



VIAMI Solutions

William Blair 2018

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Cautionary Language Concerning Forward-Looking Statements

This presentation contains forward-looking statements under Section 27A of the Securities Act of 1934. Forward-looking statements are all statements we make other than those dealing specifically with historical matters. These forward-looking statements include, among other things, financial guidance. Please refer to the Company's filings with the Securities and Exchange Commission, including our annual report on Form 10-K filed August 29, 2017 for additional factors that could cause actual results to materially differ from current expectations. The forward-looking statements included in this presentation are valid only as of today's date except where otherwise noted. Viavi Solutions Inc. undertakes no obligation to update these statements.

This presentation and the Q&A that follows include non-GAAP financial measures which complement the Company's consolidated GAAP financial statements. These non-GAAP financial measures are not intended to supersede or replace the Company's preliminary GAAP financials. We provide a detailed reconciliation of preliminary GAAP results to the non-GAAP results in the Appendix to this presentation. This presentation is located in the Investor Relations section of our web site at www.viavisolutions.com.

Note: Amounts presented in all slides are on a continuing operations basis unless otherwise noted.

VIAVI Overview

Leader in Network Service Enablement and Optical Security and Performance Applications

NSE

Products and solutions that help service providers and IT organizations optimize and maintain their networks

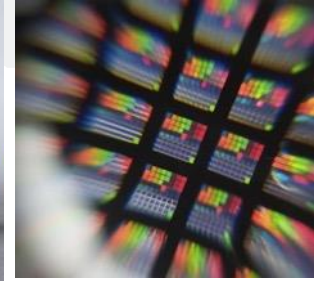
- Test and Measurement
- Service Activation & Assurance
- Performance Management



OSP

Advanced thin film optics and high performance optical materials for AMI* specialty applications

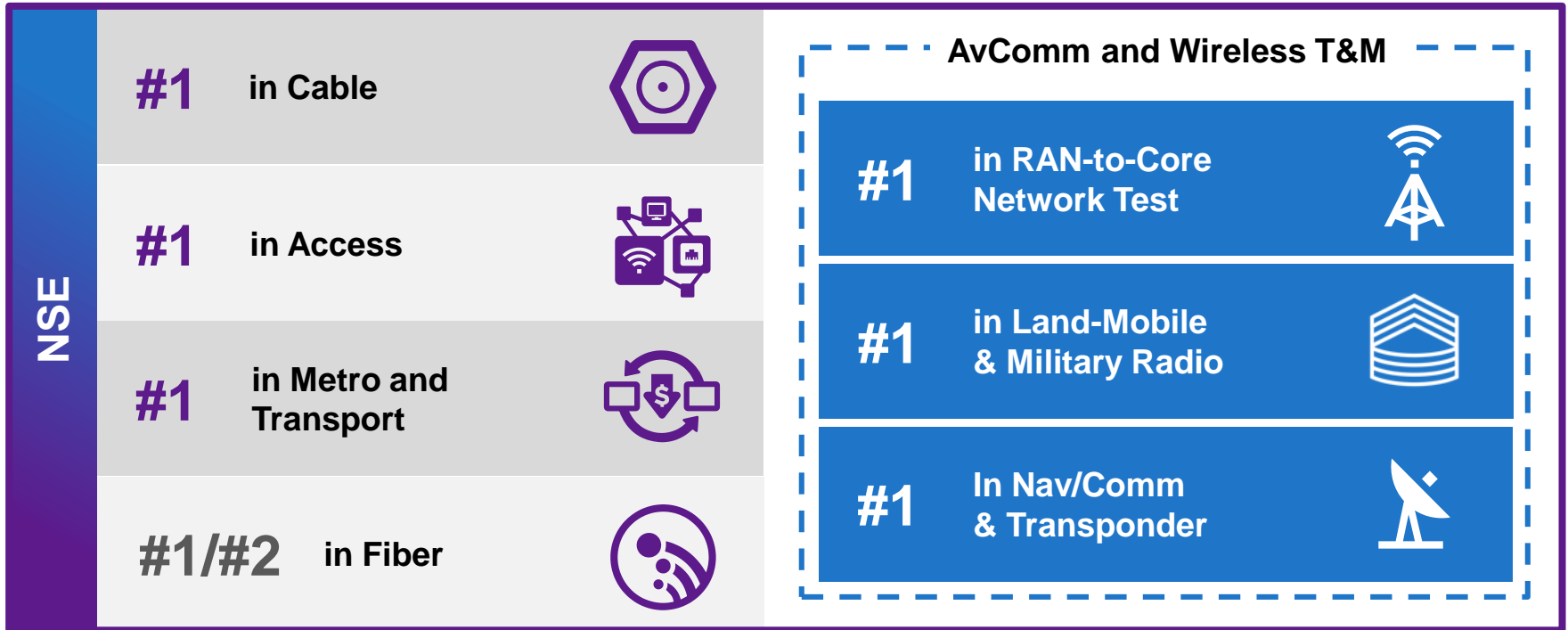
- Anti-Counterfeiting and Optical Security
- 3D Optical Sensing
- Thin Film Optical Coatings



**Automotive, Military & Industrial*

Leadership Position in All Target Market Segments

Test & Measurement Leadership



Security Authentication/Sensing Leadership



Business Driven by Many Secular Growth Trends

	Target Markets	Growth Drivers
NSE	Telecom Service Providers	5G Wireless + Fiber
	Government/Military	Pent-up Demand – Network Modernization and Digitization
	Avionics	Fleet Growth + Next Gen ATC

OSP	Anti-Counterfeiting	Currency Redesigns
	Consumer Electronics	3DS + AR/VR
	Automotive	ADAS + LiDAR

VIAVI's Strategy

Vision

To be #1 or a strong #2 in all market segments where we compete

NSE Strategy

Market leadership in Network Enablement (**NE**), reinforced by highly focused Service Enablement (**SE**)

- Scale NE through share gain, consolidation, and expansion into adjacent markets
- Highly focused SE that is synergistic with and leverages our NE position
- Corporate development model to drive financial leverage and utilize net operating losses (NOLs)

OSP Strategy

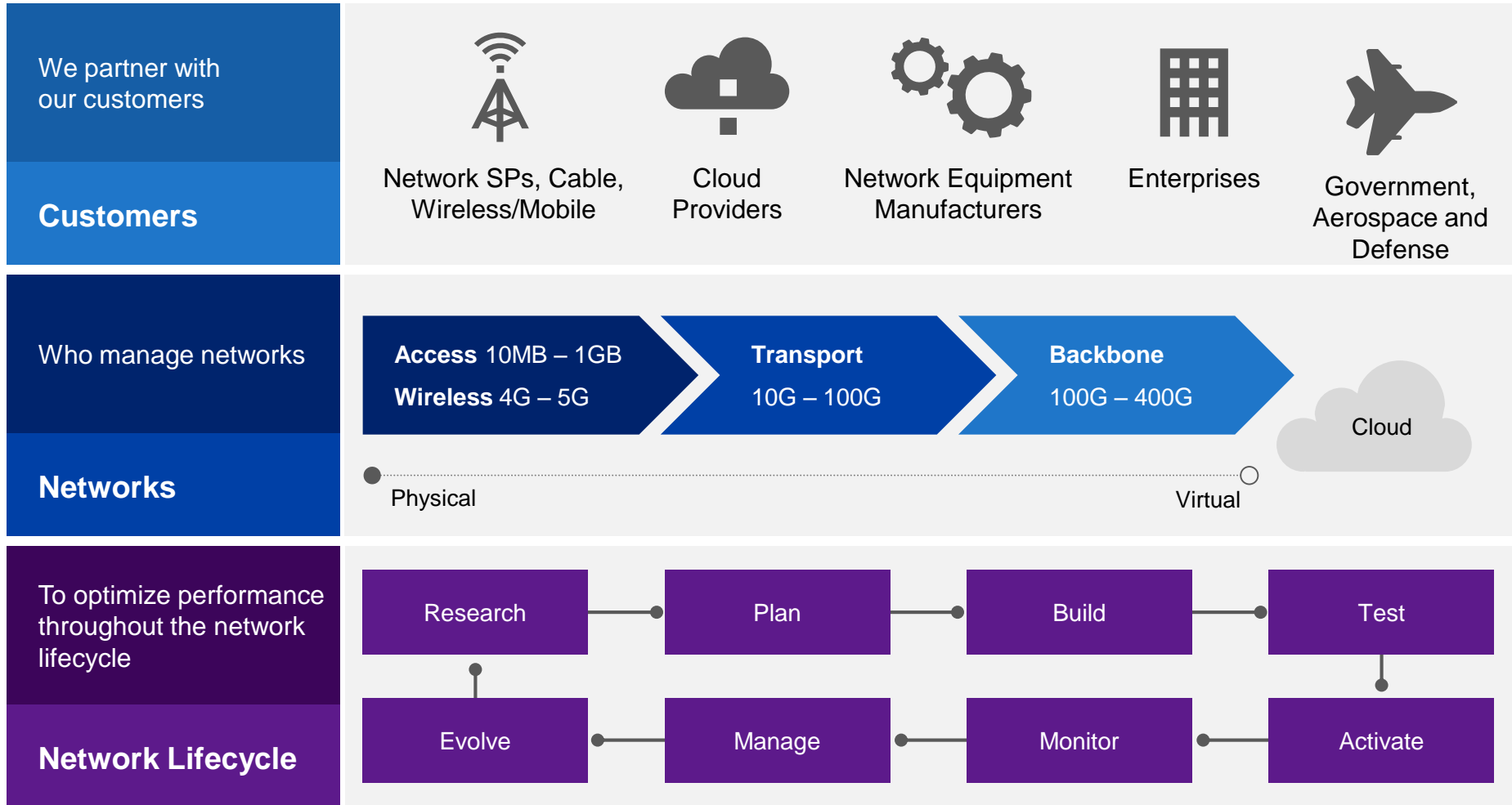
Leverage proprietary Pigments and Optical Coating technologies to build market leadership in large, high value applications

- Defend and expand core Anti-Counterfeiting business
- Grow leadership in 3D Sensing beyond consumer electronics
- Expand into high value existing and emerging AMI* applications

* Automotive, Military & Industrial

Network and Service Enablement

Target Markets: Network Communication T&M Solutions from Lab to Field



VIAVI Network Solutions

Instruments • Data Management & Analytics • Integrated Platforms

Products for Lab, Manufacturing, Field Deployment, Monitoring, and Optimization

Test and Measurement (Field and Lab Instruments)



TBERD/MTS
5800 & 2000



FiberChek Probe
Microscope



OneExpert
CATV



ONT

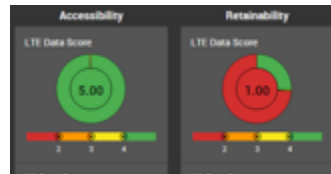


WiFi Advisor



CellAdvisor

Assurance Solutions (Network Intelligence)



Nitro Mobile



GeoOptimize

Performance Management (Data Center and Cloud)



GigaStor



ObserverLIVE

Acquisition of Cobham's Wireless Test Business Brought Significant Strategic Benefits to VIAVI



- Significantly strengthened VIAVI's position in emerging 5G wireless
- Increased scale and presence with Tier 1 NEMs and Service Providers
- Market leadership position in military, public safety and avionics test markets
- Strong profitability and free cash flow leveraging VIAVI's NOLs

Example: Leadership in 5G from Lab to Field

RANtoCore™



TM500,
E500:
Device
emulation
and network
test



Mobile network
and IP data /
Apps emulation

Fiber, Metro, and RF Field Test Products



CellAdvisor 5G:
signal analysis,
interference
analysis,
beamforming
analysis and
cable/antenna
analysis



Fiber optic test
solutions:
T-BERD/MTS-2000
and FiberChek
Sidewinder



T-BERD/
MTS-5800-100G



VIAVI NITRO



Network
Integrated
Test, Real-
time analytics
and
Optimization

LABS

TRIALS

PRE-
COMMERCIAL

COMMERCIAL
-INSTALL

OPTIMIZATION

AUTOMATION

Optical Security and Performance Products

Anti-Counterfeiting Applications

Currency Protection

- 30+ year heritage
- Close engagement with government and security channel
- 100+ currencies using OSP technologies
 - OVP™ - Optically Variable Pigment
 - OVMP™ - Optically Variable Magnetic Pigment



3D Sensing Applications

High-performance optical solutions for a wide range of smart electronics (i.e. mobile phones, robotics and drones)

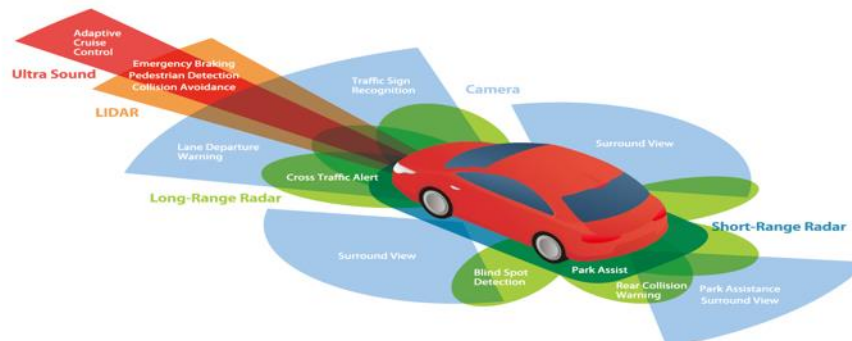
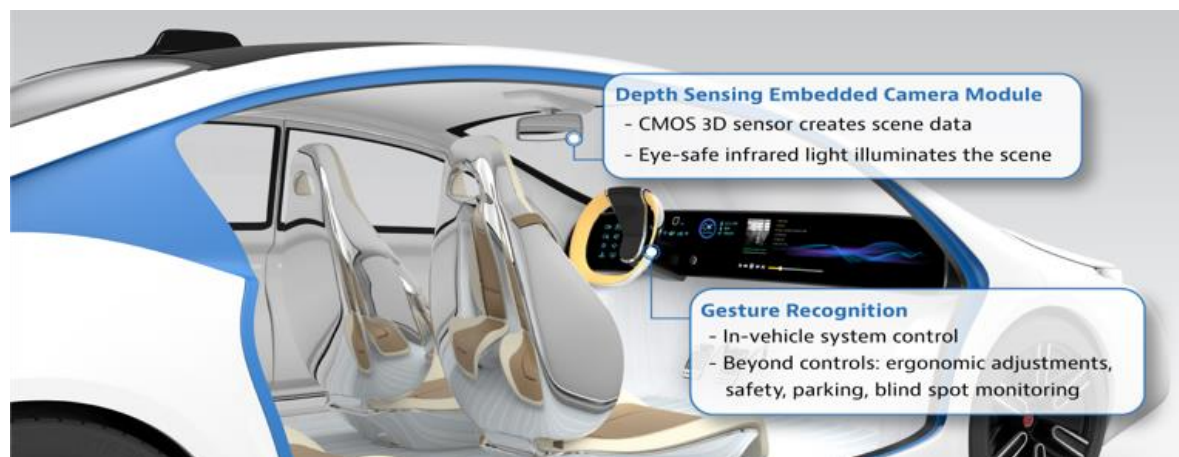
- Current Applications
 - 3D Sensing for AR/VR and Facial Recognition
 - Ambient Light Sensors
 - RGB Sensors
 - Proximity Sensors
- Emerging Applications
 - Multimodal Biometrics
 - Facial mapping/recognition
 - Iris scanning



Automotive Applications

High-performance Filters for Advanced Sensors

- In cabin driver & passenger monitoring for personalization, comfort and security
- Facial and gesture recognition for driver monitoring and interior controls
- 3D external environment monitoring for Advanced Driving Assisted Systems (ADAS) and LiDAR for autonomous driving



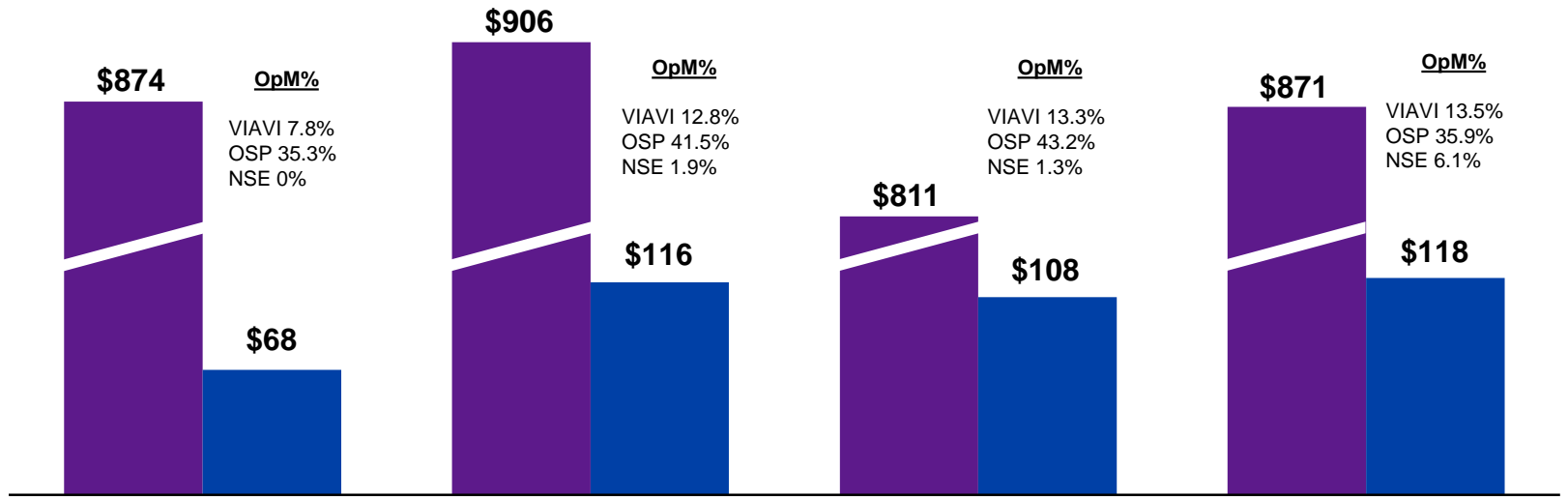
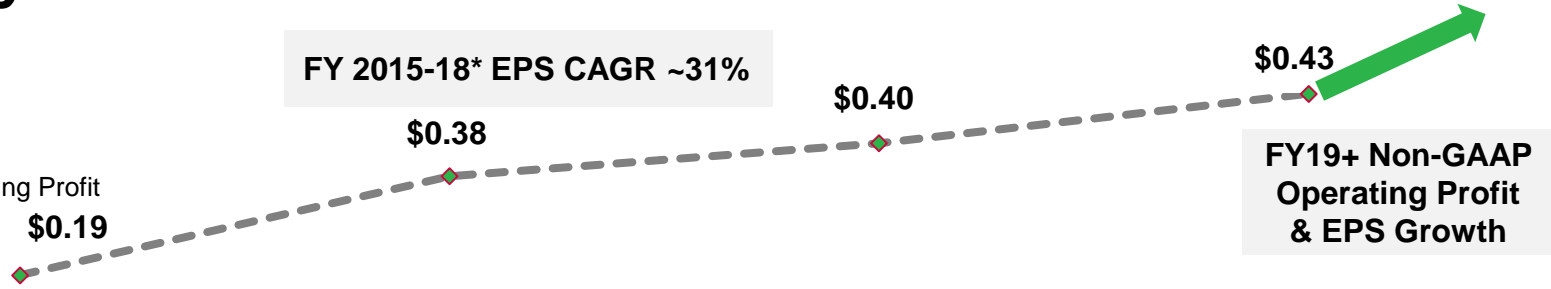
Financials/ Summary

Recent Financial Performance and Anticipated Near-Term Trajectory

\$ Millions, except EPS

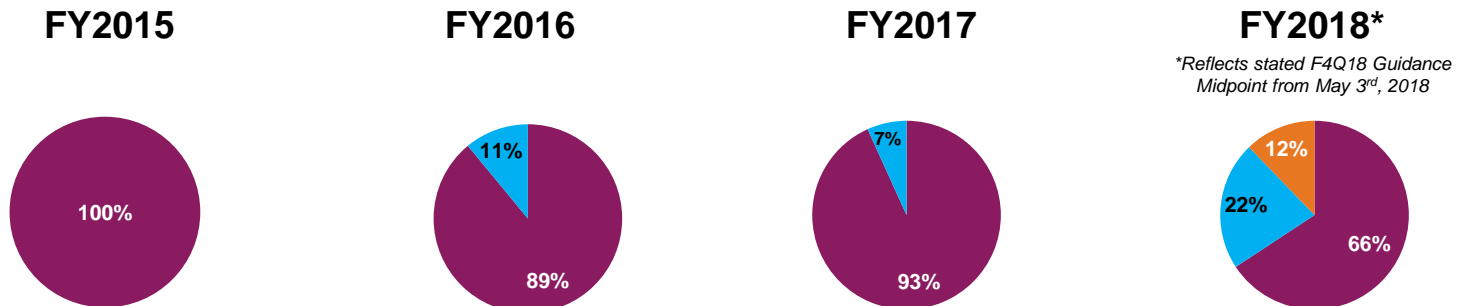
- Revenue
- Non-GAAP Operating Profit
- ◆— Non-GAAP EPS

FY 2015-18* EPS CAGR ~31%



Non-GAAP Operating Profit Mix

- OSP
- Core NSE
- AvComm & Wireless



*Reflects stated F4Q18 Guidance Midpoint from May 3rd, 2018

Capital Structure and Allocation Priorities Aligned with Our Operational and Financial Strategy

Capital Structure	As of 3/31/2018
Cash, Restricted Cash and ST Investments	\$738.0M
Debt	\$888.5M
Net Cash	- \$150.5M

- Cash position provides capital deployment flexibility
- Recent 2023 convert exchange as well as private placement addressed upcoming August 2018 Put/Call for the 2033 convert and other opportunities
- \$137.4M returned to shareholders in form of share buyback under the Board approved \$200M repurchase program

Positive Cash Flow from Operations

- All business segments profitable
- Low CapEx intensity
- Positive operating cash to fund organic and inorganic investments and capital return to shareholders

Summary – Investment Thesis

I. Core Business Turnaround

- Core Business Turnaround Driving Margin Expansion
- Significant financial leverage from top line growth

II. Secular Growth Drivers

- 5G Wireless
 - OEMs/NEMs: Simulation/Testing
 - Field Instruments: 5G Trials and Network Deployment
- Fiber proliferation
- 3D Sensing
 - Consumer Electronics today
 - Automotive in 2-3 years
- Mil/Aero Installed Base Refresh Spend Cycle

III. Capital Allocation Discipline

- Corporate development model to drive financial leverage and utilize net operating losses (NOLs)

Appendix

Convertible Notes

(\$millions)

Current Convertible Notes	Terms		
	2033 Note	2023 Note	2024 Note
Issue Size	\$650.0M	\$225.0M	\$460.0M
Current Outstanding *	\$277.0M	\$225.0M	\$460.0M
Coupon	0.625%	1.75%	1.00%
Final Maturity	8/15/2033	6/1/2023	3/1/2024
First Put Date	8/15/2018	N/A	N/A
First Call Date	8/20/2018	6/1/2021**	N/A
Call / Put Price (%)	100%	100%	100%
Conversion Price	\$11.28	\$13.94	\$13.22
Shares Underlying *	24.6M	16.1M	34.8M
Settlement	Par in Cash; Balance in stock & cash	Par in Cash; Balance in stock & cash	Par in Cash; Balance in stock & cash

* As of June 1, 2018; **Provisional Call

Non-GAAP Reconciliations-\$ millions

Non-GAAP Gross Profit	FY15	FY16	FY17	Q3FY18 YTD (9 Months)
Non-GAAP Gross Profit	\$557.4	\$572.2	\$506.3	\$379.3
Stock-Based Compensation	(\$4.2)	(\$4.8)	(\$3.6)	(\$2.4)
Amortization of Intangibles	(\$31.9)	(\$17.3)	(\$14.3)	(\$14.4)
Other Charges unrelated to core operations	(\$1.2)	(\$0.4)	(\$2.4)	(\$6.5)
GAAP Gross Profit as reported	\$520.1	\$549.7	\$486.0	\$356.0

Non-GAAP Operating Income	FY15	FY16	FY17	Q3FY18 YTD (9 Months)
NSE Segment operating income	(\$0.1)	\$12.7	\$7.3	\$24.8
OSP Segment operating income	\$68.1	\$102.9	\$100.3	\$63.2
Total Segment operating income	\$68.0	\$115.6	\$107.6	\$88.0
Stock-Based Compensation	(\$47.5)	(\$42.4)	(\$33.2)	(\$22.8)
Amortization of Intangibles	(\$51.4)	(\$31.9)	(\$28.3)	(\$25.4)
Impairment of goodwill	\$0.0	(\$91.4)	\$0.0	\$0.0
Other Charges unrelated to core operations	(\$18.1)	(\$23.7)	(\$10.9)	(\$21.4)
Restructuring and related charges	(\$26.8)	(\$10.5)	(\$21.6)	(\$4.3)
GAAP operating (loss) income as reported	(\$75.8)	(\$84.3)	\$13.6	\$14.1

Non-GAAP Reconciliations-\$ millions (continued)

Adjusted EBITDA	FY15	FY16	FY17	Q3FY18 YTD (9 Months)
Adjusted EBITDA from continuing operations	\$105.4	\$150.0	\$137.0	\$113.5
Costs related to restructuring and related charges	(\$26.8)	(\$10.5)	(\$21.6)	(\$4.3)
Costs related to stock-based compensation	(\$47.4)	(\$42.4)	(\$33.2)	(\$22.8)
Impairment of goodwill	\$0.0	(\$91.4)	\$0.0	\$0.0
Other charges unrelated to core operations	(\$18.1)	(\$23.7)	(\$10.9)	(\$21.4)
EBITDA from continuing operations	\$13.1	(\$18.0)	\$71.3	\$65.0
Depreciation	(\$37.5)	(\$34.4)	(\$29.4)	(\$25.5)
Amortization	(\$51.4)	(\$31.9)	(\$28.3)	(\$25.4)
Income Taxes	(\$26.1)	(\$4.5)	(\$21.3)	(\$2.2)
Gain on sale of investments	\$0.1	\$71.6	\$203.1	(\$0.1)
Interest and other income (expense), net	\$3.7	\$2.5	\$13.1	\$6.6
Interest expense	(\$33.3)	(\$35.7)	(\$43.2)	(\$35.6)
GAAP net (loss) / income from continuing operations	(\$131.4)	(\$50.4)	\$165.3	(\$17.2)

Non-GAAP Reconciliations-\$ millions (continued)

Adjusted cash flow from operations	FY15	FY16	FY17	Q3FY18 YTD (9 Months)
Adjusted cash flow from operations	\$117.3	\$104.9	\$110.1	\$59.5
Spin and Restructuring related cash outflows	(\$35.0)	(\$52.0)	(\$30.1)	(\$11.0)
Cash flow from operations as reported	\$82.3	\$52.9	\$80.0	\$48.5

Adjusted Free cash flow	FY15	FY16	FY17	Q3FY18 YTD (9 Months)
Adjusted free cash flow	\$14.8	\$69.4	\$71.5	\$29.7
Spin and Restructuring related cash outflows	(\$35.0)	(\$52.0)	(\$30.1)	(\$11.0)
CAPEX	\$101.5	\$35.5	\$38.6	\$29.8
Cash flow from operations as reported	\$82.3	\$52.9	\$80.0	\$48.5

NOTE: FY 2015 includes the CCOP business which was later carved out as Lumentum. CCOP CAPEX was approximately \$56 million for FY 2015. While VIAVI did not separately calculate CCOP cash flow from operations, Lumentum's Annual Report on Form 10-K filed on September 2, 2016, reflected \$9.3 million cash flows from operations based on a carve-out basis.