, RSUs, RSAs, and PSUs issued and outstanding under the Equity Incentive Plans. RSUs and PSUs are performance-based, market-based and time-based or any combination thereof and are expected to vest within four years. As of September 26, 2026, 3.0 million shares of common stock under the Equity Incentive Plans were available for grant.

*Stock Options*

We granted certain employees with stock options, the vesting of which is based on the requisite service requirement and expected to vest within three years. We calculate the fair value of stock options using the Black-Scholes option-pricing model, which requires us to make estimates of assumptions such as expected volatility, expected term, risk-free interest rate, expected dividend yield, and forfeiture rates. We issue new shares of common stock upon exercise of stock options.

*Restricted Stock Units*

RSUs under the Equity Incentive Plans are grants of shares of our common stock, the vesting of which is based on the requisite service requirement. The fair value of these grants is based on the closing market price of our common stock on the date of grant. Generally, our RSUs are subject to forfeiture and are expected to vest within four years. For annual grants to existing employees, RSUs generally vest ratably on an annual basis, or combination of annual and quarterly basis, over three years.

During the three months ended September 26, 2026, our board of directors approved grants of 0.3 million RSUs, which primarily vest over three years. The fair value of these grants is based on the closing market price of our common stock on the grant date.

*Performance Stock Units*

PSUs under the Equity Incentive Plans are grants of shares of our common stock that vest upon the achievement of certain performance and service conditions. For PSUs with performance-based conditions, the fair value of these grants is based on the closing market price of our common stock on the date of grant, and we begin recognizing compensation expense when we conclude that it is probable that the performance conditions will be achieved. We reassess the probability of vesting at each reporting period and adjust our compensation cost based on this probability assessment. For PSUs with market-based conditions, the fair value of these grants is estimated using a Monte-Carlo simulation model, and the compensation expense is recognized ratably over the requisite service period regardless of whether or not the market condition is satisfied, provided the requisite service is rendered. Our PSUs are subject to risk of forfeiture until performance and service conditions are satisfied and generally vest within three years.

During the three months ended September 26, 2026, our board of directors granted approximately 0.1 million PSUs to certain executive officers and senior management. Approximately 50% of these PSUs have an aggregate grant date fair value of $28.0 million and will vest subject to the achievement of earnings per share targets, as well as service conditions, over three years. The number of shares may be increased or decreased based on the results of these measurement targets ranging between 0% and 200% in accordance with the terms established at the date of grant. The remaining 50% have an aggregate grant date fair value of $37.5 million and will vest subject to the achievement of our total shareholder return (or "TSR") relative to specified peer group, as well as service conditions, over three years. The number of shares that ultimately vest may be increased or decreased based on the results of these measurement targets ranging between 0% and 200% in accordance with the terms established at the date of grant. We estimated the grant date fair value of these PSU awards using a Monte-Carlo simulation model, which was calculated at $1,358.89 per share.

Stock-based compensation expense related to PSUs are categorized as AIP PSUs, TSR PSUs and Other PSUs. AIP PSUs relates to the shares granted to executive and non-executive employees as part of our Annual Incentive Plan ("AIP PSUs") during fiscal year 2025, which were subject to performance targets and service conditions and vested in August 2025. TSR PSUs relate to shares granted to certain executive officers and senior management, which will vest subject to the achievement of our TSR relative to specified peer group while Other PSUs relate to shares granted to certain executive officers and senior management, which are subject to financial performance targets (such as revenue and EPS) and service conditions. Refer to the table below for a presentation of stock-based compensation expense by equity awards for more details.

*Employee Stock Purchase Plan*

Our ESPP provides eligible employees with the opportunity to acquire an ownership interest in the Company through periodic payroll deductions and provides a 15% purchase price discount as well as a 6-month look-back period. The ESPP is structured as a qualified employee stock purchase plan under Section 423 of the Internal Revenue Code of 1986, as amended. The ESPP will terminate upon the date on which all shares available for issuance have been sold. We estimate the fair value of the ESPP shares on the date of grant using the Black-Scholes option-pricing model. Of the 3.0 million shares authorized under the ESPP, 0.3 million shares remained available for issuance as of September 26, 2026.

***Stock-Based Compensation***

The impact on our results of operations of recording stock-based compensation by function for the periods presented was as follows *(in millions)*:

| | Three Months Ended | |
|---|---|---|
| | September 26, 2026 | September 27, 2025 |
| Cost of sales | $ 6.9 | $ 8.5 |
| Research and development | 100.0 | 10.3 |
| Selling, general and administrative | 25.6 | 23.6 |
| Total stock-based compensation | $ 132.5 | $ 42.4 |

Our stock-based compensation by equity awards for the periods presented were as follows *(in millions)*:

| | Three Months Ended | |
|---|---|---|
| | September 26, 2026 | September 27, 2025 |
| RSUs | $ 47.3 | $ 25.6 |
| AIP PSUs | — | 4.8 |
| TSR PSUs | 33.0 | 2.9 |
| Other PSUs | 51.5 | 9.9 |
| Total PSUs | 84.5 | 17.6 |
| Options | 1.0 | 1.6 |
| ESPP | 2.5 | 1.6 |
| Sub-total | 135.3 | 46.4 |
| Change in stock-based compensation capitalized to inventory | (2.8) | (4.0) |
| Total stock-based compensation | $ 132.5 | $ 42.4 |

During the three months ended September 26, 2026 and September 27, 2025, we recorded $84.5 million and $17.6 million of stock-based compensation related to PSUs, respectively. The amount of stock-based compensation expense recognized in any one period related to PSUs with performance-based conditions can vary based on the achievement or anticipated achievement of the performance conditions. If the performance conditions are not met or not expected to be met, no compensation expense would be recognized on the underlying PSUs, and any previously recognized compensation expense related to those PSUs would be reversed.

In July 2026, we announced the retirement of an executive officer. The executive officer agreed to provide consulting services to us for a two-year period following his retirement. In exchange for those services, his outstanding equity awards will continue to vest during the consulting term in accordance with the existing vesting schedules, provided the executive officer remains a service provider to us. In accordance with ASC 718, Compensation - Stock Compensation, we accounted for the change as a modification resulting in acceleration of $89.4 million of stock-based compensation out of the total $132.5 million stock-based compensation recorded during the three months ended September 26, 2026.

Total income tax benefit associated with stock-based compensation recognized in our condensed consolidated statements of operations during the periods presented was as follows *(in millions)*:

| | Three Months Ended | |
|---|---|---|
| | September 26, 2026 | September 27, 2025 |
| Income tax benefit associated with stock-based compensation | $ 69.0 | $ 8.0 |

Approximately $12.4 million and $9.6 million of stock-based compensation was capitalized to inventory as of September 26, 2026 and June 27, 2026, respectively.

The table below summarizes the unrecognized stock-based compensation cost related to unvested shares and the weighted-average period over which it is expected to be recognized as of September 26, 2026:

| | Unrecognized stock-based compensation (*in millions*) | Weighted-average period (*in years*) |
|---|---|---|
| RSUs | $ 357.6 | 1.9 |
| PSUs | 142.7 | 2.5 |
| Stock options | 0.4 | 0.1 |
| ESPP | 1.4 | 0.1 |

***Stock Award Activity***

The following table summarizes our award activities for the three months ended September 26, 2026 *(in millions)*:

| | Stock Options | | Restricted Stock Units | | Performance Stock Units | |
|---|---|---|---|---|---|---|
| | Number of Shares | Weighted-Average Exercise Price per Share | Number of Shares | Weighted-Average Grant Date Fair Value per Share | Number of Shares | Weighted-Average Grant Date Fair Value per Share |
| Balance as of June 27, 2026 | 0.2 | $ 8.1 | 2.0 | $ 114.6 | 0.8 | $ 84.0 |
| Granted | — | — | 0.3 | 883.4 | 0.1 | 284.9 |
| Vested/Exercised | (0.1) | 8.0 | (0.6) | 93.3 | (0.2) | 51.7 |
| Canceled/Forfeited | — | — | 0.0 | 159.1 | 0.0 | 65.1 |
| Balance as of September 26, 2026 | 0.1 | $ 8.0 | 1.7 | $ 250.5 | 0.7 | $ 153.6 |

A summary of awards available for grant is as follows *(in millions)*:

| | Awards Available for Grant |
|---|---|
| Balance as of June 27, 2026 | 3.4 |
| Granted | (0.4) |
| Balance as of September 26, 2026 | 3.0 |

***Employee Stock Purchase Plan Activity***

The ESPP expense for the three months ended September 26, 2026 and September 27, 2025 was $2.5 million and $1.6 million, respectively. The expense related to the ESPP is recorded on a straight-line basis over the relevant subscription period.

During the three months ended September 26, 2026 and September 27, 2025, there were no shares issued to employees through the ESPP for both periods.

**Note 14. Commitments and Contingencies**

Purchase Obligations

Our purchase obligations of $2,948.9 million as of September 26, 2026 represent legally binding commitments to purchase inventory and other commitments made in the normal course of business to meet operational requirements. Although open purchase orders are considered enforceable and legally binding, the terms generally allow the option to cancel, reschedule and adjust the requirements based on our business needs prior to the delivery of goods or performance of services. Obligations to purchase inventory and other commitments are generally expected to be fulfilled within one year.

We depend on a limited number of contract manufacturers, subcontractors and suppliers for raw materials, packages and standard components. We generally purchase these single or limited source products through standard purchase orders or one-year supply agreements and have no significant long-term guaranteed supply agreements with these vendors. While we seek to maintain a sufficient safety stock of such products and maintain on-going communications with our suppliers to guard against interruptions or cessation of supply, our business and results of operations could be adversely affected by a stoppage or delay of supply, substitution of more expensive or less reliable products, receipt of defective parts or contaminated materials, increases in the price of such supplies, or our inability to obtain reduced pricing from our suppliers in response to competitive pressures. In addition, the imposition of tariffs on certain imported goods and materials may increase our costs and place upward pressure on the cost of sales.

Product Warranties

We provide reserves for the estimated costs of product warranties at the time revenue is recognized. We typically offer a twelve-month warranty for most of our products. However, in some instances depending upon the product, product components or application of our products by the end customer, our warranties can vary and generally range from six months to five years. We estimate the costs of our warranty obligations based on our historical experience of known product failure rates, use of materials to repair or replace defective products, and service delivery costs incurred in correcting product failures. In addition, from time-to-time, specific warranty accruals may be made if unforeseen technical problems arise with specific products. We assess the adequacy of our recorded warranty liabilities and adjust the amounts as necessary.

The following table presents the changes in our warranty reserve for the periods presented (*in millions*):

| | Three Months Ended | |
|---|---|---|
| | September 26, 2026 | September 27, 2025 |
| Balance as of beginning of period | $ 24.7 | $ 14.4 |
| Provision for warranty | 5.7 | 2.8 |
| Utilization of reserve, net | (6.3) | (4.1) |
| Balance as of end of period | $ 24.1 | $ 13.1 |

Environmental Liabilities

Our research and development, manufacturing and distribution operations involve the use of hazardous substances and are regulated under international, federal, state and local laws governing health and safety and the environment. We apply strict standards for protection of the environment and occupational health and safety to sites inside and outside the United States, even if not subject to regulations imposed by foreign governments. We believe that our properties and operations at our facilities comply in all material respects with applicable environmental laws and occupational health and safety laws. However, the risk of environmental liabilities cannot be completely eliminated and there can be no assurance that the application of environmental and health and safety laws will not require us to incur significant expenditures. We are also regulated under a number of international, federal, state and local laws regarding recycling, product packaging and product content requirements. The environmental and product content/disposal and recycling laws are gradually becoming more stringent and may cause us to incur significant expenditures in the future.

Legal Proceedings

We are subject to a variety of claims and suits that arise from time-to-time in the ordinary course of our business. While management currently believes that resolving claims against us, individually or in the aggregate, will not have a material adverse impact on our financial position, results of operations or statements of cash flows, these matters are subject to inherent uncertainties and management's view of these matters may change in the future. We accrue for loss contingencies when it is both probable that we will incur the loss and when we can reasonably estimate the amount of the loss or range of loss. As of September 26, 2026, the accrual for expected settlement of litigation matters was not material.

Regulatory Matters

In August 2024, we received inquiries from the Bureau of Industry and Security of the U.S. Department of Commerce ("BIS") and Department of Justice ("DOJ") following our voluntary disclosure to BIS in December 2023, and supplemented in April 2024. We continue to cooperate with both agencies on this matter. We are unable to predict the likely outcome of these matters.

Indemnifications

In the normal course of business, we enter into agreements that contain a variety of representations and warranties and provide for general indemnification. Exposure under these agreements is unknown, because claims may be made against us in the future, and we may record charges in the future as a result of these indemnification obligations.

In March 2025, we completed a sale of net assets located in an entity in Shenzhen, China. As a result, we reclassified a $21.4 million unrecognized tax position to other non-current liabilities in the consolidated balance sheets for an indemnification liability related to the sale of certain assets. Refer to "Note 7. Balance Sheet Details" for further details. We did not have any other material indemnification claims that were probable or reasonably possible.

Audit Proceedings

We are under audit by various domestic and foreign tax authorities with regards to income tax and indirect tax matters. In some, although not all cases, we have reserved for potential adjustments to our provision for income taxes and accrual of indirect taxes that may result from examinations by these tax authorities or final outcomes in judicial proceedings, and we believe that the final outcome of these examinations, agreements or judicial proceedings will not have a material effect on our results of operations. If events occur which indicate payment of these amounts is unnecessary, the reversal of the liabilities would result in the recognition of benefits in the period when we determine the liabilities are no longer necessary. If our estimates of the federal, state, and foreign income tax liabilities and indirect tax liabilities are less than the ultimate assessment, it could result in a further charge to expense.

**Note 15. Operating Segments and Geographic Information**

We operate in one reportable segment as a single, integrated enterprise, with a unified management team overseeing operations across the entire company, rather than through discrete operating segments. The chief operating decision maker ("CODM") is our Chief Executive Officer, who reviews financial information presented as a single enterprise for purposes of allocating resources and evaluating financial performance.

**LUMENTUM HOLDINGS INC.**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**
**(Unaudited)**

The CODM assesses performance and allocates resources based on condensed consolidated net income from our condensed consolidated statements of operations. This metric is used to set budgets, evaluate performance, review actual results, and determine whether to reinvest profits, pursue acquisitions, or make other capital management decisions. Segment expenses are reflected in our condensed consolidated statements of operations and cash flows, while segment assets are measured through the consolidated assets on the condensed consolidated balance sheets.

We disaggregate revenue by type of product, which are Components and Systems, and by geography. A Components product is defined as one of the individual building blocks that goes into creating a larger solution. It is typically not a complete solution on its own but rather a specialized element that enables system functionality. This includes semiconductor laser chips, laser sub-assemblies, line subsystems and wavelength management systems. These are supplied to customers who then integrate them into their own full system solutions. Components represent foundational parts that support or enable that system's operation and include optical chips and subsystems that are supplied to cloud data center operators, AI/ML infrastructure providers, and network equipment manufacturer customers.

A Systems product is defined as a complete, stand-alone solution that delivers full functionality to the end customer. It is typically self-contained and ready to operate within a customer's network or application environment. This includes optical modules, optical circuit switches, and industrial lasers such as short-pulse solid-state lasers and kilowatt-class fiber lasers. These products integrate multiple technologies and subsystems into a finished solution that directly addresses a customer's needs. A system represents the end-product that can be deployed and used independently.

Our products enable high-capacity optical links for cloud computing, AI/ML workloads, and data center interconnect ("DCI") applications, as well as for communications service provider networks. Our offerings support access (local), metro (intracity), long-haul (intercity and global), and submarine (undersea) network infrastructure. Our products serve enterprise network infrastructure needs, including storage area networks ("SANs"), local area networks ("LANs"), and wide area networks ("WANs"). Demand for our products is fueled by the ongoing expansion of network capacity required to support cloud services, AI/ML processing, streaming video, video conferencing, wireless and mobile connectivity, and the internet of things ("IoT"). In addition, our industrial laser products are used for precision material processing across diverse industries, including semiconductor and microelectronics fabrication, electric vehicle and battery production, metal cutting and welding, and advanced manufacturing that emphasize greater manufacturing precision, flexibility, and sustainability.

Refer to "Note 16. Revenue Recognition" for a presentation of disaggregated revenue by type of product.

**LUMENTUM HOLDINGS INC.**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**
**(Unaudited)**

***Concentrations***

We operate in three geographic regions: Americas, Asia-Pacific, and EMEA (Europe, Middle East, and Africa). Net revenue is assigned to the geographic region and country where our product is initially shipped. For example, certain customers may request shipment of our product to a contract manufacturer in one country, which may differ from the location of their end customers.

The following table presents net revenue by the three geographic regions we operate in and net revenue from countries that generally represented 10% or more of our total net revenue based on customer shipping locations *(in millions, except percentage data)*:

| | Three Months Ended | | | |
|---|---|---|---|---|
| | September 26, 2026 | | September 27, 2025 | |
| | Amount | % of Total | Amount | % of Total |
| **Net revenue:** | | | | |
| **Americas:** | | | | |
| United States | $ 297.4 | 23.6 % | $ 93.7 | 17.6 % |
| Mexico | 230.8 | 18.3 | 73.6 | 13.8 |
| Other Americas | 1.1 | 0.1 | 8.6 | 1.6 |
| Total Americas | $ 529.3 | 42.0 % | $ 175.9 | 33.0 % |
| **Asia-Pacific:** | | | | |
| Hong Kong | $ 187.1 | 14.8 % | $ 92.9 | 17.4 % |
| Thailand | 227.5 | 18.0 | 109.1 | 20.4 |
| China | 162.0 | 12.8 | 49.3 | 9.2 |
| Japan | 39.0 | 3.1 | 21.0 | 3.9 |
| Other Asia-Pacific | 69.9 | 5.5 | 49.4 | 9.3 |
| Total Asia-Pacific | $ 685.5 | 54.2 % | $ 321.7 | 60.2 % |
| **EMEA** | $ 47.8 | 3.8 % | $ 36.2 | 6.8 % |
| **Total net revenue** | $ 1,262.6 | 100.0 % | $ 533.8 | 100.0 % |

During the three months ended September 26, 2026, two end customers individually accounted for 37% and 11% of our total net revenue, respectively. During the three months ended September 27, 2025, two end customers individually accounted for 22% and 21% of our total net revenue, respectively. We had no other end customers that represented 10% or greater of our total net revenue for the respective periods.

As of September 26, 2026, three customers individually accounted for 33.4%, 13.7%, and 11.3% of gross accounts receivable, including accrued accounts receivable, respectively. As of June 27, 2026, two customers individually accounted for 30.4% and 10.7% of gross accounts receivable, respectively. We had no other customers that represented 10% or greater of our gross accounts receivable for the respective periods.

**LUMENTUM HOLDINGS INC.**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**
**(Unaudited)**

The measure of segment assets is reported on the condensed consolidated balance sheets as total assets. We do not present assets at a level other than that presented in the accompanying condensed consolidated balance sheets. Long-lived assets, namely property, plant and equipment, net, were identified based on the physical location of the assets in the corresponding geographic areas as of the periods indicated *(in millions)*:

| | September 26, 2026 | June 27, 2026 |
|---|---|---|
| Property, plant and equipment, net | | |
| United States | $ 191.0 | $ 153.0 |
| Thailand | 609.6 | 450.6 |
| Japan | 251.7 | 232.1 |
| United Kingdom | 153.6 | 139.1 |
| China | 149.7 | 129.9 |
| Other countries | 54.8 | 54.4 |
| Total property, plant and equipment, net | $ 1,410.4 | $ 1,159.1 |

We purchase a portion of our inventory from contract manufacturers that are located primarily in Thailand, Taiwan, and Malaysia. During the three months ended September 26, 2026 and September 27, 2025, our net inventory purchases from a single contract manufacturer that represented 10% or greater of our total net inventory purchases were concentrated with one contract manufacturer, who accounted for 14% and 20% of the total net inventory purchases, respectively.

**Note 16. Revenue Recognition**

***Disaggregation of Revenue***

We disaggregate revenue by type of products and by geography. We do not present other levels of disaggregation, such as by customer, markets, contracts, duration of contracts, timing of transfer of control and sales channels, as this information is not used by our CODM to manage the business.

The table below discloses our total net revenue by type of product (*in millions, except percentage data*):

| | Three Months Ended | | | |
|---|---|---|---|---|
| | September 26, 2026 | | September 27, 2025 | |
| | Amount | % of Total | Amount | % of Total |
| Components | 754.2 | 59.7 % | 379.2 | 71.0 % |
| Systems | 508.4 | 40.3 % | 154.6 | 29.0 % |
| **Net revenue** | $ 1,262.6 | 100.0 % | $ 533.8 | 100.0 % |

Refer to “Note 15. Operating Segments and Geographic Information” for a presentation of disaggregated revenue by geography.

***Contract Balances***

We record accounts receivable when we have an unconditional right to consideration. Contract liabilities are recorded when cash payments are received or due in advance of performance. Contract liabilities consist of advance payments and deferred revenue, where we have unsatisfied performance obligations. Contract liabilities are classified as deferred revenue and customer deposits and are included in other current and non-current liabilities within our condensed consolidated balance sheets. Payment terms vary by customer. The time between invoicing and when payment is due is not significant.

**LUMENTUM HOLDINGS INC.**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**
**(Unaudited)**

The following table reflects the changes in contract balances for the periods presented (*in millions, except percentages*):

| Contract balances | Balance sheet location | September 26, 2026 | June 27, 2026 | Change | Percentage Change |
|---|---|---|---|---|---|
| Accounts receivable, net | Accounts receivable, net | $ 625.7 | $ 520.3 | $ 105.4 | 20.3 % |
| Accrued accounts receivable [1] | Accrued accounts receivable | $ 100.0 | $ — | $ 100.0 | n/a |
| Deferred revenue and customer deposits – current [2] | Other current liabilities | $ 12.2 | $ 15.4 | $ (3.2) | (20.8)% |
| Deferred revenue and customer deposits – non-current [1] | Other non-current liabilities | $ 109.5 | $ 1.4 | $ 108.1 | 7,721.4 % |

[1] The outstanding amounts as of September 26, 2026 includes $100.0 million of contract liability to certain customer. Refer to “Accrued Accounts Receivable” section in “Note 7. Balance Sheet Details” for further details.

[2] We recorded the total $9.9 million of below-market contract liability related to our acquisition of a business in March 2026 in our condensed consolidated balance sheets, which will be amortized and recorded as revenue over the term of the supply agreement. During the three months ended September 26, 2026, we have recognized approximately $1.9 million of this amount to revenue. The remaining balance of about $5.7 million was recorded as other current liabilities in our condensed consolidated balance sheets as of September 26, 2026. Refer to “Note 4. Business Combinations” for details.

**LUMENTUM HOLDINGS INC.**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**
**(Unaudited)**

**Note 17. Subsequent Event**

As further described in our Current Report on Form 8-K filed on November 2, 2026, on November 1, 2026, we entered into an Agreement and Plan of Merger (the "Merger Agreement") with Marvell Technology, Inc. ("Marvell"), Java Merger Sub, Inc., a wholly owned subsidiary of Marvell ("Merger Sub I"), and Java Merger Sub II, Inc., a wholly owned subsidiary of Marvell ("Merger Sub II"). Upon the terms and subject to the conditions of the Merger Agreement, Merger Sub I will merge and into us (the "First Merger"), with us continuing as the surviving corporation and as a wholly owned subsidiary of Marvell. Promptly following the effective time of the First Merger (the "Effective Time"), we will merge with and into Merger Sub II (collectively with the First Merger, the "Merger"), with Merger Sub II continuing as the surviving corporation.

At the Effective Time, each share of our common stock, par value $0.001 per share ("Common Stock"), that is issued and outstanding immediately prior to the Effective Time, subject to certain exceptions in the Merger Agreement, will be converted into the right to receive 4.500 shares of Marvell's common stock, par value $0.002 per share of Marvell ("Marvell Common Stock," and such ratio, the "Exchange Ratio"), with cash in lieu of fractional shares of Marvell Common Stock payable in accordance with the Merger Agreement.

At the Effective Time, each share of our preferred stock, par value $0.001 per share, designated as Series A Convertible Preferred Stock ("Series A Preferred Stock") that is issued and outstanding immediately prior to the Effective Time, subject to certain exceptions in the Merger Agreement, will be converted into the right to receive a number of shares of Marvell Common Stock equal to the product of (a) the number of shares of Common Stock into which such share of our Series A Preferred Stock is convertible pursuant to its terms as of immediately prior to the Effective Time, and (b) the Exchange Ratio, with cash in lieu of fractional shares of Marvell Common Stock payable in accordance with the Merger Agreement (the "Preferred Common Stock Merger Consideration").

However, if a holder of shares of Series A Preferred Stock makes an election in accordance with the terms of the Merger Agreement to receive the merger consideration in the form of Series B Convertible Preferred Stock, par value $0.002 per share, of Marvell ("Marvell Series B Preferred Stock"), then each share of Series A Preferred Stock held by such holder immediately prior to the Effective Time will instead be converted into the right to receive one share of Marvell Series B Preferred Stock. The Marvell Series B Preferred Stock is intended to have the same terms and rights as our Series A Preferred Stock, except that each share is convertible for the Preferred Common Stock Merger Consideration.

The completion of the Merger is subject to customary conditions, including, among others, adoption of the Merger Agreement by our stockholders, approval of the share issuance and charter amendment by Marvell's stockholders, the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the receipt of certain other required regulatory approvals. Upon termination of the Merger Agreement under specified circumstances, we may be required to pay Marvell a termination fee of $2.9 billion, and Marvell may be required to pay us termination fee of $5.8 billion or a regulatory termination fee of $3.2 billion.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion in conjunction with the unaudited condensed consolidated financial statements and the corresponding notes included elsewhere in this Quarterly Report on Form 10-Q (this "Quarterly Report"). This Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements. The matters discussed in these forward-looking statements are subject to risk, uncertainties and other factors that could cause actual results to differ materially from those made, projected or implied in the forward-looking statements. Please see "Risk Factors" and "Forward-Looking Statements" for a discussion of the uncertainties, risks and assumptions associated with these statements.*

**Forward-Looking Statements**

This Quarterly Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These statements relate to, among other things, our proposed Merger with Marvell, our markets and industry, products and strategy, the impact of import and export regulation changes, the expected benefits of our acquisitions, macroeconomic conditions, including supply chain conditions and inventory management by our customers, instability and uncertainty in the banking and financial services markets, and tightening credit markets on our business and results of operations, sales, gross margins, operating expenses, capital expenditures and requirements, liquidity, product development and research and development efforts, manufacturing plans, litigation, effective tax rates and tax reserves, our corporate and financial reporting structure, our plans for growth and innovation, our expectations regarding U.S.-China relations, international trade regulation and restrictions (including tariffs, duties, and export controls to be implemented by the U.S. and other countries), market and regulatory conditions, trends and uncertainties in our business and financial results, and are often identified by the use of words such as, but not limited to, "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "project," "seek," "should," "target," "will," "would," "contemplate," "predict," "potential" and similar expressions or variations intended to identify forward-looking statements. These statements are based on the beliefs and assumptions of our management, which are in turn based on information currently available to management. Such forward-looking statements are subject to risks, uncertainties and other important factors that could cause actual results and the timing of certain events to differ materially from future results expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the section entitled "Risk Factors" included under Part II, Item 1A of this Quarterly Report and Part I, Item IA of our Annual Report on Form 10-K for the year ended June 27, 2026. Furthermore, such forward-looking statements speak only as of the date of this report. Except as required by law, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements.

**Overview**

We are a global leader in optical and photonic technologies and an industry-leading provider of optical and photonic products based on revenue and market share. Our products are essential to a range of cloud, artificial intelligence and machine learning ("AI/ML"), telecommunications, consumer, and industrial end-market applications.

We believe the global markets in which Lumentum participates have fundamentally robust, long-term trends that will increase the need for our photonics products and technologies. We believe the world is becoming more reliant on ever-increasing amounts of data flowing through optical networks and data centers. Lumentum's products and technology enable the scaling of these optical networks and data centers to higher capacities. AI/ML has caused a dramatic surge in the growing demands on data networking in cloud data centers and accelerated the usage of optical components and modules. We expect that the accelerating shift to digital and virtual approaches to many aspects of work and life will continue into the future. Virtual meetings, video calls, and hybrid in-person and virtual environments for work and other aspects of life will continue to drive strong needs for bandwidth growth and present dynamic new challenges that our technologies address. As manufacturers demand higher levels of precision, new materials, and factory and energy efficiency, suppliers of manufacturing tools globally are turning to laser-based approaches, including the types of lasers Lumentum supplies. Laser-based 3D sensing and LiDAR for security, industrial and automotive applications are rapidly developing markets. The technology enables computer vision applications that enhance security, safety, and new functionality in the electronic devices that people rely on every day. The use of LiDAR and in-cabin 3D sensing in automobile and delivery vehicles will over time significantly add to our long-term market opportunity.

To maintain and grow our market and technology leadership positions, we are continually investing in new and differentiated products and technologies and customer programs that address both nearer-term and longer-term growth opportunities, both organically and through acquisitions, as well as continually improving and optimizing our operations. Over many years, we have developed close relationships with market-leading customers. We seek to use our core optical and photonic technologies and our volume manufacturing capability to expand into attractive emerging markets that benefit from advantages that optical or photonics-based solutions provide.

We disaggregate revenue by type of product, which are Components and Systems, and by geography. A Components product is defined as one of the individual building blocks that goes into creating a larger solution. It is typically not a complete solution on its own but rather a specialized element that enables system functionality. This includes semiconductor laser chips, laser sub-assemblies, line subsystems and wavelength management systems. These are supplied to customers who then integrate them into their own full system solutions. Components represent foundational parts that support or enable that system's operation and include optical chips and subsystems that are supplied to cloud data center operators, AI/ML infrastructure providers, and network equipment manufacturer customers.

A Systems product is defined as a complete, stand-alone solution that delivers full functionality to the end customer. It is typically self-contained and ready to operate within a customer's network or application environment. This includes optical modules, optical circuit switches, and industrial lasers such as short-pulse solid-state lasers and kilowatt-class fiber lasers. These products integrate multiple technologies and subsystems into a finished solution that directly addresses a customer's needs. A system represents the end-product that can be deployed and used independently.

Our products enable high-capacity optical links for cloud computing, AI/ML workloads, and data center interconnect ("DCI") applications, as well as for communications service provider networks. Our offerings support access (local), metro (intracity), long-haul (intercity and global), and submarine (undersea) network infrastructure. Our products serve enterprise network infrastructure needs, including storage area networks ("SANs"), local area networks ("LANs"), and wide area networks ("WANs"). Demand for our products is fueled by the ongoing expansion of network capacity required to support cloud services, AI/ML processing, streaming video, video conferencing, wireless and mobile connectivity, and the internet of things ("IoT"). In addition, our industrial laser products are used for precision material processing across diverse industries, including semiconductor and microelectronics fabrication, electric vehicle and battery production, metal cutting and welding, and advanced manufacturing that emphasize greater manufacturing precision, flexibility, and sustainability.

**Operating Segment Information**

We operate in one reportable segment as a single, integrated enterprise, with a unified management team overseeing operations across the entire company, rather than through discrete operating segments. The chief operating decision maker ("CODM") is our Chief Executive Officer, who reviews financial information presented as a single enterprise for purposes of allocating resources and evaluating financial performance.

The CODM assesses performance and allocates resources based on condensed consolidated net income from our condensed consolidated statements of operations. This metric is used to set budgets, evaluate performance, review actual results, and determine whether to reinvest profits, pursue acquisitions, or make other capital management decisions. Segment expenses are reflected in our condensed consolidated statements of operations and cash flows, while segment assets are measured through the consolidated assets on the condensed consolidated balance sheets.

**Industry Conditions**

Through fiscal year 2024, we experienced significant fluctuations in demand as customers delayed projected shipments or built up inventory in response to supply shortages and then brought down inventories as supply chain constraints eased. Our revenue fluctuated in response to these changes in demand and our margins were adversely impacted as we were not able to fully recover costs, such as underutilized manufacturing capacity. However, beginning in the first quarter of fiscal year 2025, network equipment manufacturers normalized inventory levels; and since then, we have seen increasing demand from AI and cloud customers as they continue to expand their data centers, driven in part by the continued advances in cloud and AI infrastructure. This demand is outpacing our current supply, which has required us to make decisions on supply allocation. We are investing in manufacturing capacity, both internally and with contract manufacturers, to address increased demand.

Our supply chain is complex, and we need to manage long-term supply of certain components required to build our products while confronted with fluctuating demand from our customers. From time to time, we experience logistics and supply chain issues and shortages of the types of components we and our customers require in our products, and when we experience these shortages, we have had to incur incremental supply and procurement costs in order to increase our ability to fulfill demands from our customers or make allocation decisions, which may harm our relationships with our customers.

Due to worldwide operations, we and our customers are also subject to risks relating to the global trade environment. We are actively monitoring and assessing the global trade environment, particularly with respect to various proposed and enacted changes in tariff regulations and trade restrictions. The ongoing uncertainty surrounding trading policies, including the potential for additional tariffs, restrictions related to our customers and retaliatory measures by non-U.S. governments, continues to create a volatile environment that could disrupt our operations. The imposition of tariffs on certain imported goods and materials and export controls on critical components may increase our costs and place upward pressure on the cost of goods sold, which, in turn, may reduce our gross margins if we are unable to pass these costs onto customers through price increases.

For more information on risks associated with supply chain constraints and customer inventory management, see the section titled "Risk Factors" in Item 1A of Part II of this report.

**Critical Accounting Policies and Estimates**

Our condensed consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles ("GAAP") as set forth in the Financial Accounting Standards Board's Accounting Standards Codification ("ASC"). We also consider the various staff accounting bulletins and other applicable guidance issued by the United States Securities and Exchange Commission ("SEC"). GAAP, as set forth within the ASC, requires us to make certain estimates, judgments and assumptions. We believe that the estimates, judgments and assumptions upon which we rely are reasonable based upon information available to us at the time that these estimates, judgments and assumptions are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the periods presented. To the extent there are differences between these estimates, judgments or assumptions and actual results, our financial statements will be affected. The accounting policies that reflect our more significant estimates, judgments and assumptions and which we believe are the most critical to aid in fully understanding and evaluating our reported financial results include the following:

- Inventory Valuation
- Revenue Recognition
- Income Taxes
- Business Combinations
- Goodwill and Intangible Assets - Impairment Assessment

Management's Discussion and Analysis of Financial Condition and Results of Operations contained in Part II, Item 7 of our Annual Report on Form 10-K for our fiscal year ended June 27, 2026 provides a complete discussion of our critical accounting policies and estimates. There have been no significant changes to these policies during the three months ended September 26, 2026.

**Recently Issued Accounting Pronouncements**

Refer to "Note 2. Recently Issued Accounting Pronouncements" in the notes to condensed consolidated financial statements.

**Results of Operations**

The results of operations for the periods presented are not necessarily indicative of results to be expected for future periods. The following table summarizes selected unaudited condensed consolidated statements of operations items as a percentage of net revenue:

| | Three Months Ended | |
|---|---|---|
| | September 26, 2026 | September 27, 2025 |
| Net revenue by type of products: | | |
| Components | 59.7 % | 71.0 % |
| Systems | 40.3 | 29.0 |
| Net revenue | 100.0 | 100.0 |
| Cost of sales | 47.5 | 62.3 |
| Amortization of acquired developed intangibles | 1.5 | 3.7 |
| Gross profit | 51.0 | 34.0 |
| Operating expenses: | | |
| Research and development | 15.2 | 15.2 |
| Selling, general and administrative | 7.9 | 15.9 |
| Restructuring and related charges | — | 1.6 |
| Gain on sale of business, net | (0.6) | — |
| Total operating expenses | 22.5 | 32.7 |
| Income from operations | 28.5 | 1.3 |
| Other income (expense), net: | | |
| Interest expense | (0.2) | (1.1) |
| Interest and other income, net | 1.0 | 0.8 |
| Total other income (expense), net | 0.8 | (0.3) |
| Income before income taxes | 29.3 | 1.0 |
| Income tax provision | 0.8 | 0.2 |
| Net income | 28.5 % | 0.8 % |

***Financial data for the three months ended September 26, 2026***

The following table summarizes selected unaudited condensed consolidated statements of operations items for the periods presented (*in millions, except for percentages*):

| | Three Months Ended | | | |
|---|---|---|---|---|
| | **September 26, 2026** | **September 27, 2025** | **Change** | **Percentage Change** |
| Net revenue by type of products: | | | | |
| Components | $ 754.2 | $ 379.2 | $ 375.0 | 98.9 % |
| Systems | 508.4 | 154.6 | 353.8 | 228.8 % |
| Net revenue | $ 1,262.6 | $ 533.8 | $ 728.8 | 136.5 % |
| | | | | |
| Gross profit | $ 644.0 | $ 181.5 | $ 462.5 | 254.8 % |
| Gross margin | 51.0 % | 34.0 % | | |
| | | | | |
| Research and development | $ 191.8 | $ 81.4 | $ 110.4 | 135.6 % |
| Percentage of net revenue | 15.2 % | 15.2 % | | |
| | | | | |
| Selling, general and administrative | $ 99.3 | $ 85.1 | $ 14.2 | 16.7 % |
| Percentage of net revenue | 7.9 % | 15.9 % | | |
| | | | | |
| Restructuring and related charges | $ — | $ 8.3 | $ (8.3) | n/a |
| Percentage of net revenue | n/a | 1.6 % | | |
| | | | | |
| Gain on sale of business, net | $ (6.9) | $ — | $ (6.9) | n/a |
| Percentage of net revenue | (0.6)% | n/a | | |

**Net Revenue**

Net revenue increased by $728.8 million, or 136.5%, during the three months ended September 26, 2026 compared to the three months ended September 27, 2025, driven by a $375.0 million increase in Components products and $353.8 million increase in Systems products.

The Components products net revenue growth was primarily driven by the ramp of laser chip and laser assembly product shipment, which represent 66% of the total growth to support strong, broad-based demand across intra-data center, data center interconnect, and long-haul applications. The remaining 34% of Components net revenue growth was primarily due to an increase in shipment volume of data transport products, encompassing line subsystems solutions for long-haul terrestrial networks and charge pump products used in undersea network installations.

The Systems products net revenue growth was primarily driven by our cloud transceiver product lines which increased by more than 266% due to an increase in shipment volume. We also continued the ramp of optical circuit switch shipments, which contributed more than $108.0 million of revenue during the three months ended September 26, 2026 and we remain on track for manufacturing expansion over the coming quarters to support future growth.

During the three months ended September 26, 2026, two end customers individually accounted for 37% and 11% of our total net revenue, respectively. During the three months ended September 27, 2025, two end customers individually accounted for 22% and 21% of our total net revenue, respectively. We had no other end customers that represented 10% or greater of our total net revenue for the respective periods.

***Revenue by Region***

We operate in three geographic regions: Americas, Asia-Pacific, and EMEA (Europe, Middle East, and Africa). Net revenue is assigned to the geographic region and country where our product is initially shipped. For example, certain customers may request shipment of our product to a contract manufacturer in one country, which may differ from the location of their end customers.

The following table presents net revenue by the three geographic regions we operate in and net revenue from countries that generally represented 10% or more of our total net revenue based on customer shipping locations *(in millions, except percentage data):*

| | Three Months Ended | | | |
|---|---|---|---|---|
| | September 26, 2026 | | September 27, 2025 | |
| | Amount | % of Total | Amount | % of Total |
| **Net revenue:** | | | | |
| **Americas:** | | | | |
| United States | $ 297.4 | 23.6 % | $ 93.7 | 17.6 % |
| Mexico | 230.8 | 18.3 | 73.6 | 13.8 |
| Other Americas | 1.1 | 0.1 | 8.6 | 1.6 |
| Total Americas | $ 529.3 | 42.0 % | $ 175.9 | 33.0 % |
| **Asia-Pacific:** | | | | |
| Hong Kong | $ 187.1 | 14.8 % | $ 92.9 | 17.4 % |
| Thailand | 227.5 | 18.0 | 109.1 | 20.4 |
| China | 162.0 | 12.8 | 49.3 | 9.2 |
| Japan | 39.0 | 3.1 | 21.0 | 3.9 |
| Other Asia-Pacific | 69.9 | 5.5 | 49.4 | 9.3 |
| Total Asia-Pacific | $ 685.5 | 54.2 % | $ 321.7 | 60.2 % |
| **EMEA** | $ 47.8 | 3.8 % | $ 36.2 | 6.8 % |
| **Total net revenue** | $ 1,262.6 | 100.0 % | $ 533.8 | 100.0 % |

For the three months ended September 26, 2026, net revenue from customers outside the United States, based on customer shipping locations, represented 76.4% of net revenue.

Our net revenue is primarily denominated in U.S. dollars, including our net revenue from customers outside the United States as presented above. We expect revenue from customers outside of the United States to continue to be an important part of our overall net revenue and an increasing focus for net revenue growth opportunities. However, regulatory and enforcement actions by the United States and other governmental agencies, as well as changes in tax and trade policies and tariffs, have impacted and may continue to negatively impact net revenue from customers outside the United States.

**Gross Margin**

Gross margin for the three months ended September 26, 2026 increased to 51.0% from 34.0% for the three months ended September 27, 2025, primarily driven by higher revenue from our laser chip, laser assembly, and data transport products as well as our cloud transceiver product lines and optical circuit switch products. Approximately 42% of the gross margin dollar increase was driven by lower manufacturing costs as a percentage of revenue, primarily due to higher internal factory utilization. Additionally, 45% of the gross margin increase was driven by a mix shift to higher margin products. The remaining 13% increase in gross margin relates to the decrease in amortization of acquired intangibles.

The markets in which we sell products are undergoing product, architectural and business model transitions, driven in part by the deployment of AI, high customer concentrations, are highly competitive, are price sensitive and/or are affected by customer seasonality and have variants in buying patterns. We expect these factors to result in variability of our gross margin, and our gross margin may be subject to increasing downward pressure due to these factors.

**Research and Development ("R&D")**

R&D expense increased by $110.4 million, or 135.6% during the three months ended September 26, 2026 compared to the three months ended September 27, 2025, primarily due to an $89.7 million increase in stock-based compensation expense driven by equity award modification associated with the retirement of a certain executive announced during the quarter, $10.7 million increase in payroll related expenses and benefits primarily driven by higher headcount and equity-related taxes, and an $8.6 million increase in charges related to R&D programs.

We believe that continuing our investments in R&D is critical to attaining our strategic objectives. We plan to continue to invest in R&D and new products that we believe will further differentiate us in the marketplace.

**Selling, General and Administrative ("SG&A")**

SG&A expense increased by $14.2 million, or 16.7%, during the three months ended September 26, 2026 compared to the three months ended September 27, 2025, primarily due to a $12.4 million increase in payroll related expenses and benefits primarily driven by higher headcount and equity-related taxes, and a $2.0 million increase in stock-based compensation.

From time-to-time, we incur expenses that are not part of our ordinary operations, such as mergers and acquisition-related and litigation expenses, which generally increase our SG&A expenses and potentially impact our profitability expectations in any particular period.

**Restructuring and Related Charges**

We have initiated various strategic restructuring events primarily intended to reduce costs, consolidate our operations, rationalize the manufacturing of our products, and align our business in response to market conditions and as a result of recent acquisitions.

During the three months ended September 26, 2026, we did not record any restructuring and related charges compared to $8.3 million of restructuring and related charges for the three months ended September 27, 2025 related to a reduction in force in order to enhance operational efficiency and realign our investments toward the most critical initiatives.

**Interest Expense**

Interest expense is primarily driven by interest on our convertible notes and term loans. During the three months ended September 26, 2026 and September 27, 2025, we recorded interest expense of $2.4 million and $5.7 million, respectively. The decrease in interest expense for the three months ended September 26, 2026 was primarily due to the early conversion of the 2026 Notes, 2028 Notes and 2029 Notes in the first quarter of fiscal year 2027 and fiscal year 2026 as well as the equitization of a portion of those Notes in fiscal year 2026, offset in part by the interest expense from the 2032 Notes issued in September 2025. Interest expense also includes the amortization of the debt issuance costs of our convertible notes.

**Interest and Other Income, Net**

The components of other income, net are as follows (*in millions*):

| | Three Months Ended | |
|---|---|---|
| | September 26, 2026 | September 27, 2025 |
| Foreign exchange (losses) gains, net | $ (6.7) | $ 1.5 |
| Interest and investment income, net | 20.4 | 8.6 |
| Inducement expense and others | (0.8) | (5.9) |
| Total other income, net | $ 12.9 | $ 4.2 |

Other income, net for the three months ended September 26, 2026 increased by $8.7 million compared to the three months ended September 27, 2025 primarily due to an increase of $11.8 million in interest and investment income driven by the $2.0 billion proceeds from issuance of Series A Convertible Preferred Stock in fiscal year 2026, which was invested in money market funds. In addition, there was no inducement expense in the three months ended September 26, 2026 compared to $5.9 million in the three months ended September 27, 2025 related to the partial repurchase of 2026 Notes. These were offset in part by an increase in net foreign exchange losses of $8.2 million as the U.S. dollar weakened against the underlying currencies for certain of our liabilities, including term loans.

**Provision for Income Taxes**

The following table summarizes provision for income taxes for the periods presented (*in millions*):

| | Three Months Ended | |
|---|---|---|
| | September 26, 2026 | September 27, 2025 |
| Income tax provision | $ 10.0 | $ 1.0 |

We recorded a tax provision of $10.0 million and $1.0 million for the three months ended September 26, 2026 and September 27, 2025, respectively. Our tax provision for the three months ended September 26, 2026 includes a discrete tax benefit of 37.0 million primarily related to the tax benefit from a windfall in connection with stock-based compensation vested during the quarter. Our tax provision for the three months ended September 27, 2025 includes a discrete tax benefit of $0.6 million primarily related to the tax benefit from a windfall in connection with stock-based compensation vested during the quarter and foreign return to provision differences, partially offset by the tax expense from currency re-measurement of certain tax related accounts.

Our estimated effective tax rate for the three months ended September 26, 2026 differs from the 21% U.S. statutory rate primarily due to the income tax benefits from foreign rate differential and various income tax credits, partially offset by the income tax expense from foreign income inclusions in the U.S.

We regularly assess our ability to realize our deferred tax assets on a quarterly basis and will establish a valuation allowance if it is more-likely-than-not that some portion of the deferred tax assets will not be realized. As of September 26, 2026, we maintain a valuation allowance on deferred tax assets related to U.S. federal foreign tax credit carryforwards and California research and development credit carryforwards. We also maintain a full valuation allowance on our Canada deferred tax assets, and a partial valuation allowance on our U.K. deferred tax assets. We will continue to assess the need for a valuation allowance against our remaining deferred tax assets and may increase or decrease our valuation allowance materially in the future. Any such change will be recognized as a component of the provision for income taxes in the period in which the change in assessment occurs.

Our provision for income taxes may be impacted by changes in the geographic mix of earnings, acquisitions, changes in the realizability of deferred tax assets, changes in our uncertain tax positions, the results of income tax audits, settlements with tax authorities, the expiration of statutes of limitations, the implementation of tax planning strategies, tax rulings, court decisions, and changes in tax laws and regulations. It is also possible that significant negative or positive evidence may become available that causes us to change our conclusion regarding whether a valuation allowance is needed on certain of our deferred tax assets, which would affect our income tax provision in the period of such change.

We also evaluate changes to regulations and requirements in the international jurisdictions where we conduct our business. For additional information, refer to Part II Item 1A “Risk Factors”.

**Financial Condition**

***Liquidity and Capital Resources***

As of September 26, 2026 and June 27, 2026, our cash and cash equivalents were $1,272.2 million and $2,043.5 million, respectively. As of September 26, 2026 and June 27, 2026, our short-term investments of $707.4 million and $694.9 million, respectively, were all held in the United States. Cash equivalents and short-term investments are primarily comprised of money market funds, treasuries, agencies, high quality investment grade fixed income securities, certificates of deposit, and commercial paper. Our investment policy and strategy provide for diversification of investments and is focused on the preservation of capital and supporting our liquidity requirements.

The total amount of cash held by the non-United States entities as of September 26, 2026 and June 27, 2026 was $426.9 million and $417.9 million, respectively, which was primarily held by entities incorporated in the United Kingdom, Japan, Hong Kong, China, Switzerland, and Thailand. Although cash currently held in the United States, as well as cash generated in the United States from future operations, is expected to cover our normal operating requirements, a substantial amount of additional cash could be required for other purposes, such as capital expenditures to support our business and growth, including costs associated with increasing internal and external manufacturing capabilities, strategic transactions and partnerships, and future acquisitions.

Our intent is to indefinitely reinvest funds held outside the United States and, except for the funds held in the Cayman Islands, the British Virgin Islands, and Hong Kong, as well as certain subsidiaries in China and Japan, our current plans do not demonstrate a need to repatriate them to fund our domestic operations. However, if in the future, we encounter a significant need for liquidity domestically or at a particular location that we cannot fulfill through borrowings, equity offerings, or other internal or external sources, or the cost to bring back the money is not significant from a tax perspective, we may determine that cash repatriations are necessary or desirable. Repatriation could result in additional material taxes. These factors may cause us to have an overall tax rate higher than other companies or higher than our tax rates in the past. Additionally, if conditions warrant, we may seek to obtain additional financing through debt or equity sources. To the extent we issue additional shares, it may create dilution to our existing stockholders. However, any such financing may not be available on terms favorable to us or may not be available at all.

Beginning in fiscal year 2023, the Tax Cuts and Jobs Act of 2017 requires taxpayers to capitalize research and development expenditures and amortize domestic expenditures over five years and foreign expenditures over fifteen years. The One Big Beautiful Bill Act (“OBBBA”) enacted in July 2025 eliminates capitalization of domestic research and development expenditures for taxable years beginning on or after January 1, 2025, but retains the requirement to amortize foreign research and development expenditures over 15 years. In addition, the OBBBA permits all taxpayers who paid or incurred domestic research and development expenses in tax years beginning on or after January 1, 2022 and before January 1, 2025 to elect to deduct any remaining unamortized amount over a one-year period or ratably over a two-year period (at the taxpayer’s election), accelerating the benefit of such expenses. We have evaluated these changes and included their impact in our tax provision for fiscal year 2026.

***Liquidity and Capital Resources Requirements***

We believe that our cash and cash equivalents as of September 26, 2026, available borrowing capacity under our Credit Agreement, and cash flows from our operating activities will be sufficient to meet our liquidity and capital spending requirements for at least the next 12 months from the issuance of our financial statements for the first quarter of our fiscal year 2027.

There are a number of factors that could positively or negatively impact our liquidity position, including:

- the settlement of any conversion or redemption of our convertible notes in cash;
- global economic conditions which affect demand for our products and services and impact the financial stability of our suppliers and customers, including the impact of uncertainty in the banking and financial services industries;
- fluctuations in demand for our products as a result of changes in regulations, tariffs or other trade barriers, and trade relations in general;
- changes in accounts receivable, inventory or other operating assets and liabilities, which affect our working capital;
- increase in capital expenditures to support our business and growth, including increases in manufacturing capacity;
- the tendency of customers to delay payments or to negotiate favorable payment terms to manage their own liquidity positions;
- timing of payments to our suppliers;
- volatility in fixed income and credit, which impact the liquidity and valuation of our investment portfolios;
- cost and availability of credit, which may impact available financing for us, our customers or others with whom we do business;
- volatility in foreign exchange markets, which impacts our financial results;
- possible investments or acquisitions of complementary businesses, products or technologies, or other strategic transactions or partnerships;
- issuance of debt or equity securities, or other financing transactions, including bank debt;
- potential funding of pension liabilities either voluntarily or as required by law or regulation; and
- acquisitions or strategic transactions.

***Contractual Obligations***

The following table summarizes our contractual obligations as of September 26, 2026, and the effect such obligations are expected to have on our liquidity and cash flow (*in millions*):

| | Payments Due | | |
|---|---|---|---|
| | **Total** | **Less Than 1 Year** | **More Than 1 Year** |
| **Contractual Obligations** | | | |
| Asset retirement obligations | $ 9.1 | $ 0.1 | $ 9.0 |
| Operating lease liabilities, including imputed interest [1] | 32.5 | 14.8 | 17.7 |
| Pension plan contributions [2] | 1.8 | 1.8 | — |
| Purchase obligations [3] | 2,948.9 | 2,199.1 | 749.8 |
| Term loans - principal [5] | 90.8 | 51.5 | 39.3 |
| Term loans - interest [5] | 1.0 | 0.5 | 0.5 |
| Convertible notes - principal [4] | 1,317.5 | 4.2 | 1,313.3 |
| Convertible notes - interest [4] | 27.6 | 5.2 | 22.4 |
| Others | 145.6 | 37.8 | 107.8 |
| **Total** | $ 4,574.8 | $ 2,315.0 | $ 2,259.8 |

[1] The amounts of operating lease liabilities do not include any sublease income nor do they include payments for short-term leases or variable lease payments. As of September 26, 2026, we expect to receive sublease income of approximately $4.6 million over the remaining sublease periods.

[2] The amount of pension plan contributions represents planned contributions to our defined benefit plans. Although additional future contributions will be required, the amount and timing of these contributions will be affected by actuarial assumptions, the actual rate of returns on plan assets, the level of market interest rates, legislative changes, and the amounts of voluntary contributions to the plan. Any contributions for the following fiscal year and later will depend on the value of the plan assets in the future and thus are uncertain. As such, we have not included any amounts beyond one year in the table above.

[3] Purchase obligations represent legally binding commitments to purchase inventory and other commitments made in the normal course of business to meet operational requirements. Refer to "Note 14. Commitments and Contingencies" in the notes to condensed consolidated financial statements.

[4] The amounts related to convertible notes include principal and interest on our 0.50% Convertible Senior Notes due 2026 (the "2026 Notes"), principal and interest on our 0.50% Convertible Senior Notes due 2028 (the "2028 Notes"), principal and interest on our 1.50% Convertible Senior Notes due 2029 (the "2029 Notes"), and principal and interest on our 0.375% Convertible Senior Notes due 2032 (the "2032 Notes"). The 2026 Notes have a maturity date of December 15, 2026, the 2028 Notes have a maturity date of June 15, 2028, the 2029 Notes have a maturity date of December 15, 2029, and the 2032 Notes have a maturity date of March 15, 2032. The principal balances of our convertible notes are reflected in the payment periods in the table above based on their respective contractual maturities, which may be accelerated if the holders elect to convert the notes prior to maturity. The principal amounts of all of our outstanding convertible notes must be settled in cash. The actual cash settlement may be higher if we decide to settle the conversion value in excess of the principal amounts in cash, rather than issuing shares of common stock. Refer to "Note 9. Debt" for further details.

[5] The amounts related to term loans include principal and interest on our Sumitomo Mitsui Banking Corporation ("SMBC") 2029 and 2026 Term Loans with a fixed annual interest rate of 0.88% and 1.44%, respectively, and Mizuho Bank, Ltd. ("Mizuho") term loan with a fixed annual interest rate of 0.90%. The SMBC Term Loans require monthly principal payments with the remaining principal due on the loan maturity dates of July 31, 2029 and December 19, 2026 while the Mizuho term loan requires quarterly principal payments with the final payment due on September 20, 2029.

We do not have any off-balance sheet arrangements, as such term is defined in rules promulgated by the SEC, which have or are reasonably likely to have a current or future effect on our liquidity or capital resources that are material to investors.

***Indebtedness***

The carrying amounts and estimated fair values of the convertible notes are as follows for the periods presented (*in millions*):

| | September 26, 2026 | | June 27, 2026 | |
|---|---|---|---|---|
| | Carrying Amount | Estimated Fair Value | Carrying Amount | Estimated Fair Value |
| 2032 Notes | $ 1,256.4 | $ 6,438.4 | $ 1,256.1 | $ 5,411.1 |
| 2029 Notes | 27.1 | 368.1 | 54.7 | 640.2 |
| 2028 Notes | 21.1 | 151.0 | 179.1 | 1,108.7 |
| 2026 Notes | 4.2 | 40.0 | 54.7 | 447.2 |
| | $ 1,308.8 | $ 6,997.5 | $ 1,544.6 | $ 7,607.2 |

The table below summarizes the applicable conversion price and the equivalent 130% of the conversion price of each series of Notes (*per share amount*):

| | Conversion Price [1] | 130% of Conversion Price [1] |
|---|---|---|
| 2032 Notes | $ 187.77 | $ 244.10 |
| 2029 Notes | 69.54 | 90.40 |
| 2028 Notes | 131.03 | 170.34 |
| 2026 Notes | 99.29 | 129.08 |

[1] Since the closing price of our stock continued to be at least 130% of the applicable conversion price for each series of Notes for 20 of the last 30 trading days of our first quarter of fiscal year 2027, all of our Notes remain convertible at the option of the holders during the second quarter of fiscal year 2027. The outstanding Notes are recorded as current portion of long-term debt, which is presented as current liabilities in our condensed consolidated balance sheets as of September 26, 2026 and June 27, 2026, net of unamortized debt issuance costs. If the Notes are converted by holders, we are required to satisfy our conversion obligations with respect to each series of converted Notes by paying cash equal to the principal amounts of such series of converted Notes and paying or delivering, as the case may be, cash, shares of common stock, or a combination of cash and shares of common stock, at our election, with respect to any conversion value in excess thereof.

As of October 30, 2026, we have received early conversion requests totaling $779.9 million aggregate principal amount of the Notes (or the "Converted Notes"), which principal amount will be settled in cash and the conversion value in excess thereof will be settled in cash, shares of common stock, or a combination of cash and shares of common stock, at our election, in accordance with Indenture governing the applicable series of Converted Notes. As of September 26, 2026 and June 27, 2026, the aggregate cumulative principal amount of the Converted Notes settled in cash was $756.2 million and $519.4 million, respectively. We accounted for these conversions in accordance with ASC 470-20 Debt with Conversion and Other Options wherein the carrying amount of the Converted Notes, including any unamortized issuance costs, forfeited interest, and cash transferred are recognized in additional paid-in capital account to reflect the shares issued and no gain or loss is recognized.

The principal amount outstanding of our SMBC Term Loans and the Mizuho Term Loan, collectively referred to as Japan Term Loans, are as follows for the periods presented (*in millions*):

| | September 26, 2026 | | | June 27, 2026 | | |
|---|---|---|---|---|---|---|
| | Short-term | Long-term | Total | Short-term | Long-term | Total |
| SMBC Term Loans | $ 45.8 | $ 27.8 | $ 73.6 | $ 46.8 | $ 28.0 | $ 74.8 |
| Mizuho Term Loan | 5.7 | 11.5 | 17.2 | 5.5 | 12.5 | 18.0 |
| Total | $ 51.5 | $ 39.3 | $ 90.8 | $ 52.3 | $ 40.5 | $ 92.8 |

The short-term portion of the Japan Term Loans is recorded as current liabilities while the long-term portion is recorded as long-term debt in our condensed consolidated balance sheets.

On December 19, 2025, we entered into a Credit Agreement providing for a senior secured revolving credit facility in an aggregate principal amount of $400.0 million, including a $23.0 million sublimit for the issuance of letters of credit. As of September 26, 2026, there were no borrowings outstanding under the revolving credit facility. For additional information regarding the Credit Agreement, refer to "Note 9. Debt", in the condensed consolidated financial statements included in Part 1, Item 1 of this Quarterly Report on Form 10-Q. For additional information, refer to "Part II. Item 1A. Risk Factors".

***Unrecognized Tax Benefits***

As of September 26, 2026 and June 27, 2026, our other non-current liabilities include unrecognized tax benefit for uncertain tax positions of $89.4 million and $67.2 million, respectively. We are unable to reliably estimate the timing of future payments related to uncertain tax positions.

***Cash Flows***

Our balance of cash and cash equivalents decreased by $771.3 million from $2,043.5 million as of June 27, 2026 to $1,272.2 million as of September 26, 2026. The decrease in cash and cash equivalents during the three months ended September 26, 2026 was due to cash used in financing activities of $804.4 million and cash used in investing activities of $234.6 million, offset by cash from operating activities of $267.7 million.

*Operating Cash Flow*

Cash from operating activities was $267.7 million during the three months ended September 26, 2026, which primarily reflects a net income of $360.3 million and non-cash items of $208.6 million, partially offset by changes in operating assets and liabilities of $301.2 million. Changes in operating assets and liabilities were primarily driven by a $105.4 million increase in accounts receivable mainly driven by higher revenue, a $114.2 million increase in inventories driven by inventory builds to support market demand and a $114.2 million increase in prepayments and other current and non-current assets primarily driven by increase in value-added-tax receivables due to higher capital expenditures and inventory purchases and inventory-related prepayments with certain suppliers, a $78.8 million decrease in income tax liabilities primarily due to income tax payments, and a $13.6 million decrease in accrued payroll and related expenses mainly driven by payments of employee cash bonuses, offset by an $87.0 million increase in accounts payable primarily due to higher inventory purchases and capital expenditures, and a $38.5 million increase in accrued expenses and other current and non-current liabilities driven by contractual liabilities.

Cash from operating activities was $57.9 million during the three months ended September 27, 2025, which primarily reflects a net income of $4.2 million and non-cash items of $108.3 million, offset by changes in operating assets and liabilities of $54.6 million. Changes in operating assets and liabilities were primarily driven by a $28.8 million increase in accounts payable primarily due to higher inventory purchases and capital expenditures, an $11.4 million increase in accrued payroll and related expenses mainly driven by our accrual on employee cash bonuses, outstanding payroll taxes related to stock-based compensation and ESPP contribution, and a $24.8 million increase in accrued expenses and other current and non-current liabilities driven by contractual liabilities, accrued interest on convertible notes and provision for non-cancellable commitments, offset by a $56.9 million increase in accounts receivable mainly driven by higher revenue, and a $57.5 million increase in inventories driven by inventory builds to support market demand.

*Investing Cash Flow*

Cash used in investing activities of $234.6 million during the three months ended September 26, 2026 was attributable to $229.8 million of capital expenditures, $16.3 million of net payments from sales or maturities of short-term investments, and a $5.0 million purchase of an investment, offset by $10.9 million of net proceeds from the sale of a business, and $5.6 million of proceeds from sale of assets.

Cash used in investing activities of $67.8 million during the three months ended September 27, 2025 was attributable to $76.2 million of capital expenditures, offset by $8.4 million of net proceeds from sales or maturities of short-term investments.

*Financing Cash Flow*

Cash used in financing activities of $804.4 million during the three months ended September 26, 2026 was attributable to $493.3 million of payments for Notes conversions, $306.9 million of tax payments related to net share settlement of restricted stock, and $4.7 million of principal payments on term loans, offset by $0.5 million of proceeds from employee stock plans.

Cash from financing activities of $262.1 million during the three months ended September 27, 2025 was attributable to $1,255.7 million of net proceeds from the issuance of 2032 Notes and $1.5 million of proceeds from employee stock plans, offset by $843.1 million of payments for partial repurchase of the 2026 Notes, $102.0 million of payments for the 2032 Capped Call Options, $47.4 million of tax payments related to net share settlement of restricted stock, and $2.6 million of principal payments on term loans.

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

**Foreign Exchange Risk**

We conduct our business and sell our products to customers primarily in Asia, Europe, and North America. Due to the impact of changes in foreign currency exchange rates between the U.S. Dollar and foreign currencies, we recorded a net foreign exchange loss of $6.7 million and a net foreign exchange gain of $1.5 million in the condensed consolidated statements of operations for the three months ended September 26, 2026 and September 27, 2025, respectively.

Although we sell primarily in the U.S. Dollar, we have foreign currency exchange risks related to our expenses denominated in currencies other than the U.S. Dollar, principally the Chinese Yuan, Canadian Dollar, Thai Baht, Japanese Yen, Hong Kong Dollar, UK Pound, Swiss Franc, and Euro. The volatility of exchange rates depends on many factors that we cannot forecast with reliable accuracy. In the event our foreign currency denominated monetary assets and liabilities, sales or expenses increase, our operating results may be affected to a greater extent by fluctuations in the exchange rates of the currencies in which we do business as compared with the U.S. dollar.

**Equity Price Risk**

We are exposed to equity price risk related to the conversion options embedded in our 2032 Notes, 2029 Notes, 2028 Notes and 2026 Notes.

We issued the 2032 Notes in September 2025, 2029 Notes in June 2023, the 2028 Notes in March 2022 and the 2026 Notes in December 2019. As of September 26, 2026, the aggregate principal amounts of the 2032 Notes, 2029 Notes, 2028 Notes and 2026 Notes were $1,265.0 million, $27.2 million, $21.1 million, and $4.2 million, respectively, and bear interest at a rate of 0.375%, 1.50%, 0.50% and 0.50% per year, respectively. Since the convertible notes bear interest at fixed rates, we have no financial statement risk associated with changes in market interest rates. However, the potential value of the shares to be distributed to the holders of our convertible notes changes when the market price of our stock fluctuates. The 2032 Notes, 2029 Notes, 2028 Notes and 2026 Notes will mature on March 15, 2032, December 15, 2029, June 15, 2028 and December 15, 2026, respectively, unless earlier repurchased by us or converted pursuant to their terms, at a conversion price of approximately $187.77 per share for the 2032 Notes, $69.54 per share for the 2029 Notes, $131.03 per share for the 2028 Notes and $99.29 per share for the 2026 Notes.

In connection with the issuance of the 2032 Notes, we entered into the 2032 Capped Call Options with the 2032 Capped Call Counterparties. The cap price of the 2032 Capped Call Options was initially $268.24 per share, and is subject to certain adjustments under the terms of the 2032 Capped Call Options. To the extent the market price per share of our common stock, as measured under the terms of the 2032 Capped Call Options, exceeds the cap price of the 2032 Capped Call Options, there would be dilution and/or there would not be an offset of any potential cash payments in excess of the principal amount of converted 2032 Notes, in each case, to the extent that such market price exceeds the cap price of the 2032 Capped Call Options.

**Interest Rate Fluctuation Risk**

As of September 26, 2026, we had cash, cash equivalents, and short-term investments of $1,979.6 million. Cash equivalents and short-term investments are primarily comprised of money market funds, treasuries, agencies, high quality investment grade fixed income securities, certificates of deposit, and commercial paper. Our investment policy and strategy is focused on the preservation of capital and supporting our liquidity requirements. We do not enter into investments for trading or speculative purposes. As of September 26, 2026, the weighted-average life of our investment portfolio was approximately twelve months.

Our fixed-income portfolio is subject to fluctuations in interest rates, which could affect our results of operations. Based on our investment portfolio balance as of September 26, 2026, a hypothetical increase or decrease in interest rates of 1% (100 basis points) would have resulted in a decrease or an increase in the fair value of our portfolio of approximately $7.4 million, and a hypothetical increase or decrease in interest rates of 0.50% (50 basis points) would have resulted in a decrease or an increase in the fair value of our portfolio of approximately $3.7 million.

On December 19, 2025, we entered into a Credit Agreement providing for a senior secured revolving credit facility in an aggregate principal amount of $400.0 million, including a $23.0 million sublimit for the issuance of letters of credit. At our option, borrowings bear interest at a variable rate tied to either a base rate or a term Secured Overnight Financing Rate, plus, in each case, a margin based on our secured net leverage ratio. Consequently, our interest expense could fluctuate due to the variable interest rates applicable to any borrowing under the Credit Agreement. As of September 26, 2026, there were no borrowings outstanding under the Credit Agreement.

**Bank Liquidity Risk**

As of September 26, 2026, we had approximately $489.2 million of unrestricted cash (excluding cash equivalents) in operating accounts that are held with domestic and international financial institutions. These cash balances could be lost or become inaccessible if the underlying financial institutions fail or if they are unable to meet the liquidity requirements of their depositors and if they are not supported by the national government of the country in which such financial institution is located. Notwithstanding, we have not incurred any losses to date and have had full access to our operating accounts. We believe any failures of domestic and international financial institutions could impact our ability to fund our operations in the short term. The value of our investment portfolio could also be impacted if we hold debt instruments which were issued by any institutions that fail or become illiquid. Our ability to obtain raw materials for our supply chain and collections of cash from sales may be unduly impacted if any of our vendors or customers are affected by illiquidity events.

**ITEM 4. CONTROLS AND PROCEDURES**

**(a) Evaluation of Disclosure Controls and Procedures**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Management, with the participation of our chief executive officer and our chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of September 26, 2026. The term "disclosure controls and procedures," as defined in Rules 13a-15 and 15d-15 under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well-designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures, as of September 26, 2026, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective at a reasonable assurance level.

**(b) Changes in Internal Control over Financial Reporting**

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Exchange Act Rules 13a-15(d) or 15d-15(d) that occurred during the quarter ended September 26, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**(c) Inherent Limitations on Effectiveness of Controls**

Our management, including the CEO and CFO, recognizes that our disclosure controls and procedures or our internal control over financial reporting cannot prevent or detect all possible instances of errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs.

## PART II - OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

We are subject to a variety of claims and suits that arise from time-to-time in the ordinary course of our business. As such, we regularly evaluate developments in legal matters that could affect the amount of previously accrued liabilities and record adjustments as appropriate. While management currently believes that resolving claims against us, individually or in the aggregate, will not have a material adverse impact on our financial position, results of operations or cash flows, these matters are subject to inherent uncertainties and management's view of these matters may change in the future. Should we experience an unfavorable final outcome, there exists the possibility of a material adverse impact on our financial position, results of operations or cash flows for the period in which the effect becomes reasonably estimatable. For a description of our material pending legal proceedings, refer to "Note 14. Commitments and Contingencies" in the condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q.

## ITEM 1A. RISK FACTORS

Our business, financial condition and results of operations are subject to a number of trends, risks and uncertainties. We review and, where applicable, update our risk factors each quarter. There have been no material changes from the risk factors disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended June 27, 2026, other than the addition of the following risk factors:

***Risks Related to Our Business***

***New or expanded FCC restrictions could adversely affect our business and results of operations.***

The Federal Communications Commission ("FCC") maintains a "Covered List" of communications equipment and services deemed to pose an unacceptable risk to U.S. national security or the safety and security of U.S. persons. FCC rules restrict authorization, importation, marketing and sale of certain listed equipment. The FCC is reportedly considering adding optical transceivers to the Covered List; however, no final rule specifically addressing optical transceivers has been issued. As such, timing and scope of any final rule remains uncertain. If optical transceivers or other Lumentum products are made subject to these or similar restrictions, this could affect our ability to manufacture or source certain products or components outside the United States, including without limitation optical transceivers. These restrictions could limit our ability to obtain or maintain required authorizations or to import, market or sell affected products in the United States. Restrictions affecting products sold by our suppliers or customers could also disrupt our supply chain or reduce demand. We may need to redesign products, qualify alternative components or suppliers, or modify our manufacturing or supply chain, increasing costs, delaying deliveries or reducing margins. These restrictions and related impacts could adversely affect our sales, market share, business, financial condition and results of operations.

***Risks Related to the Proposed Merger with Marvell***

***Because the Exchange Ratio is fixed and the market price of Marvell Common Stock will fluctuate, our stockholders cannot be certain of the value of the merger consideration they will receive.***

On November 1, 2026, we entered into a Merger Agreement with Marvell and two of its wholly owned subsidiaries, pursuant to which, upon the terms and subject to the conditions of the Merger Agreement, we will become a wholly owned subsidiary of Marvell. At the Effective Time, each share of our Common Stock issued and outstanding immediately prior to the Effective Time, subject to certain exceptions in the Merger Agreement, will be converted into the right to receive 4.500 shares of Marvell Common Stock (such ratio, the Exchange Ratio), with cash in lieu of fractional shares. Shares of our Series A Convertible Preferred Stock will be converted into the right to receive Marvell Common Stock based on the Exchange Ratio or, if the holder so elects, shares of a new series of Marvell Series B Preferred Stock.

The Exchange Ratio is fixed and will not be adjusted for changes in the market price of Marvell Common Stock or our Common Stock, and the Merger Agreement does not permit either party to terminate the Merger Agreement solely because of changes in the market price of either company's stock. Accordingly, the market value of the merger consideration will vary from the date of announcement of the Merger, from the date of this Quarterly Report on Form 10-Q, from the date of the joint proxy statement/prospectus relating to the Merger and from the date of our special meeting of stockholders to approve the Merger, and the market value of the Merger consideration at the Effective Time may be higher or lower than its value on any of those dates. Changes in the market price of Marvell Common Stock may result from a variety of factors, many of which are beyond our and Marvell's control, including changes in Marvell's business, operations and prospects, market assessments of the likelihood that the Merger will be completed and of the timing of the Merger, regulatory considerations, general market, industry and economic conditions and the other factors described in Marvell's filings with the SEC. Because the Merger is expected to be completed some time after our special meeting, at the time of the meeting our stockholders will not know the market value of the Marvell Common Stock that they will receive upon completion of the Merger.

***The Merger is subject to a number of conditions, some of which are outside our control, and the Merger may not be completed on the anticipated timeline or at all.***

Completion of the Merger is subject to the satisfaction or, to the extent permitted, waiver of a number of conditions, including, among others: (a) adoption of the Merger Agreement by our stockholders; (b) approval by Marvell's stockholders of the issuance of Marvell Common Stock in the Merger and of an amendment to Marvell's certificate of incorporation to increase the number of authorized shares; (c) the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the receipt of certain other required regulatory approvals; (d) the absence of a legal restraint imposed by certain governmental authorities preventing the completion of the Merger; (e) the effectiveness of the registration statement on Form S-4 to be filed by Marvell in connection with the Merger; (f) authorization for listing on the Nasdaq Global Select Market of the shares of Marvell Common Stock to be issued in the Merger; (g) the accuracy of the representations and warranties of each party (subject to certain qualifications); (h) the performance in all material respects by each party of its obligations under the Merger Agreement; and (i) the absence of a material adverse effect on either us or Marvell. Neither we nor Marvell can control whether the stockholders of either company will approve the Merger-related proposals or whether or when the required regulatory approvals will be obtained.

Governmental authorities may refuse to grant required approvals, may delay their review or may seek to impose conditions on their approval, including requirements to divest assets or businesses, license intellectual property, enter into commercial or behavioral commitments or otherwise restrict the conduct of our or Marvell's businesses. Marvell is not required under the Merger Agreement to accept certain remedies that would reasonably be expected to be material and adverse to the combined businesses of Marvell and us, taken as a whole, or that are not conditioned on completion of the Merger, and the imposition of any such condition could result in the Merger not being completed. Any such conditions, if accepted, could also reduce the anticipated benefits of the Merger or adversely affect the combined company's business. In addition, either party may terminate the Merger Agreement if the Merger has not been completed by November 1, 2027, which date may be extended in certain circumstances to February 1, 2028, May 1, 2028 and August 1, 2028 if required regulatory approvals have not been obtained, and in certain other specified circumstances. We cannot assure you that the conditions to the completion of the Merger will be satisfied or waived, that the Merger will be completed on the anticipated timeline or at all, or that the Merger Agreement will not be terminated.

***Failure to complete the Merger could negatively affect our business, financial condition, results of operations and the market price of our common stock.***

If the Merger is not completed for any reason, our ongoing business may be adversely affected and, without realizing any of the anticipated benefits of the Merger, we would be subject to a number of risks, including the following:

- to the extent that the current market price of our Common Stock reflects an assumption that the Merger will be completed, the market price of our Common Stock could decline significantly;
- we have incurred, and will continue to incur, significant costs, expenses and fees for professional services and other transaction costs in connection with the Merger, a substantial portion of which we must pay whether or not the Merger is completed;
- under certain circumstances, including if the Merger Agreement is terminated because our board of directors changes its recommendation that our stockholders adopt the Merger Agreement or so that we may enter into a definitive agreement providing for a superior proposal, or in certain circumstances following the termination of the Merger Agreement after an alternative acquisition proposal has been made, we may be required to pay Marvell a termination fee of $2.9 billion, which would adversely affect our financial condition and liquidity;
- the disruption to our business resulting from the announcement and pendency of the Merger, including adverse changes in our relationships with customers, suppliers, partners and employees, may continue or intensify;
- we may experience negative reactions from the financial markets, including analysts and investors, and from our customers, suppliers, partners and employees;
- we will have been subject to restrictions on the conduct of our business, and may have forgone business opportunities, during the pendency of the Merger; and
- we could be subject to litigation related to the Merger or to any failure to complete the Merger.

In addition, if the Merger is not completed, our board of directors may seek other strategic alternatives, which may not be available on terms as favorable to our stockholders as the Merger, or at all. The occurrence of any of these events, individually or in the aggregate, could have an adverse effect on our business, financial condition, results of operations and the market price of our Common Stock.

***Our stockholders will have a significantly reduced ownership and voting interest in, and will exercise less influence over the management of, the combined company.***

Upon completion of the Merger, our stockholders will become stockholders of Marvell and will hold a significantly smaller percentage ownership of the combined company than they currently hold of our company. Accordingly, our former stockholders will have less influence over the management and policies of the combined company than they currently have over our management and policies, and only three members of our current board of directors are expected to be appointed to the Marvell board of directors following the Effective Time.

***The combined company may be unable to integrate our business successfully and realize the anticipated benefits of the Merger, which could adversely affect the market price of Marvell common stock following the Merger.***

The success of the Merger will depend, in part, on the combined company's ability to realize the anticipated benefits and synergies from combining our business with Marvell's business. Integrating two large and complex businesses is a difficult, costly and time-consuming process, and the combined company may encounter difficulties, including the loss of key employees, customers, suppliers or other business partners, difficulties in integrating operations, technologies, manufacturing facilities, supply chains and systems, inconsistencies in standards, controls, procedures and policies, unanticipated costs, liabilities or delays, and the diversion of management's attention. Any regulatory conditions imposed in connection with the Merger could also limit the anticipated benefits. If the combined company is not able to successfully integrate our business with Marvell's business, or if the anticipated benefits and synergies of the Merger are not realized fully, within the expected timeframe or at all, the market price of Marvell Common Stock, and therefore the value of the Merger consideration received by our stockholders, may decline.

***After the Merger, our stockholders will hold Marvell Common Stock, the market price of which may be affected by factors different from those affecting the market price of our Common Stock, and their rights will be governed by Marvell's organizational documents.***

Upon completion of the Merger, holders of our Common Stock will become holders of Marvell Common Stock. Marvell's business and financial position differ from ours, and the results of operations of the combined company, as well as the market price of Marvell Common Stock, may be affected by factors different from those currently affecting our results of operations and the market price of our Common Stock, including risks relating to Marvell's business described in Marvell's filings with the SEC. In addition, the issuance of a substantial number of shares of Marvell Common Stock in the Merger, and sales of those shares in the public market following the Merger, could depress the market price of Marvell Common Stock. Following the Merger, the rights of our former stockholders will be governed by Marvell's certificate of incorporation, as amended in connection with the Merger, and bylaws, which differ in certain respects from our certificate of incorporation and bylaws.

***As a result of the Merger, our current and prospective employees could experience uncertainty about their future with us or the combined company. As a result, key employees may depart because of issues relating to such uncertainty or a desire not to remain with Lumentum following the completion of the Merger.***

As a result of the Merger, our current and prospective employees could experience uncertainty about their future with us or the combined company, or decide that they do not want to continue their employment with us or the combined company. As a result, key employees may depart because of issues relating to such uncertainty or a desire not to remain with Lumentum either prior to or following the completion of the Merger. Losses of officers, key employees or other employees could materially harm our business, results of operations and financial condition. Such adverse effects could also be exacerbated by a delay in the completion of the Merger for any reason, including delays associated with obtaining requisite regulatory approvals or the approval of our stockholders. We may also experience challenges in hiring new employees during the pendency of the Merger, or if the Merger Agreement is terminated, which could harm our ability to grow our business, execute on our business plans or enhance our operations. If the Merger is consummated, the combined

company may be less attractive to current and prospective employees, which could harm the business and prospects of the combined company.

***The Merger Agreement restricts the conduct of our business before the completion of the Merger.***

The Merger Agreement requires us, subject to certain exceptions, to conduct our business in the ordinary course prior to the completion of the Merger and restricts us, without Marvell's consent, from taking certain specified actions until the Merger is completed or the Merger Agreement is terminated. These restrictions may prevent us from pursuing business opportunities or strategies that arise prior to the completion of the Merger, including making acquisitions, investments or capital expenditures, disposing of assets, incurring indebtedness, issuing equity securities or entering into or amending certain material contracts, and may affect our ability to respond effectively to competitive pressures, industry developments and customer demand. If the Merger is not completed, these restrictions may also have placed us at a disadvantage relative to our competitors. These restrictions could adversely affect our business, financial condition and results of operations.

***The Merger Agreement contains provisions that could discourage a potential competing acquirer.***

The Merger Agreement contains "no-shop" provisions that, subject to limited exceptions, restrict our ability to solicit, initiate or knowingly encourage proposals for alternative transactions from third parties, to participate in discussions or negotiations with, or provide nonpublic information to, third parties in connection with any alternative transaction, or to enter into an agreement providing for an alternative transaction. In addition, our board of directors may change its recommendation that our stockholders adopt the Merger Agreement, and we may terminate the Merger Agreement to enter into a definitive agreement providing for a superior proposal, only in limited circumstances and subject to Marvell's right to negotiate revisions to the terms of the Merger Agreement, and we may be required to pay Marvell a termination fee of $2.9 billion in certain of those circumstances. These provisions could discourage a third party that might have an interest in acquiring all or a significant part of our company from considering or proposing an alternative transaction, even if that party were prepared to pay consideration with a higher value than the Merger consideration, or could result in a potential acquirer proposing to pay a lower price than it would otherwise have proposed to pay.

***Litigation relating to the Merger could prevent or delay the completion of the Merger or otherwise adversely affect our business.***

Lawsuits are frequently brought against public companies and their boards of directors in connection with merger transactions, and we, our directors and Marvell may become subject to lawsuits relating to the Merger, including putative class action or derivative lawsuits, regardless of their merit. Such litigation could result in substantial costs, divert management's attention and resources and, if a plaintiff were to obtain an injunction or other order preventing the completion of the Merger, could delay or prevent the completion of the Merger. An adverse outcome in any such litigation could also result in substantial damages or settlement costs. Litigation could also be brought in connection with any failure to complete the Merger.

**ITEM 5. OTHER INFORMATION**

***Securities Trading Plans of Directors and Executive Officers***

During our last fiscal quarter, no director or officer, as defined in Rule 16a-1(f), adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," each as defined in Regulation S-K Item 408.

**ITEM 6. EXHIBITS**

The following exhibits are filed herewith or are incorporated by reference to exhibits previously filed with the Securities and Exchange Commission.

| Exhibit No. | Exhibit Description | Incorporated by Reference Form | File No. | Exhibit | Filing Date | Filed Herewith |
|---|---|---|---|---|---|---|
| 10.1 | Consulting Agreement with Vincent Retort | | | | | X |
| 31.1 | Certification of the Chief Executive Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. | | | | | X |
| 31.2 | Certification of the Chief Financial Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. | | | | | X |
| 32.1† | Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. | | | | | X |
| 32.2† | Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. | | | | | X |
| 101 | The following financial information from Lumentum Holdings Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended September 26, 2026 formatted in Inline XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Statements of Operations for the three months ended September 26, 2026 and September 27, 2025; (ii) Condensed Consolidated Statements of Comprehensive Income for the three months ended September 26, 2026 and September 27, 2025; (iii) Condensed Consolidated Balance Sheets as of September 26, 2026 and June 27, 2026; (iv) Condensed Consolidated Statements of Cash Flows for the three months ended September 26, 2026 and September 27, 2025; (v) Condensed Consolidated Statements of Stockholders' Equity for the three months ended September 26, 2026 and September 27, 2025, and (vi) Notes to Condensed Consolidated Financial Statements. | | | | | X |
| 104 | Cover Page Interactive Data File, formatted in Inline XBRL (included in Exhibit 101). | | | | | X |

† The certifications furnished in Exhibits 32.1 and 32.2 that accompany this report are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of the Registrant under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this report, irrespective of any general incorporation language contained in such filing.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LUMENTUM HOLDINGS INC.

Date: November 3, 2026

By: /s/ Wajid Ali
By: Wajid Ali
*Executive Vice President, Chief Financial Officer*



# CONSULTING AGREEMENT

This Consulting Agreement (this "**Agreement**") is made effective as of October 2, 2026 ("**Effective Date**") between **Lumentum Operations LLC**, having offices located at 1001 Ridder Park Drive, San Jose, California 95131, on behalf of itself and its Affiliates (collectively, **"Lumentum"** or the "**Company**") and Vincent Retort ("**Consultant**"). Lumentum and Consultant are referred to herein individually as a "**Party**" and collectively, the "**Parties**".

"**Affiliate**" means an entity that controls, is controlled by, or is under common control with a Party. "**Control**" and its derivatives mean the legal beneficial, or equitable ownership, directly or indirectly, of more than fifty percent (50%) of the capital stock (or other ownership interest, if not a corporation) of such entity ordinarily having voting rights.

## RECITALS

**WHEREAS** Lumentum wishes to retain the Consultant as an independent contractor to provide from time to time, and be available to provide, advisory services based on the Consultant's expertise and knowledge of the Company and the Company's industry ("**Services**") and the Consultant wishes to provide such Services to Lumentum on the terms and conditions set out herein.

**NOW THEREFORE** in consideration of the premises and the mutual covenants and agreements hereinafter contained, the Parties hereto hereby mutually covenant and agree as follows:

## 1. SERVICES

(a) Lumentum hereby retains and engages the Consultant to provide Services to Lumentum, on a periodic basis or, upon the reasonable request of the Company, as becomes necessary or advisable during the term of this Agreement.

(b) This is a non-exclusive agreement. Lumentum is free to purchase the same or similar services from sources other than the Consultant. The Consultant may, during the term of this Agreement be engaged by others, provided that his engagement with others does not conflict with the performance of his obligations under the terms of this Agreement and/or conflict with the interests of Lumentum.

(c) The Consultant represents that he is free to enter into this Agreement and that this engagement does not violate the terms of any agreement between the Consultant and any third party.

(d) The Consultant shall have full discretion as to the manner of providing the Services, subject to the terms of this Agreement, and shall render the Services with the highest professional standards. The Services shall be completed to the reasonable satisfaction of Lumentum.

## 2. TERM OF AGREEMENT

(a) This Agreement shall commence on the Effective Date and shall terminate on the second anniversary of the Effective Date (October 2, 2028) (the "**Term**"), unless earlier terminated by the mutual consent of the Parties.

(b) There is no guarantee of any further engagement of the Consultant for services beyond the Term and any renewal or extension of this Agreement (if any) is dependent on Lumentum and the Consultant coming to a mutual agreement in writing and having the written agreement duly executed by both Parties prior to the contract end date.

## 3. PAYMENT

(a) For the Services performed under this Agreement during the Term, the Consultant shall continue to vest in his equity awards (including, without limitation, restricted stock units (RSUs) and performance stock units (PSUs)) from the Company outstanding as of the Effective Date, or immediately prior to his retirement from the Company. The Consultant understands that he is responsible and ultimately liable for any Tax-Related Items (as defined in the applicable award agreement) with respect to this consideration; provided that as a matter of process and without limiting the foregoing, and to the extent reasonably possible, the Company shall withhold for Tax-Related Items on the Consultant's behalf on or immediately following the applicable Vesting Date(s) (as defined in the applicable award agreement) through broker-assisted sale of shares, consistent with past practice and subject to the Company's discretion with respect to applicable withholding rates as set forth in the applicable award agreement.

(b) The Consultant shall be reimbursed for reasonable, pre-approved and documented expenses incurred in connection with the provision of the Services. The Consultant is responsible for all other expenses incurred during or with respect to the performance of Services pursuant to this Agreement, except as may be agreed to in writing by the Consultant and Lumentum.

(c) Except as provided herein, Consultant shall be responsible for all costs and expenses incurred in connection with the Services rendered under this Agreement, including but not limited to, project–related expenses, office space, office equipment, supplies, maintenance, utilities, etc.

(d) Except as provided herein or as otherwise agreed to in writing by the Consultant and Lumentum, the Consultant shall receive no further payment, royalty or other compensation related to this Agreement or the Consultant's performance hereunder.

(e) Subject to the Company's agreement in Section 3(a) with respect to the withholding process, the Consultant shall be responsible for paying any amounts required to be paid under any statute, regulation, by-law or otherwise because of receipt by the Consultant of the payments set out herein. Without limiting the generality of the foregoing, and except as provided in Section 3(a), the Consultant is solely responsible for complying with, filing, and remitting all taxes, social security contributions, social insurance payments, and any other governmental charges, levies, assessments, or statutory obligations arising in any jurisdiction because of payments made to the Consultant under this Agreement. Such obligations may include, without limitation, income taxes, value-added taxes, goods and services taxes, sales taxes, social welfare contributions, pension or retirement contributions, unemployment or disability insurance contributions, and any other similar obligations imposed by applicable national, regional, or local laws.

The Consultant further agrees that, except as provided in Section 3(a), if Lumentum is required or requested by any governmental authority to make any payments on the Consultant's behalf, or on its own behalf because of the Consultant's status or activities under this Agreement, the Consultant shall promptly reimburse Lumentum for all such amounts paid.

**4. NON-COMPETE**

(a) The Consultant is an executive officer, equity holder and key employee ot the Company and, as a result (i) has acquired and may continue to acquire valuable trade secrets and other confidential and proprietary information relating to optical and photonic technologies that power the networks and infrastructure behind artificial intelligence, cloud computing and next-generation communications and the R&D, design, development, manufacture, operations, marketing, license, sale and distribution related to high-performance lasers, modules and optical subsystems that enable scalable, energy-efficient data center connectivity, advanced telecom networks, industrial manufacturing, and sensing applications (the "Business"); (ii) has been actively involved in the management, development and/or operations of the Company's involvement in the Business and/or in the development of the Company's and customer and supplier relationships; and (iii) has acquired substantial skills and experience in the Business. The Consultant acknowledges that, through both his employment with the Company and as a result of the payments under this Agreement, the Consultant will own a substantial equity interest in the Company and that the value of the consideration provided in this Agreement is substantial. The Parties further acknowledge that the Company either already does or plans to engage in the Business throughout the Covered Area (as defined below), that such Business is very competitive, and the Company plans to continue to engage in the Business through the Covered Area during and beyond the term of the Restricted Period (as defined below). The Parties further acknowledge that competition by the Consultant with the Company as it pertains to the Business would severely injure the Company. Accordingly, the Consultant agrees to the covenants in this Section 4. The Parties further acknowledge that that the Company wishes to protect its investment in the Business by restricting the activities of the Consultant that might compete with or otherwise harm the Business and, as part of the consideration and as a material inducement to the Company agreeing to this Agreement, the Consultant is willing to agree to and abide by such restrictions as provided herein.

(b) For a period of two (2) years following the effective date of this Agreement (the "**Restricted Period**"), the Consultant shall not compete with the business of the Company or the Business operated by the Company by engaging, directly or indirectly, in the Business within the Covered Area. For purposes of this Agreement: (i) "**Covered Area**" means each of the cities, town, counties, states, provinces, territories, countries and continents of the world, including but not limited to the United States of America, Canada, Mexico, China, Japan, South Korea, Thailand, Indonesia, India, Singapore, Australia, the United Kingdom, France, Italy, Germany, Spain, Portugal, Belgium, the Netherlands, Switzerland, Russia, Poland, Croatia, Israel, Saudi Arabia, the United Arab Emirates, Brazil, Argentina, and any other

cities, towns, counties, states, provinces, territories and countries anywhere in North America, South America, Europe, Asia, Africa or anywhere else in the world; (ii) the phrase "**engaging, directly or indirectly**" means engaging or having an interest in, directly or indirectly, as owner, partner, participant of a joint venture, trustee, proprietor, shareholder, member, manager, director, officer, employee, independent contractor, capital investor, lender, guarantor, credit enhancer, consultant, or advisor or in a similar capacity to a business or enterprise engaged in the Business, other than holding less than 2% of the outstanding shares any public company; (iii) "**within the Covered Area**" includes the R&D, design, development, manufacture, operations, marketing, license, sale or distribution to or for a person or entity in or within, or for resale within, the Covered Area even if the service is performed in another state, territory, jurisdiction or country or the product or service developed, sold or distributed is developed in, or marketed, sold, distributed or shipped from, another place.

(c) In addition to the provision of Section 10(b) below (Severability), it is the desire and intent of the Parties that the provisions of this Section 4 shall be enforced to the fullest extent permissible under applicable law. If any provision of this Section 4 or any part of any such provision is held under any circumstances to be invalid or unenforceable by any arbitrator or court of competent jurisdiction, then: (i) such provision or part thereof shall, with respect to such circumstances and in such jurisdiction, be modified by such arbitrator or court to conform to applicable laws so as to be valid and enforceable to the fullest possible extent; (ii) the invalidity or unenforceability of such provision or part thereof under such circumstances and in such jurisdiction shall not affect the validity or enforceability of such provision or part thereof under any other circumstances or in any other jurisdiction; and (iii) the invalidity or unenforceability of such provision or part thereof shall not affect the validity or enforceability of the remainder of such provision or the validity or enforceability of any other provision of this Section 4. Each provision of this Section 4 is separable from every other provision of this Section 4, and each part of each provision of this Section 4 is separable from every other part of such provision.

## 5. CONSULTANT'S OBLIGATIONS

(a) The Consultant agrees to observe the rules of Lumentum relating to security of, access to, and use of Lumentum's proprietary or Confidential Information (defined below).

(b) The Consultant agrees to keep confidential and not to disclose or make any unauthorized use of non-public information pertaining in any manner to the business activities of Lumentum or Lumentum's affiliates, contractors, or business associates, including any trade secrets, confidential information, knowledge, data or other information of Lumentum relating to processes, products, software, know-how, designs, development tools and processes, formulas, company lists, customer lists, customer record(s), strategic or tactical plans, employee personnel files and information about employee compensation and benefits, or other non-public subject matter pertaining to any activities of Lumentum or any of its affiliates (collectively referred to herein as "**Confidential Information**"), which Consultant may have produced, obtained, learned or otherwise acquired during the course of rendering services to Lumentum (including, but not limited to, the Services). Consultant's duty to maintain such Confidential Information in confidence hereunder shall survive the termination of this Agreement, except to the extent that any such Confidential Information becomes generally known in the industry through no direct or indirect fault of the Consultant. The Consultant shall not disclose to any third party any Confidential Information, reports, recommendations, conclusions or other results of the Services or the subject matter or purposes of this Agreement without the prior written consent of Lumentum.

## 6. INDEPENDENT CONTRACTOR

(a) It is agreed and understood that the relationship between the Consultant and Lumentum is that of an independent contractor for the provision of Services and not employment. The Consultant shall not be deemed to be an employee of Lumentum for any purpose, nor shall the Consultant be entitled or eligible to participate in any benefits or privileges given or extended by Lumentum to its employees nor shall the Consultant be deemed to be an employee of Lumentum for purposes of any contribution due on behalf of the Consultant.

(b) This Agreement does not constitute and shall not be construed as constituting a partnership, joint venture or principal/agency relationship between the Parties. Neither Party by virtue of this Agreement shall have the right, power or authority to act or to create any obligations, express or implied, on behalf of the other Party.

(c) The Consultant shall have no claim against Lumentum for vacation pay, statutory holiday pay, sick leave, retirement benefits, social security, worker's compensation, health or disability benefits, unemployment insurance benefits, or employee benefits of any kind.



## 7. TERMINATION

This Agreement may be terminated with (i) the mutual consent of the Parties or (ii) upon thirty (30) days prior written notice of the Consultant. On the effective date of termination of this Agreement, the Consultant shall discontinue provision of the Services and shall invoice Lumentum for any expenses incurred up to the effective date of termination. Thereafter, there shall be no further obligations on either Party to either perform any work or provide any payment whatsoever.

## 8. INDEMNIFICATION

(a) The Consultant agrees to indemnify, defend, and hold harmless Lumentum, its officers, directors, agents, employees, servants and representatives, successors and assigns of and from:

i. any and all economic damages arising out of a third-party action, cause of action or claim solely to the extent resulting from the Consultant's gross negligence or willful misconduct in connection with the performance of the Services pursuant to this Agreement; and

ii. any and all liabilities and claims whatsoever against Lumentum or the other indemnitees for or by reason of or in any way arising out of Tax-Related Items in respect of the payment to the Consultant pursuant to this Agreement; such liabilities and claims shall include, without limiting the generality of the foregoing, federal or other income taxes, penalties and interest and Section 409A taxes, penalties and interest.

iii. This indemnity shall survive the termination or other expiration of this agreement.

## 9. OBLIGATIONS UNDER EPIAIA

The Consultant agrees that all of the obligations under his Employee Proprietary Information and Inventions Agreement with JDS Uniphase Corporation and assigned to the Company upon its spin-off from JDS Uniphase Corporation (attached hereto as Attachment B, the "**EPIAIA**") – including, without limitation, compliance with applicable policies, ownership and nondisclosure of Proprietary Information, disclosure, license and assignment of innovations, cooperation, return of materials, non-solicitation, notification, non-disparagement – shall continue during the term of this Agreement as if the Consultant is an employee of the Company and that all such obligations under the EPIAIA following the Consultant's termination of employment with the Company shall continue as if the Consultant's employment with the Company terminated at the end of this Agreement. Nothing herein should be interpreted as modifying (other than extending), waiving or terminating the Consultant's existing or future obligations under the EPIAIA.

## 10. GENERAL

(a) **Amendment/Waiver**: This Agreement can only be amended or modified by mutual agreement of the Parties and any such amendments and modifications must be set out in writing, dated and duly executed by the Parties and appended to a copy of this Agreement. No waiver of any breach of any term or provision of this Agreement shall be effective or binding unless made in writing and signed by the Party purporting to give the same and, unless otherwise provided in the written waiver, shall be limited to the specific breach waived.

(b) **Severability**: The invalidity of any provision of this Agreement or any covenant herein contained on the part of any Party shall not affect the validity of any other provision or covenant hereof or herein contained. In the event that any provision of this Agreement shall at any time contravene in whole or in part any applicable federal or provincial law or regulation, then such provision shall remain in effect only to the extent permitted under law and the remaining provisions thereof shall remain in full force and effect.

(c) **Section 409A and Tax Matters**: All payments and benefits provided for under this Agreement are intended to be exempt from or otherwise comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance thereunder (together, "**Section 409A**"), so that none of the payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms herein will be interpreted to be exempt or so comply. Each payment and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations. In no event will the Company reimburse the Consultant for any taxes or penalties that may be imposed on the Consultant as a result of Section 409A or otherwise.

(d) **Governing Law**: This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California without giving effect to conflict of laws principles thereof. The Parties hereby consent to the sole and exclusive jurisdiction of the competent state and federal courts sitting in the State of California.

(e) **Entire Agreement**: This Agreement constitutes the entire Agreement between the Parties; provided that this Agreement is not intended to modify the terms of the applicable equity award agreements other than the Company's agreement in Section 3(a) with respect to the withholding process. There are no oral or written representations, warranties, forms, conditions, undertakings or collateral agreements, expressed, implied or statutory, between the Parties, other than as expressly set forth or expressly referenced in this Agreement.

(f) **Ancillary Documents**: The Parties hereto agree to execute any further and other documents which shall be necessary or desirable to give effect to the terms of the within Agreement.

(g) **Assignment:** Neither Party may assign this Agreement or any part thereof without the written consent of the other Party.

(h) **Certain Obligations of the Company:** Effective as of no later than the Effective Date, the Company shall provide the Consultant with a new Company email address for use with the provision of the Services. During the Term, the Company shall make available the Company's assistance and support with the adoption of a Rule 10b5-1 trading plan and with Form 144 filings.

(i) **Notice:** Any notice required to be given hereunder shall be in writing and may be delivered personally or be sent by registered mail, email or courier to the other Party's principal office (as noted below). Any notice sent by registered mail shall be deemed to have been received by the Party to whom it is addressed on the third business day following such mailing.

i. To Lumentum:
Lumentum Operations LLC
1001 Ridder Park Drive, San Jose, California 95131
To the attention of the General Counsel
jae.kim@lumentum.com and heather.paschall@lumentum.com

ii. To the Consultant:
Vincent Retort
6419 Paseo Santa Maria, Pleasanton, California 94566
New Company E-Mail pursuant to Section 10(h)

(j) **Acknowledgement**: The Parties acknowledge that they have read and understood the terms of this Agreement and agree that the said terms are fair and reasonable and correctly set out the Parties' intentions and further agree to abide by the terms hereof. The Parties further acknowledge that they have had legal representation with respect to the terms of this Agreement or the opportunity to obtain same.

**IN WITNESS WHEREOF** the Parties hereto have duly executed this agreement as of the date first above written

**LUMENTUM OPERATIONS LLC**

Signed by:
Signature

Michael Hurlston
Name (Please Print)

President and Chief Executive Officer
Title

2026 July 27
Date

**VINCENT RETORT**

Signed by:
Vince Retort
Signature

Name (Please Print)

2026 July 27
Date

**Exhibit 31.1**

**LUMENTUM HOLDINGS INC.**
**CERTIFICATION PURSUANT TO SECTION 302**
**OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael Hurlston, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lumentum Holdings Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 3, 2026

/s/ Michael Hurlston

Michael Hurlston
*President and Chief Executive Officer*
*(Principal Executive Officer)*

**Exhibit 31.2**

**LUMENTUM HOLDINGS INC.**
**CERTIFICATION PURSUANT TO SECTION 302**
**OF THE SARBANES-OXLEY ACT OF 2002**

I, Wajid Ali, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lumentum Holdings Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 3, 2026

/s/ Wajid Ali
Wajid Ali
*Executive Vice President and Chief Financial Officer*
*(Principal Financial Officer)*

**Exhibit 32.1**

**LUMENTUM HOLDINGS INC.**
**CERTIFICATION PURSUANT TO SECTION 906**
**OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Lumentum Holdings Inc. (the "Company") for the quarter ended September 26, 2026 as filed with the Securities and Exchange Commission (the "Report"), I, Michael Hurlston, President and Chief Executive Officer (Principal Executive Officer) of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

Dated: November 3, 2026

/s/ Michael Hurlston
Michael Hurlston
*President and Chief Executive Officer*
*(Principal Executive Officer)*

**Exhibit 32.2**

**LUMENTUM HOLDINGS INC.**
**CERTIFICATION PURSUANT TO SECTION 906**
**OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Lumentum Holdings Inc. (the "Company") for the quarter ended September 26, 2026 as filed with the Securities and Exchange Commission (the "Report"), I, Wajid Ali, Executive Vice President and Chief Financial Officer (Principal Financial Officer) of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

Dated: November 3, 2026

/s/ Wajid Ali
Wajid Ali
*Executive Vice President and Chief Financial Officer*
*(Principal Financial Officer)*