



MATERIALS THAT MATTER

Investor Presentation

May 2022

Forward-Looking Statements

This presentation contains forward-looking statements relating to future events and expectations that are 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 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 above 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, 2021 and additional risk factors that may be identified from time to time in future filings of the Company; (iii) the conditions to the completion of the Company's pending business combination transaction with Coherent, Inc. (the "Transaction") and the remaining equity investment by Bain Capital, LP, including the receipt of any required regulatory approvals, and the risks that those conditions will not be satisfied in a timely manner or at all; (iv) the occurrence of any event, change or other circumstances that could give rise to an amendment or termination of the merger agreement relating to the Transaction, (v) the Company's ability to finance the Transaction, the substantial indebtedness the Company expects to incur in connection with the Transaction and the need to generate sufficient cash flows to service and repay such debt; (vi) the possibility that the Company may be unable to achieve expected synergies, operating efficiencies and other benefits within the expected time-frames or at all and to successfully integrate the operations of Coherent, Inc. ("Coherent") with those of the Company; (vii) the possibility that such integration 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; (viii) litigation and any unexpected costs, charges or expenses resulting from the Transaction; (ix) the risk that disruption from the Transaction materially and adversely affects the respective businesses and operations of the Company and Coherent; (x) potential adverse reactions or changes to business relationships resulting from the announcement, pendency or completion of the Transaction; (xi) the ability of the Company to retain and hire key employees; (xii) the purchasing patterns of customers and end users; (xiii) the timely release of new products, and acceptance of such new products by the market; (xiv) the introduction of new products by competitors and other competitive responses; (xv) the Company's ability to assimilate 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; (xvi) the Company's ability to devise and execute strategies to respond to market conditions; (xvii) the risks to anticipated growth in industries and sectors in which the Company and Coherent operate; (xviii) the risks to realizing the benefits of investments in R&D and commercialization of innovations; (xix) the risks that the Company's stock price will not trade in line with industrial technology leaders; and/or (xx) the risks of business and economic disruption related to the currently ongoing COVID-19 outbreak and any other 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.

These risks, as well as other risks associated with the proposed transaction, are more fully discussed in the joint proxy statement/prospectus included in the registration statement on Form S-4 (File No. 333-255547) filed with the SEC in connection with the Transaction (the "Form S-4"). While the list of factors discussed above and the list of factors presented in the Form S-4 are considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward looking statements. Neither the Company nor Coherent assumes any obligation to publicly provide revisions or updates to any forward-looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by securities and other applicable laws.

II-VI at a Glance as of June 30, 2021



22,000+

Employees

Engineering & Technology

3,800+

Employees

Core Competency

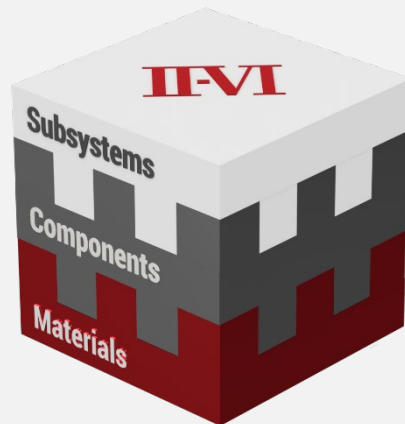
Engineered Materials



2,200+

Patents

**Vertically Integrated
Model**



1971

Year Founded



73

Locations



18

Countries

FY21 Revenue

\$3.1B

Cash & Equivalents

\$1.6B

FY21 Free Cash Flow ⁽¹⁾

\$428M

(1) Free cash flow is defined as cash flow from operations of \$574M less capital expenditures of \$146M for the twelve months ended June 30, 2021.

Q3 FY22 Financial Highlights

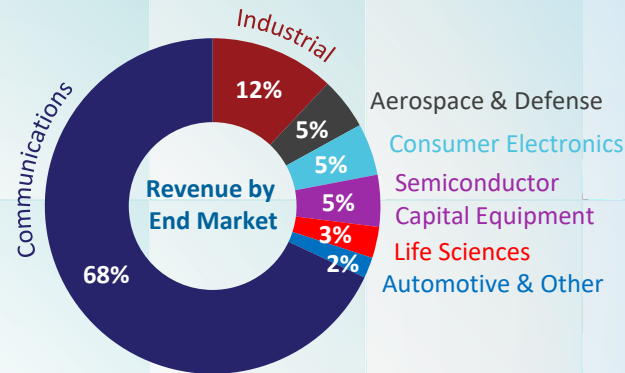
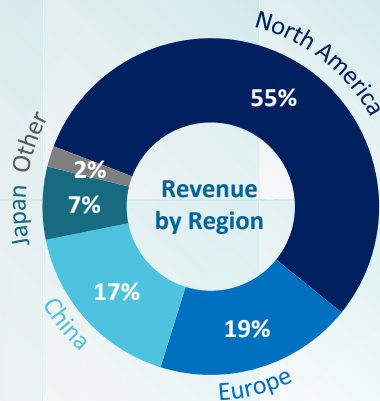
Q3 FY22

Revenue
\$828M

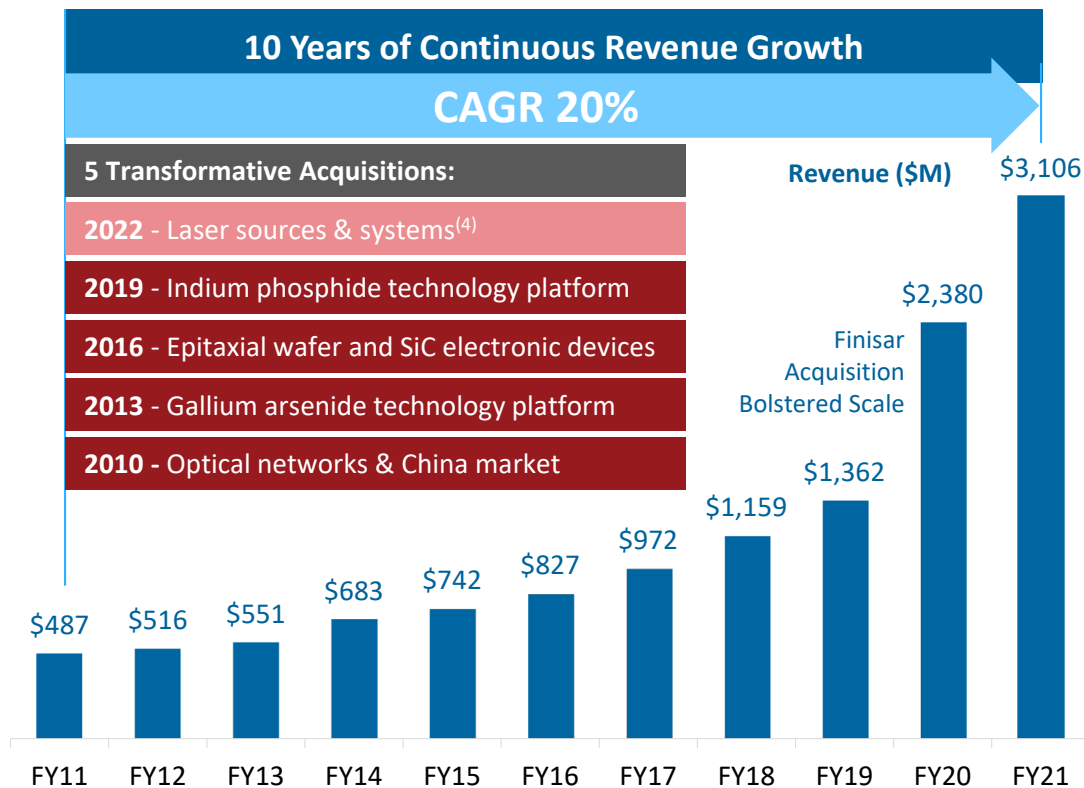
Bookings
\$1.2B

Backlog
\$2.1B

	GAAP	Non-GAAP
Operating Income	\$106.8M	\$172.0M
Earnings Per Share	\$0.28	\$0.95



History of Insightful Targeting and Successful Integration of Strategic Acquisitions



(1) Figures prior to FY2019 do not reflect the adoption of ASC 606.

(2) Prepared in accordance to ASC 805. Pro Forma includes the revenue of Finisar in Q1FY20 prior to the acquisition date of 9/24/20.

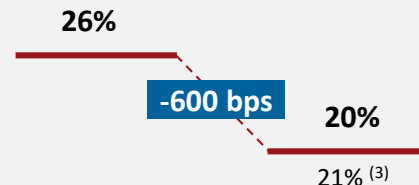
(3) FY21 actual. See Appendix for reconciliation to most comparable GAAP measures.

(4) Acquisition in process as of September 30, 2021.

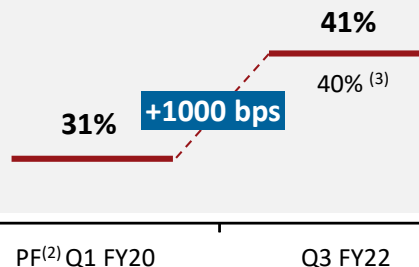
Increased efficiencies

Q3FY22 OpEx as % of Revenue

Without amortization and stock-based compensation, and transaction costs



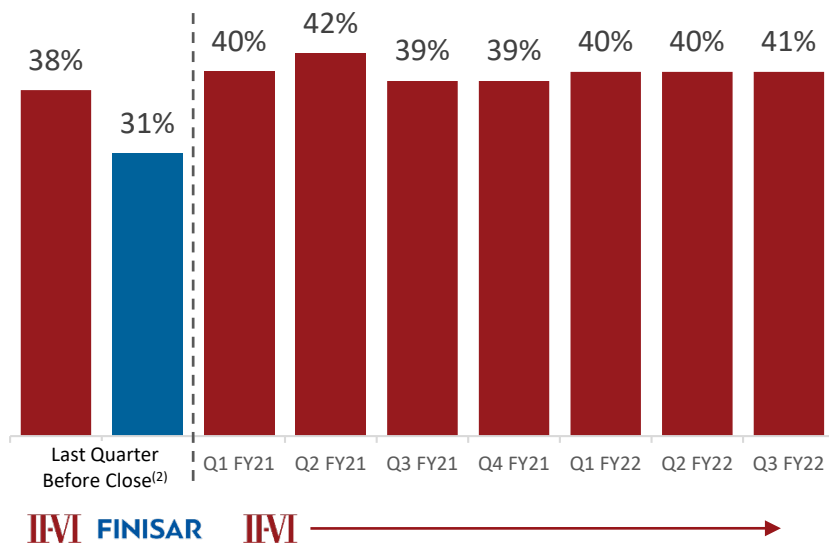
Q2FY22 Non-GAAP Gross Margins



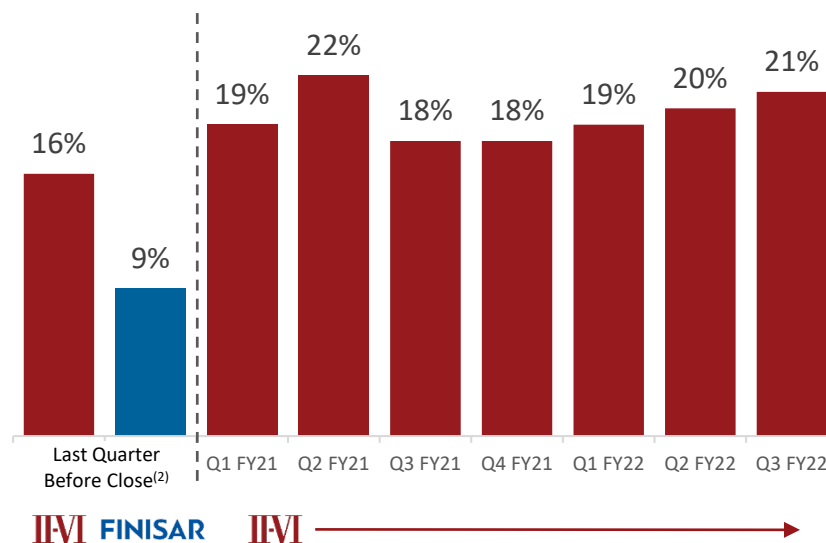
Attractive and Increasing Operating Margins

Strong Execution and Synergy Realization Post Finisar Transaction Close Driving Margins

Non-GAAP Gross Margin⁽¹⁾



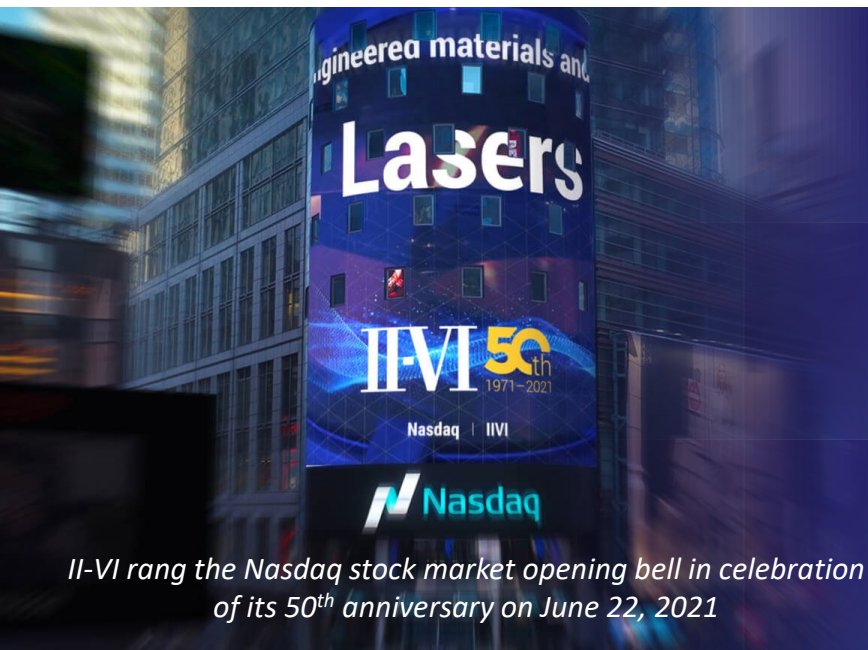
Non-GAAP Operating Margin⁽¹⁾



(1) All non-GAAP amounts exclude certain adjustments for share-based compensation, acquired intangible amortization expense, certain one-time transaction expenses, debt extinguishment expense, fair value measurement period adjustments and restructuring and related items. See Appendix for reconciliation to most comparable GAAP measures.

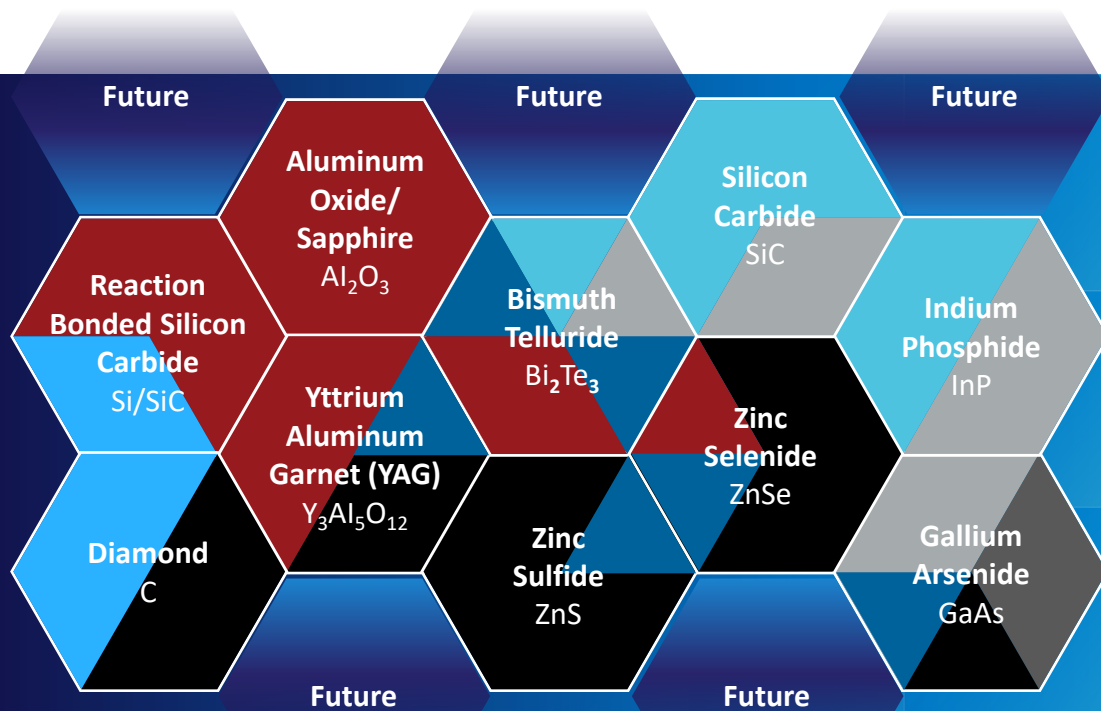
(2) II-VI figures are for the three months ended September 30, 2019 and Finisar figures are for the three months ended July 28, 2019.

Building Momentum for 50 Years



- ① One of the largest photonics and compound semiconductor companies
- ② Materials expertise drives differentiation in multiple growing markets
- ③ Vertically integrated, diverse global manufacturing footprint
- ④ History of insightful targeting and successful integration of strategic acquisitions
- ⑤ Strong execution and resilient growth

A Leader in Engineered Materials





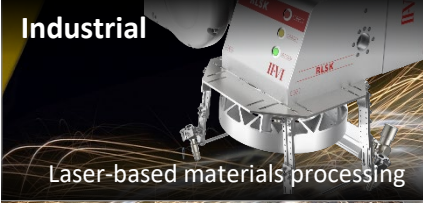





Leveraging a broad range of differentiated materials and devices across 7 strategic markets:

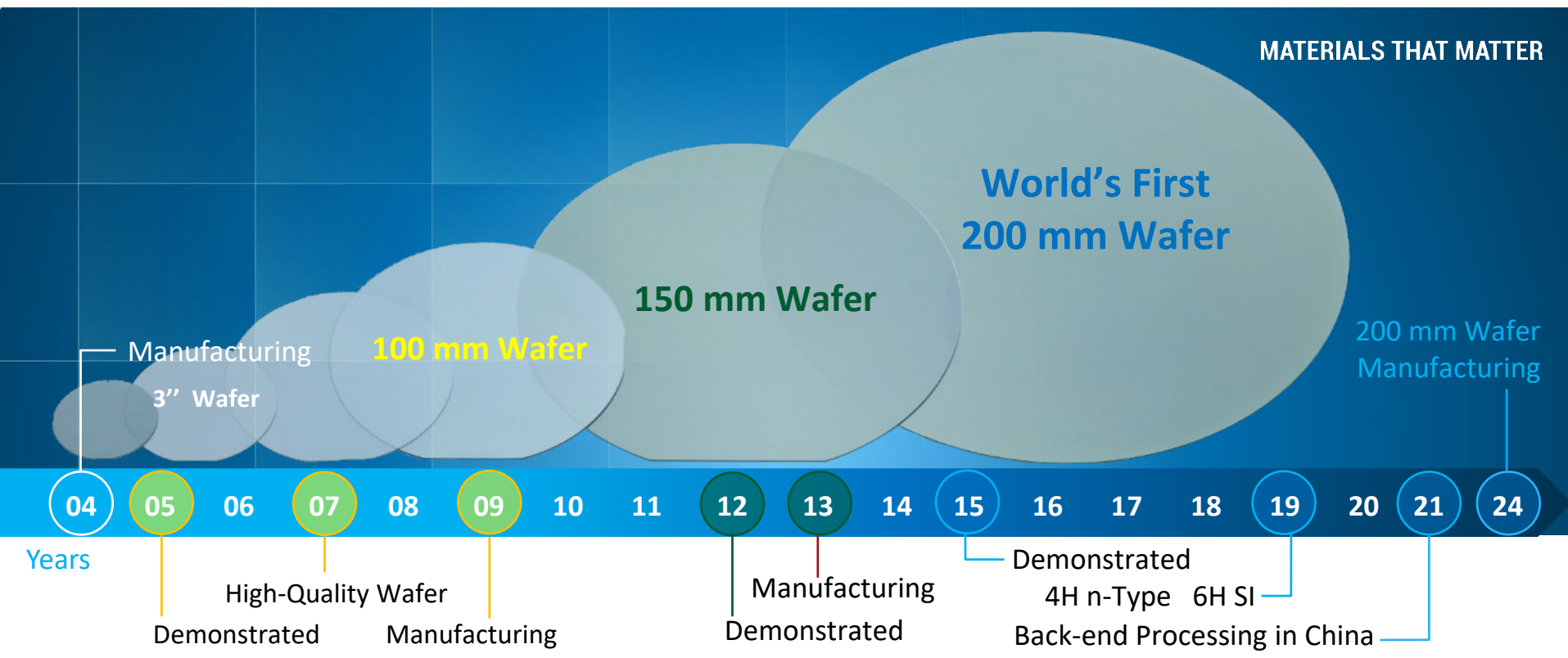
- Aerospace & Defense
- Semiconductor Equipment
- Life Sciences
- Automotive
- Datacom, Telecom & Wireless Communications
- 3D Sensing/Consumer
- Industrial

II-VI engineered materials are differentiated by unique optical, electrical, magnetic, thermal, mechanical, and structural properties.

Addressing Multiple and Strong Growing End-Markets

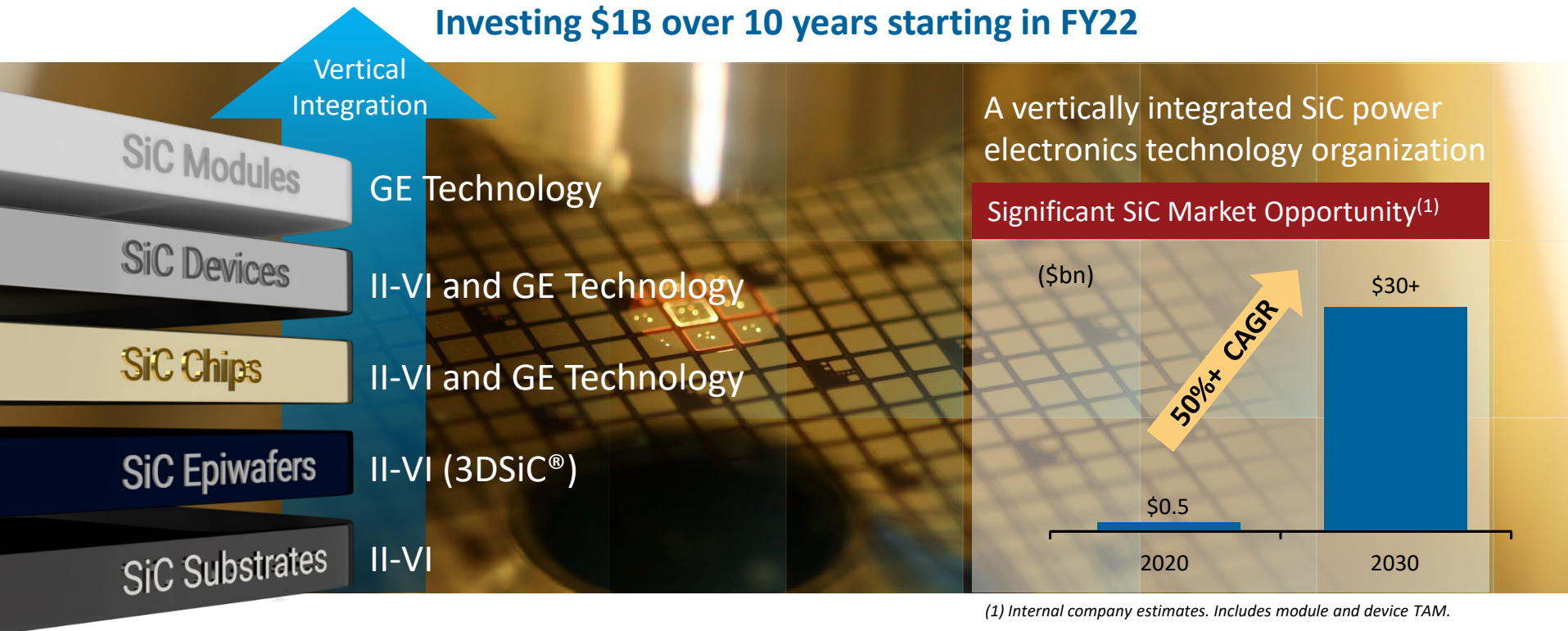
	CY26 Market	CY21-26 CAGR		CY26 Market	CY21-26 CAGR
Optical Communications  Datacenter and telecom networks <small>Sources: Omdia, LightCounting, Signal AI, 650 Group, Yole, Internal Estimates</small>	\$26.9 B	10.5 %	Wireless  4G/5G RF base stations <small>Sources: Yole, Internal Estimates</small>	\$6.1 B	8.2 %
Automotive & Energy  HEV/EV, LiDAR, In-cabin interaction <small>Sources: Yole, Internal estimates</small>	\$8.5 B	37 %	Semiconductor Capital Equipment  EUV lithography, deposition, etch, and inspection <small>Sources: Strategies Unlimited., SEMI, Internal Estimates</small>	\$4.2 B	8 %
Industrial  Laser-based materials processing <small>Sources: Optech Consulting, Internal Estimates</small>	\$8.0 B	7 %	Life Sciences  Diagnostic, medical treatment, and environmental sensing <small>Sources: Data Bridge, Markets & Markets Strategies Unlimited, SDI, Internal Estimates</small>	\$3.4 B	6 %
Consumer Electronics  Mobile devices, AR/VR, smart home devices and wearables <small>Sources: Morgan Stanley, IDC, Internal Estimates</small>	\$8.2 B	22 %	Aerospace & Defense  Satellite laser communications, contested space <small>Sources: Internal Estimates</small>	\$24.4 B	21 %

Two Decades of SiC Materials Innovation



New Ventures & Wide-Bandgap Electronics Technology

Investing \$1B over 10 years starting in FY22



Feb. 2022: II-VI qualifies 1200 V SiC MOSFET and expands relationship with GE

II-VI to Acquire Coherent

Coherent Transaction Overview

Transaction Details	<ul style="list-style-type: none">▪ Coherent stockholders to receive \$220.00 per share in cash and 0.91 of a II-VI common share for each Coherent share▪ At closing, Coherent stockholders to own approximately 15% of the common shares of combined company
Projected Synergies & Financial Impact	<ul style="list-style-type: none">▪ \$250 million of run-rate cost synergies expected to be realized within 36 months of close▪ Anticipated to be accretive to non-GAAP EPS in the second year following closing
Financing	<ul style="list-style-type: none">▪ \$4 billion senior credit facilities allocated and priced December 2021▪ \$990 million notes offering completed December 2021▪ Equity financing commitment from Bain Capital of \$2.15 billion▪ Balance sheet cash
Governance	<ul style="list-style-type: none">▪ Steve Pagliuca, Co-Chair of Bain Capital, joined II-VI Board in April 2021▪ Two Coherent directors expected to join Board of combined company
Closing Conditions	<ul style="list-style-type: none">▪ Regulatory approvals and customary closing conditions
Expiration Date	<ul style="list-style-type: none">▪ Right to terminate commences on September 26, 2022

Significant Value Creation Potential from Coherent Synergies

		Expected Synergies within 3 years
Cost of Goods Sold	<ul style="list-style-type: none">▪ Supply chain management – procurement▪ Infeed – Internal supply of enabling materials and components▪ Operational efficiencies at scale	\$150M
Operating Expenses	<ul style="list-style-type: none">▪ More efficient R&D with scale▪ Development cost savings▪ Consolidation of corporate costs▪ Global functional model efficiencies	\$100M
TOTAL		\$250M

Well Capitalized for Future Growth¹

- Rapid deleveraging post-closing from strong EBITDA and cash flow generation

External Financing Sources	
Debt	<ul style="list-style-type: none">■ \$4.00 billion senior secured facility allocated and priced■ \$990 million notes issued
Convertible Preferred Equity	<ul style="list-style-type: none">■ \$2.15 billion commitment from Bain Capital, \$750 million of which has been received■ Coupon: 5%, 4-year payable-in-kind, cash pay option thereafter■ Conversion price of \$85.00 per share

Pro Forma Leverage		
Total Debt	\$5.0 billion	3.8x ⁽¹⁾
Cash	\$1.3 billion	
Net Debt	\$3.8 billion	2.8x ⁽¹⁾

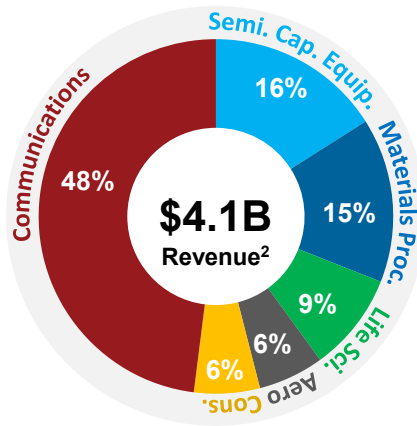
Proforma net leverage at closing is expected to be approximately 2.8x⁽¹⁾

Target 2.5x or less gross leverage
within two years post-closing

⁽¹⁾ Reflects, as of 12/31/2021, projected proforma combined EBITDA at 3/31/22, including \$250 million of cost synergies. This information has not been updated for actual results through 3/31/2022.

Key Transaction Details

As of 12/31/2021, not updated for actual results through 3/31/2022



Deal Funding

22.3M shares (@ 8/30/21 price)	\$1.4B
Bain Preferred	\$2.2B
Debt	\$3.0B
Cash	\$0.2B
Total	\$6.8B

Fully-Diluted Shares

II-VI basic shares	105.8M
Stock comp shares	5.8M
Series A preferred debt	8.9M
Convertible debt	7.3M
Shares issued to Coherent	22.3M
Series B preferred	25.7M
Pro forma FDSO	175.9M

Net Debt at Close

Debt to Fund Deal	\$3.0B
Refinance II-VI/COHR Debt	\$1.4B
Transaction Fees	\$0.3B
Total	\$4.6B
Convertible Notes	\$0.4B
Total Gross Debt	\$5.0B
Less Cash	\$1.3B
Net Debt	\$3.7B

Leverage Calc.

Gross Debt	\$5.0B
Less Cash	\$1.3B
Net Debt	\$3.7B
Pro Forma TTM Combined EBITDA @ 3/31/22 (1)	\$1,073M
Add synergies	\$250M
Pro Forma TTM Adj. EBITDA @ 3/31/22 (1)	\$1,323M
Net Leverage at close	2.8x
Net Leverage at year 2	1.8x

- (1) Reflects, as of 12/31/2021, projected proforma combined EBITDA at 3/31/22, including \$250 million of cost synergies. This information has not been updated for actual results through 3/31/2022.
- (2) II-VI revenue of \$2.9B: LTM ending December 31, 2020; Coherent revenue of \$1.2B: LTM ending January 2, 2021.

Summary of Strategic Rationale

- ✓ Greater exposure to megatrends from larger operational scale
- ✓ Sustained growth from increased diversification
- ✓ Higher growth and margins through complementary technology platforms
- ✓ Improved competitiveness from greater scale across the value chain
- ✓ Sales synergies by utilizing Coherent's global service infrastructure
- ✓ Deeper market intelligence from complementary business models

End Markets and Applications

Datacom



#1 provider of datacom solutions

Materials | Components | Transceiver modules

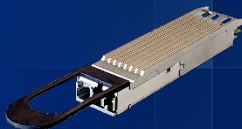
The most innovative leader in datacom transceivers

Telecom

Well poised for disaggregation



Optical Monitoring System (OMS)



Pluggable Optical Line System (POLS)

Growing share in coherent optics



400G IC-TROSA

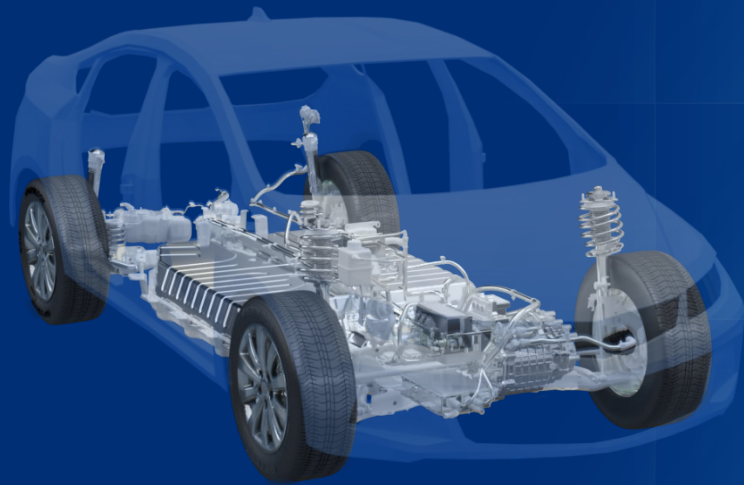


400G QSFP-DD

A market mover in ROADM technology and coherent transmission

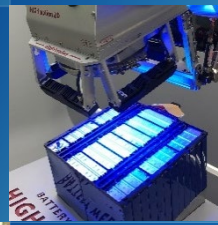
Industrial – Materials Processing

Laser processing in electric vehicles



Full line supplier of materials, components and subsystems for high power lasers

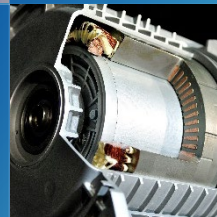
Welding battery cells, bus bars and packs



Battery enclosure cutting



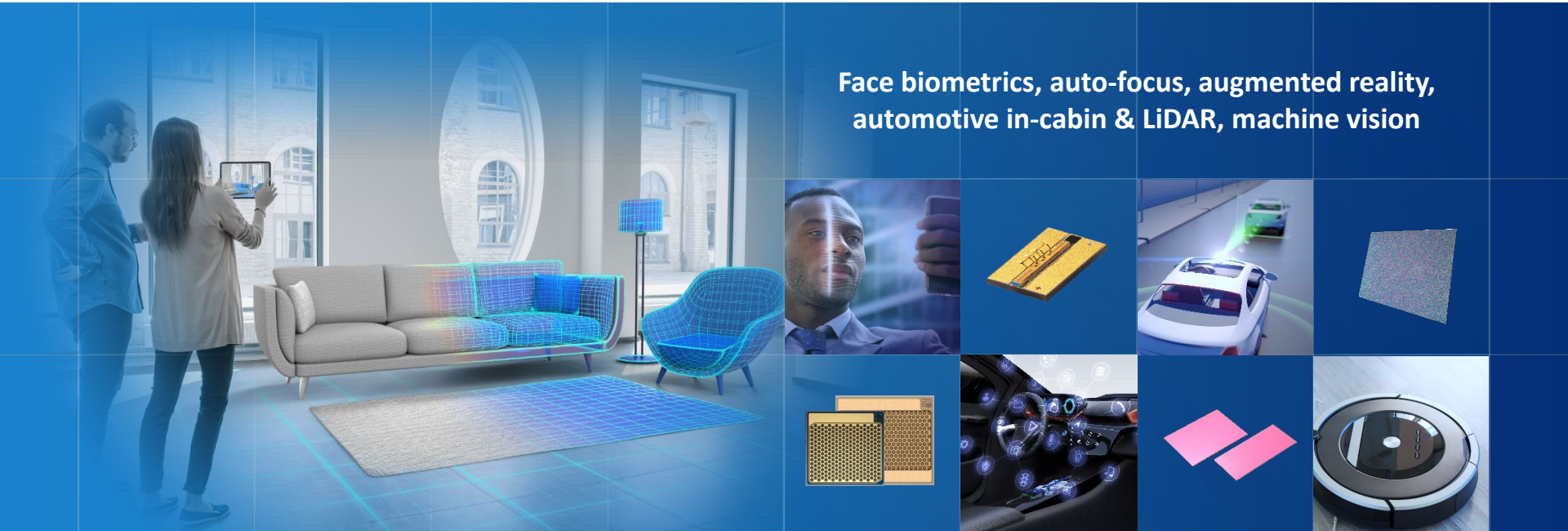
Electric motor hairpin welding



Electric vehicle battery manufacturing: Laser processes adapted to most joining tasks on the cell, module, pack, and frame levels

Automation: Remote laser welding heads assisted by machine vision software

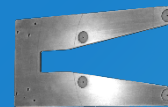
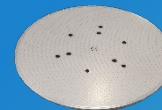
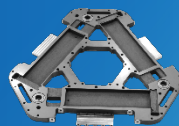
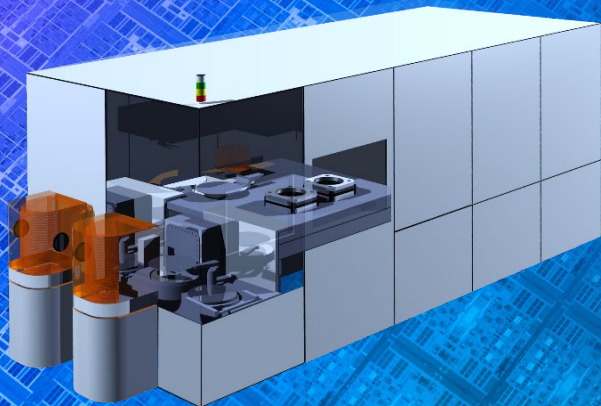
3D Sensing & LiDAR



***Roadmap to integrating functionality in modules leveraging broad
portfolio of lasers, detectors, optics, and integrated circuits***

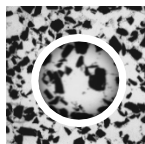
Ceramics and Composites for Wafer Fab Equipment

Ceramics and metal matrix composites for front end of line (FEOL) to back end of line (BEOL) WFE



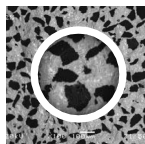
High Performance

- Tight flatness tolerances
- High CTE matching of silicon wafers
- High stiffness / High thermal conductivity / Low weight



Aluminum-Reinforced SiC Metal Matrix Composites

- Silicon Carbide Particles
- Aluminum



Reaction Bonded SiC Diamond Ceramics

- Diamond Particles
- Silicon Carbide
- Silicon Metals

Portfolio of
additive
manufacturing
materials

Life Sciences

Solutions for Life Sciences



Lasers

Optics

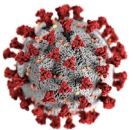
Thermoelectrics

Vertically integrated subassemblies & systems

Scientific

Biotechnology

Medical



II-VI plays an important role in the medical diagnostics markets that have a vital role in PCR, sequencing and diagnostic platforms, which are critical for disease testing and research, and lead to new medicines

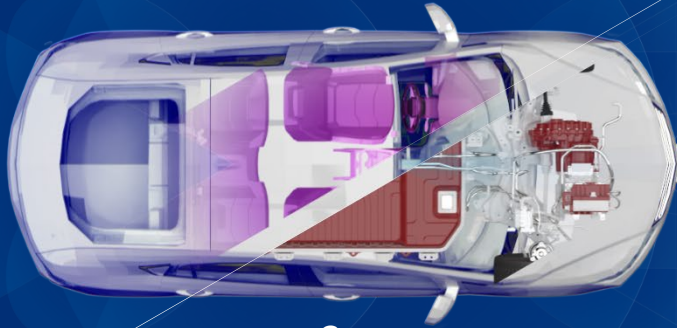
Automotive

For electrification and advanced driver-assistance systems (ADAS)

Key Trends

Connectivity & Entertainment

Telematics, information & comfort



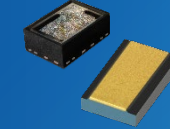
Green

HEV/EV

Safety

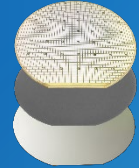
LiDAR/OMS/DMS

Optics
&
optoelectronics



Capabilities
& Expertise

SiC substrates
&
devices



MMC



Li/S batteries



- Broad and deep portfolio in optics & optoelectronics (VCSELs, Edge Emitting Lasers, Mirrors, Lenses...)
- Silicon carbide substrates & devices and Li/S batteries
- Key technologies for thermal management: Ceramic matrix composites

Financial Appendix



II-VI Segment Revenue by End Markets for Q3FY22 QTD

					End Market Distribution of Q3FY22 QTD Revenue				
Reported Segments	Q3FY21 Revenue	Q3FY22 Revenue	Q3FY22 Op Margin – GAAP / Non-GAAP	Q3FY22/ Q3FY21 Revenue Growth	Communica-tions	Industrial	Aerospace & Defense	Semi Cap	Life Sciences, Consumer, Automotive, Other
Photonic Solutions	\$508M	\$568M	10% / 14%	12%	94%	3%	0%	1%	2%
Compound Semiconductors	\$275M	\$260M	24% / 35%	-5%	13%	32%	17%	14%	24%
II-VI Consolidated	\$783M	\$828M	13% / 21%	6%	68%	12%	5%	5%	10%

II-VI Segment Revenue by End Markets for 9 Month Ended March 31, 2022

					End Market Distribution of 9 Month Ended 3/31/2022 Revenue				
Reported Segments	9M FY21 Revenue	9M FY22 Revenue	9M FY22 Op Margin – GAAP / Non-GAAP	9M FY22/ 9M FY21 Revenue Growth	Communica-tions	Industrial	Aerospace & Defense	Semi Cap	Life Sciences, Consumer, Automotive, Other
Photonic Solutions	\$1,489M	\$1,629M	10% / 15%	9%	93%	3%	0%	1%	3%
Compound Semiconductors	\$809M	\$801M	21% / 30%	-1%	12%	31%	17%	12%	28%
II-VI Consolidated	\$2,298M	\$2,430M	12% / 20%	6%	66%	13%	6%	4%	11%

II-VI Segment Revenue by End Markets for Full Year FY21

Reported Segments	FY21 Revenue	FY21 Op Margin – GAAP / Non-GAAP	FY21/FY20 Revenue Growth	Proforma ⁽¹⁾ FY21/FY20 Revenue Growth	End Market Distribution of Full Year FY21 Revenue				
					Communica-tions	Industrial	Aerospace & Defense	Semi Cap	Life Sciences, Consumer, Automotive, Other
Photonic Solutions	\$2,038M	10% / 16%	31%	12%	94%	3%	0%	1%	2%
Compound Semiconductors	\$1,068M	21% / 26%	30%	30%	13%	26%	19%	10%	32%
II-VI Consolidated	\$3,106M	13% / 19%	31%	18%	66%	10%	7%	4%	13%

(1) Pro Forma calculation in accordance with ASC 805.

Hypothetical Illustration of EPS Calculation

Example EPS Calculations ⁽¹⁾

\$ Millions

	Hypothetical Earnings Level for Q4 FY22		
Non-GAAP net earnings	\$ 117.0	\$ 127.0	\$ 136.0
Deduct Series B redeemable preferred dividends	(10.4)	(10.4)	(10.4)
Add back interest on II-VI Convertible Notes	0.6	0.6	0.6
Non-GAAP net earnings available to common shareholders	\$ 107.2	\$ 117.2	\$ 126.2
Diluted weighted average common shares	126.2	126.2	126.2
Diluted earnings per common share on non-GAAP basis	<u>\$ 0.85</u>	<u>\$ 0.93</u>	<u>\$ 1.00</u>

(1) The Company does not provide reconciliations of the hypothetical non-GAAP net earnings and hypothetical diluted non-GAAP EPS presented in this table. This table contains purely hypothetical figures, which are provided solely to illustrate how the Company would calculate diluted non-GAAP EPS under different factual scenarios.

Reconciliation of GAAP Measures to Non-GAAP Measures

Reconciliation of Segment Non-GAAP Operating Income (Loss) to

GAAP Segment Operating Income (Loss)*

\$ Millions

(Unaudited)

	Three Months Ended			Nine Months Ended	
	Mar 31, 2022	Dec 31, 2021	Mar 31, 2021	Mar 31, 2022	Mar 31, 2021
Non-GAAP Photonic Solutions Operating Income	\$ 81.8	\$ 76.9	\$ 74.5	\$ 242.7	\$ 236.8
Share-based compensation	(8.8)	(9.4)	(7.6)	(27.8)	(30.2)
Amortization of acquired intangibles	(16.5)	(16.6)	(17.3)	(50.1)	(51.9)
Restructuring, integration, and transaction expenses	(1.9)	(1.1)	(1.3)	(3.9)	(7.5)
Photonic Solutions GAAP Operating Income	\$ 54.6	\$ 49.8	\$ 48.3	\$ 160.9	\$ 147.2
Non-GAAP Compound Semiconductors Operating Income	\$ 90.2	\$ 82.4	\$ 66.5	\$ 238.9	\$ 216.1
Share-based compensation	(9.2)	(9.3)	(9.1)	(31.7)	(30.1)
Amortization of acquired intangibles	(2.9)	(3.4)	(3.5)	(9.7)	(9.7)
Restructuring, integration, and transaction expenses	(1.7)	(1.2)	(2.2)	(2.9)	(2.8)
Start-up costs	(14.6)	(11.3)	—	(25.9)	—
Compound Semiconductors GAAP Operating Income	\$ 61.8	\$ 57.2	\$ 51.8	\$ 168.7	\$ 173.5
Non-GAAP Unallocated and Other Operating Income (Loss)	\$ —	\$ —	\$ —	\$ —	\$ —
Restructuring, integration, and transaction expenses	(9.6)	(8.7)	(14.9)	(29.5)	(15.7)
Unallocated and Other GAAP Operating Income (Loss)	\$ (9.6)	\$ (8.7)	\$ (14.9)	\$ (29.5)	\$ (15.7)
Total GAAP Operating Income	\$ 106.8	\$ 98.2	\$ 85.1	\$ 300.0	\$ 305.0
Non-GAAP Operating Income	\$ 172.0	\$ 159.2	\$ 141.0	\$ 481.6	\$ 452.9

*Amounts may not recalculate due to rounding.

Reconciliation of GAAP Measures to Non-GAAP Measures

Reconciliation of Segment Non-GAAP Operating Income (Loss) to GAAP Segment Operating Income (Loss)

\$ Millions

(Unaudited)

	Three Months Ended			Six Months Ended	
	Dec 31, 2021	Sept 30, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Non-GAAP Photonic Solutions Operating Income	\$ 76.9	\$ 84.0	\$ 84.1	\$ 160.9	\$ 162.3
Share-based compensation	(9.4)	(9.6)	(12.1)	(19.0)	(22.6)
Amortization of acquired intangibles	(16.6)	(17.0)	(17.3)	(33.6)	(34.6)
Restructuring, integration, and transaction expenses	(1.1)	(0.9)	(6.2)	(2.0)	(6.2)
Photonic Solutions GAAP Operating Income	\$ 49.8	\$ 56.5	\$ 48.5	\$ 106.3	\$ 98.9
Non-GAAP Compound Semiconductors Operating Income	\$ 82.4	\$ 66.3	\$ 88.9	\$ 148.7	\$ 149.6
Share-based compensation	(9.3)	(13.2)	(16.0)	(22.5)	(21.0)
Amortization of acquired intangibles	(3.4)	(3.4)	(3.3)	(6.8)	(6.2)
Restructuring, integration, and transaction expenses	(1.2)	—	0.7	(1.2)	(1.4)
Start-up costs	(11.3)	—	—	(11.3)	—
Compound Semiconductors GAAP Operating Income	\$ 57.2	\$ 49.7	\$ 70.3	\$ 106.9	\$ 121.0
Non-GAAP Unallocated and Other Operating Income (Loss)	\$ —	\$ —	\$ —	\$ —	\$ —
Restructuring, integration, and transaction expenses	(8.7)	(11.2)	—	(19.9)	—
Unallocated and Other GAAP Operating Income (Loss)	\$ (8.7)	\$ (11.2)	\$ —	\$ (19.9)	\$ —
Total GAAP Operating Income	\$ 98.2	\$ 95.1	\$ 118.7	\$ 193.3	\$ 219.9
Non-GAAP Operating Income	\$ 159.2	\$ 150.2	\$ 173.0	\$ 309.6	\$ 311.9

*Amounts may not recalculate due to rounding.

Reconciliation of GAAP Measures to Non-GAAP Measures

Reconciliation of GAAP Measures to non-GAAP Measures

\$ Millions

(Unaudited)

	Three Months Ended		
	Sep 30, 2020	Mar 31, 2021	Jun 30, 2021
Revenue	\$ 728.1	\$ 783.2	\$ 808.0
Gross profit on GAAP basis ⁽¹⁾	\$ 277.0	\$ 290.0	\$ 297.8
Share-based compensation	1.8	3.0	3.4
Amortization of acquired intangibles	9.6	9.6	9.8
Restructuring, transaction expenses, and other	—	1.8	0.7
Gross profit on non-GAAP basis	\$ 288.4	\$ 304.4	\$ 311.7
Non-GAAP gross margin	39.6%	38.9%	38.6%
Operating income on GAAP basis	\$ 101.1	\$ 85.1	\$ 97.1
Share-based compensation	15.5	16.8	18.5
Amortization of acquired intangibles	20.2	20.8	20.6
Restructuring, integration, and transaction expenses	2.1	18.5	12.2
Operating income on non-GAAP basis	\$ 138.9	\$ 141.0	\$ 148.5
Non-GAAP operating margin	19.1%	18.0%	18.4%

(1) Amounts for prior periods have been recast to be calculated in a manner consistent with the Company's current reporting.

Reconciliation of GAAP Measures to Non-GAAP Measures

Reconciliation of GAAP Measures to non-GAAP Measures*

\$ Millions

(Unaudited)

	Three Months Ended			Nine Months Ended	
	Mar 31, 2022	Dec 31, 2021	Mar 31, 2021	Mar 31, 2022	Mar 31, 2021
Revenue	\$ 827.7	\$ 806.8	\$ 783.2	\$ 2,429.7	\$ 2,297.9
Gross profit on GAAP basis (4)	\$ 321.7	\$ 311.2	\$ 290.0	\$ 939.5	\$ 879.7
Share-based compensation	1.3	1.4	3.0	4.2	8.7
Amortization of acquired intangibles	9.4	9.7	9.6	28.7	28.9
Start-up costs(3)	1.6	1.2	—	2.8	—
Restructuring, integration, and transaction expenses(1)	1.7	1.2	1.8	2.9	6.0
Gross profit on non-GAAP basis	<u>\$ 335.7</u>	<u>\$ 324.8</u>	<u>\$ 304.4</u>	<u>\$ 978.1</u>	<u>\$ 923.3</u>
Operating income on GAAP basis	\$ 106.8	\$ 98.2	\$ 85.1	\$ 300.0	\$ 305.0
Share-based compensation	18.2	18.7	16.8	59.6	60.4
Amortization of acquired intangibles	19.4	20.0	20.8	59.8	61.6
Start-up costs(3)	14.6	11.3	—	25.9	—
Restructuring, integration, and transaction expenses(1)	13.2	11.0	18.5	36.4	26.1
Operating income on non-GAAP basis	<u>\$ 172.0</u>	<u>\$ 159.2</u>	<u>\$ 141.0</u>	<u>\$ 481.6</u>	<u>\$ 452.9</u>

Reconciliation of GAAP Measures to Non-GAAP Measures

Reconciliation of GAAP Measures to non-GAAP Measures

\$ Millions

(Unaudited)

	Three Months Ended			Six Months Ended	
	Dec 31, 2021	Sept 30, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
Revenue	\$806.8	\$795.1	\$786.6	\$1,601.9	\$1,514.6
Gross profit on GAAP basis⁽¹⁾	\$ 311.2	\$ 306.6	\$ 312.7	\$ 617.8	\$ 589.7
Share-based compensation	1.4	1.5	3.9	2.9	5.7
Amortization of acquired intangibles	9.7	9.6	9.8	19.3	19.4
Start-up costs	1.2	—	—	1.2	—
Restructuring, integration, and transaction expenses	1.2	—	4.2	1.2	4.2
Gross profit on non-GAAP basis	\$ 324.8	\$ 317.7	\$ 330.6	\$ 642.4	\$ 619.0
Non-GAAP gross margin	<u>40.2%</u>	<u>40.0%</u>	<u>42.0%</u>	<u>40.1%</u>	<u>40.9%</u>
Operating income on GAAP basis	\$ 98.2	\$ 95.1	\$ 118.7	\$ 193.3	\$ 219.9
Share-based compensation	18.7	22.7	28.1	41.4	43.6
Amortization of acquired intangibles	20.0	20.4	20.6	40.4	40.8
Start-up costs	11.3	—	—	11.3	—
Restructuring, integration, and transaction expenses	11.0	12.0	5.5	23.1	7.6
Operating income on non-GAAP basis	\$ 159.2	\$ 150.2	\$ 173.0	\$ 309.6	\$ 311.9
Non-GAAP operating margin	<u>19.7%</u>	<u>18.9%</u>	<u>22.0%</u>	<u>19.3%</u>	<u>20.6%</u>

(1) Amounts for prior periods have been recast to be calculated in a manner consistent with the Company's current reporting.

Reconciliation of GAAP Measures to Non-GAAP Measures

Three Months Ended 7/28/19 (Last Finisar Stand Alone Report)

Finisar	Q1 FY20
Revenue	\$ 285.0
GAAP Gross Profit	\$ 85.3
Amortization of required technology	\$ 0.5
Stock compensation	\$ 2.9
Impairment of long-lived/intangible assets	\$ 1.7
Write off discontinued product inventory	\$ (1.8)
Non-GAAP Gross Profit	\$ 88.6
<i>Non-GAAP Gross Margin</i>	31%
GAAP Operating Income (Loss)	\$ (9.5)
Total cost of revenue adjustment	\$ 3.4
Reduction in force costs and other restructuring	\$ 0.1
Stock compensation	\$ 12.8
Acquisition related costs	\$ 1.1
Amortization of purchased intangibles	\$ 0.2
Startup costs	\$ 17.1
Non-GAAP Operating Income	\$ 25.1
<i>Non-GAAP Operating Margin</i>	9%

Note: Dollars in millions. Q1 FY20 represents quarter ending October July 28, 2019.

Reconciliation of GAAP Measures to Non-GAAP Measures

Reconciliation of Segment Non-GAAP Operating Income (Loss) to

GAAP Segment Operating Income (Loss)

\$ Millions

(Unaudited)

	Three Months Ended			Year Ended	
	Jun 30, 2021	Mar 31, 2021	Jun 30, 2020	Jun 30, 2021	Jun 30, 2020
Non-GAAP Photonic Solutions Operating Income	\$ 87.4	\$ 74.5	\$ 88.8	\$ 324.3	\$ 224.4
Measurement period adjustment on long-lived assets	—	—	(1.9)	—	—
Share-based compensation	(9.4)	(7.6)	(17.9)	(39.6)	(43.0)
Amortization of acquired intangibles	(17.3)	(17.3)	(15.9)	(69.2)	(53.3)
Fair value adjustment on acquired inventory	—	—	—	—	(74.2)
Restructuring, transaction expenses and other	(0.2)	(1.3)	(4.0)	(7.8)	(4.0)
Photonic Solutions GAAP Operating Income	\$ 60.5	\$ 48.3	\$ 49.1	\$ 207.7	\$ 49.9
Non-GAAP Compound Semiconductors Operating Income	\$ 61.1	\$ 66.5	\$ 35.8	\$ 277.2	\$ 100.6
Measurement period adjustment on long-lived assets	—	—	(7.2)	—	—
Share-based compensation	(9.3)	(9.1)	(6.1)	(39.4)	(20.1)
Amortization of acquired intangibles	(3.3)	(3.5)	(2.9)	(13.0)	(8.9)
Fair value adjustment on acquired inventory	—	—	—	—	(6.4)
Restructuring, transaction expenses, and other	(0.8)	(2.2)	—	(3.6)	(2.9)
Compound Semiconductors GAAP Operating Income	\$ 47.7	\$ 51.8	\$ 19.6	\$ 221.2	\$ 62.3
Non-GAAP Unallocated and Other Operating Income (Loss)	\$ —	\$ —	\$ —	\$ —	\$ (0.2)
Finisar results	—	—	—	—	1.9
Amortization of acquired intangibles	—	—	—	—	(2.0)
Fair value adjustment on acquired inventory	—	—	—	—	(7.1)
Severance and related - Share-based compensation	—	—	—	—	(10.7)
Severance and related - Other compensation	—	—	—	—	(10.0)
One-time costs related to the Finisar acquisition	—	—	—	—	(26.8)
Restructuring, transaction expenses, and other	(11.1)	(14.9)	(1.3)	(26.8)	(17.8)
Unallocated and Other GAAP Operating Income (Loss)	\$ (11.1)	\$ (14.9)	\$ (1.3)	\$ (26.8)	\$ (72.7)
Total GAAP Operating Income	\$ 97.1	\$ 85.1	\$ 67.4	\$ 402.1	\$ 39.5
Non-GAAP Operating Income	\$ 148.5	\$ 141.0	\$ 124.6	\$ 601.5	\$ 324.8

Reconciliation of GAAP Measures to Non-GAAP Measures

Reconciliation of Segment Non-GAAP Operating Income (Loss) to

GAAP Segment Operating Income (Loss)

\$ Millions

(Unaudited)

	Three Months Ended		
	Sept 30, 2021	Jun 30, 2021	Sept 30, 2020
Non-GAAP Photonic Solutions Operating Income	\$ 84.0	\$ 87.4	\$ 78.2
Share-based compensation	(9.6)	(9.4)	(10.5)
Amortization of acquired intangibles	(17.0)	(17.3)	(17.3)
Restructuring, transaction expenses, and other	(0.9)	(0.2)	—
Photonic Solutions GAAP Operating Income	\$ 56.5	\$ 60.5	\$ 50.4
Non-GAAP Compound Semiconductors Operating Income	\$ 66.3	\$ 61.1	\$ 60.7
Share-based compensation	(13.2)	(9.3)	(5.0)
Amortization of acquired intangibles	(3.4)	(3.3)	(2.9)
Restructuring, transaction expenses, and other	—	(0.8)	(2.1)
Compound Semiconductors GAAP Operating Income	\$ 49.7	\$ 47.7	\$ 50.7
Non-GAAP Unallocated and Other Operating Income (Loss)	\$ —	\$ —	\$ —
Restructuring, transaction expenses, and other	(11.2)	(11.1)	—
Unallocated and Other GAAP Operating Income (Loss)	\$ (11.2)	\$ (11.1)	\$ —
Total GAAP Operating Income	\$ 95.1	\$ 97.1	\$ 101.1
Non-GAAP Operating Income	\$ 150.2	\$ 148.5	\$ 138.9

*Amounts may not recalculate due to rounding.

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MATERIALS THAT MATTER