

INVESTOR PRESENTATION

May 2024

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements relating to future events and expectations, including our expectations regarding (i) our future financial and operational results (including expectations for future growth); (ii) capital expenditures and the results of investments in research and design; (iii) growth in the markets we serve including industrial, communications, electronics, and instrumentation; (iv) artificial intelligence and the growth in the datacom transceiver global market and opportunity by laser type; (v) silicon carbide including, without limitation, market growth, the silicon carbide investment transaction and the benefits thereof; (vi) our capitalization for future growth; and (vii) cost reductions (and savings) from restructuring actions, each of which, is based on certain assumptions and contingencies. The forward-looking statements are made pursuant to the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995 and relate to the Company's performance on a going-forward basis. The forward-looking statements in this investor presentation involve risks and uncertainties, which could cause actual results, performance or trends to differ materially from those expressed in the forward-looking statements herein or in previous disclosures.

The Company believes that all forward-looking statements made by it in this presentation have a reasonable basis, but there can be no assurance that management's expectations, beliefs, or projections as expressed in the forward-looking statements will actually occur or prove to be correct. In addition to general industry and global economic conditions, factors that could cause actual results to differ materially from those discussed in the forward-looking statements in this presentation include but are not limited to: (i) the failure of any one or more of the assumptions stated herein to prove to be correct; (ii) the risks relating to forward-looking statements and other "Risk Factors" discussed in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2023 and additional risk factors that may be identified from time to time in filings of the Company; (iii) the substantial indebtedness the Company incurred in connection with its acquisition of Coherent, Inc. (the "Transaction"), the need to generate sufficient cash flows to service and repay such debt and the Company's ability to generate sufficient funds to meet its anticipated debt reduction goals; (iv) the possibility that the Company may not be able to continue its integration progress on and/or take other restructuring actions, or otherwise be able to achieve expected synergies, operating efficiencies, including greater scale, focus, resiliency, and lower operating costs, and other benefits within the expected time-frames or at all and ultimately to successfully fully integrate the operations of Coherent, Inc. ("Coherent") with those of the Company; (v) the possibility that such integration and/or the restructuring actions may be more difficult, time-consuming or costly than expected or that operating costs and business disruption (including, without limitation, disruptions in relationships with employees, customers or suppliers) may be greater than expected in connection with the Transaction and/or the restructuring actions; (vi) any unexpected costs, charges or expenses resulting from the Transaction and/or the restructuring actions; (vii) the risk that disruption from the Transaction and/or the restructuring actions materially and adversely affects the respective businesses and operations of the Company and Coherent; (viii) potential adverse reactions or changes to business relationships resulting from the completion of the Transaction and/or the restructuring actions; (ix) the ability of the Company to retain and hire key employees; (x) the purchasing patterns of customers and end users; (xi) the timely release of new products, and acceptance of such new products by the market; (xii) the introduction of new products by competitors and other competitive responses; (xiii) the Company's ability to assimilate other recently acquired businesses, and realize synergies, cost savings, and opportunities for growth in connection therewith, together with the risks, costs, and uncertainties associated with such acquisitions; (xiv) the Company's ability to devise and execute strategies to respond to market conditions; (xv) the risks to realizing the benefits of investments in R&D and commercialization of innovations; (xvi) the risks that the Company's stock price will not trade in line with industrial technology leaders; and/or (xvii) the risks of business and economic disruption related to worldwide health epidemics or outbreaks that may arise. The Company disclaims any obligation to update information contained in these forward-looking statements, whether as a result of new information, future events or developments, or otherwise.

Unless otherwise indicated in this presentation, all information in this presentation is as of May 6, 2024. This presentation contains non-GAAP financial measures and key metrics relating to the Company's past performance. These non-GAAP financial measures are in addition to, and not as a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. For example, other companies may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. As required by Regulation G, we have provided reconciliations of those measures to the most directly comparable GAAP measures in the section captioned "GAAP to NON-GAAP RECONCILIATION."

COHERENT AT A GLANCE



**FROM A FOUNDATION OF MATERIALS AND IMAGINATION,
WE ENABLE EXCITING MEGATRENDS**

1971

Year Founded

COHR

NYSE

26,000+

Employees ⁽¹⁾

\$5.2 B

FY23
Revenue

2,400+

Research & Development ⁽¹⁾

\$64 B

Available
Market ⁽¹⁾

3,000+

Patents ⁽¹⁾

126

Locations

**VERTICAL
INTEGRATION**

Materials, Components,
Subsystems, Systems
and Service

24

Countries

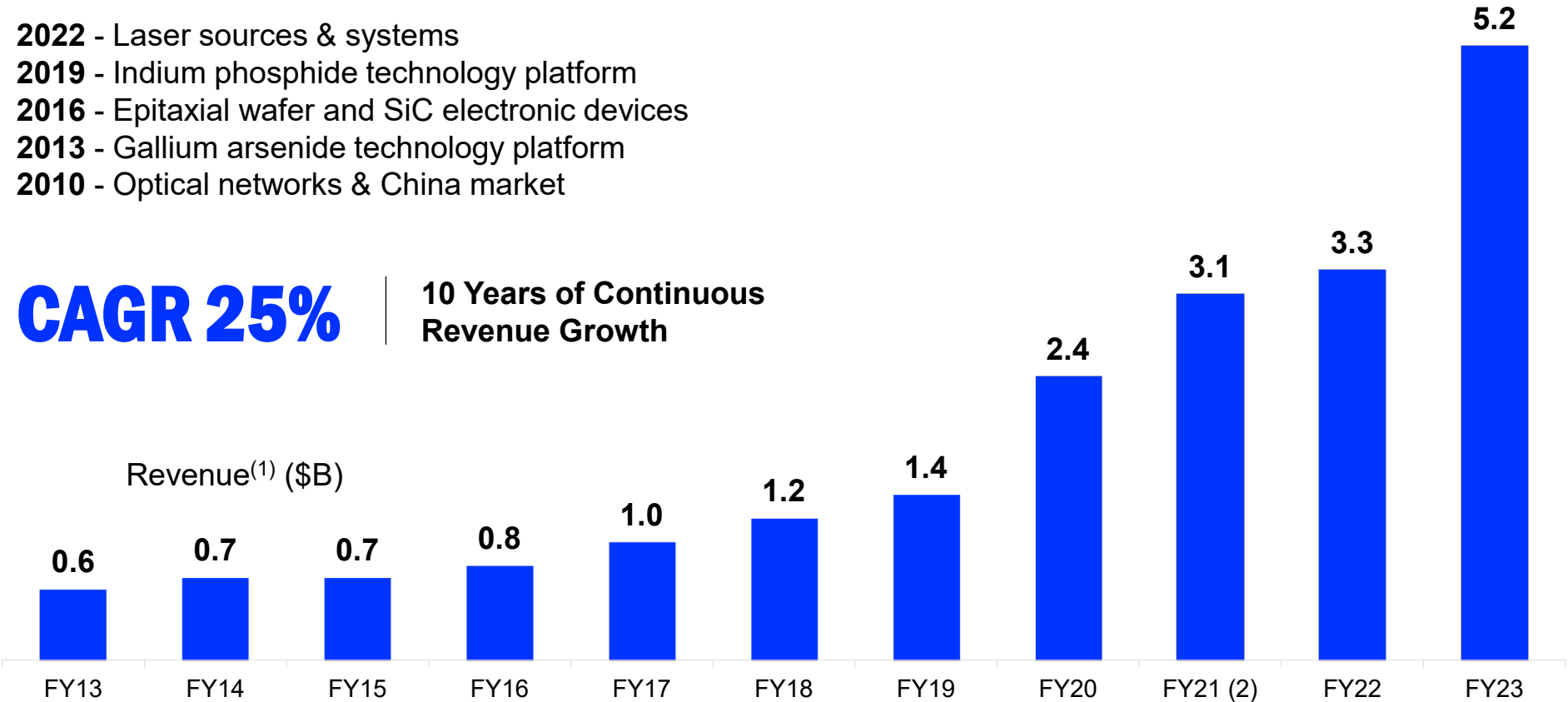
⁽¹⁾ As of June 20, 2023

INSIGHTFUL TARGETING AND INTEGRATION OF STRATEGIC ACQUISITIONS

5 Transformative Acquisitions

- 2022 - Laser sources & systems
- 2019 - Indium phosphide technology platform
- 2016 - Epitaxial wafer and SiC electronic devices
- 2013 - Gallium arsenide technology platform
- 2010 - Optical networks & China market

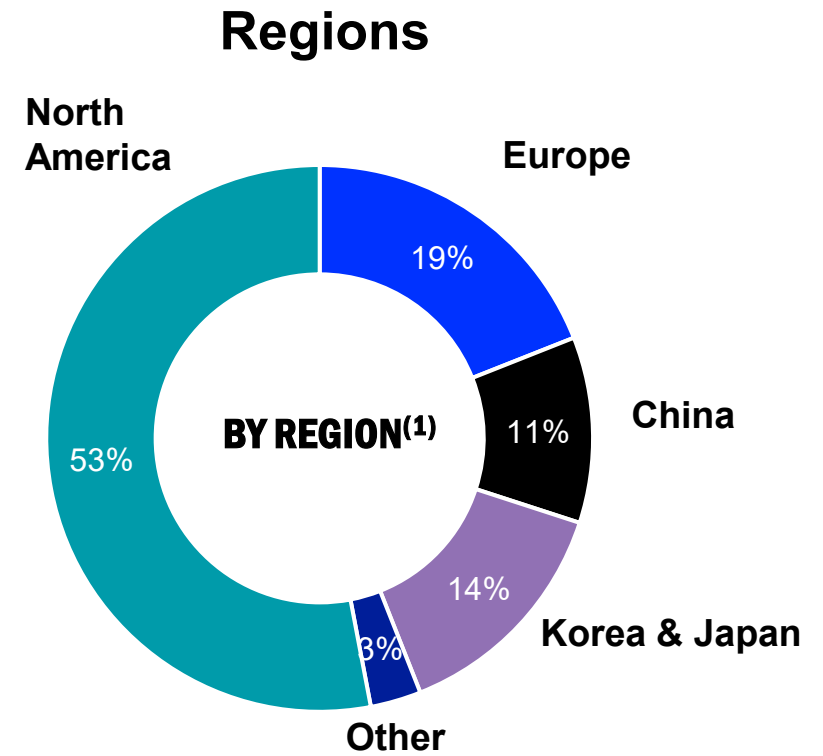
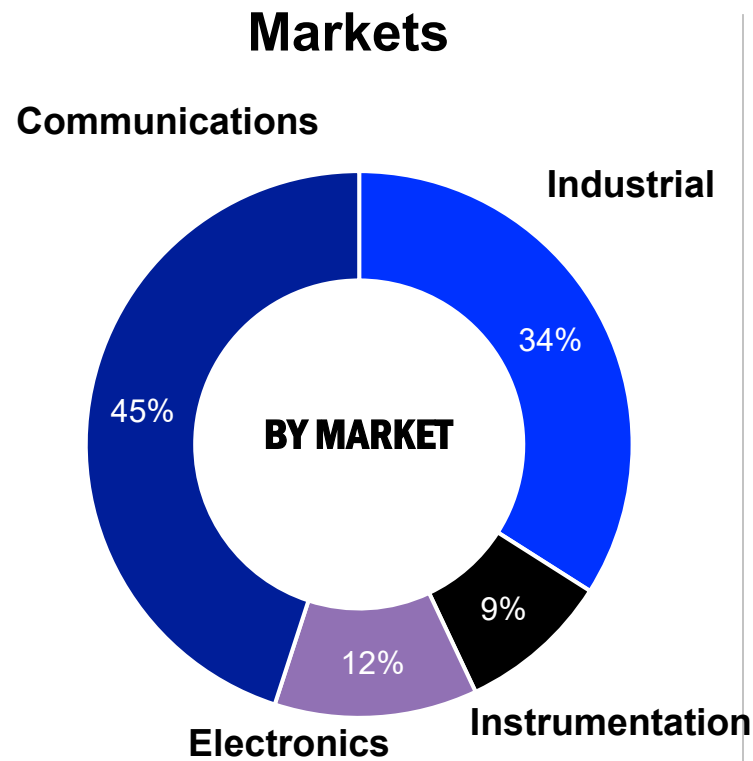
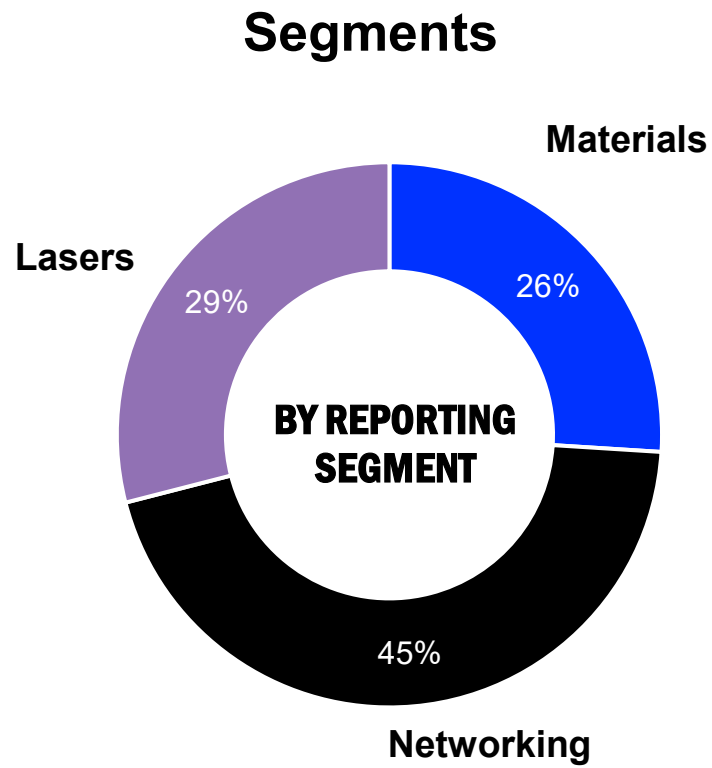
CAGR 25% | 10 Years of Continuous Revenue Growth



(1) Figures prior to FY2019 do not reflect the adoption of ASC 606.
(2) Prepared in accordance to ASC 805. Includes the revenue of Finisar in Q1FY20 prior to the acquisition date of 9/24/20. Not calculated in accordance with Article 11 of SEC regulation S-X.

\$5.2 BILLION OF REVENUE IN FY23

WELL DIVERSIFIED ACROSS TECHNOLOGY, PRODUCTS, AND GEOGRAPHIC MARKETS

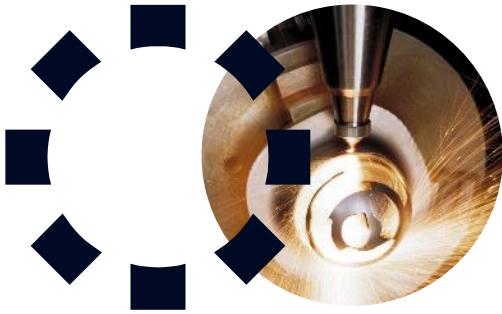


(1) Revenue by region is based on customer headquarter addresses.
(2) Amounts may not recalculate due to rounding.

FOUR ATTRACTIVE GROWTH MARKETS

AGGREGATE \$64B TAM

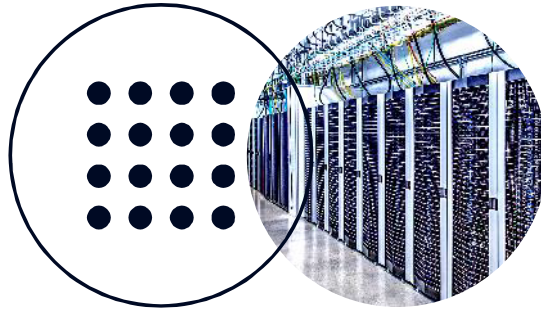
14% FIVE-YEAR CAGR (2023-28)



INDUSTRIAL

TAM: \$22B
CAGR: 9%

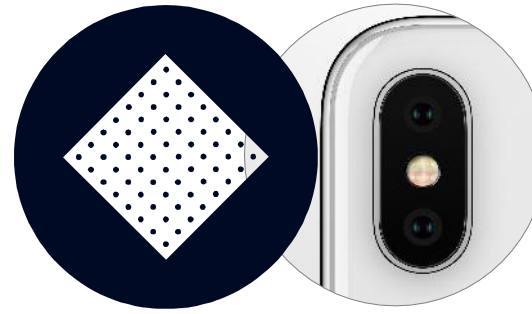
Sources: Optech Consulting, TechInsight, Strategies Unlimited, SEMI, Internal Estimates, DSCC



COMMUNICATIONS

TAM: \$23B
CAGR: 14%

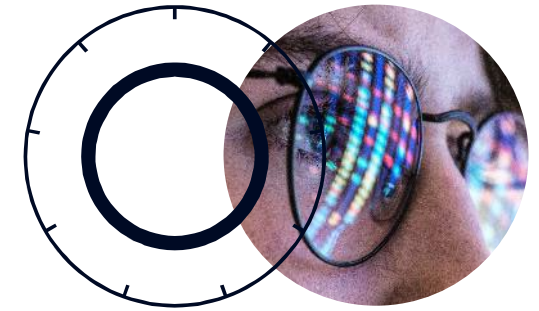
Sources: LightCounting, Omdia, Cignal AI, Yole, Dell'Oro Internal Estimates



ELECTRONICS

TAM: \$14B
CAGR: 20%

Sources: IDC, Morgan Stanley, Research & Markets, Forbes, Yole, Strategy Analytics, IdTechEx, Internal Estimates



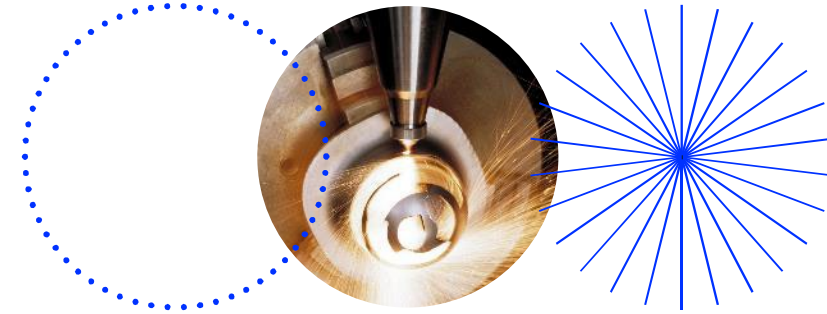
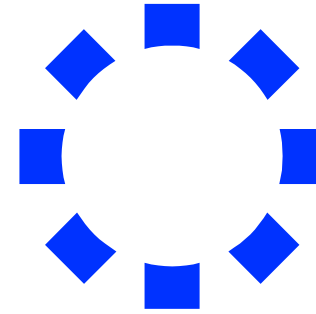
INSTRUMENTATION

TAM: \$5B
CAGR: 8%

Sources: Strategies Unlimited, Markets & Markets, SDI (Strategic Directions), Internal Estimates

Note: TAM based on CY2023

INDUSTRIAL



MARKET VERTICALS AND MEGATRENDS

Precision manufacturing

- Giga factories for EV battery processing
- Advanced medical devices
- Additive manufacturing

Semiconductor & display capital equipment

- Increasing laser content from ingot to packaged ICs
- OLED for mobile and micro-LED for high-end TV and large displays

Aerospace & Defense

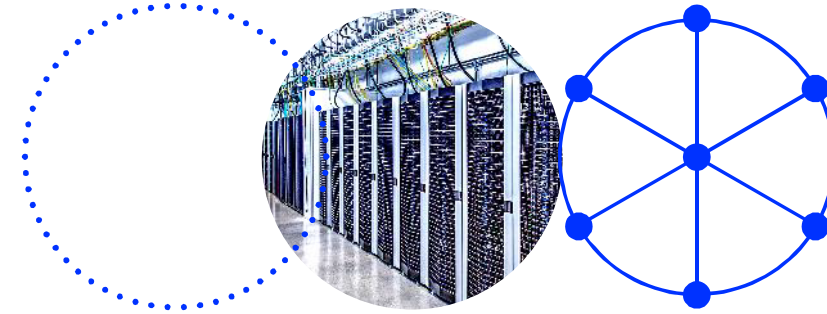
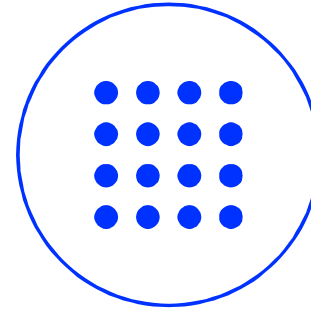
PRODUCTS

- Fiber lasers for laser welding of batteries
- UV lasers for OLED manufacturing
- Laser systems, subsystems, and processing heads
- Laser components, optics, crystals
- Ceramics, metal matrix composites, and diamond

VALUE PROPOSITION

- 50 years of experience in laser technology
- Long term technology partner across all laser architectures
- Broadest spectrum of laser and systems technologies
- One stop shop for processing equipment
- Productivity enhancement through innovation and knowhow

COMMUNICATIONS



MARKET VERTICALS AND MEGATRENDS

Datacom

- Increasing spend on cloud infrastructure
- Artificial Intelligence/Machine Learning

Telecom

- Open disaggregated systems
- Pluggable coherent transceivers

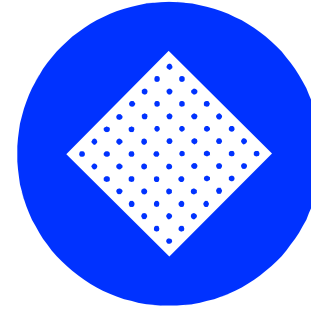
PRODUCTS

- 100 to 800 Gbps datacom transceivers
- Pluggable coherent transceivers
- Wavelength selective switches (WSS)
- Pluggable optical line subsystems (POLS)
- Terrestrial and submarine pump lasers
- InP edge emitting lasers and GaAs VCSELs

VALUE PROPOSITION

- Largest supplier of optical communications components
- Vertically integrated from material through subsystems, including coherent DSPs
- Industry pioneer in broad range of technology platforms
- Industry leading investments in R&D
- Global and flexible manufacturing footprint

ELECTRONICS



MARKET VERTICALS AND MEGATRENDS

Consumer electronics

- Advanced sensing
- AR/VR
- Wearables as health monitors

Automotive

- Increasing SiC electronics content in EVs
- Automotive sensing: in-cabin and LiDAR

PRODUCTS

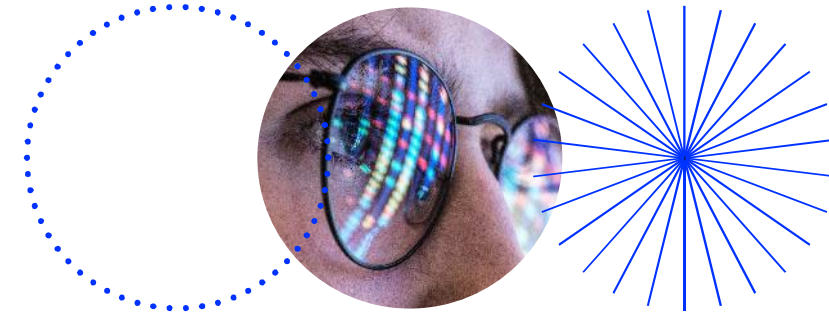
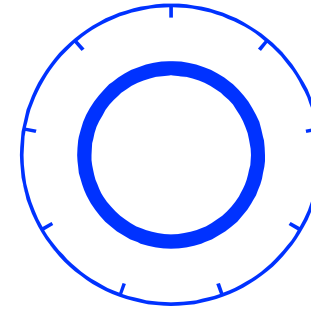
- GaAs and InP optoelectronics
- VCSELs and edge emitting lasers
- Laser illumination modules
- Wafer level optics and subassemblies
- Waveguide materials, diffractive optics
- Silicon carbide substrates and epiwafers
- SiC MOSFET devices and modules

VALUE PROPOSITION

- Broadest portfolio of optoelectronics, optics, and electronics
- High-volume consumer electronics experience
- Differentiated, proprietary compound semiconductor platforms
 - 150 mm gallium arsenide platform
 - 200 mm silicon carbide platform
 - Leading indium phosphide platform
 - Decades of investment in high quality silicon carbide substrates
- Cross-functional engineering and integration expertise

INNOVATIONS THAT RESONATE

INSTRUMENTATION



MARKET VERTICALS AND MEGATRENDS

Life Sciences

- Smart healthcare evolution, largely based on technology
- Point-of-care diagnostics
- Personalized medicine

Scientific Instrumentation

- Environmental sustainability
- Advanced instrumentation

PRODUCTS

- Materials, optics, lasers, and thermoelectrics
- Components to subassemblies and subsystems
- Optical, mechanical, electrical and software integration
- ISO 9001 & 13485

VALUE PROPOSITION

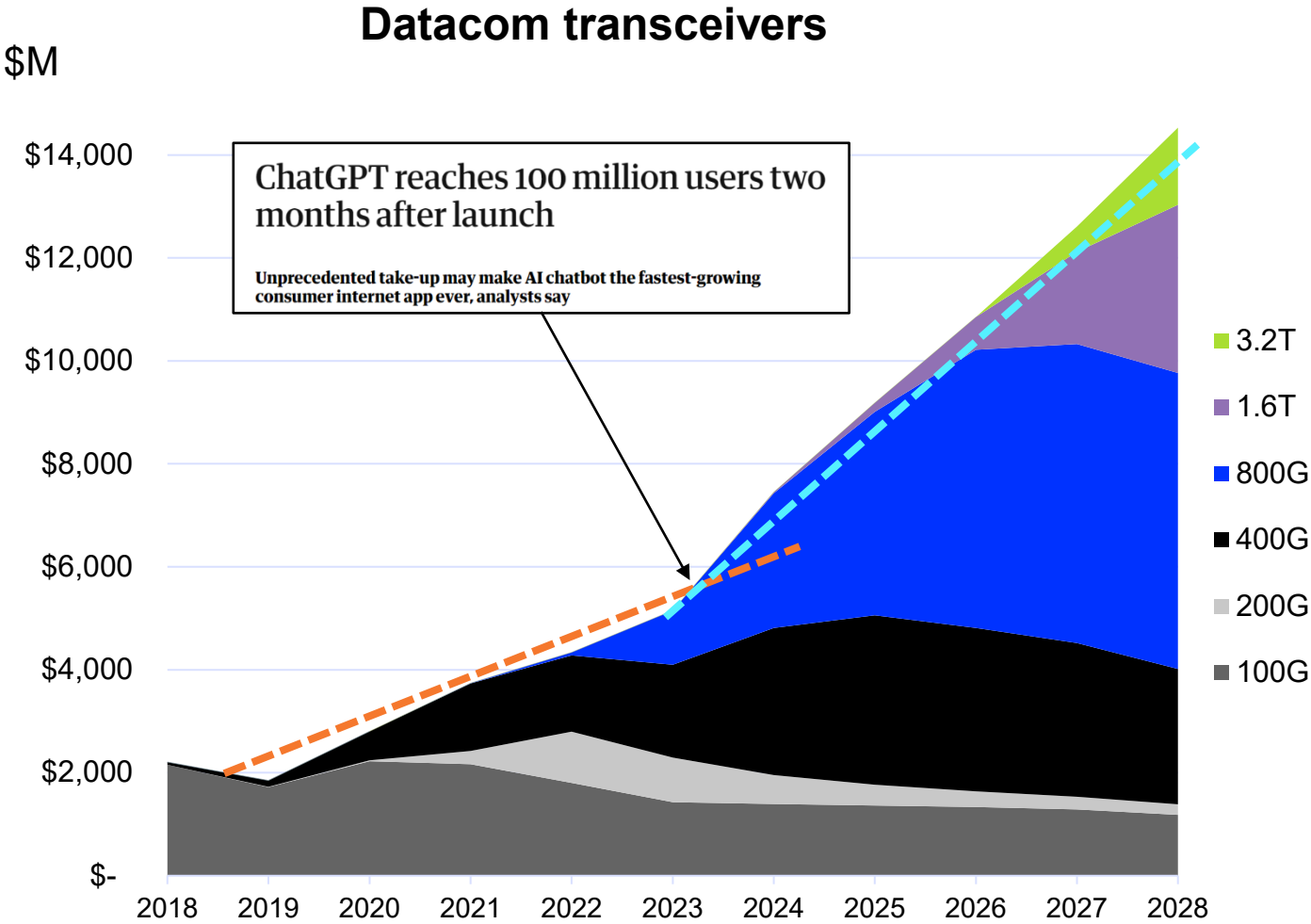
- Life sciences (biotechnology, medical, and environmental) and scientific segment solutions
- Custom solutions from proof-of-concept to manufacturing at scale
- Rapid time to market of complete turnkey subassemblies and systems
- Broadest product portfolio to support a wide range of applications
- Extensive technology innovation for next-generation capabilities
- Global manufacturing footprint and flexible supply chain partners

INNOVATIONS THAT RESONATE

ARTIFICIAL INTELLIGENCE: A REVOLUTION

Driving growth in the cloud and beyond

DATAKOM MARKET IS INFLECTING, THANKS TO THE AI BOOM



Source: LightCounting & Internal Estimates

Expect
800G/1.6T
to dominate for
next 5 years

Long
overlapping
cycles

Fast rise,
slow decay

“Annuity”
model of ROI

SILICON CARBIDE POWER SEMICONDUCTORS: ANOTHER REVOLUTION

Electrification of transportation
Sustainability of the planet

SILICON CARBIDE BUSINESS OVERVIEW

Business Overview

Leading global supplier of silicon carbide (SiC) substrates for power device and radio frequency end market applications

- Large addressable market estimated to grow from \$3 billion in 2022 to \$21 billion in 2030 (28% CAGR)

Two decades of innovation in SiC materials

- Proprietary, in-house designed and built growth furnaces, control hardware and software
- Industry's first 200 mm substrate, with volume manufacturing scheduled for 2024

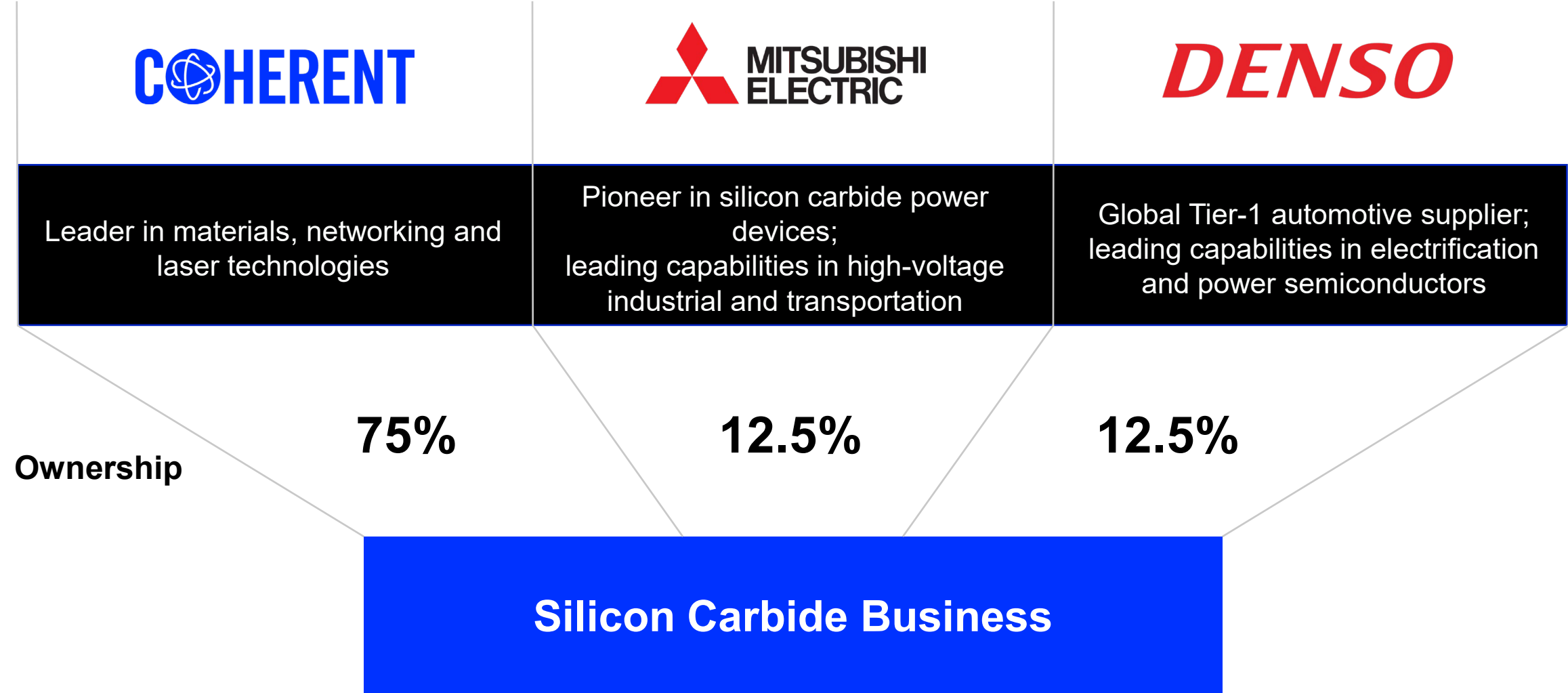
Vertical integration strategy from substrates to modules

- Key technologies and development of SiC MOSFETs

Global footprint with capacity to expand

- 8 sites across 3 continents to support global customers
- State-of-the-art 300,000 sq ft growth facility in Easton, PA with capacity to reach 1 million+ (150 mm equiv.) annual wafers

SILICON CARBIDE INVESTMENT TRANSACTION TO SEPARATE SILICON CARBIDE BUSINESS WITH MARKET-LEADING PARTNERS



SILICON CARBIDE INVESTMENT TRANSACTION DETAILS

Transaction Structure	▪ On December 4, 2023, Coherent separated and contributed its silicon carbide (SiC) business to newly formed subsidiary at a \$4 billion valuation ▪ Mitsubishi Electric and DENSO invested \$1 billion into the new subsidiary in exchange for combined 25% non-controlling interest in the Business (no proceeds to Coherent) ▪ Coherent retains 75% controlling interest in the Silicon Carbide business
Total Investment	▪ \$1.0 billion at a \$3 billion pre-money valuation ▪ Investment to fund future capital expansion and operations of the SiC business
Governance and Business Leadership	▪ Coherent appointed 100% of Board of the Business ▪ The Business will continue to operate under the Coherent brand with current leadership team
Long-term Supply Agreements	▪ Concurrently with closing, the Business entered into long-term supply agreements with Mitsubishi Electric and DENSO that support the expansion of substrate and epitaxial wafer shipments

STRATEGIC BENEFITS OF THE SILICON CARBIDE INVESTMENT TRANSACTION

Silicon Carbide Business	▪ \$1.0 billion capital to fund and accelerate growth plans ▪ Long-term supply agreements with market-leading partners to support expansion of wafer shipments ▪ Deepen strategic partnership with Mitsubishi Electric and DENSO with leadership in end markets
Coherent	▪ Values Coherent interest in silicon carbide business at \$3.0 billion ▪ Recognizes value of unique material technologies and investments to date ▪ Represents ~10x FY2024E revenue ▪ New investment to fund capital and operations of silicon carbide business ▪ Provides greater financial and operating flexibility for Coherent by freeing up capital Coherent had planned for silicon carbide business ▪ Retains 75% ownership in the Business with continued operating and governance controls ▪ Expanded growth prospects of silicon carbide business

FINANCIAL HIGHLIGHTS

THIRD QUARTER FISCAL 2024 HIGHLIGHTS

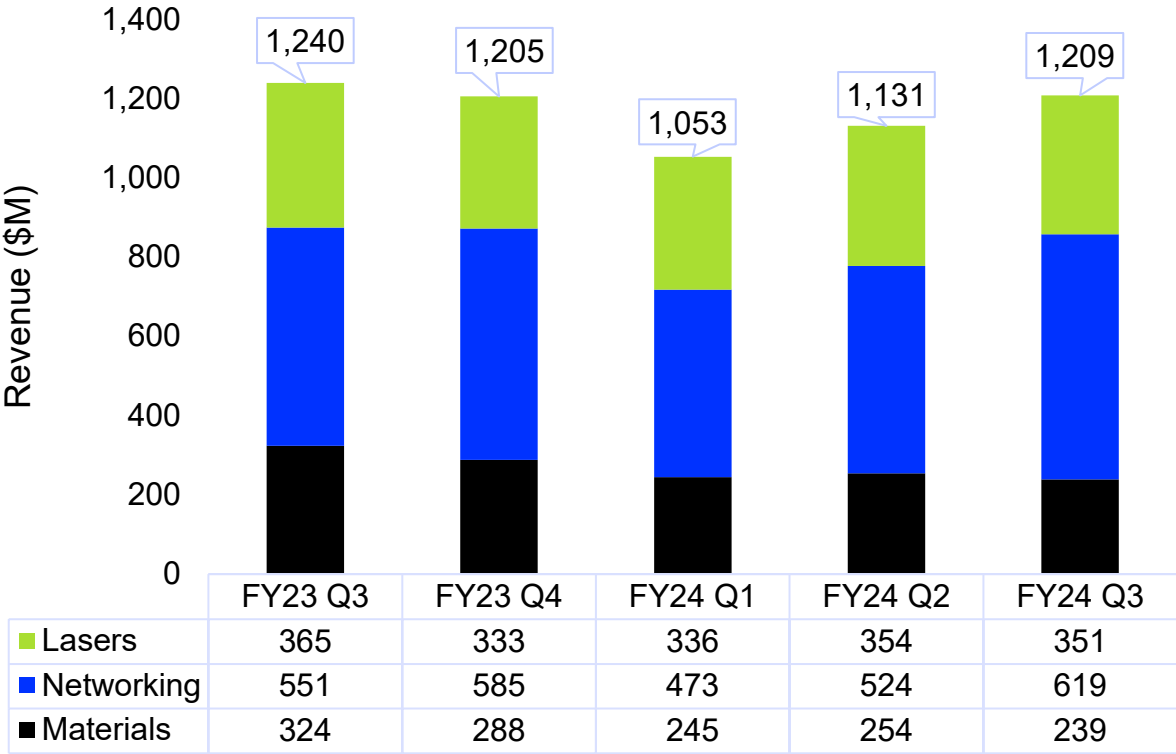
REVENUE	\$1.209 billion, above the high end of our \$1.120 – 1.200 billion guidance.
Non-GAAP EPS	\$0.53, above the high end of our \$0.32 – 0.52 guidance and up from \$0.36 in the preceding quarter.
OPERATING CASH FLOW	\$117 million, compared to \$152 million in the year-ago quarter and \$67 million in the preceding quarter.
DEBT REDUCTION	We paid down \$58 million of our outstanding debt.
VISIBILITY	Macroeconomic uncertainty continues to impact our near-term growth and visibility. Recovery in our Telecom vertical was slower than we previously expected. We continued to see signs of ongoing improving demand trends along with favorable company-specific trends during the quarter. We expect ongoing sequential improvement in revenue growth in the fourth quarter of fiscal 2024.

As required by Regulation G, we have provided reconciliations of those measures to the most directly comparable GAAP measures in the section captioned “GAAP to NON-GAAP RECONCILIATION.”

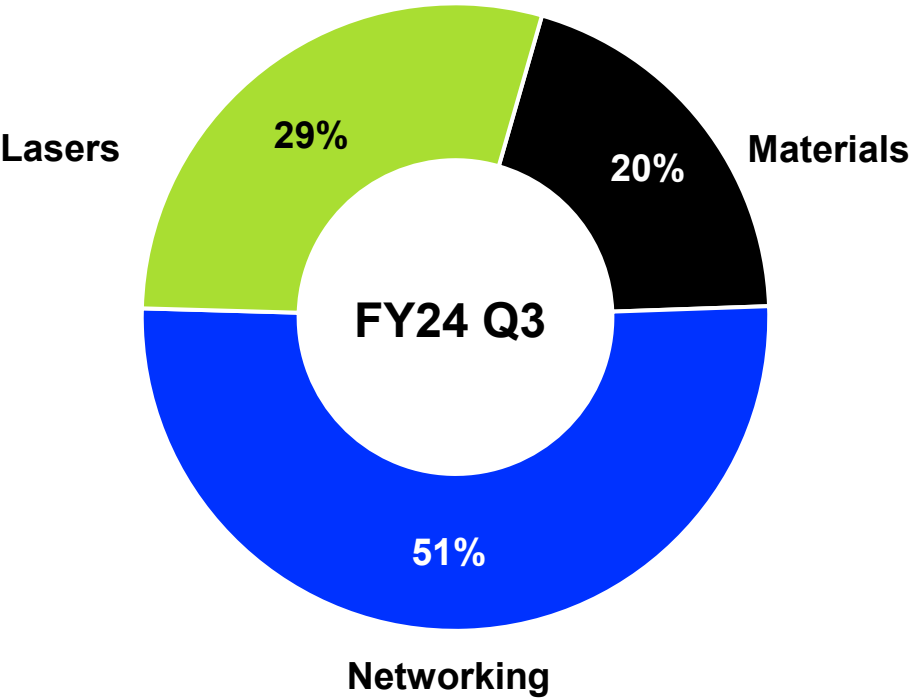
THIRD QUARTER FISCAL 2024 HIGHLIGHTS - CONTINUED

AI/ML	We enjoyed a fourth straight quarter of strong demand for our AI/ML-related Datacom transceivers. Our 800G revenue increased sequentially by almost 80% to almost \$200 million and is on track to exceed \$250M in our fourth quarter of fiscal 2024. In response to customer demand, we are making progress toward commercial launch of our 1.6T Datacom transceivers and components in calendar 2025. We expect to ship commercial samples of 1.6T Datacom transceivers to our customers starting in the first quarter of fiscal 2025.
STRATEGIC OPPORTUNITIES	As previously noted, as we transform the Company to improve operating performance, restructure our production footprint to enhance operating resiliency, and complete the integration of legacy Coherent, Inc., we are exploring other strategic opportunities—not including material acquisitions—to unlock shareholder value.

QUARTERLY REVENUE BY SEGMENT

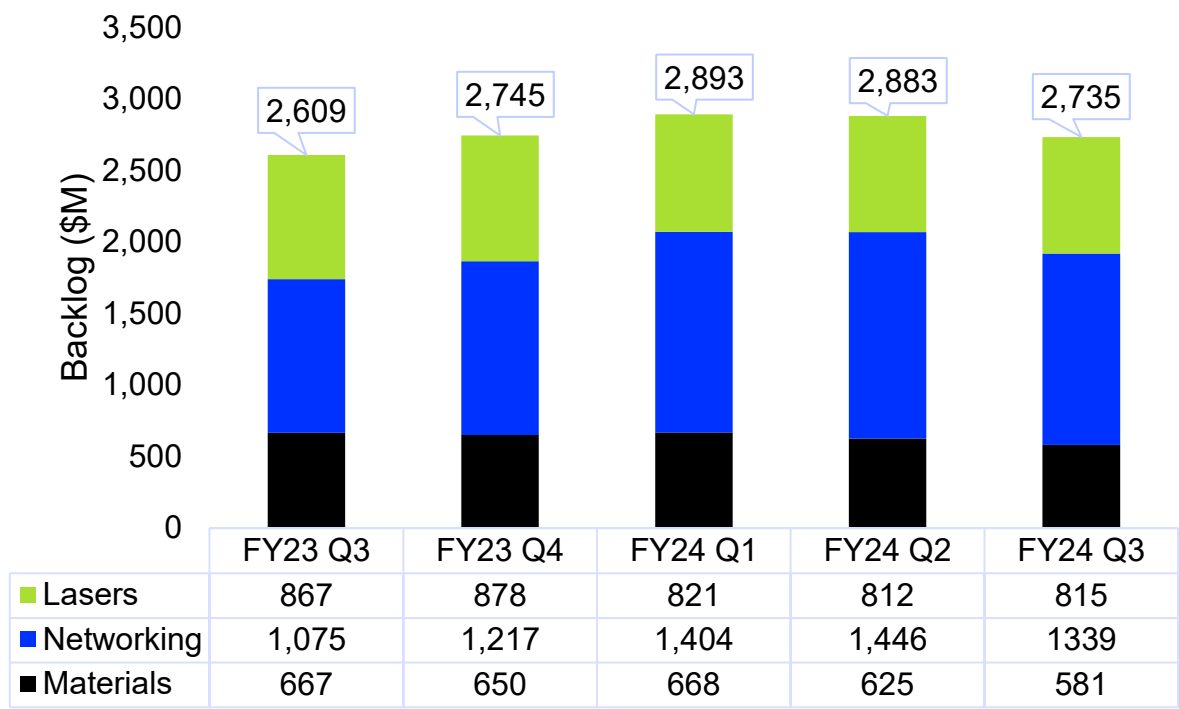


REVENUE DISTRIBUTION BY SEGMENT

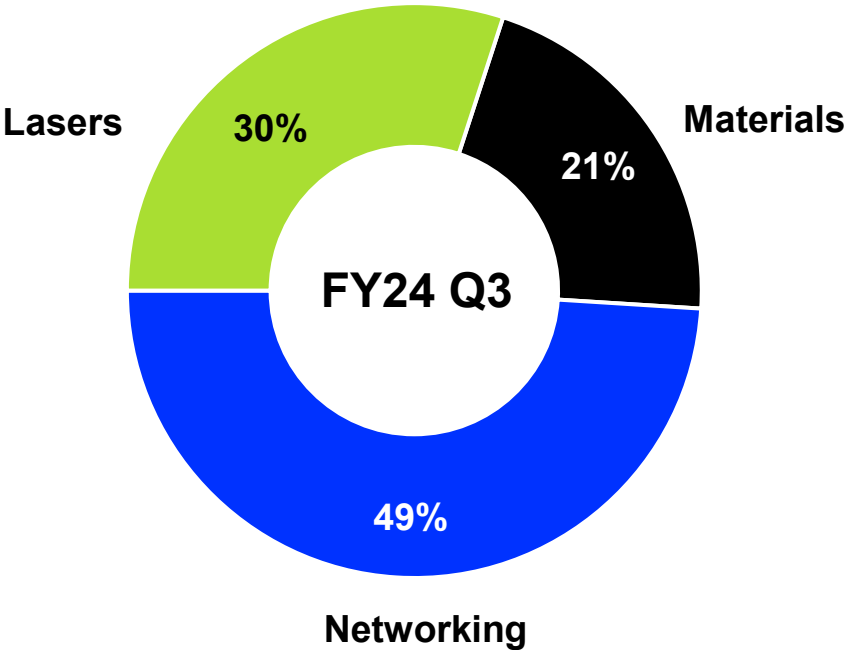


Note: Amounts may not recalculate due to rounding.

QUARTERLY BACKLOG BY SEGMENT

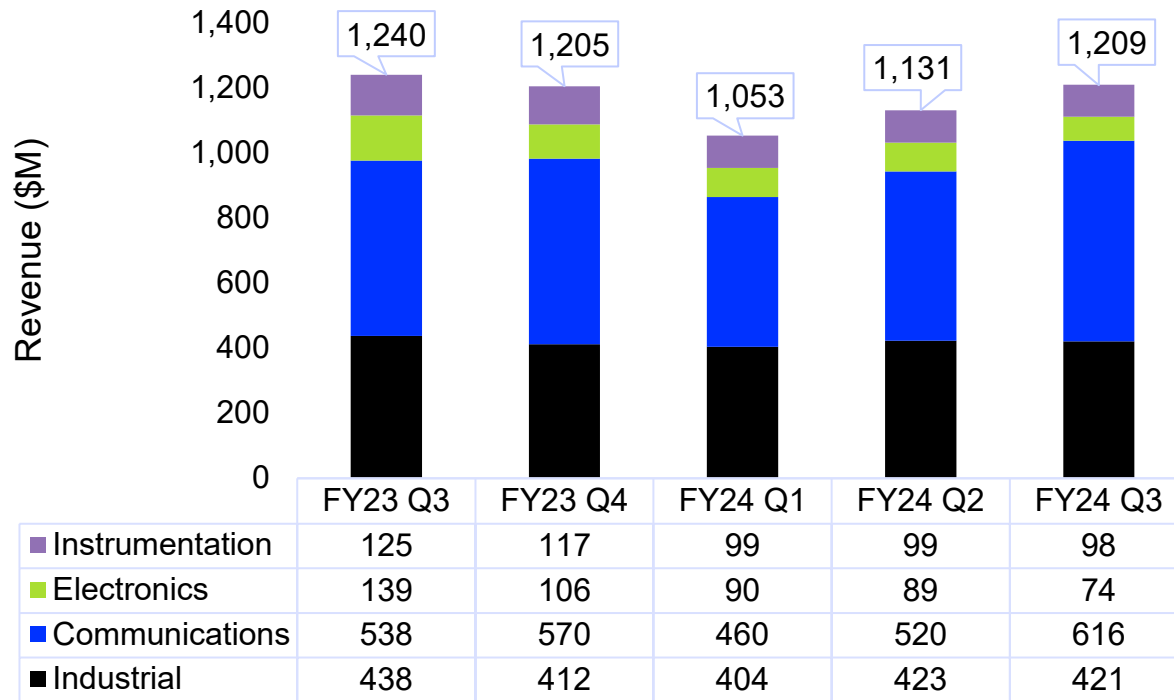


BACKLOG DISTRIBUTION BY SEGMENT

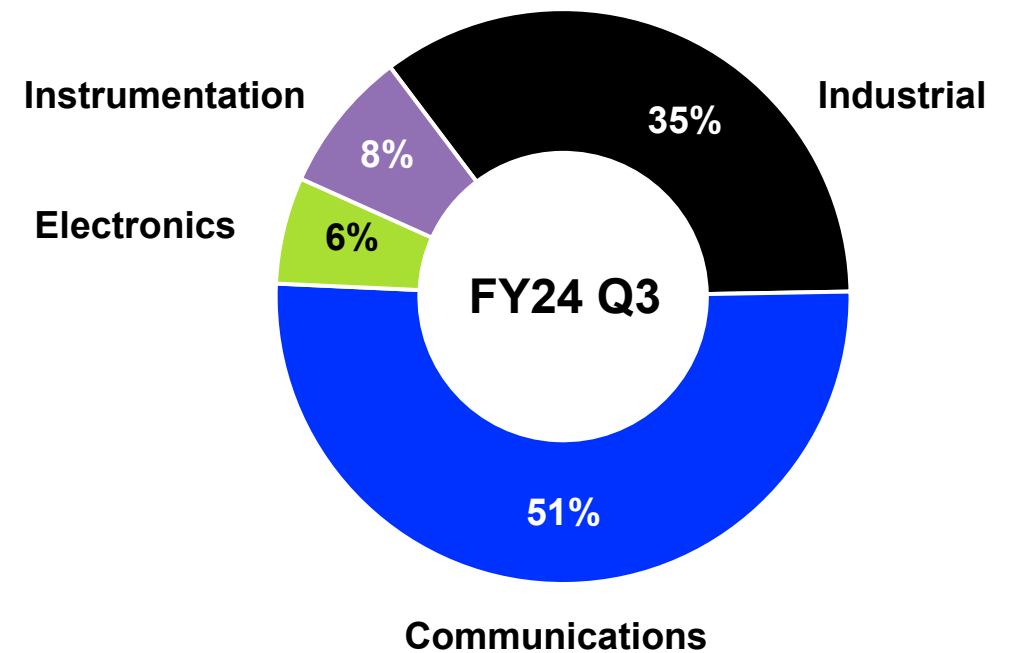


Note: Amounts may not recalculate due to rounding.

QUARTERLY REVENUE BY MARKET

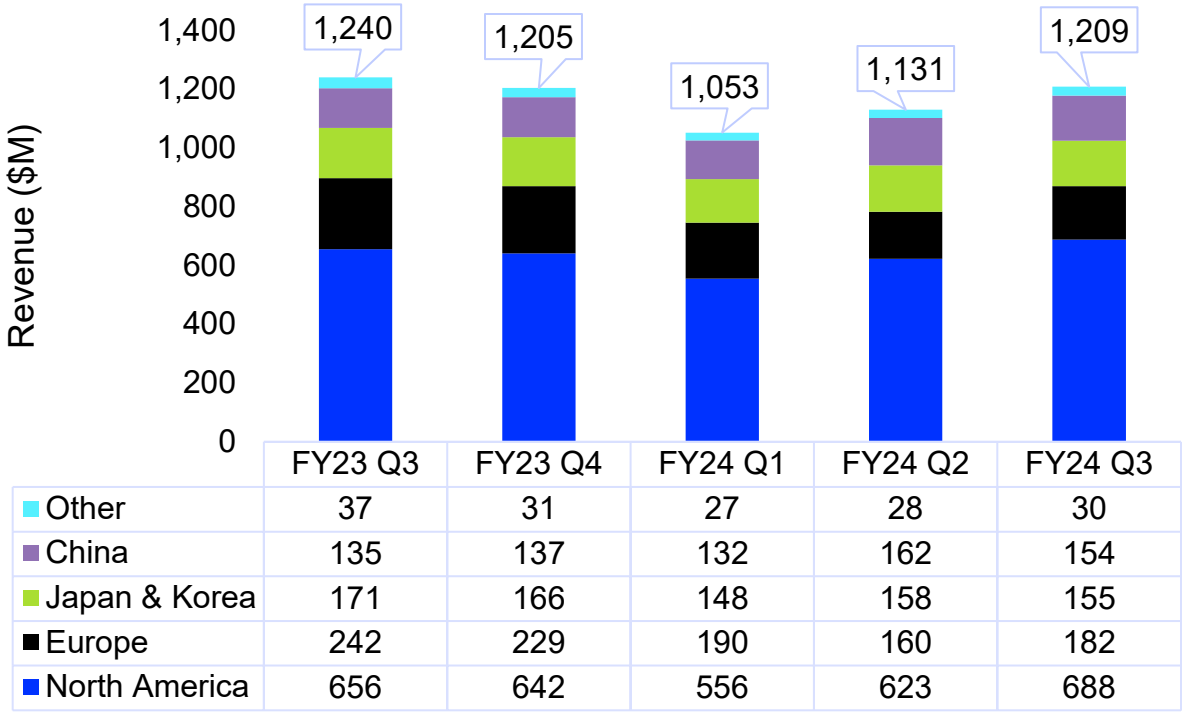


REVENUE DISTRIBUTION BY MARKET



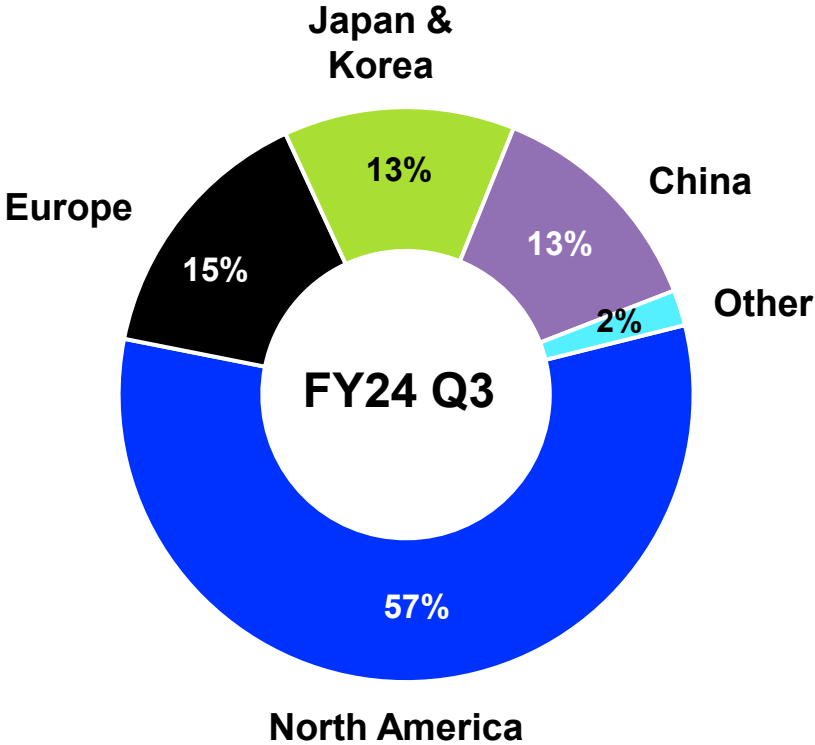
Note: Amounts may not recalculate due to rounding.

QUARTERLY REVENUE BY REGION



Note: Prior periods restated to conform to current period presentation.

REVENUE DISTRIBUTION BY REGION



Note: Amounts may not recalculate due to rounding.

FOURTH QUARTER FISCAL 2024 OUTLOOK

Revenue		\$1.23 – 1.32 billion
Non-GAAP Gross Margin		36.0 – 37.5%
Non-GAAP Operating Expenses		\$254 – 270 million
Non-GAAP Operating Margin		16 – 17%
Non-GAAP Adjusted EBITDA		22 – 23%
Interest Expense		\$66 – 69 million
Non-GAAP Tax Rate		16 – 19%
Series B Preferred P.I.K. Dividend		Approximately \$31 million
Non-GAAP Earnings Per Share		\$0.52 – 0.68 ⁽¹⁾
Share Count		156 million for the entire guidance range
Capital Expenditures		\$115 – 135 million (approximately \$50M funded by Silicon Carbide LLC)
Pretax amounts of Non-GAAP adjustments	Stock compensation	\$23 – 29 million
	Amortization	Approximately \$74 million
	Restructuring, synergies, and consolidation expenses	\$60 – 70 million

(1) The Company does not provide reconciliations of forward-looking Non-GAAP EPS. The Company is unable, without unreasonable efforts, to forecast certain items required to develop a meaningful GAAP financial measure that is comparable to this forward-looking figure.

FISCAL 2024 FULL YEAR OUTLOOK

Revenue	\$4.62 – 4.70 billion	
Non-GAAP Gross Margin	35.7 – 36.3%	
Non-GAAP Operating Expenses	\$975 million – 990 million	
Non-GAAP Operating Margin	14.7 – 15.2%	
Non-GAAP Adjusted EBITDA	21.0 – 21.5%	
Interest Expense	\$286 – 290 million	
Non-GAAP Tax Rate	17 – 18%	
Series B Preferred P.I.K. Dividend	Approximately \$123 million	
Non-GAAP Earnings Per Share	\$1.56 – 1.73 ⁽¹⁾	
Share Count	154 million for the entire guidance range	
Capital Expenditures	\$365 – 385 million (approximately \$150M funded by Silicon Carbide LLC)	
Pretax amounts of Non-GAAP adjustments	Stock compensation	\$122 – 128 million
	Amortization	Approximately \$290 million
	Restructuring, synergies, and consolidation expenses	\$198 – 208 million

(1) The Company does not provide reconciliations of forward-looking Non-GAAP EPS. The Company is unable, without unreasonable efforts, to forecast certain items required to develop a meaningful GAAP financial measure that is comparable to this forward-looking figure.

GAAP TO NON-GAAP RECONCILIATION

GROSS PROFIT RECONCILIATION

\$ Millions (Unaudited)	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023
Gross profit on GAAP basis	367	351	307	343	420
Share-based compensation	5	5	7	5	7
Amortization of acquired intangibles	31	30	31	39	31
Fair value adjustment on acquired inventory	—	—	—	—	—
Integration, site consolidation and other	30	22	21	46	6
Gross profit on non-GAAP basis	433	408	366	433	463

OPERATING EXPENSE RECONCILIATION

\$ Millions (Unaudited)	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023
Internal R&D on GAAP basis	128	111	114	123	126
Share-based compensation	(5)	(5)	(8)	(5)	(6)
Amortization of acquired intangibles	(1)	(1)	(1)	(1)	(0)
Start-up costs	(1)	(1)	(0)	—	—
Integration, site consolidation and other	(3)	(3)	(1)	(3)	(0)
Internal R&D on non-GAAP basis	118	102	103	115	120
SG&A on GAAP basis	205	209	212	256	226
Share-based compensation	(16)	(17)	(29)	(17)	(23)
Amortization of acquired intangibles	(41)	(41)	(41)	(94)	(62)
Integration, site consolidation and other	(16)	(18)	(10)	(13)	(16)
SG&A on non-GAAP basis	132	134	131	133	126
Restructuring on GAAP basis	12	(2)	3	119	—
Restructuring charges	(12)	2	(3)	(119)	—
Restructuring on non-GAAP basis	—	—	—	—	—

INCOME FROM OPERATIONS RECONCILIATION

\$ Millions (Unaudited)	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023
Op. income (loss) on GAAP basis	22	32	(21)	(155)	67
Share-based compensation	26	27	45	26	35
Fair value adjustment on acquired inventory	—	—	—	—	—
Amortization of acquired intangibles	72	72	73	134	93
Start-up costs	1	1	0	—	—
Restructuring charges	12	(2)	3	119	—
Transaction fees and financing	—	—	—	—	—
Integration, site consolidation and other	49	42	33	61	22
Op. income on non-GAAP basis	182	172	132	185	217
Non-GAAP Op. Margin Percentage	15.1 %	15.2 %	12.6 %	15.4 %	17.5 %

NET EARNINGS RECONCILIATION

\$ Millions (Unaudited)	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023
Net earnings (loss) attributable to Coherent Corp. on GAAP basis	(13)	(27)	(68)	(178)	3
Share-based compensation	26	27	45	26	35
Amortization of acquired intangibles	72	72	73	134	93
Fair value adjustment on acquired inventory	—	—	—	—	—
Start-up costs	1	1	0	—	—
Foreign currency exch. (gains) losses	3	6	(1)	6	1
Restructuring charges	12	(2)	3	119	—
Integration, site consolidation and other	49	42	33	61	22
Transaction fees and financing	—	—	—	—	—
Tax impact of non-GAAP measures	(37)	(33)	(31)	(73)	(36)
Net earnings attributable to Coherent Corp. on non-GAAP basis	113	86	55	95	118

NET EARNINGS PER COMMON SHARE

\$ (Unaudited)	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023
Net earnings (loss) attributable to Coherent Corp., GAAP					
Basic Earnings (Loss) Per Share	(0.29)	(0.38)	(0.65)	(1.54)	(0.24)
Diluted Earnings (Loss) Per Share	(0.29)	(0.38)	(0.65)	(1.54)	(0.24)
Net earnings (loss) attributable to Coherent Corp., non-GAAP					
Basic Earnings Per Share	0.54	0.37	0.16	0.42	0.59
Diluted Earnings Per Share	0.53	0.36	0.16	0.41	0.58

NET EARNINGS, GAAP, AND ADJUSTED EBITDA RECONCILIATION

\$ Millions (Unaudited)	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023
Net earnings (loss) on GAAP basis	(16)	(29)	(68)	(178)	3
Income taxes (benefit)	(16)	(9)	(21)	(55)	(7)
Depreciation and amortization	140	138	138	204	161
Interest expense	73	75	73	79	75
Interest income	(13)	(7)	(4)	(4)	(2)
EBITDA	168	168	120	45	229
EBITDA margin	13.9 %	14.9 %	11.4 %	3.7 %	18.5 %
Prelim. fair value adj. on acquired inv.	—	—	—	—	—
Stock based compensation	26	27	45	26	35
Foreign currency exch. (gains) losses	3	6	(1)	6	1
Start-up costs	1	1	—	—	—
Restructuring charges	12	(2)	3	119	—
Integration, site consolidation and other	49	42	33	61	22
Adjusted EBITDA	259	243	200	257	287
Less: adjusted EBITDA attributable to noncontrolling interests	2	0	—	—	—
Adjusted EBITDA attributable to Coherent Corp.	261	243	200	257	287
Adjusted EBITDA margin attributable to Coherent Corp.	21.6 %	21.5 %	19.0 %	21.4 %	23.1 %

RECONCILIATION OF GAAP MEASURES TO NON-GAAP MEASURES

Reconciliation of GAAP Measures to non-GAAP Measures*

\$ Millions

(Unaudited)

	Three Months Ended			Year Ended	
	Jun 30, 2023	Mar 31, 2023	Jun 30, 2022	Jun 30, 2023	Jun 30, 2022
Gross profit on GAAP basis	\$ 343.4	\$ 420.2	\$ 326.0	\$1,618.3	\$1,265.5
Share-based compensation	4.9	6.5	0.9	22.9	5.1
Amortization of acquired intangibles ⁽¹⁾	38.7	30.7	9.6	132.1	38.3
Preliminary fair value adjustment on acquired inventory	—	—	—	157.5	—
Integration, site consolidation and other ⁽³⁾	45.8	5.8	6.9	53.2	9.8
Start-up costs ⁽⁵⁾	—	—	—	—	2.8
Gross profit on non-GAAP basis	<u>\$ 432.8</u>	<u>\$ 463.2</u>	<u>\$ 343.4</u>	<u>\$1,984.0</u>	<u>\$1,321.5</u>
Operating income (loss) on GAAP basis	\$ (155.2)	\$ 67.4	\$ 114.2	\$ (37.1)	\$ 414.3
Share-based compensation	26.4	35.1	13.5	149.6	73.1
Amortization of acquired intangibles ⁽¹⁾	133.5	92.7	19.9	414.1	79.7
Preliminary fair value adjustment on acquired inventory	—	—	—	157.5	—
Restructuring charges ⁽¹⁾	119.1	—	—	119.1	—
Integration, site consolidation and other ⁽²⁾	61.3	21.9	7.5	124.5	14.3
Transaction fees and financing ⁽³⁾	—	—	7.1	38.7	36.6
Start-up costs ⁽⁴⁾	—	—	6.4	—	32.3
Operating income on non-GAAP basis	<u>\$ 185.1</u>	<u>\$ 217.1</u>	<u>\$ 168.6</u>	<u>\$ 966.5</u>	<u>\$ 650.2</u>

Reconciliation of GAAP Segment Operating Income (Loss) to

Segment Non-GAAP Operating Income (Loss)*

\$ Millions

(Unaudited)

	Three Months Ended			Year Ended	
	Jun 30, 2023	Mar 31, 2023	Jun 30, 2022	Jun 30, 2023	Jun 30, 2022
Networking GAAP Operating Income (Loss)	\$ (8.1)	\$ 49.5	\$ 67.1	\$ 222.4	\$ 231.6
Share-based compensation	7.6	6.9	3.1	33.6	30.9
Amortization of acquired intangibles ⁽¹⁾	22.9	16.5	16.5	72.3	66.3
Restructuring charges ⁽²⁾	55.6	—	—	55.6	—
Integration, site consolidation and other ⁽³⁾	0.9	1.8	2.3	5.2	6.2
Transaction fees and financing ⁽⁴⁾	—	—	0.5	—	0.5
Non-GAAP Networking Operating Income	<u>\$ 78.9</u>	<u>\$ 74.7</u>	<u>\$ 89.5</u>	<u>\$ 389.1</u>	<u>\$ 335.5</u>
Materials GAAP Operating Income (Loss)	\$ (65.0)	\$ 67.8	\$ 53.5	\$ 159.6	\$ 218.6
Share-based compensation	10.4	10.7	10.5	51.1	42.2
Amortization of acquired intangibles ⁽¹⁾	35.1	3.2	3.3	44.8	13.3
Restructuring charges ⁽²⁾	60.4	—	—	60.4	—
Integration, site consolidation and other ⁽³⁾	29.4	7.3	5.2	40.5	8.1
Transaction fees and financing ⁽⁴⁾	—	—	0.2	—	0.2
Start-up costs ⁽⁴⁾	—	—	6.4	—	32.3
Non-GAAP Materials Operating Income	<u>\$ 70.2</u>	<u>\$ 89.0</u>	<u>\$ 79.1</u>	<u>\$ 356.4</u>	<u>\$ 314.7</u>
Lasers GAAP Operating Income (Loss)	\$ (82.1)	\$ (49.9)	\$ —	\$ (419.1)	\$ —
Share-based compensation	8.4	17.5	—	64.9	—
Amortization of acquired intangibles ⁽¹⁾	75.6	73.0	—	297.1	—
Restructuring charges ⁽²⁾	3.1	—	—	3.1	—
Integration, site consolidation and other ⁽³⁾	31.0	12.8	—	78.8	—
Transaction fees and financing ⁽⁴⁾	—	—	—	38.7	—
Preliminary fair value adjustment on acquired inventory	—	—	—	157.5	—
Non-GAAP Lasers Operating Income	<u>\$ 36.0</u>	<u>\$ 53.4</u>	<u>\$ —</u>	<u>\$ 221.0</u>	<u>\$ —</u>
Unallocated and Other GAAP Operating Income (Loss)	\$ —	\$ —	\$ (6.4)	\$ —	\$ (35.9)
Transaction fees and financing ⁽⁴⁾	—	—	6.4	—	35.9
Non-GAAP Unallocated and Other GAAP Operating Income (Loss)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Total GAAP Operating Income (Loss)	<u>\$ (155.2)</u>	<u>\$ 67.4</u>	<u>\$ 114.2</u>	<u>\$ (37.1)</u>	<u>\$ 414.3</u>
Non-GAAP Operating Income	<u>\$ 185.1</u>	<u>\$ 217.1</u>	<u>\$ 168.6</u>	<u>\$ 966.5</u>	<u>\$ 650.2</u>

COHERENT