

INVESTOR PRESENTATION

September 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 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, 2022 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") and the need to generate sufficient cash flows to service and repay such debt; (iv) 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 operations of Coherent, Inc. ("Coherent") with those of the Company; (v) 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; (vi) any unexpected costs, charges or expenses resulting from the Transaction; (vii) the risk that disruption from the Transaction 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; (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 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 (xvi) 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.

All information in this presentation is as of August 24, 2022. 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, which are available in the Appendix.

COHERENT AT A GLANCE



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

1971

Year Founded

COHR

Nasdaq

28,000+

Employees⁽²⁾

\$4.8 B

FY22
Revenue⁽¹⁾

4,400+

Engineering &
Technology Employees⁽²⁾

\$65 B

Available
Market⁽²⁾

3,000+

Patents⁽²⁾

130

Locations

**VERTICAL
INTEGRATION**

Materials, Components,
Subsystems, Systems
and Service

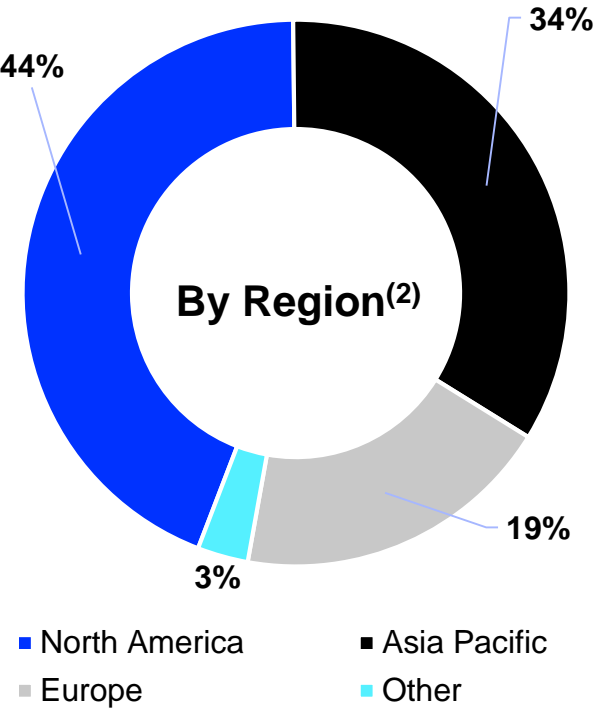
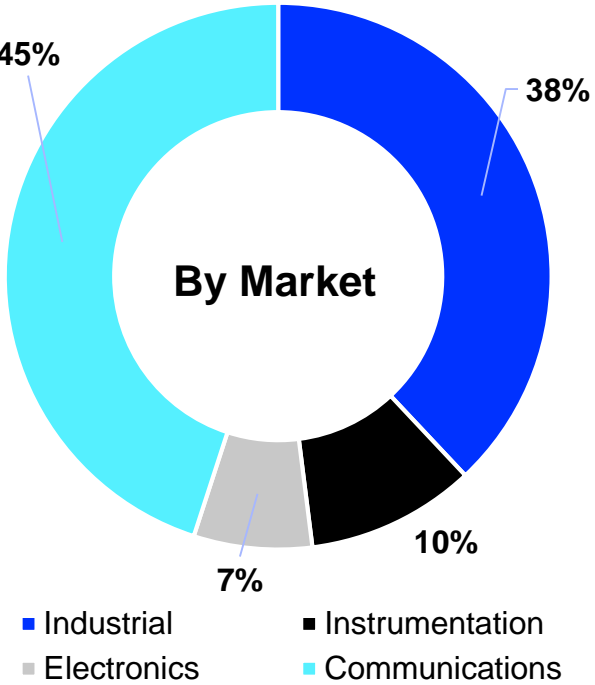
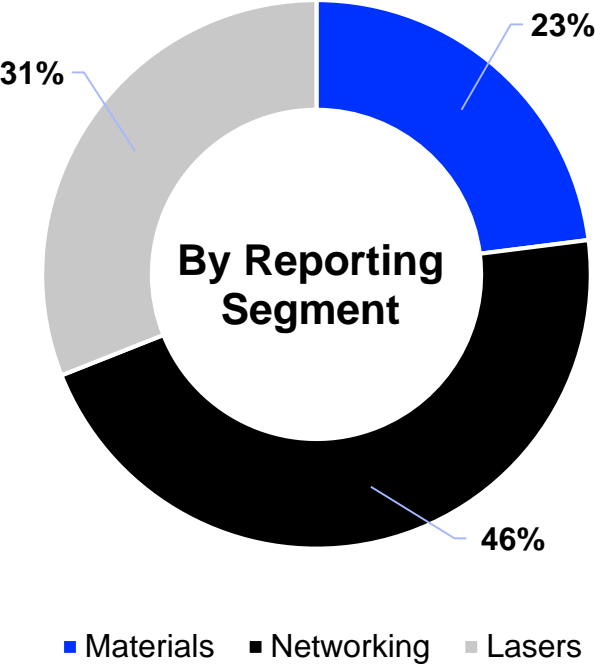
24

Countries

(1) Proforma non-GAAP revenue combines II-VI FY22 revenue (as of FYE 6/30/22) and Coherent 6/30/22 TTM. Not calculated in accordance with Article 11 of SEC regulation S-X.

(2) As of July 1, 2022

\$4.8 BILLION OF PROFORMA⁽¹⁾ REVENUE IN FY22

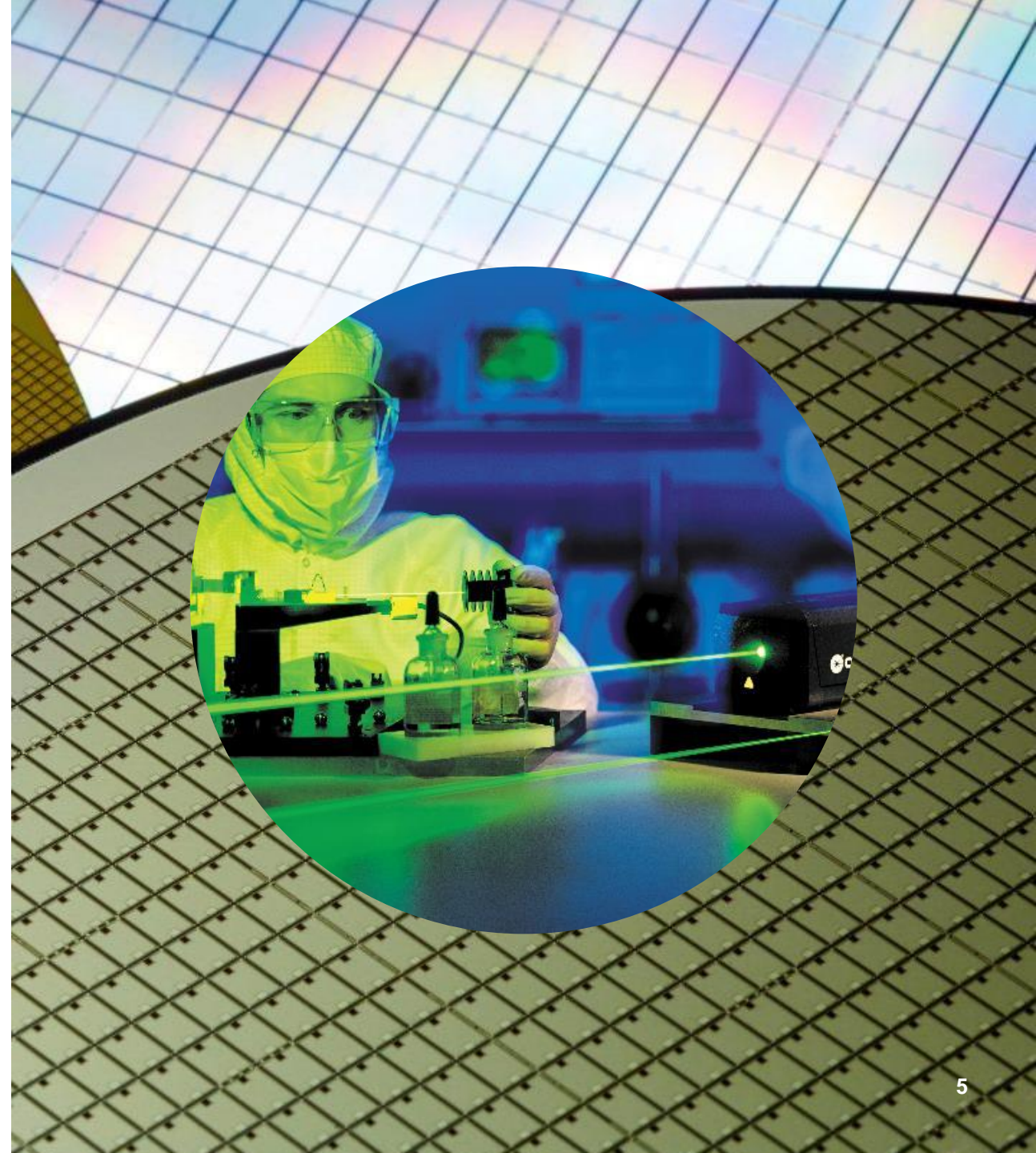


(1) Proforma non-GAAP revenue combines II-VI FY22 revenue (as of FYE 6/30/22) and Coherent 6/30/22 TTM. Not calculated in accordance with Article 11 of SEC regulation S-X.

(1) II-VI Incorporated revenue by region is based on customer headquarter address; Coherent, Inc. revenue by region is based on customer ship to address.

BUILDING MOMENTUM FOR 50 YEARS

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



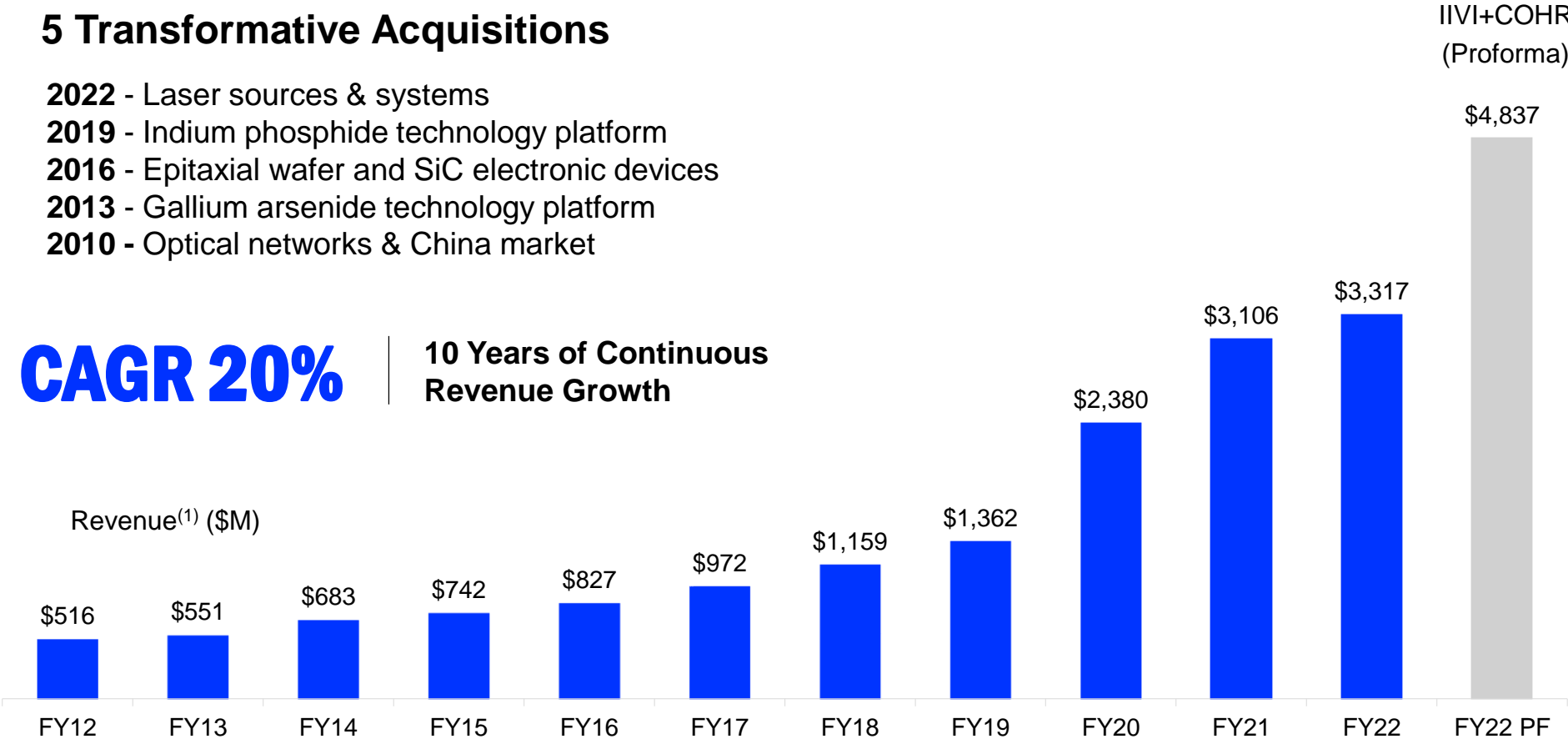
INSIGHTFUL TARGETING AND INTEGRATION OF STRATEGIC ACQUISITIONS

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 20%

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

CORPORATE RESPONSIBILITY

CARBON FOOTPRINT REDUCTION IS A PRIORITY

- As of June 30, 2022 Coherent purchases 38% of our electricity from renewable sources
- 35 sites, 9 in US, 100% in Europe
- Largest facility in China will be 100% by 2026

Energy	FY21	FY22
Total electricity consumption (MWh)	547,557	564,689
Self-generated electricity (%)	0%	0%
Electricity purchased from the grid (%)	100%	100%
Total fuel consumption (MWh)	72, 222	74,779
Total Energy Consumption (MWh)	619,779	639,468
Energy consumption from renewable sources	22%	29%

Note: Energy consumption includes electricity and natural gas only. No other energy sources are significant

PRODUCTS AND TECHNOLOGY

- Investing to help the world transition toward cleaner energy solutions
- Silicon Carbide for power electronics
- Advanced Lithium Sulfur batteries
- EV battery recycling solution

BOARD DIVERSITY

- 13 total Board members
- 5 of 13 (38%) are ethnically diverse
- 2 Board members are women
- 11 of 13 (82%) are independent
- 7 new directors over the past 5 years

OUR 5 ESG PILLARS | We are focused on making the world safer, healthier, closer, and more efficient.

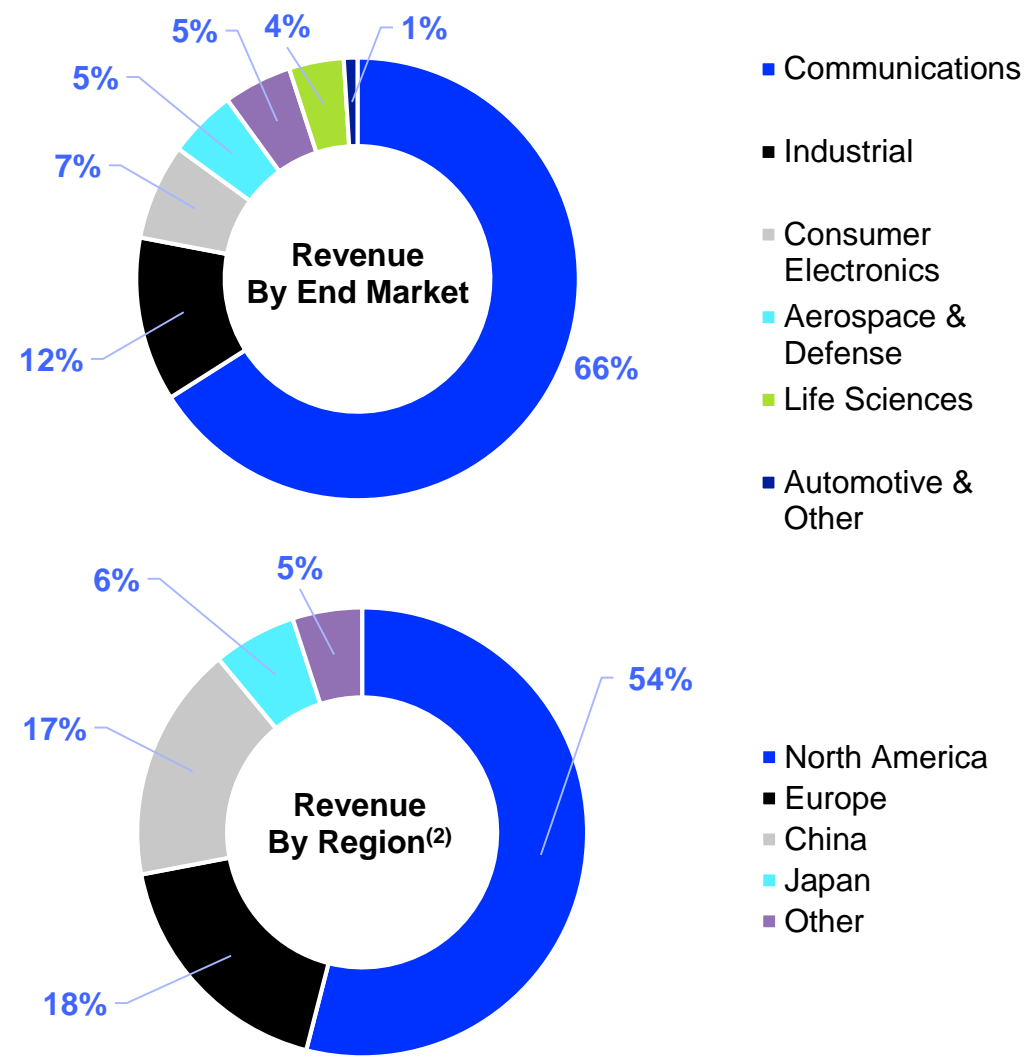
Our Products	Responsible sourcing	Environment	People	Governance
<ul style="list-style-type: none">▪ Innovation and impact▪ Product quality and lean manufacturing	<ul style="list-style-type: none">▪ Conflict materials and traceability▪ Human rights▪ Supplier diversity▪ Supplier engagement	<ul style="list-style-type: none">▪ Climate and energy management in our operations▪ Waste management▪ Environmental, health, and safety	<ul style="list-style-type: none">▪ Diversity, equity, and inclusion▪ Talent acquisition▪ Talent management▪ Employee management▪ Employee wellness▪ Community engagement	<ul style="list-style-type: none">▪ Corporate governance▪ Ethical business conduct and compliance▪ Enterprise risk management▪ Data privacy and security

II-VI Q4 FY22 FINANCIAL HIGHLIGHTS⁽¹⁾

Revenue	Backlog	Booking
\$887M	\$1.0B	\$2.3B

Operating Income	Earnings Per Share
\$114.2M GAAP	\$0.23 GAAP
\$168.6M Non-GAAP	\$0.98 Non-GAAP

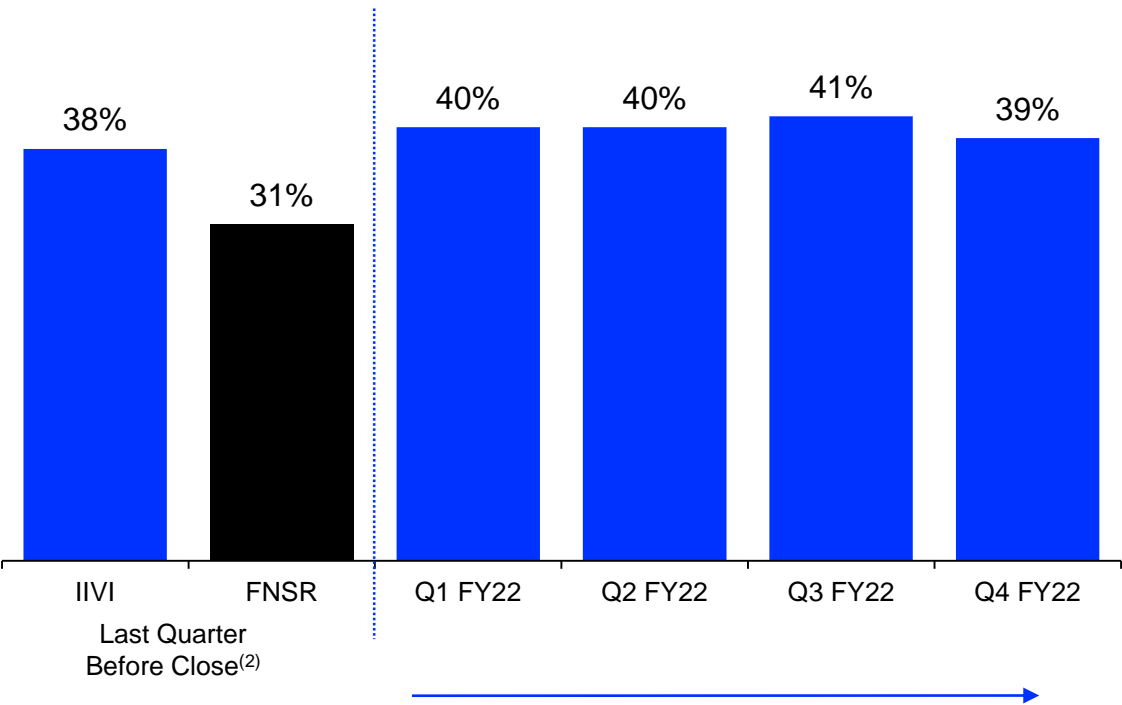
(1) II-VI standalone actuals as of June 30, 2022
(2) II-VI Incorporated revenue by region is based on customer headquarter address



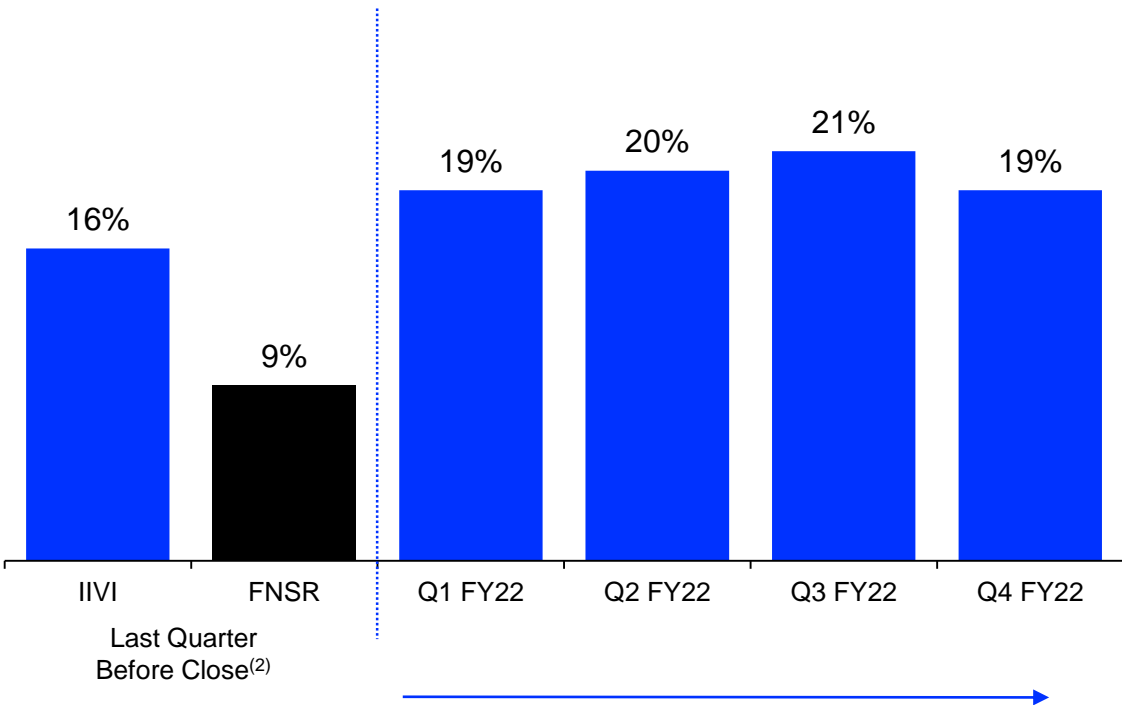
ATTRACTIVE AND INCREASING OPERATING MARGINS

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.

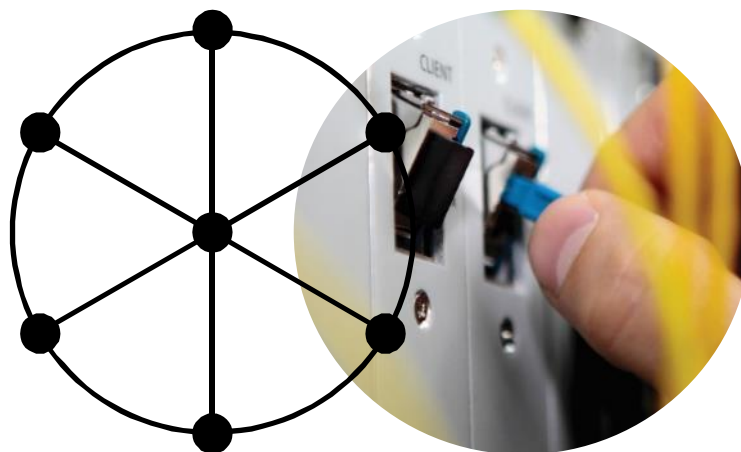
(2) II-VI figures are for the three months ended September 30, 2019 and Finisar figures are for the three months ended July 28, 2019.

THREE REPORTING SEGMENTS

MATERIALS



NETWORKING



LASERS



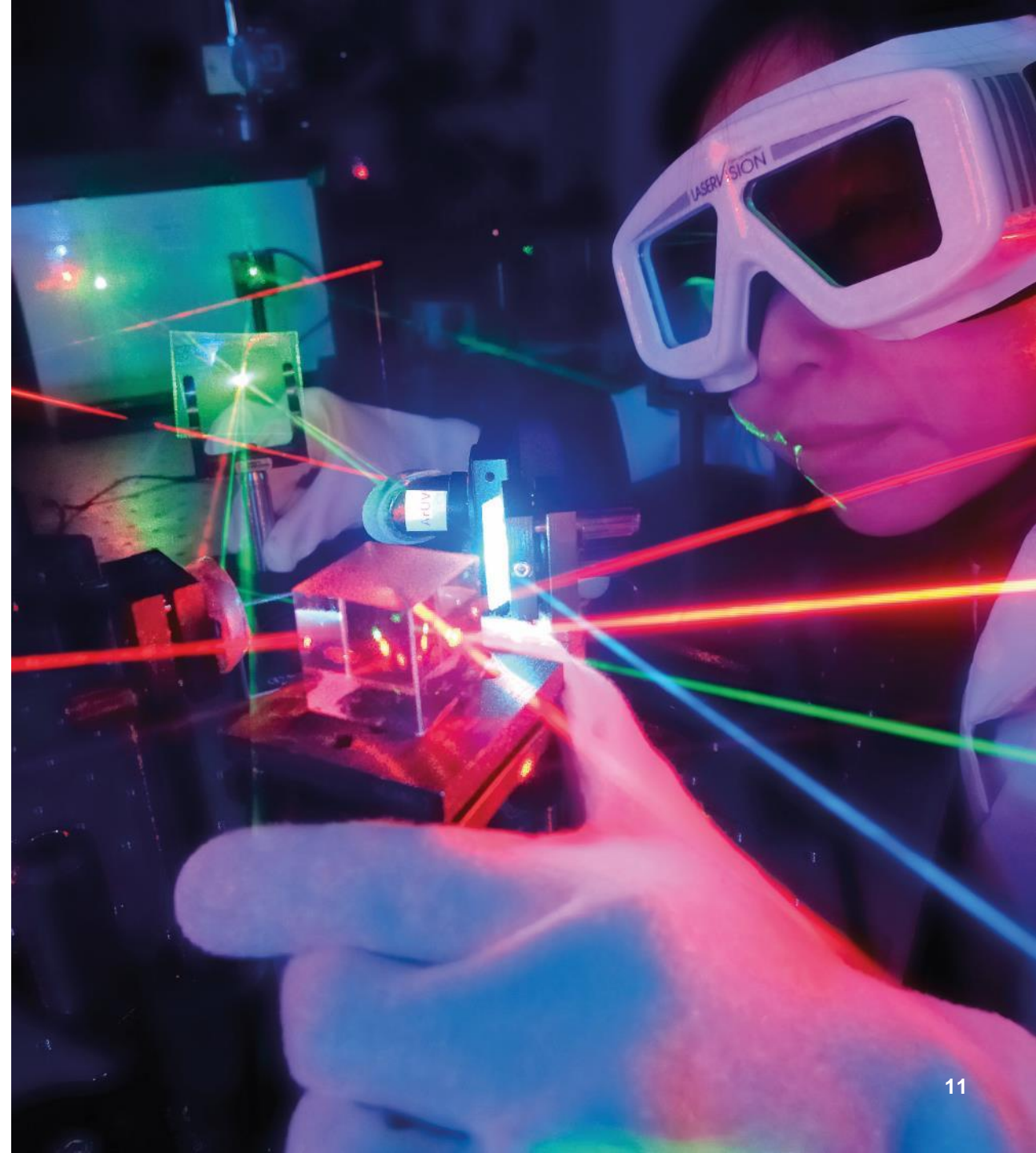
INNOVATIONS THAT RESONATE

HALF A BILLION DOLLARS IN ANNUAL R&D INVESTMENT

- Combined R&D and capex spend expected to be highest in industry and to accelerate breakthroughs, time-to-market and time-to-scale advantages
- Increased scale improves competitiveness and drives more strategic dialogue with customers
- Will enable better alignment of organic and inorganic investments to market demand

“We are mainly constrained by the quality of our materials and the limits of our imaginations.”

Dr. Carl J. Johnson
Co-founder and first CEO of II-VI



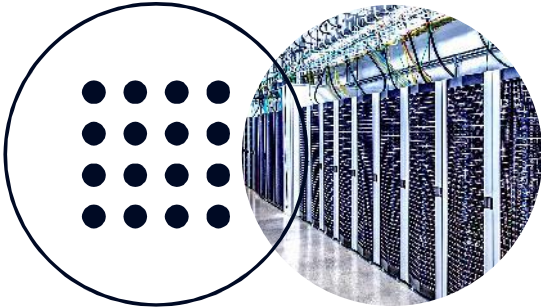
SIMPLIFYING AND STRENGTHENING OUR FOCUS ON FOUR MARKETS WITH A COMBINED \$65B IN TAM



INDUSTRIAL

TAM: \$28B
CAGR: 13%

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



COMMUNICATIONS

TAM: \$21B
CAGR: 12%

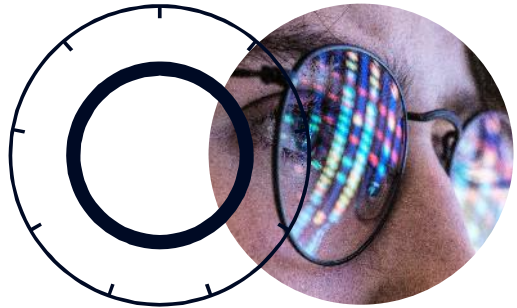
Sources: LightCounting, Omdia, Signal AI, Yole, Internal Estimates



ELECTRONICS

TAM: \$11B
CAGR: 17%

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



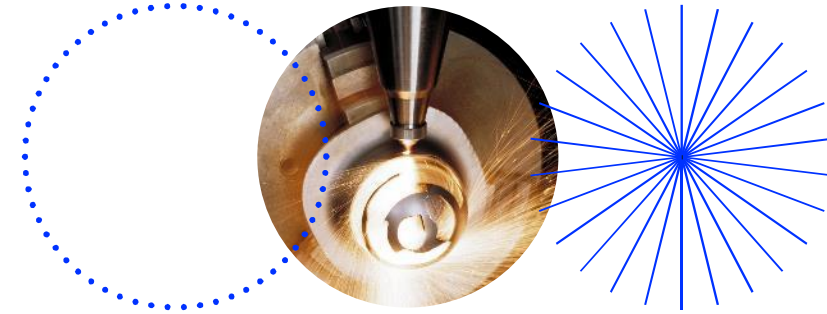
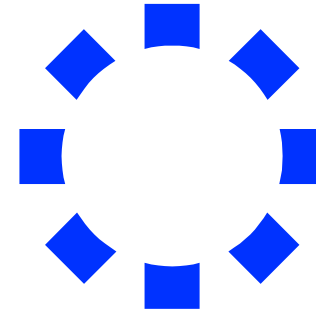
INSTRUMENTATION

TAM: \$5B
CAGR: 7%

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

Note: TAM based on CY2022; CAGR based on 2022-27 timeframe.

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 and micro-LED for mobile and wearables (AR/VR)

Aerospace and defense

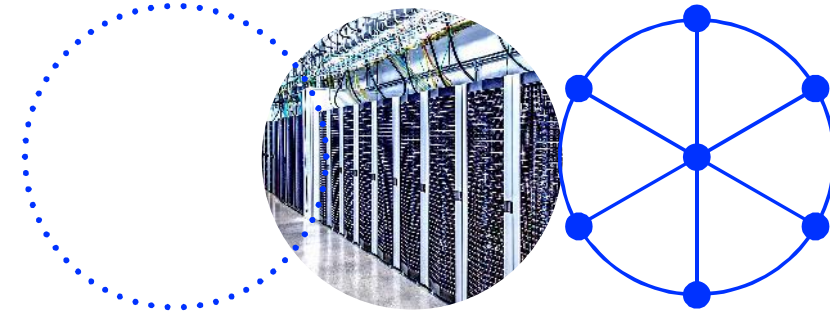
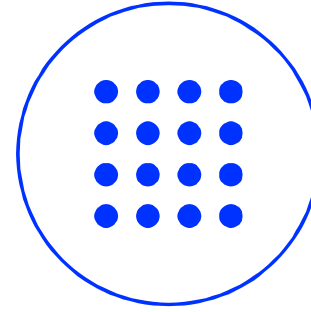
PRODUCTS

- 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
- AI/ML

Telecom

- Open systems
- SATCOM and integration to terrestrial networks

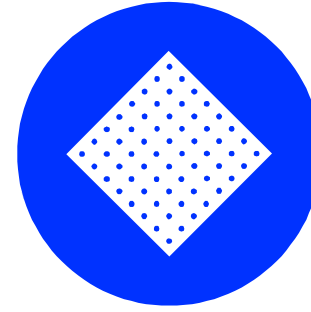
PRODUCTS

- 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
- 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

Wireless

- 5G growth and 6G

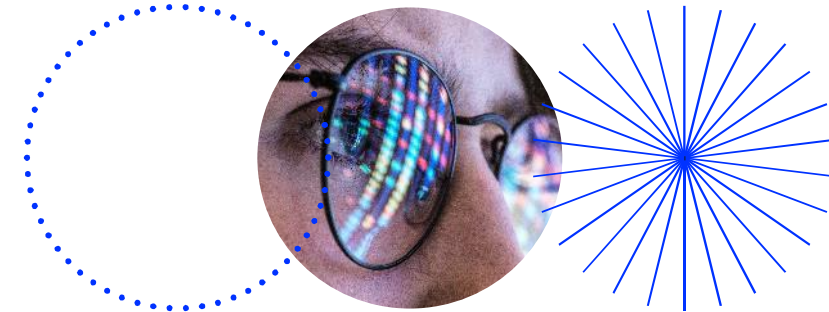
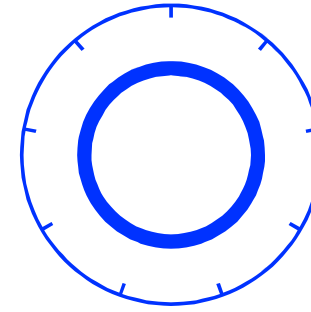
PRODUCTS

- 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
- GaN/SiC HEMT and SiC MOSFET devices

VALUE PROPOSITION

- Broadest portfolio of optoelectronics, optics, and electronics
- High-volume consumer electronics experience
- 6-inch gallium arsenide platform
- 200 mm silicon carbide platform
- World-class indium phosphide platform
- Decades of investment in high quality silicon carbide substrates
- Investing \$1 billion over the next 10 years in silicon carbide
- Cross-functional engineering and integration expertise

INSTRUMENTATION



MEGATRENDS

- Smart healthcare evolution, largely based on technology
- Point-of-care diagnostics
- Personalized medicine
- 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
- Broad product portfolio to support a wide range of applications
- Extensive technology innovation for next-generation capabilities
- Global manufacturing footprint and flexible supply chain partners

SILICON CARBIDE

POWER ELECTRONICS FOR GREEN ENERGY

ELECTRIC VEHICLES



SOLAR & WIND ENERGY



SMART GRID POWER SWITCHING



TWO DECADES OF SiC MATERIALS INNOVATION

Wafer Size		
2 in	2000	Manufactured
3 in	2002	Demonstrated
	2004	Manufactured
100 mm	2005	Demonstrated
	2007	High Quality Wafer
	2009	Manufactured
150 mm	2012	Demonstrated
	2013	Manufactured
200 mm	2015	World's First 200 mm Demonstrated
	2019	4H n-Type 6H Si
	2021	Back-end Processing in China
	2024	Manufacturing

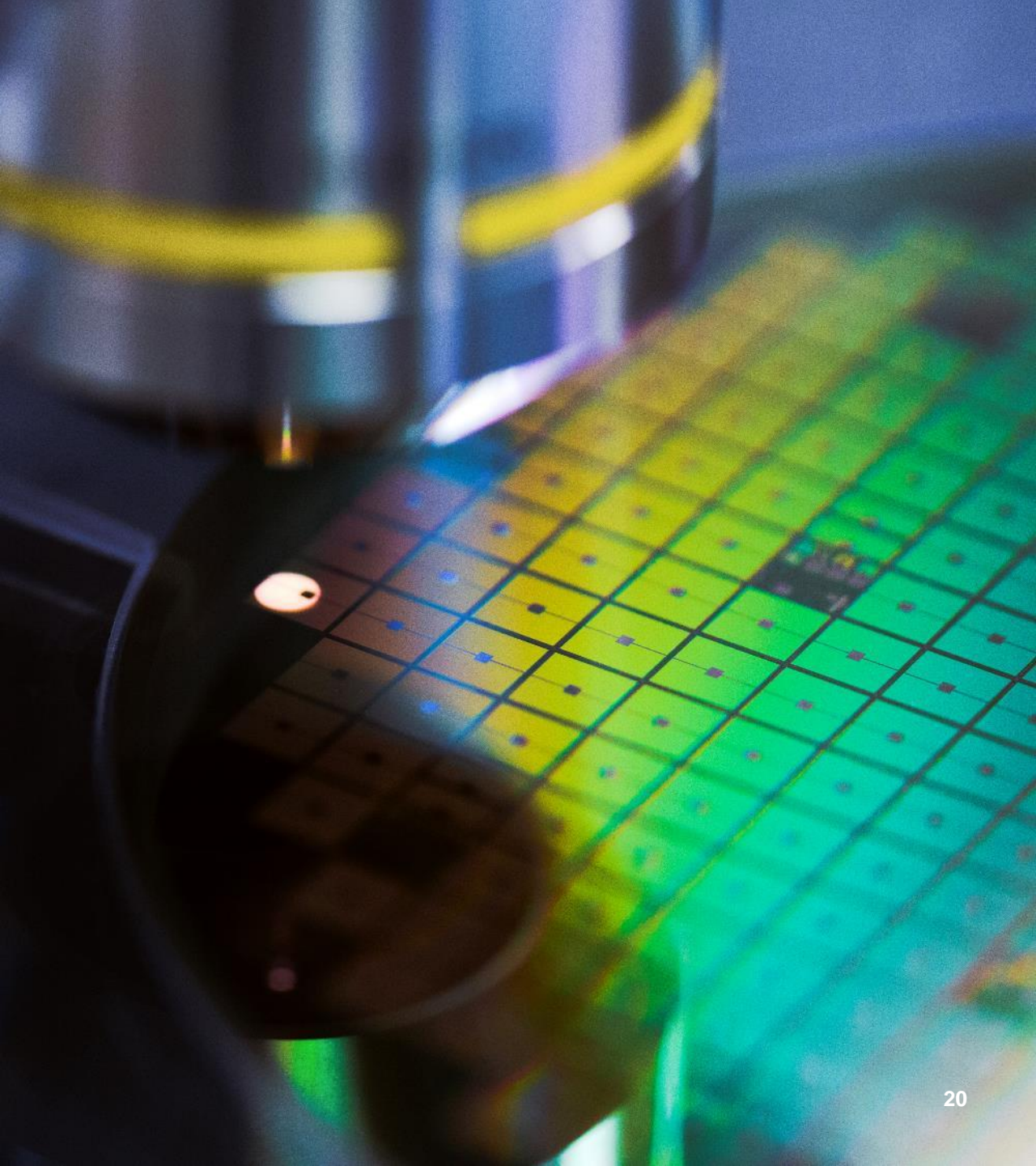
ACCELERATING TIME-TO-MARKET

JUNE 2020 - Licensed technology from **GE** to manufacture silicon carbide devices and modules for power electronics.

APRIL 2021 - Expanded SiC wafer finishing manufacturing footprint in China.

FEBRUARY 2022 - Qualified 1200 V SiC MOSFET and expanded relationship with **GE**.

	Vertical Integration	
SiC Modules		II-VI and GE Technology
SiC Devices		II-VI and GE Technology
SiC Chips		II-VI and GE Technology
SiC Epiwafers		II-VI (3DSiC®)
SiC Substrates		II-VI



COHERENT ACQUISITION

OLED AND MICRO-LED DISPLAY MANUFACTURING TECHNOLOGY LEADER

▪ Market trends:

- OLED display manufacturing technology in the process of moving from Gen 6 to Gen 8 for improved economies of scale
 - Deployments in Korea and China
- Revenue for Micro-LED display manufacturing will become material around FY25
 - Micro-LEDs address incremental markets: higher brightness TVs and wall-size displays

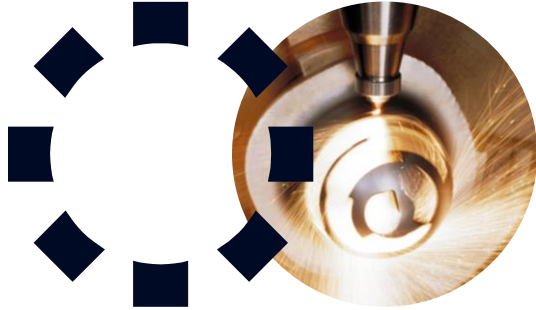
▪ Market Size for equipment and services:

- \$350-\$400M in FY23
- FY23-27: 7% CAGR (internal estimates)

▪ Leading market position for line beam systems



FOCUSING ON THE GROWTH APPLICATIONS

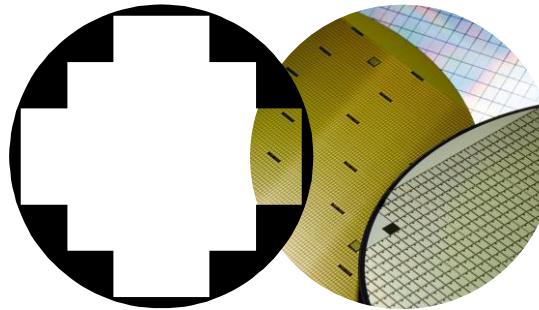


PRECISION MANUFACTURING

TAM: \$10B
CAGR: 9%

-
- EV battery welding
 - Medical device manufacturing
 - Consumer goods manufacturing

Sources: Optech Consulting - Laser Market Data, Internal Estimates

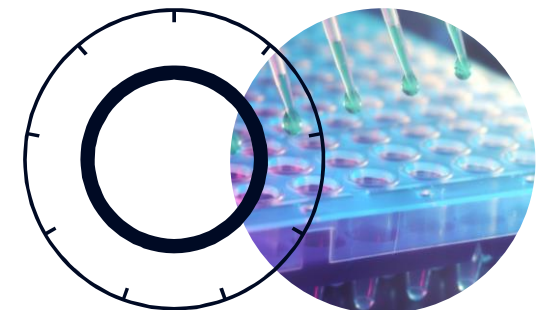


SEMICONDUCTOR CAPITAL EQUIPMENT

TAM: \$6B
CAGR: 6%

-
- Enabling communications, big data, automotive, and IoT
 - Large investments in wafer fabs

Sources: Strategies Unlimited 2021, SEMI, Internal Estimates



LIFE SCIENCES & RESEARCH

TAM: \$5B
CAGR: 7%

-
- Personalized medicine
 - Diagnostic and drug discovery
 - Disease detection and treatment

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

Note: TAM based on CY2022; CAGR based on 2022-27 timeframe.

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

External Financing Sources

Debt	<ul style="list-style-type: none"> \$4.00 billion senior secured facilities 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

(1) Reflects, as of 6/30/2022, proforma combined EBITDA at 6/30/22, including \$250 million of cost synergies. Cash is reflected proforma combined for 6/30/22 with adjustments made for closing transactions.

Pro Forma Leverage

Total Debt	\$5.0 billion	3.6x⁽¹⁾
Cash	\$0.8 billion	
Net Debt	\$4.2 billion	3.0x⁽¹⁾
PF Combined TTM Adj EBITDA	\$1,407 million (incl. \$250M synergies)	

Fully-Diluted Shares

II-VI basic shares	106.5M
Stock comp shares	5.8M
Series A preferred debt	8.9M
Convertible debt	7.3M
Shares issued to Coherent	22.6M
Series B preferred	25.9M
Pro forma FDSO	177.0M

FINANCIAL APPENDIX

II-VI SEGMENT REVENUE BY END MARKETS FOR FULL YEAR FY21

					End Market Distribution of Full Year FY21 Revenue				
Reported Segments	FY21 Revenue	FY21 Op Margin – GAAP / Non-GAAP	FY21/FY20 Revenue Growth	Proforma ⁽¹⁾ FY21/FY20 Revenue Growth	Communications	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.

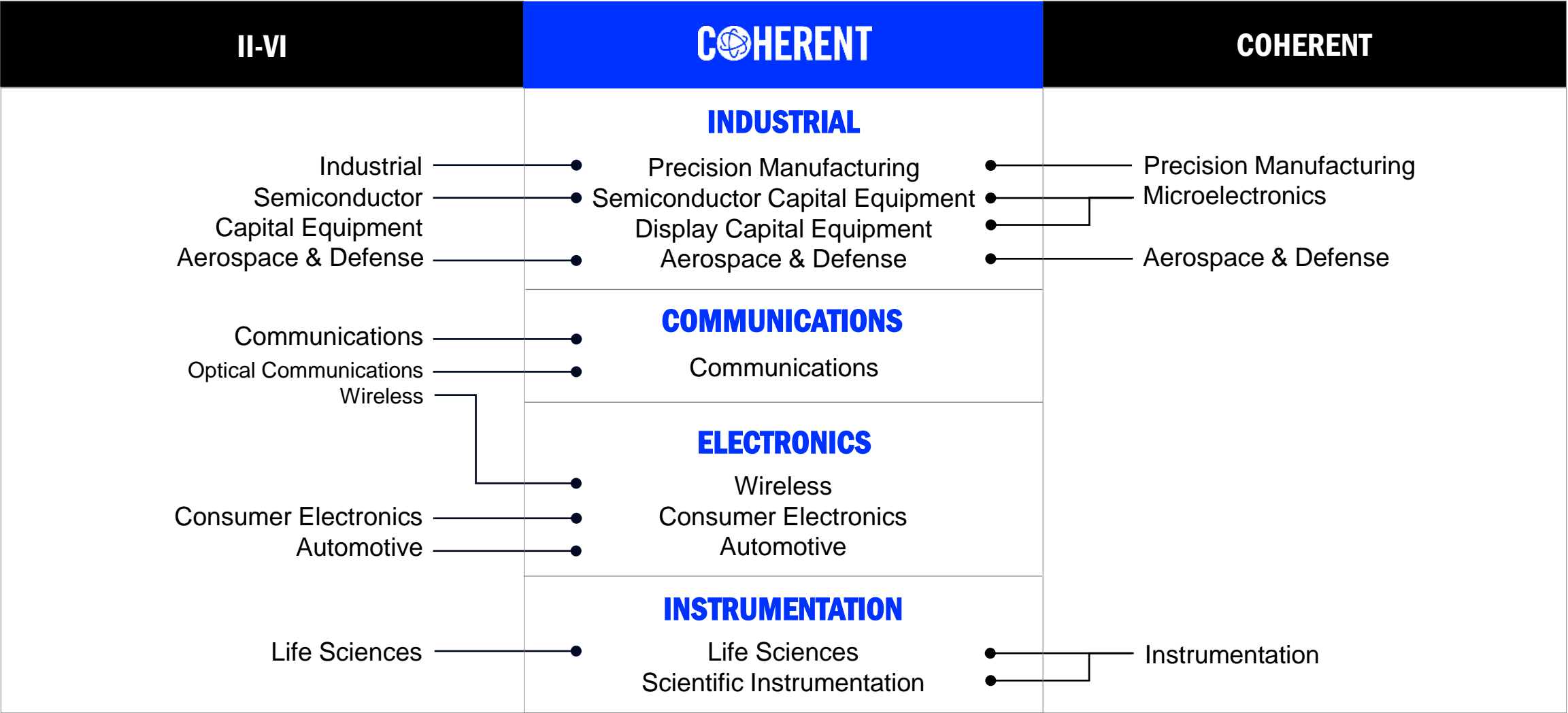
II-VI SEGMENT REVENUE BY END MARKETS FOR Q4FY22 QTD

					End Market Distribution of Q4FY22 QTD Revenue				
Reported Segments	Q4FY21 Revenue	Q4FY22 Revenue	Q4FY22 Op Margin – GAAP / Non-GAAP	Q4FY22/ Q4FY21 Revenue Growth	Communica- tions	Industrial	Aerospace & Defense	Semi Cap	Life Sciences, Consumer, Automotive, Other
Photonic Solutions	\$550M	\$597M	12% / 15%	9%	94%	3%	0%	1%	2%
Compound Semiconductors	\$258M	\$290M	18% / 27%	12%	10%	31%	17%	14%	28%
II-VI Consolidated	\$808M	\$887M	13% / 19%	10%	66%	12%	5%	5%	12%

II-VI SEGMENT REVENUE BY END MARKETS FOR FULL YEAR FY22

					End Market Distribution of Full Year FY22 Revenue				
Reported Segments	FY21 Revenue	FY22 Revenue	FY22 Op Margin – GAAP / Non-GAAP	FY22/FY21 Revenue Growth	Communications	Industrial	Aerospace & Defense	Semi Cap	Life Sciences, Consumer, Automotive, Other
Photonic Solutions	\$2,038M	\$2,226M	10% / 15%	9%	93%	3%	0%	1%	3%
Compound Semiconductors	\$1,068M	\$1,090M	20% / 29%	2%	11%	31%	17%	13%	28%
II-VI Consolidated	\$3,106M	\$3,317M	13% / 20%	7%	66%	12%	6%	5%	11%

MAPPING INTO FOUR MARKETS



FY22 REVENUE BY FY23 MARKET SEGMENTS

		End Market Distribution of Full Year FY22 Revenue			
Companies	FY22 Revenue	Communications	Industrial	Electronics	Instrumentation
II-VI Incorporated	\$3,317M	65%	21%	10%	4%
Coherent, Inc. ⁽¹⁾	\$1,520M ⁽¹⁾	0%	75%	0%	25%
Proforma Combined⁽²⁾	\$4,837M⁽²⁾	45%	38%	7%	10%

(1) Coherent Revenue 6/30/22 TTM.

(2) Proforma non-GAAP revenue combines II-VI FY22 revenue (as of FYE 6/30/22) and Coherent 6/30/22 TTM. Not calculated in accordance with Article 11 of SEC regulation S-X.

HYPOTHETICAL ILLUSTRATION OF EPS CALCULATION

Example EPS Calculations
\$ Millions

	Hypothetical Earnings Levels for Q1 FY23				
Non-GAAP net earnings	\$ 145.0	\$ 150.0	\$ 155.0	\$ 165.0	\$ 200.0
Deduct Series A preferred stock dividends	(6.9)	-	-	-	-
Deduct Series B redeemable preferred dividends	(28.7)	(28.7)	(28.7)	(28.7)	-
Add back interest on II-VI Convertible Notes	0.4	0.4	0.4	0.4	0.4
Non-GAAP net earnings available to common shareholders	\$ 109.8	\$ 121.7	\$ 126.7	\$ 136.7	\$ 200.4
Diluted weighted average common shares	142.3	151.2	151.2	151.2	177.1
Diluted earnings per common share on a non-GAAP basis	\$ 0.77	\$ 0.80	\$ 0.84	\$ 0.90	\$ 1.13

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, 2022	Mar 31, 2022	Jun 30, 2021	Jun 30, 2022	Jun 30, 2021
Non-GAAP Photonic Solutions Operating Income	\$ 91.7	\$ 81.8	\$ 87.4	\$ 334.4	\$ 324.3
Share-based compensation	(3.1)	(8.8)	(9.4)	(30.9)	(39.6)
Amortization of acquired intangibles	(16.6)	(16.5)	(17.3)	(66.7)	(69.2)
Restructuring, transaction expenses and other	(2.8)	(1.9)	(0.2)	(6.7)	(7.8)
Photonic Solutions GAAP Operating Income	\$ 69.2	\$ 54.6	\$ 60.5	\$ 230.1	\$ 207.7
Non-GAAP Compound Semiconductors Operating Income	\$ 76.9	\$ 90.2	\$ 61.1	\$ 315.8	\$ 277.2
Share-based compensation	(10.5)	(9.2)	(9.3)	(42.2)	(39.4)
Amortization of acquired intangibles	(3.2)	(2.9)	(3.3)	(12.9)	(13.0)
Restructuring, transaction expenses, and other	(5.4)	(1.7)	(0.8)	(8.3)	(3.6)
Start-up costs	\$ (6.4)	\$ (14.6)	\$ —	\$ (32.3)	\$ —
Compound Semiconductors GAAP Operating Income	\$ 51.4	\$ 61.8	\$ 47.7	\$ 220.1	\$ 221.2
Non-GAAP Unallocated and Other Operating Income (Loss)	\$ —	\$ —	\$ —	\$ —	\$ —
Restructuring, transaction expenses, and other	(6.4)	(9.6)	(11.1)	(35.9)	(26.8)
Unallocated and Other GAAP Operating Income (Loss)	\$ (6.4)	\$ (9.6)	\$ (11.1)	\$ (35.9)	\$ (26.8)
Total GAAP Operating Income	\$ 114.2	\$ 106.8	\$ 97.1	\$ 414.3	\$ 402.1
Non-GAAP Operating Income	\$ 168.6	\$ 172.0	\$ 148.5	\$ 650.2	\$ 601.5

*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			Year Ended	
	Jun 30, 2022	Mar 31, 2022	Jun 30, 2021	Jun 30, 2022	Jun 30, 2021
Revenue	\$ 887.0	\$ 827.7	\$ 808.0	\$3,316.6	\$3,105.9
Gross profit on GAAP basis	\$ 326.0	\$ 321.7	\$ 297.8	\$1,265.5	\$1,177.5
Share-based compensation	0.9	1.3	3.4	5.1	12.1
Amortization of acquired intangibles ⁽⁴⁾	9.6	9.4	9.8	38.3	38.8
Start-up costs ⁽³⁾	—	1.6	—	2.8	—
Restructuring, transaction expenses and other ⁽¹⁾	6.9	1.7	0.7	9.8	6.7
Gross profit on non-GAAP basis	<u>\$ 343.4</u>	<u>\$ 335.7</u>	<u>\$ 311.7</u>	<u>\$1,321.5</u>	<u>\$1,235.0</u>
Operating income on GAAP basis	\$ 114.2	\$ 106.8	\$ 97.1	\$ 414.3	\$ 402.1
Share-based compensation	13.5	18.2	18.5	73.1	78.9
Start-up costs ⁽³⁾	6.4	14.6	—	32.3	—
Amortization of acquired intangibles	19.9	19.4	20.6	79.7	82.2
Restructuring, transaction expenses and other ⁽¹⁾	14.6	13.2	12.2	50.9	38.3
Operating income on non-GAAP basis	<u>\$ 168.6</u>	<u>\$ 172.0</u>	<u>\$ 148.5</u>	<u>\$ 650.2</u>	<u>\$ 601.5</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	40.2%	40.0%	42.0%	40.1%	40.9%
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	19.7%	18.9%	22.0%	19.3%	20.6%

(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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