

INVESTOR PRESENTATION

**Second Quarter Fiscal 2025
February 2025**

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements relating to future events and expectations, including our expectations regarding (i) the growth, megatrends, and value proposition in the markets we serve including industrial, communications, electronics, and instrumentation; and (ii) our estimates and projections for our business outlook for the third quarter of fiscal 2025, 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" identified from time to time in our filings with the Securities and Exchange Commission ("SEC"), including our Annual Report on Form 10-K for the fiscal year ended June 30, 2024, and subsequently filed Quarterly Reports on Form 10-Q, which filings are available from the SEC; (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 February 5, 2025. This presentation contains non-GAAP financial measures and key metrics relating to the Company's past performance. We believe the presentation of these non-GAAP financial measures enhances investors' overall understanding of our historical financial performance and assists investors in comparing our performance across reporting periods. 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."

GROSS MARGIN AND EARNINGS PER COMMON SHARE GAAP TO NON-GAAP RECONCILIATIONS

\$ Millions (Unaudited)	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023
Gross margin on GAAP basis	509	460	432	367	351
Share-based compensation	6	6	5	5	5
Amortization of acquired intangibles	30	30	30	31	30
Integration, site consolidation and other	3	(1)	4	4	5
Gross margin on non-GAAP basis	548	495	471	406	391

\$ for EPS, \$ Millions for shares (Unaudited)	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023
Common shares, GAAP	154.8	153.6	152.6	152.1	151.6
Effect of dilutive securities:					
Common stock equivalents	5.2	—	—	—	—
Diluted weighted average common shares, GAAP	160.0	153.6	152.6	152.1	151.6
Common shares, Non-GAAP	154.8	153.6	152.6	152.1	151.6
Effect of dilutive securities:					
Common stock equivalents	5.2	4.9	3.8	3.5	1.4
Diluted weighted average common shares, Non-GAAP	160.0	158.6	156.3	155.7	152.9
Net earnings (loss) attributable to Coherent Corp., GAAP					
Basic Earnings (Loss) Per Share	0.46	(0.04)	(0.52)	(0.29)	(0.38)
Diluted Earnings (Loss) Per Share	0.44	(0.04)	(0.52)	(0.29)	(0.38)
Net earnings attributable to Coherent Corp., non-GAAP					
Basic Earnings Per Share	0.99	0.69	0.52	0.39	0.27
Diluted Earnings Per Share	0.95	0.67	0.51	0.38	0.27

COHERENT AT A GLANCE



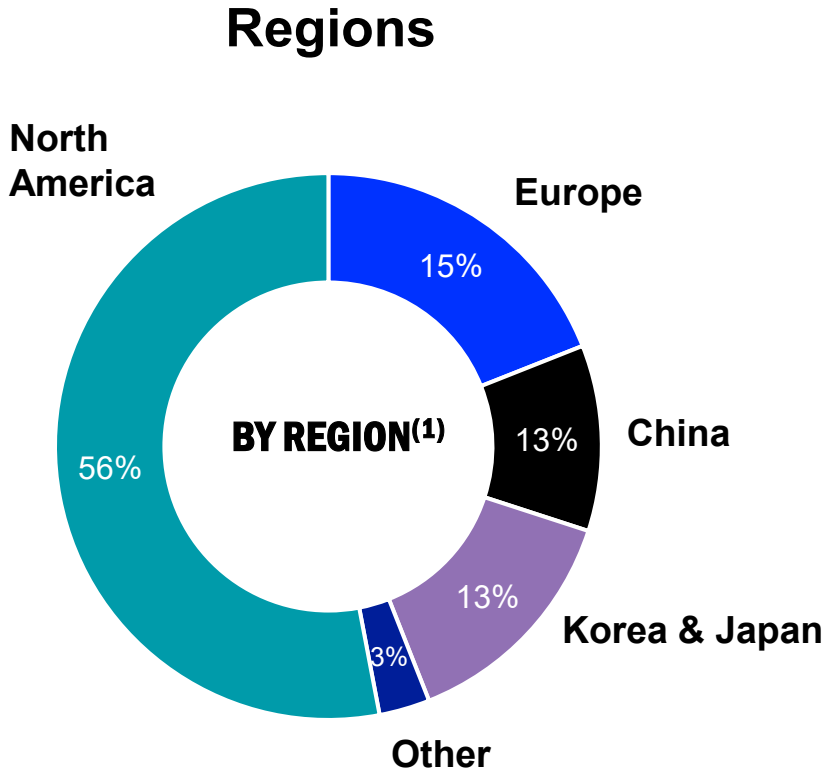
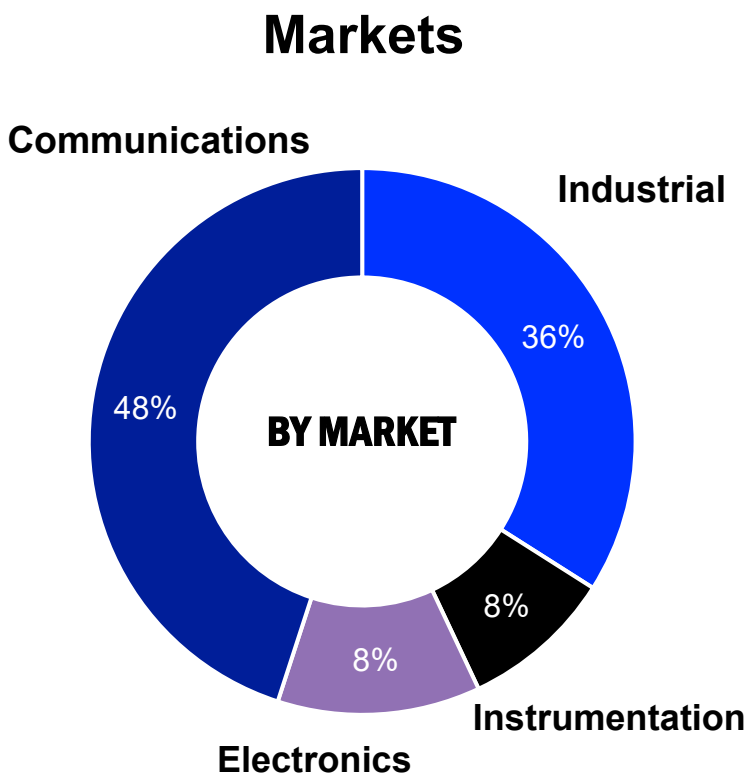
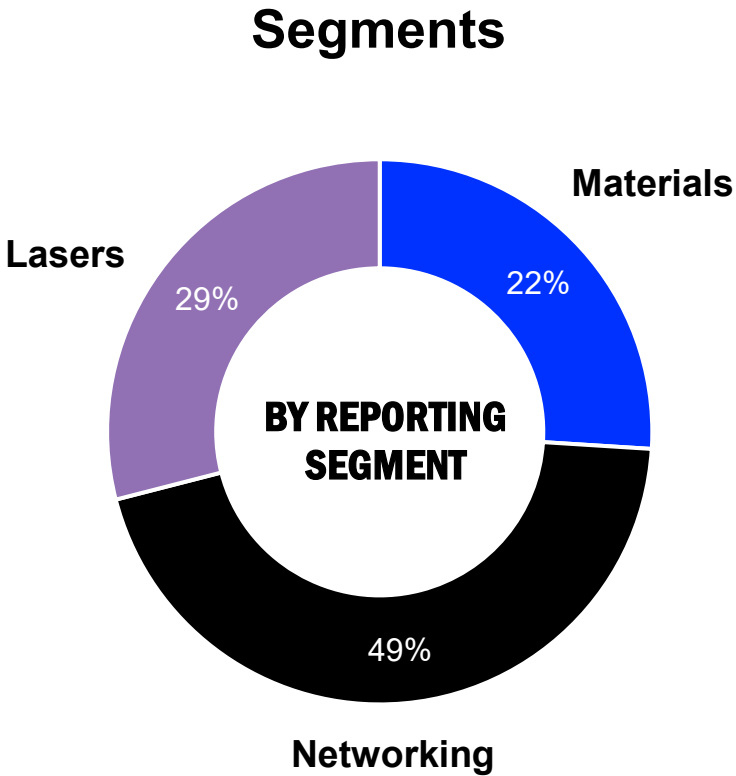
FROM A FOUNDATION OF MATERIALS AND IMAGINATION, WE ENABLE EXCITING MEGATRENDS

1971	Year Founded	COHR	NYSE
≈26,000	Employees ⁽¹⁾	\$4.7B	FY24 Revenue
2,250+	Research & Development Employees ⁽¹⁾	\$64B	Available Market (CY2023)
3,100+	Patents ⁽¹⁾	126	Locations
VERTICAL INTEGRATION	Materials, Components, Subsystems, Systems, and Service	24	Countries

⁽¹⁾As of June 30, 2024

\$4.7 BILLION OF REVENUE IN FY24

WELL DIVERSIFIED ACROSS TECHNOLOGY, PRODUCTS, AND GEOGRAPHIC MARKETS

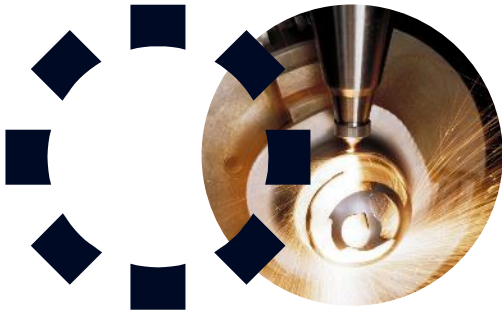


⁽¹⁾ Revenue by region is based on customer headquarter addresses.
⁽²⁾ Amounts may not recalculate due to rounding.

FOUR ATTRACTIVE GROWTH MARKETS

AGGREGATE \$64B TAM

14% FIVE-YEAR CAGR (2023-28)



INDUSTRIAL

TAM: \$22B
CAGR: 9%

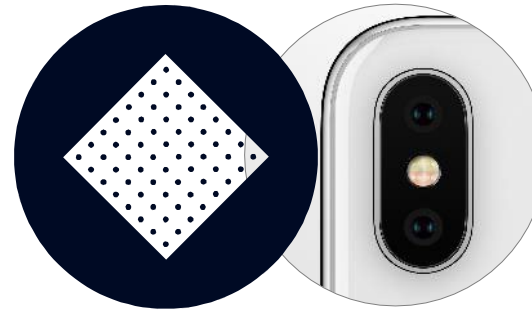
Sources: Optech Consulting, TechInsight, Strategies Unlimited, SEMI, Internal Estimates, DSCC



COMMUNICATIONS

TAM: \$23B
CAGR: 14%

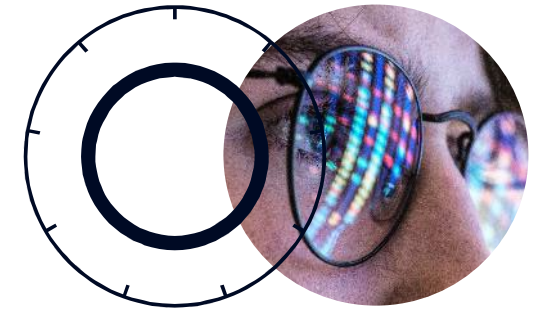
Sources: LightCounting, Omdia, Cignal AI, Yole, Dell'Oro, Internal Estimates



ELECTRONICS

TAM: \$14B
CAGR: 20%

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



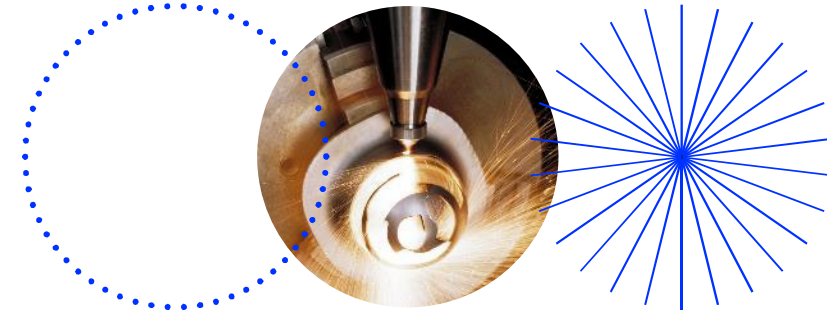
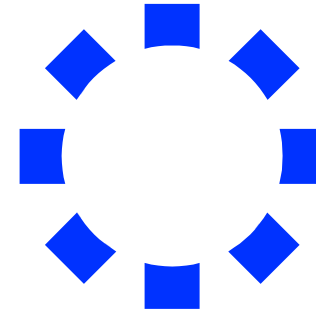
INSTRUMENTATION

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

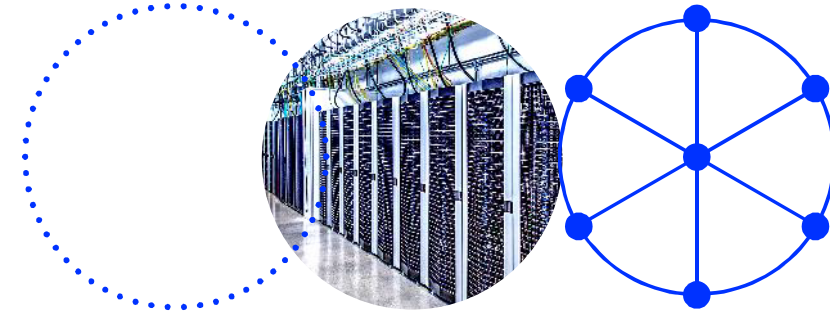
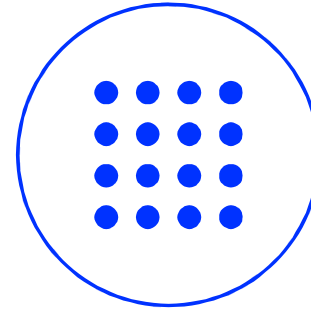
PRODUCTS

- 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 know-how

COMMUNICATIONS



MARKET VERTICALS AND MEGATRENDS

Datacom

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

Telecom

- Open disaggregated systems
- Pluggable coherent transceivers

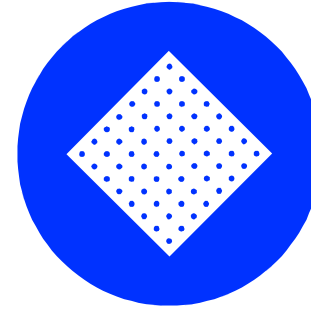
PRODUCTS

- 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

- One of the largest suppliers of optical communications components
- Vertically integrated from materials through subsystems, including coherent DSPs
- Industry pioneer in a 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

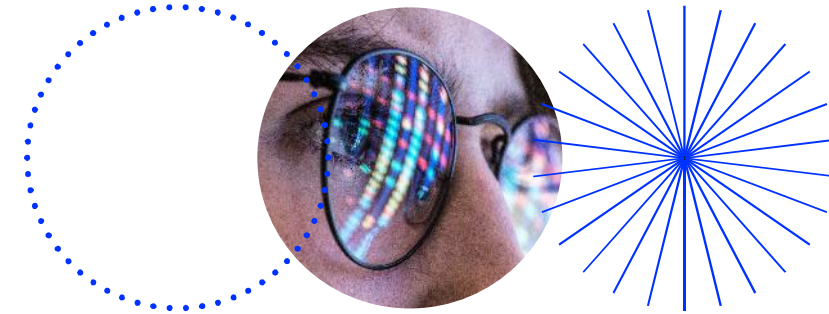
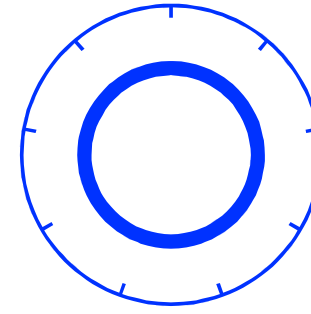
PRODUCTS

- 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

- One of the broadest portfolios 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

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
- One of the broadest product portfolios to support a wide range of applications
- Extensive technology innovation for next-generation capabilities
- Global manufacturing footprint and flexible supply chain partners

FINANCIAL HIGHLIGHTS

FY 2025 NON-GAAP Q2 EARNINGS RESULTS HIGHLIGHTS

Revenue

⬆️ **27%**

\$1.43B in Q2 FY25 vs. \$1.13B in Q2 FY24

“We delivered strong growth in the December quarter on both a sequential and year-over-year basis, resulting in record revenue, driven by another quarter of strong AI-related Data Center demand as well as growth in our Telecom business. We also drove significant improvement in gross margin and operating margin. I would like to thank my Coherent teammates for their strong execution.”

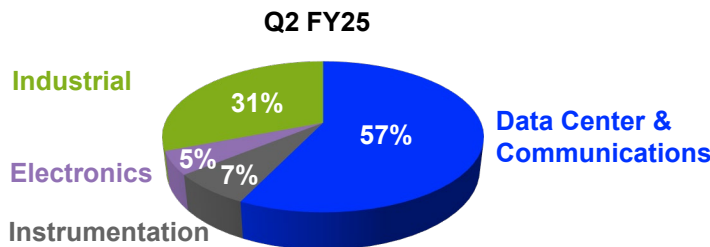
Jim Anderson, CEO

Gross Margin*

⬆️ **363BP**

38.2% in Q2 FY25 vs. 34.6% in Q2 FY24

Revenue by Market



Data Center & Communications

⬆️ **58%**
Q2 FY25/Q2 FY24

Industrial and Other

⬆️ **0%**
Q2 FY25/Q2 FY24

Earnings Per Share**

⬆️ **256%**

\$0.95 in Q2 FY25 vs. \$0.27 in Q2 FY24

Highlights



Agreement with the U.S. government for funding to increase our indium phosphide (InP) production capacity.

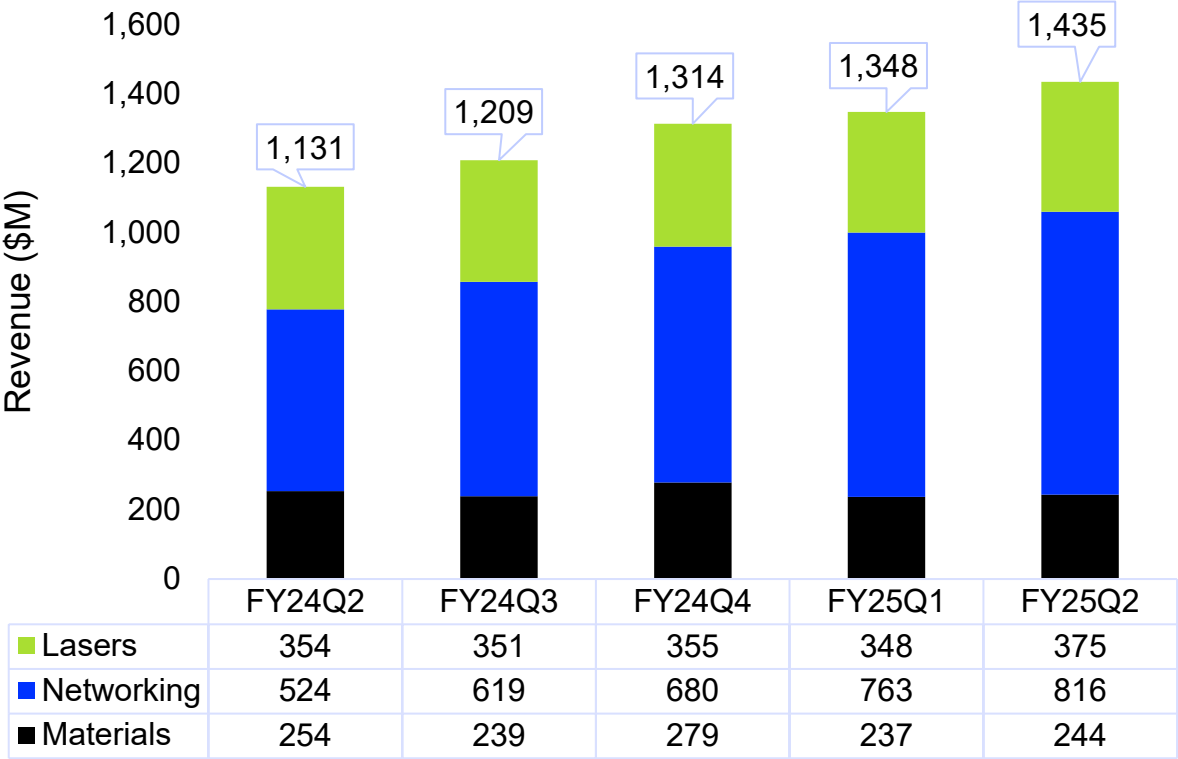


Expanding customer engagements for new 100G ZR, 400G ZR/ZR+, and 800G ZR DCO transceivers.

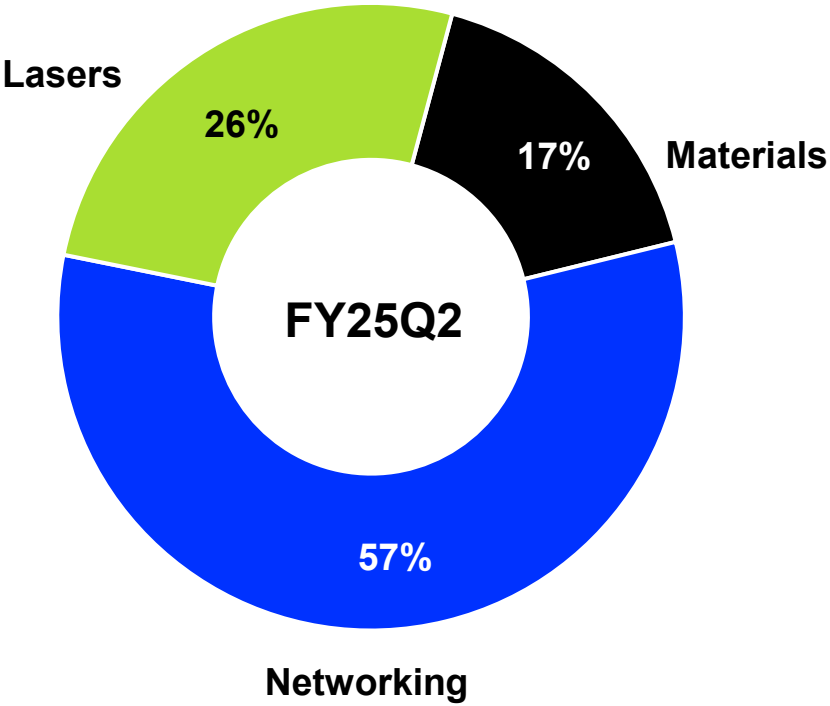


Industry-first shipment of our excimer laser annealing system for deployment in the world's first Gen 8 OLED display fab.

QUARTERLY REVENUE BY SEGMENT

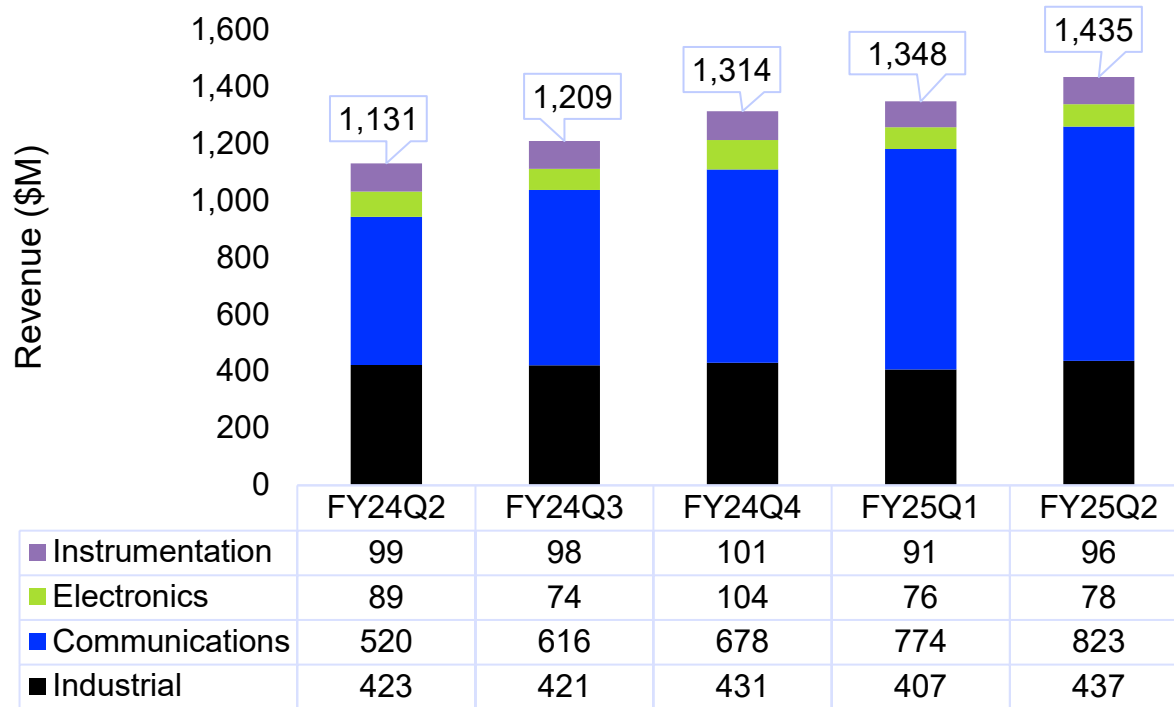


REVENUE DISTRIBUTION BY SEGMENT

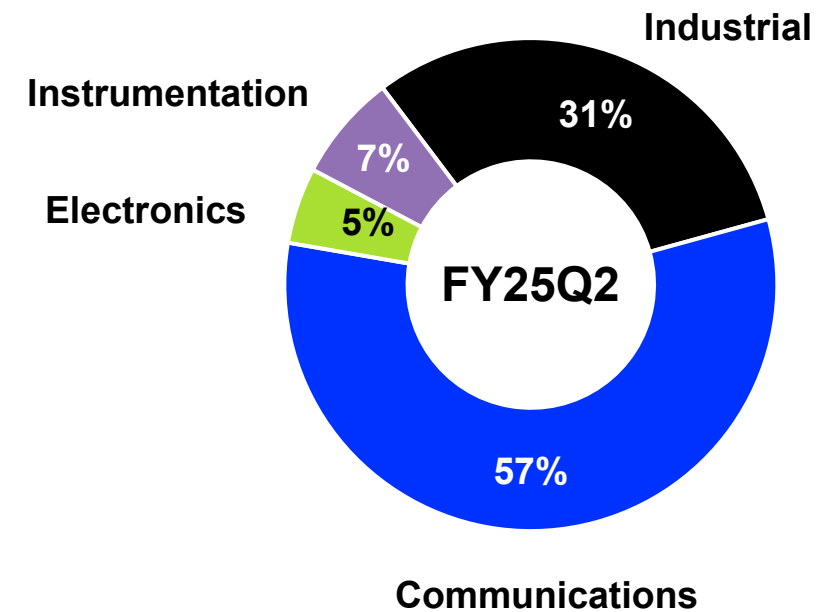


Note: Amounts may not calculate due to rounding.

QUARTERLY REVENUE BY MARKET



REVENUE DISTRIBUTION BY MARKET



Note: Amounts may not calculate due to rounding.

THIRD QUARTER FISCAL 2025 OUTLOOK

REVENUE	\$1.39 – 1.48 billion
NON-GAAP GROSS MARGIN	37% – 39%
NON-GAAP OPERATING EXPENSES	\$285 – 305 million
NON-GAAP TAX RATE	17% – 19%
NON-GAAP EARNINGS PER SHARE	\$0.75 – 0.95 ⁽¹⁾

⁽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 MARGIN RECONCILIATION

GROSS MARGIN RECONCILIATION

\$ Millions (Unaudited)	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023
Gross margin on GAAP basis	509	460	432	367	351
Share-based compensation	6	6	5	5	5
Amortization of acquired intangibles	30	30	30	31	30
Integration, site consolidation and other	3	(1)	4	4	5
Gross margin on non-GAAP basis	548	495	471	406	391

OPERATING EXPENSE RECONCILIATION

\$ Millions (Unaudited)	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023
R&D on GAAP basis	144	132	127	128	111
Share-based compensation	(6)	(5)	(5)	(5)	(5)
Amortization of acquired intangibles	(1)	(1)	(1)	(1)	(1)
Integration, site consolidation and other	—	—	(1)	—	(1)
R&D on non-GAAP basis	137	126	120	122	105
SG&A on GAAP basis	221	229	228	205	209
Share-based compensation	(30)	(25)	(19)	(16)	(17)
Amortization of acquired intangibles	(41)	(41)	(41)	(41)	(41)
Integration, site consolidation and other	(5)	(12)	(20)	(15)	(18)
SG&A on non-GAAP basis	146	152	149	133	134
Restructuring on GAAP basis	8	24	14	(12)	(2)
Restructuring	(8)	(24)	(14)	12	2
Restructuring on non-GAAP basis	—	—	—	—	—

INCOME FROM OPERATIONS RECONCILIATION

\$ Millions (Unaudited)	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023
Op. income on GAAP basis	137	75	63	22	32
Share-based compensation	41	36	29	26	27
Amortization of acquired intangibles	72	72	72	72	72
Restructuring charges (recoveries)	8	24	14	12	(2)
Integration, site consolidation and other	7	11	25	19	23
Op. income on non-GAAP basis	265	218	203	152	152
Non-GAAP Op. Margin Percentage	18.5 %	16.1 %	15.4 %	12.6 %	13.5 %

NET EARNINGS RECONCILIATION

\$ Millions (Unaudited)	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023
Net earnings (loss) attributable to Coherent Corp. on GAAP basis	103	26	(48)	(13)	(27)
Share-based compensation	41	36	29	26	27
Amortization of acquired intangibles	72	72	72	72	72
Foreign currency exch. (gains) losses	(35)	10	1	3	6
Restructuring charges (recoveries)	8	24	14	12	(2)
Integration, site consolidation and other	7	11	25	19	23
Transaction fees and financing	—	—	2	—	—
Tax impact of valuation allowance on deferred tax assets	12	(1)	46	—	—
Tax windfall from share-based compensation	(4)	(11)	—	—	—
Tax impact of non-GAAP measures	(19)	(28)	(29)	(30)	(28)
Net earnings (loss) attributable to Coherent Corp. on non-GAAP basis	185	138	111	90	72

NET EARNINGS PER COMMON SHARE

\$ for EPS, \$ Millions for shares (Unaudited)	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023
Common shares, GAAP	154.8	153.6	152.6	152.1	151.6
Effect of dilutive securities:					
Common stock equivalents	5.2	—	—	—	—
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Diluted Earnings Per Share	0.95	0.67	0.51	0.38	0.27

COHERENT