

**Coherent, Inc.**  
**Consolidated Statement of Operations - GAAP**

(In thousands except percentages and per share data, unaudited)	Three Months Ended									Fiscal Year Ended	
	December 30, 2017	September 30, 2017	July 1, 2017	April 1, 2017	December 31, 2016	October 1, 2016	July 2, 2016	April 2, 2016	January 2, 2016	September 30, 2017	October 1, 2016
Net sales	\$ 477,565	\$ 490,298	\$ 464,107	\$ 422,833	\$ 346,073	\$ 248,461	\$ 218,767	\$ 199,882	\$ 190,275	\$ 1,723,311	\$ 857,385
Cost of sales	260,542	268,244	256,921	243,318	204,559	134,125	124,208	111,283	106,377	973,042	475,993
Gross profit	<u>217,023</u>	<u>222,054</u>	<u>207,186</u>	<u>179,515</u>	<u>141,514</u>	<u>114,336</u>	<u>94,559</u>	<u>88,599</u>	<u>83,898</u>	<u>750,269</u>	<u>381,392</u>
Operating expenses:											
Research and development	31,392	31,063	30,483	30,536	27,084	20,265	21,441	20,955	19,140	119,166	81,801
Selling, general & administrative	73,437	73,482	72,383	72,451	73,768	45,168	46,256	40,940	36,774	292,084	169,138
Impairment of assets held for sale	265	2,916	-	-	-	-	-	-	-	2,916	-
Gain on business combination	-	-	-	-	(5,416)	-	-	-	-	(5,416)	-
Intangibles amortization	2,606	2,964	3,743	5,439	3,878	864	574	700	701	16,024	2,839
Total operating expenses	<u>107,700</u>	<u>110,425</u>	<u>106,609</u>	<u>108,426</u>	<u>99,314</u>	<u>66,297</u>	<u>68,271</u>	<u>62,595</u>	<u>56,615</u>	<u>424,774</u>	<u>253,778</u>
Income from operations	<u>109,323</u>	<u>111,629</u>	<u>100,577</u>	<u>71,089</u>	<u>42,200</u>	<u>48,039</u>	<u>26,288</u>	<u>26,004</u>	<u>27,283</u>	<u>325,495</u>	<u>127,614</u>
Other income (expense) net	(8,500)	(10,415)	(7,942)	(10,255)	5,172	(3,568)	852	(1,780)	(222)	(23,440)	(4,718)
Income from continuing operations before income taxes	<u>100,823</u>	<u>101,214</u>	<u>92,635</u>	<u>60,834</u>	<u>47,372</u>	<u>44,471</u>	<u>27,140</u>	<u>24,224</u>	<u>27,061</u>	<u>302,055</u>	<u>122,896</u>
Provision for income taxes	58,920	28,327	29,764	18,646	16,674	13,686	8,490	6,443	6,775	93,411	35,394
Net income from continuing operations	<u>\$ 41,903</u>	<u>\$ 72,887</u>	<u>\$ 62,871</u>	<u>\$ 42,188</u>	<u>\$ 30,698</u>	<u>\$ 30,785</u>	<u>\$ 18,650</u>	<u>\$ 17,781</u>	<u>\$ 20,286</u>	<u>\$ 208,644</u>	<u>\$ 87,502</u>
Gain (loss) before income taxes - discontinued operations	(2)	808	(1,454)	(571)	(362)	-	-	-	-	(1,579)	-
Benefit (expense) for income taxes - discontinued operations	-	57	(300)	228	72	-	-	-	-	57	-
Net loss from discontinued operations	<u>(2)</u>	<u>865</u>	<u>(1,754)</u>	<u>(343)</u>	<u>(290)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,522)</u>	<u>-</u>
Net income	<u>\$ 41,901</u>	<u>\$ 73,752</u>	<u>\$ 61,117</u>	<u>\$ 41,845</u>	<u>\$ 30,408</u>	<u>\$ 30,785</u>	<u>\$ 18,650</u>	<u>\$ 17,781</u>	<u>\$ 20,286</u>	<u>\$ 207,122</u>	<u>\$ 87,502</u>
<b>Net income per share - continuing operations:</b>											
Basic	\$ 1.70	\$ 2.97	\$ 2.56	\$ 1.72	\$ 1.26	\$ 1.27	\$ 0.77	\$ 0.74	\$ 0.85	\$ 8.52	\$ 3.62
Diluted	\$ 1.67	\$ 2.93	\$ 2.53	\$ 1.70	\$ 1.25	\$ 1.25	\$ 0.76	\$ 0.73	\$ 0.84	\$ 8.42	\$ 3.58
<b>Shares used in computation:</b>											
Basic	24,635	24,568	24,537	24,496	24,347	24,244	24,192	24,137	23,996	24,487	24,142
Diluted	25,025	24,883	24,823	24,757	24,644	24,582	24,467	24,362	24,236	24,777	24,415
<b>As percentages of net sales:</b>											
Gross profit	45.4%	45.3%	44.6%	42.5%	40.9%	46.0%	43.2%	44.3%	44.1%	43.5%	44.5%
Research and development	6.6%	6.3%	6.6%	7.2%	7.8%	8.2%	9.8%	10.5%	10.1%	6.9%	9.5%
Selling, general and administrative	15.4%	15.0%	15.6%	17.1%	21.3%	18.2%	21.1%	20.5%	19.3%	16.9%	19.7%
Operating income	22.9%	22.8%	21.7%	16.8%	12.2%	19.3%	12.0%	13.0%	14.3%	18.9%	14.9%
Income from continuing operations before income taxes	21.1%	20.6%	20.0%	14.4%	13.7%	17.9%	12.4%	12.1%	14.2%	17.5%	14.3%

**Coherent, Inc.**  
**Consolidated Statement of Operations - Non-GAAP**

(In thousands except percentages and per share data, unaudited)

	Three Months Ended									Fiscal Year Ended	
	December 30, 2017	September 30, 2017	July 1, 2017	April 1, 2017	December 31, 2016	October 1, 2016	July 2, 2016	April 2, 2016	January 2, 2016	September 30, 2017	October 1, 2016
Net sales	\$ 477,565	\$ 490,298	\$ 464,107	\$ 422,833	\$ 346,073	\$ 248,461	\$ 218,767	\$ 199,882	\$ 190,275	\$ 1,723,311	\$ 857,385
Cost of sales	246,112	251,541	239,208	218,056	182,723	132,058	122,073	109,312	104,381	891,528	467,824
Gross profit	<b>231,453</b>	238,757	224,899	204,777	163,350	116,403	96,694	90,570	85,894	<b>831,783</b>	389,561
Operating expenses:											
Research and development	30,620	29,990	29,681	30,101	24,313	19,643	20,831	20,345	18,714	114,085	79,533
Selling, general & administrative	67,909	67,573	65,926	63,632	49,916	37,959	38,804	33,173	34,060	247,047	143,996
Impairment of assets held for sale	-	-	-	-	-	-	-	-	-	-	-
Intangibles amortization	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses	<b>98,529</b>	97,563	95,607	93,733	74,229	57,602	59,635	53,518	52,774	<b>361,132</b>	223,529
Income from operations	<b>132,924</b>	141,194	129,292	111,044	89,121	58,801	37,059	37,052	33,120	<b>470,651</b>	166,032
Other income (expense) net	<b>(8,500)</b>	(10,415)	(7,942)	(10,255)	(3,461)	(245)	852	(1,780)	(222)	<b>(32,073)</b>	(1,395)
Income before income taxes	<b>124,424</b>	130,779	121,350	100,789	85,660	58,556	37,911	35,272	32,898	<b>438,578</b>	164,637
Provision for income taxes	<b>35,872</b>	38,269	37,996	28,717	22,238	18,083	11,748	9,929	8,991	<b>127,220</b>	48,751
Non-GAAP net income	<b>\$ 88,552</b>	\$ 92,510	\$ 83,354	\$ 72,072	\$ 63,422	\$ 40,473	\$ 26,163	\$ 25,343	\$ 23,907	<b>\$ 311,358</b>	\$ 115,886
<b>Non-GAAP net income per share:</b>											
Diluted	<b>\$ 3.54</b>	\$ 3.72	\$ 3.36	\$ 2.91	\$ 2.57	\$ 1.65	\$ 1.07	\$ 1.04	\$ 0.99	<b>\$ 12.57</b>	\$ 4.75
<b>Shares used in computation:</b>											
Diluted	<b>25,025</b>	24,883	24,823	24,757	24,644	24,582	24,467	24,362	24,236	<b>24,777</b>	24,415
<b>As percentages of net sales:</b>											
Gross profit	<b>48.5%</b>	48.7%	48.5%	48.4%	47.2%	46.8%	44.2%	45.3%	45.1%	<b>48.3%</b>	45.4%
Research and development	<b>6.4%</b>	6.1%	6.4%	7.1%	7.0%	7.9%	9.5%	10.2%	9.8%	<b>6.6%</b>	9.3%
Selling, general and administrative	<b>14.2%</b>	13.8%	14.2%	15.0%	14.4%	15.3%	17.7%	16.6%	17.9%	<b>14.3%</b>	16.8%
Operating income	<b>27.8%</b>	28.8%	27.9%	26.3%	25.8%	23.7%	16.9%	18.5%	17.4%	<b>27.3%</b>	19.4%
Income before income taxes	<b>26.1%</b>	26.7%	26.1%	23.8%	24.8%	23.6%	17.3%	17.6%	17.3%	<b>25.4%</b>	19.2%

**Coherent, Inc.**  
**Supplemental Non-GAAP Financial Measures Reconciliation**

(In thousands except per share data, unaudited)

	Three Months Ended									Fiscal Year Ended	
	December 30, 2017	September 30, 2017	July 1, 2017	April 1, 2017	December 31, 2016	October 1, 2016	July 2, 2016	April 2, 2016	January 2, 2016	September 30, 2017	October 1, 2016
<b>GAAP net income from continuing operations</b>	<b>\$ 41,903</b>	<b>\$ 72,887</b>	<b>\$ 62,871</b>	<b>\$ 42,188</b>	<b>\$ 30,698</b>	<b>\$ 30,785</b>	<b>\$ 18,650</b>	<b>\$ 17,781</b>	<b>\$ 20,286</b>	<b>\$ 208,644</b>	<b>\$ 87,502</b>
Intangibles amortization	10,773	11,546	10,870	12,573	7,726	1,554	1,400	1,422	1,448	42,715	5,824
Purchase accounting step up	-	-	3,172	9,401	6,469	-	-	-	-	19,042	-
Stock-based compensation	5,467	5,277	5,041	4,868	8,166	3,890	4,101	3,876	3,394	23,352	15,261
Non-recurring tax expense (release) items	29,294	(1,358)	-	-	-	-	-	-	(1,221)	(1,358)	(1,221)
Impairment of assets held for sale	265	1,885	-	-	-	-	-	-	-	1,885	-
Gain on business combination	-	-	-	-	(3,426)	-	-	-	-	(3,426)	-
Acquisition costs related to Rofin-Sinar	-	-	269	2,664	14,492	2,077	2,012	2,264	-	17,425	6,353
Credit Agreement - Interest ticking fee and FX	-	-	-	-	(5,303)	2,167	-	-	-	(5,303)	2,167
Restructuring expense	850	2,273	1,131	378	4,600	-	-	-	-	8,382	-
<b>Non-GAAP net income</b>	<b>\$ 88,552</b>	<b>\$ 92,510</b>	<b>\$ 83,354</b>	<b>\$ 72,072</b>	<b>\$ 63,422</b>	<b>\$ 40,473</b>	<b>\$ 26,163</b>	<b>\$ 25,343</b>	<b>\$ 23,907</b>	<b>\$ 311,358</b>	<b>\$ 115,886</b>
<b>Net income per diluted share:</b>											
GAAP Net income from continuing operations per diluted share	\$ 1.67	\$ 2.93	\$ 2.53	\$ 1.70	\$ 1.25	\$ 1.25	\$ 0.76	\$ 0.73	\$ 0.84	\$ 8.42	\$ 3.58
Total non-GAAP adjustments	1.86	0.79	0.83	1.21	1.33	0.39	0.31	0.31	0.15	4.15	1.16
<b>Non-GAAP net income per diluted share</b>	<b>\$ 3.54</b>	<b>\$ 3.72</b>	<b>\$ 3.36</b>	<b>\$ 2.91</b>	<b>\$ 2.57</b>	<b>\$ 1.65</b>	<b>\$ 1.07</b>	<b>\$ 1.04</b>	<b>\$ 0.99</b>	<b>\$ 12.57</b>	<b>\$ 4.75</b>
Sum of non-GAAP adjustments	46,649	19,623	20,483	29,884	32,724	9,688	7,513	7,562	3,621	102,714	28,384
Diluted shares	25,025	24,883	24,823	24,757	24,644	24,582	24,467	24,362	24,236	24,777	24,415

**Coherent, Inc.**  
**Summary Consolidated Balance Sheets**

(In thousands, unaudited)

	<b>December, 30</b>	September 30,	July 1,	April 1,	December 31,	October 1,	July 2,	April 2,	January 2,	October 3,
	<b>2017</b>	2017	2017	2017	2016	2016	2016	2016	2016	2015*
Current assets:										
Cash, cash equivalents and short-term investments	\$ 423,446	\$ 475,576	\$ 472,427	\$ 433,105	\$ 360,342	\$ 399,953	\$ 373,612	\$ 361,058	\$ 336,174	\$ 325,515
Accounts receivable, net	309,132	305,668	277,853	252,542	241,112	165,715	150,184	150,409	144,595	142,260
Inventories	432,809	414,807	402,849	388,242	386,013	212,898	200,171	179,067	158,006	156,614
Prepaid expenses and other assets	86,680	115,613	108,443	141,049	134,697	37,073	36,349	34,602	32,733	28,294
<b>Total current assets</b>	<b>1,252,067</b>	1,311,664	1,261,572	1,214,938	1,122,164	815,639	760,316	725,136	671,508	652,683
Property, plant and equipment, net	291,308	278,850	268,622	256,024	251,090	127,443	111,738	108,575	99,732	102,445
Other assets	733,284	747,286	748,235	704,378	716,317	218,066	210,256	214,832	214,116	213,819
<b>Total assets</b>	<b>\$ 2,276,659</b>	\$ 2,337,800	\$ 2,278,429	\$ 2,175,340	\$ 2,089,571	\$ 1,161,148	\$ 1,082,310	\$ 1,048,543	\$ 985,356	\$ 968,947
Current liabilities:										
Short term borrowings	\$ 6,928	\$ 5,078	\$ 5,485	\$ 5,161	\$ 7,183	\$ 20,000	\$ 20,000	\$ 5,000	\$ 5,000	\$ -
Accounts payable	81,397	75,860	72,755	73,512	66,439	45,182	44,182	43,458	28,858	33,379
Other current liabilities	304,876	338,207	301,069	291,613	239,472	136,312	102,197	101,353	89,776	89,211
<b>Total current liabilities</b>	<b>393,201</b>	419,145	379,309	370,286	313,094	201,494	166,379	149,811	123,634	122,590
Long-term obligations	503,005	589,001	652,700	660,105	677,323	-	-	-	-	-
Other long-term liabilities	185,072	166,390	178,378	168,686	172,173	48,826	44,985	49,183	51,483	49,939
Total stockholders' equity	1,195,381	1,163,264	1,068,042	976,263	926,981	910,828	870,946	849,549	810,239	796,418
<b>Total liabilities and stockholders' equity</b>	<b>\$ 2,276,659</b>	\$ 2,337,800	\$ 2,278,429	\$ 2,175,340	\$ 2,089,571	\$ 1,161,148	\$ 1,082,310	\$ 1,048,543	\$ 985,356	\$ 968,947

\* October 3, 2015 is restated to reflect adoption of ASU 2015-17 in Q1-16 - All deferred tax assets and liabilities classified as Long Term

**Coherent, Inc.**  
**Revenue by Market and Geography**

(In thousands, unaudited)

	Three Months Ended										Fiscal Year Ended	
	December 30, 2017	September 30, 2017	July 1, 2017	April 1, 2017	December 31, 2016	October 1, 2016	July 2, 2016	April 2, 2016	January 2, 2016	September 30, 2017	October 1, 2016	
<b>Revenue by market</b>												
Microelectronics	\$ 268,176	\$ 265,745	\$ 241,842	\$ 210,882	\$ 175,774	\$ 144,205	\$ 116,473	\$ 97,724	\$ 96,506	\$ 894,243	\$ 454,908	
OEM Components & Instrumentation	48,856	51,432	50,061	55,017	46,572	42,548	37,892	41,800	39,333	203,082	161,573	
Materials Processing	127,461	147,121	142,614	127,531	94,643	36,447	36,506	28,024	23,034	511,909	124,011	
Scientific and Government	33,072	26,000	29,590	29,403	29,084	25,261	27,896	32,334	31,402	114,077	116,893	
	<b>\$ 477,565</b>	<b>\$ 490,298</b>	<b>\$ 464,107</b>	<b>\$ 422,833</b>	<b>\$ 346,073</b>	<b>\$ 248,461</b>	<b>\$ 218,767</b>	<b>\$ 199,882</b>	<b>\$ 190,275</b>	<b>\$ 1,723,311</b>	<b>\$ 857,385</b>	
<b>Revenue by geography</b>												
United States	\$ 71,944	\$ 73,027	\$ 76,824	\$ 80,969	\$ 66,881	\$ 50,753	\$ 49,944	\$ 53,280	\$ 50,986	\$ 297,701	\$ 204,963	
Europe	76,500	85,985	83,375	78,137	60,500	29,967	32,439	32,648	31,724	307,997	126,778	
Asia Pacific	315,474	314,732	285,216	247,725	205,710	157,636	124,091	101,784	97,229	1,053,383	480,740	
Other	13,647	16,554	18,692	16,002	12,982	10,105	12,293	12,170	10,336	64,230	44,904	
	<b>\$ 477,565</b>	<b>\$ 490,298</b>	<b>\$ 464,107</b>	<b>\$ 422,833</b>	<b>\$ 346,073</b>	<b>\$ 248,461</b>	<b>\$ 218,767</b>	<b>\$ 199,882</b>	<b>\$ 190,275</b>	<b>\$ 1,723,311</b>	<b>\$ 857,385</b>	

**Coherent, Inc.**  
**Adjusted EBITDA \$ and %**

(In thousands except percentages, unaudited)

	Three Months Ended									Fiscal Year Ended	
	December 30, 2017	September 30, 2017	July 1, 2017	April 1, 2017	December 31, 2016	October 1, 2016	July 2, 2016	April 2, 2016	January 2, 2016	September 30, 2017	October 1, 2016
<b>Income from operations</b>	<b>\$ 109,323</b>	<b>\$ 111,629</b>	<b>\$ 100,577</b>	<b>\$ 71,089</b>	<b>\$ 42,200</b>	<b>\$ 48,039</b>	<b>\$ 26,288</b>	<b>\$ 26,004</b>	<b>\$ 27,283</b>	<b>\$ 325,495</b>	<b>\$ 127,614</b>
Intangibles amortization	15,100	16,253	15,452	16,763	12,088	2,249	2,032	2,077	2,092	60,556	8,450
Depreciation	12,555	12,319	11,618	10,963	8,995	6,495	6,527	6,498	6,385	43,895	25,905
Stock-based compensation	7,076	7,195	6,892	6,683	9,655	5,336	5,689	5,387	3,745	30,425	20,157
Gains (losses) on deferred compensation plan assets	1,906	883	1,204	1,812	10	1,007	1,867	(1,819)	932	3,909	1,987
Purchase accounting step up	-	-	4,445	13,019	9,304	-	-	-	-	26,768	-
Impairment of assets held for sale	265	2,916	-	-	-	-	-	-	-	2,916	-
Gain on business combination	-	-	-	-	(5,416)	-	-	-	-	(5,416)	-
Restructuring costs	1,160	3,201	1,500	557	7,062	-	-	-	-	12,320	-
Acquisition costs related to Rofin-Sinar	-	-	426	2,933	14,228	3,177	3,050	3,584	-	17,587	9,811
<b>Adjusted EBITDA</b>	<b>\$ 147,385</b>	<b>\$ 154,396</b>	<b>\$ 142,114</b>	<b>\$ 123,819</b>	<b>\$ 98,126</b>	<b>\$ 66,303</b>	<b>\$ 45,453</b>	<b>\$ 41,731</b>	<b>\$ 40,437</b>	<b>\$ 518,455</b>	<b>\$ 193,924</b>
Net sales	\$ 477,565	\$ 490,298	\$ 464,107	\$ 422,833	\$ 346,073	\$ 248,461	\$ 218,767	\$ 199,882	\$ 190,275	\$ 1,723,311	\$ 857,385
<b>Adjusted EBITDA as a percentage of Net Sales</b>	<b>30.9%</b>	<b>31.5%</b>	<b>30.6%</b>	<b>29.3%</b>	<b>28.4%</b>	<b>26.7%</b>	<b>20.8%</b>	<b>20.9%</b>	<b>21.3%</b>	<b>30.1%</b>	<b>22.6%</b>