COHERENT

# ANALYST & INVESTOR DAY

## 2025



NYSE I COHR

# FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements relating to future events and expectations, including our expectations regarding (i) the growth in the markets we serve including, without limitation, the datacenter and communications and the industrial lasers and materials markets; (ii) our supply chain resilience and the growth in assembly and test capacity, laser device capacity and our fast ramp ability; (iii) revenue growth and the drivers of that growth; (iv) datacenter optical interconnect growth; (v) the continued acceleration of adoption cycles of new data rates; (vi) the expansion in SAM driven by optical circuit switches (“OCS”); (vii) the timing of the production of certain types of OCS; (viii) the growth in datacenter interconnect transceivers; (ix) the growth in transport equipment market; (x) market opportunity in the industrial segment, including, without limitation, market opportunity in precision manufacturing; semi-cap and display cap; instrumentation and other; and automotive and energy; (xi) the key growth drivers in our industrial end markets, our industrial growth and industrial market growth; (xii) the increase in laser content in precision manufacturing; (xiii) the growth in the display market, including, without limitation, OLED area growth and the adoption of microLED; (xiv) the growth in health sciences market; (xv) the expansion in recurring service revenue streams; and (xvi) revenue growth; gross margin expansion; investments; profitability growth; balance sheet strengthening including, without limitation, via debt leverage reduction; go forward capital allocation strategy; financial targets including, without limitation, year-over-year revenue growth, gross margin, operating expenses, and operating margin; and the impact of tariffs to our business, 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 terms of the Company’s indebtedness and ability to service such debt in connection with its acquisition of Coherent, Inc. (the “Transaction”), (iii) risks relating to future integration and/or restructuring actions; (iv) fluctuations in purchasing patterns of customers and end users; (v) the ability of the Company to retain and hire key employees; (vi) changes in demand in the Company’s end markets along with the Company’s ability to respond to such market changes; (vii) the timely release of new products and acceptance of such new products by the market; (viii) the introduction of new products by competitors and other competitive responses; (ix) 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; (x) the risks to realizing the benefits of investments in R&D and commercialization of innovations; (xi) the risks that the Company’s stock price will not trade in line with industrial technology leaders; (xii) the impact of trade protection measures, such as import tariffs by the United States or retaliatory actions taken by other countries; and/or (xiii) 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 our subsequently filed Quarterly Reports on Form 10-Q, which filings are available from the SEC. The Company disclaims any obligation to update information contained in these forward-looking statements, whether as a result of new information, future events or developments, or otherwise.

Unless otherwise indicated in this presentation, all information in this presentation is as of May 28, 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.” The Company has not provided a quantitative reconciliation of forward-looking non-GAAP gross margin percentage, non-GAAP operating expenditure percentage, non-GAAP operating margin percentage, and non-GAAP earnings per share, because we cannot, without unreasonable efforts, forecast certain items required to develop comparable GAAP measures. These items include, without limitation, restructuring charges; integration, site consolidation and other expenses; foreign exchange gains (losses); and share based compensation expense. The variability of these items could significantly impact our future GAAP financial results and we believe that the inclusion of any such reconciliations would imply a degree or precision that could be confusing or misleading to investors.

# AGENDA

Jim Anderson
Chief Executive Officer

**Overview & Strategy**

Dr. Julie Sheridan Eng
Chief Technology Officer

**Datacenter and Communications**

Dr. Christopher Dorman
EVP, Lasers

**Industrial Lasers and Materials**

Sherri Luther
Chief Financial Officer

**Financials**

# ANALYST & INVESTOR DAY 2025

## Overview & Strategy

**Jim Anderson**
**Chief Executive Officer**

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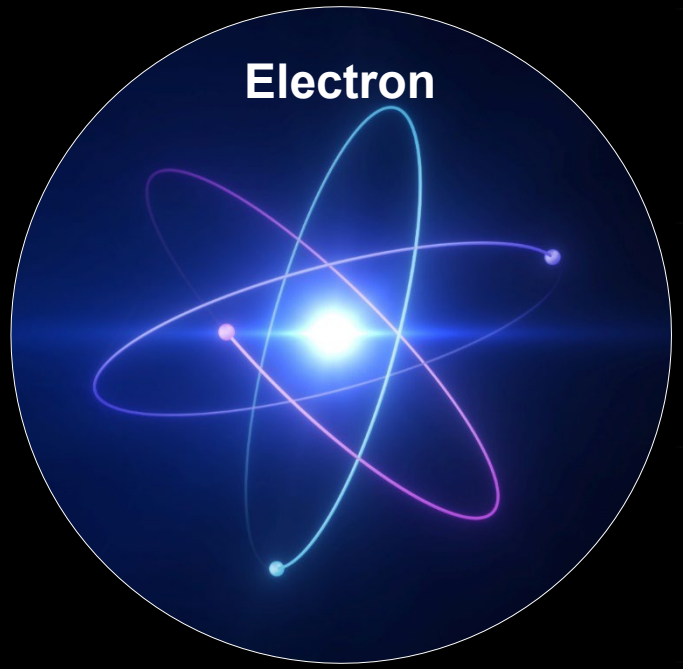
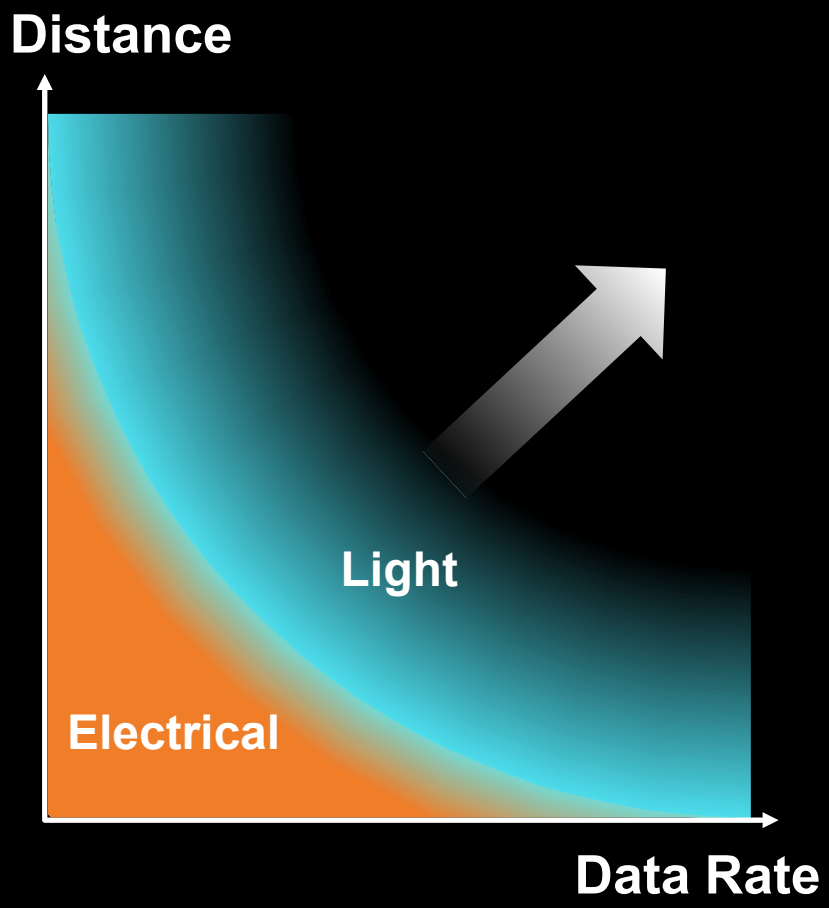
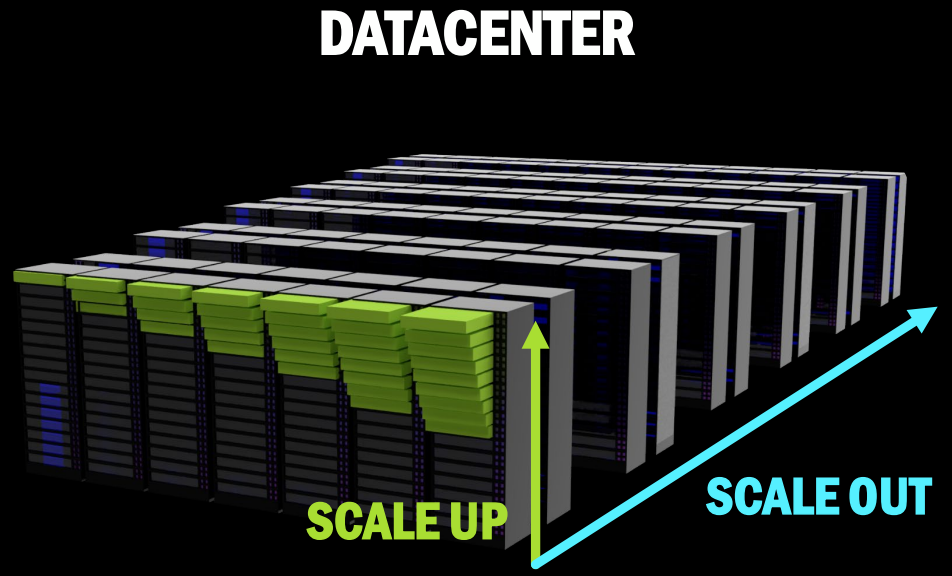
# THE AGE OF THE PHOTON




| Electron | | Photon |
|---|---|---|
| Fast | **Speed** | Lightspeed |
| Lossy | **Energy Efficiency** | Lossless |
| Limited Bandwidth | **Information Capacity** | 10,000X Greater |

# PHOTONS ARE THE FABRIC OF AI DATACENTERS

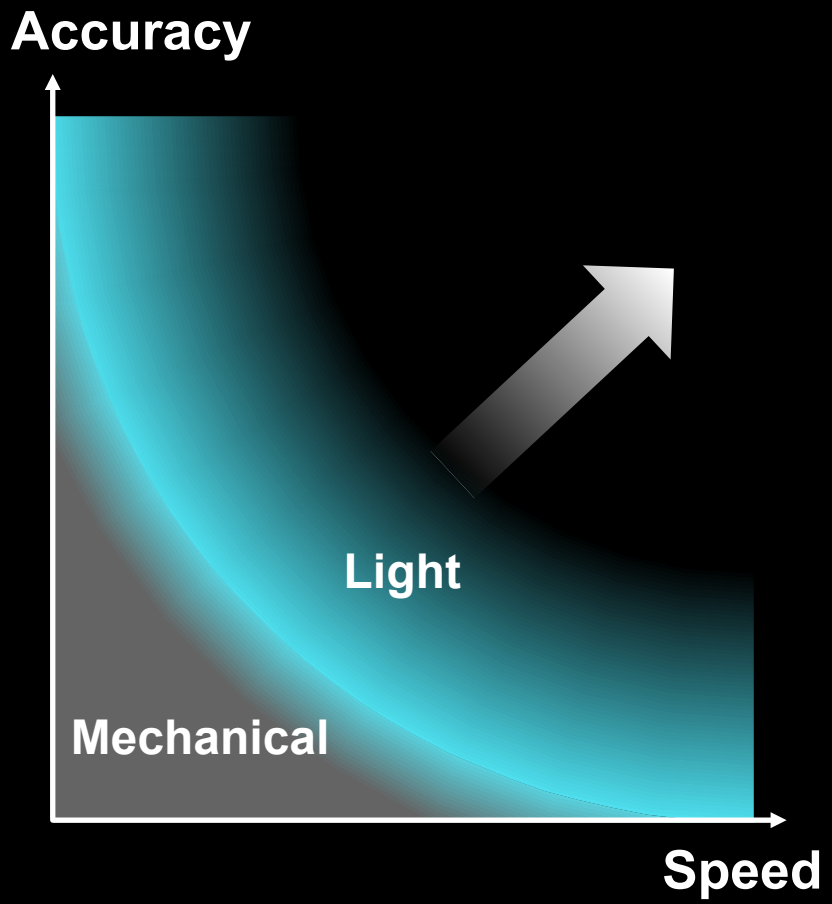



**2X**

**SAM Growth by 2030**

# PHOTONS ARE INDISPENSABLE TO ADVANCED MANUFACTURING




## ADVANCED MANUFACTURING

Lasers enable over 40 manufacturing steps

Five different types of lasers required

**Complexity Drives Laser Growth**



# WE HARNESS PHOTONS TO DRIVE INNOVATION

| Innovation Powerhouse | Broad and Deep Technology Stack | Diversified Markets and Customers | Unmatched Supply Chain Resilience | Track Record of Growth |
|---|---|---|---|---|

# LASER FOCUSED ON GROWTH

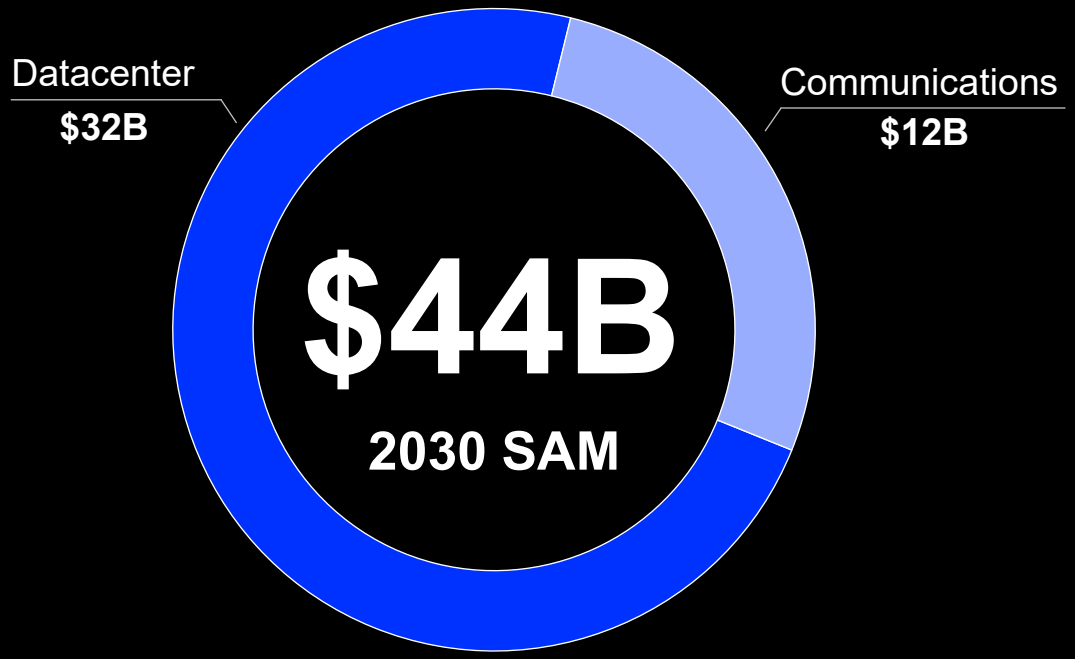
**Focus on Our Growth and Profit Drivers**

**Accelerate Our Innovation Engine**

**Drive Operational and Financial Discipline**

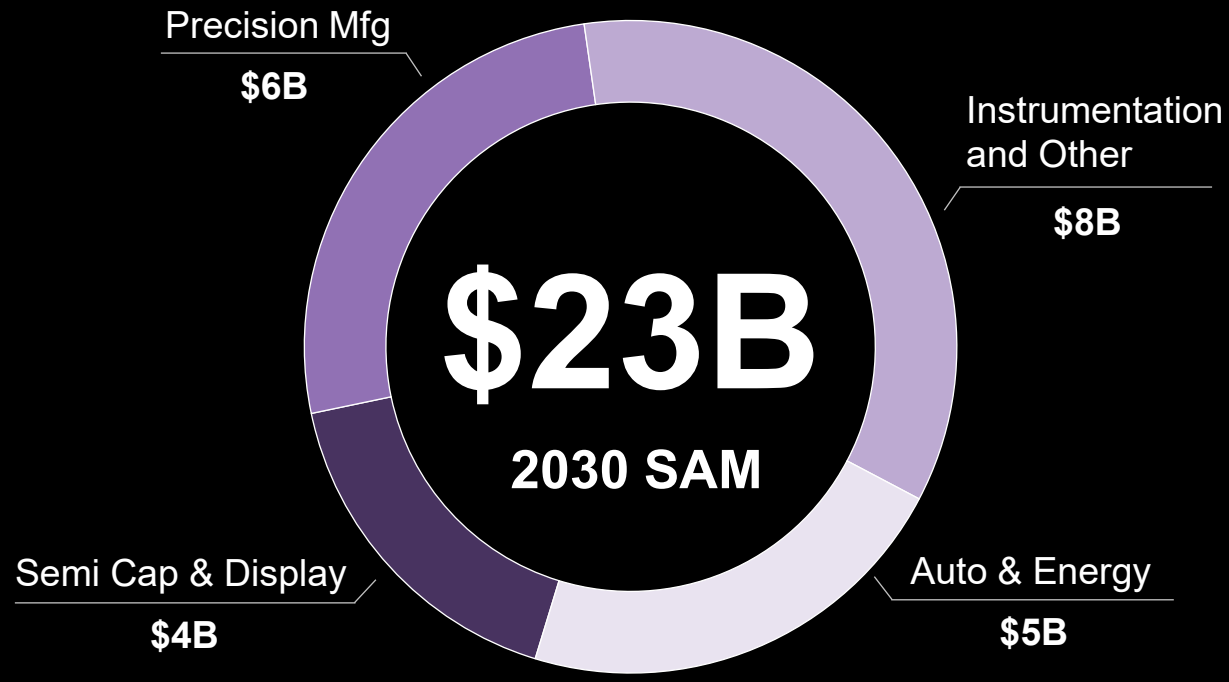
# FOCUSED ON TWO CORE GROWTH MARKETS

## Datacenter and Communications




**Fast Growth**

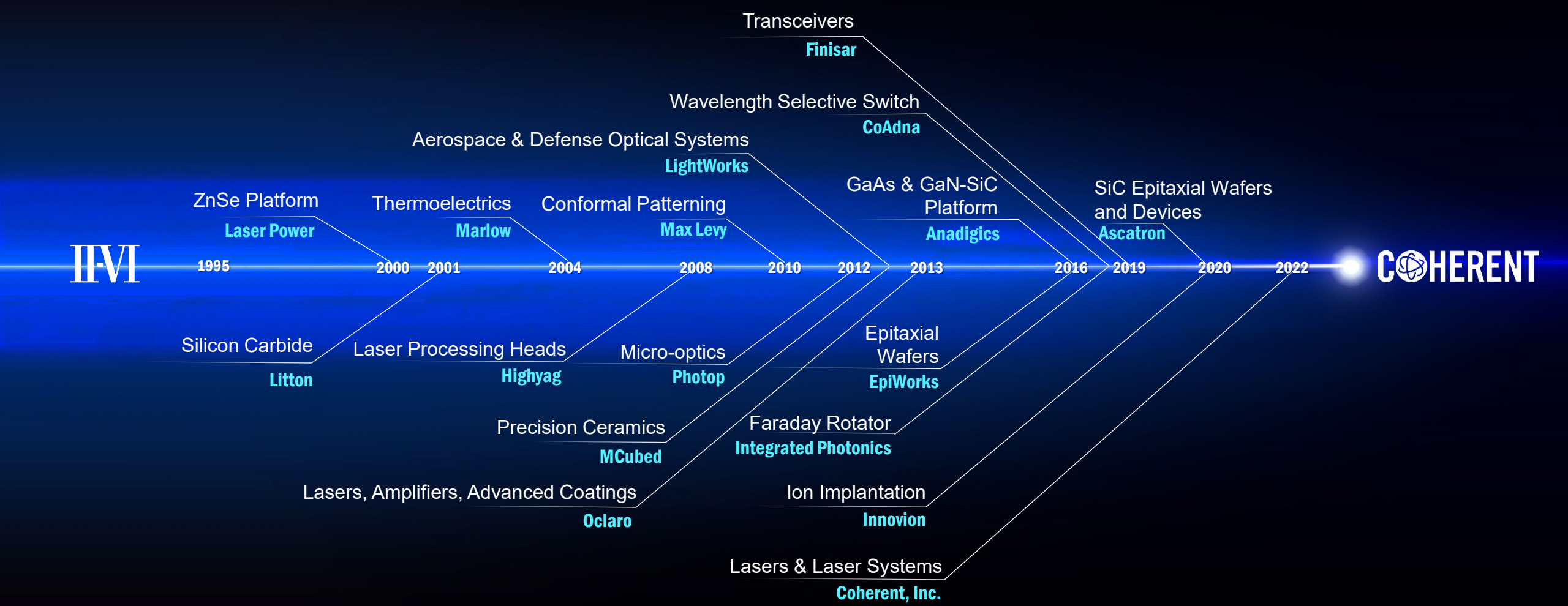
## Industrial




**High Margin**

## Diversified and Complementary End Market Exposure

# COHERENT HAS ASSEMBLED A BROAD ARRAY OF PHOTONIC TECHNOLOGIES

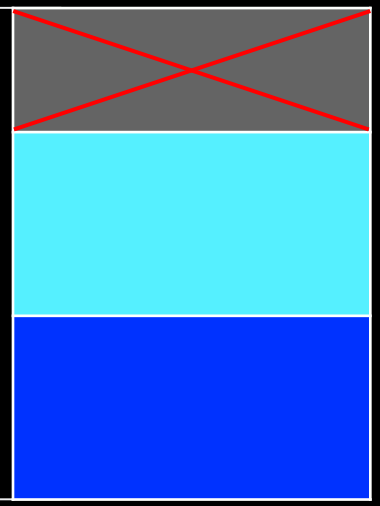


# NOW: FOCUSING OUR INVESTMENTS AND ELIMINATING DISTRACTIONS

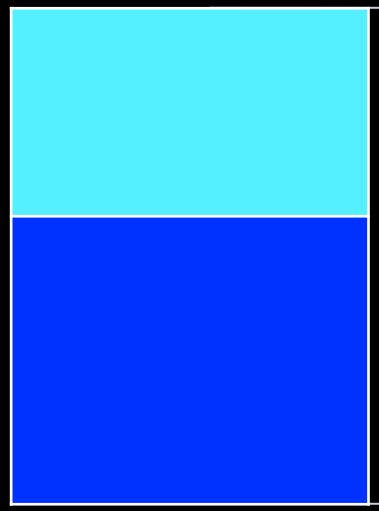
## Prior Investment Distribution

- Too much investment directed at low ROI and non-strategic programs
- Under-funding our core growth and profit engines

Prior



Target

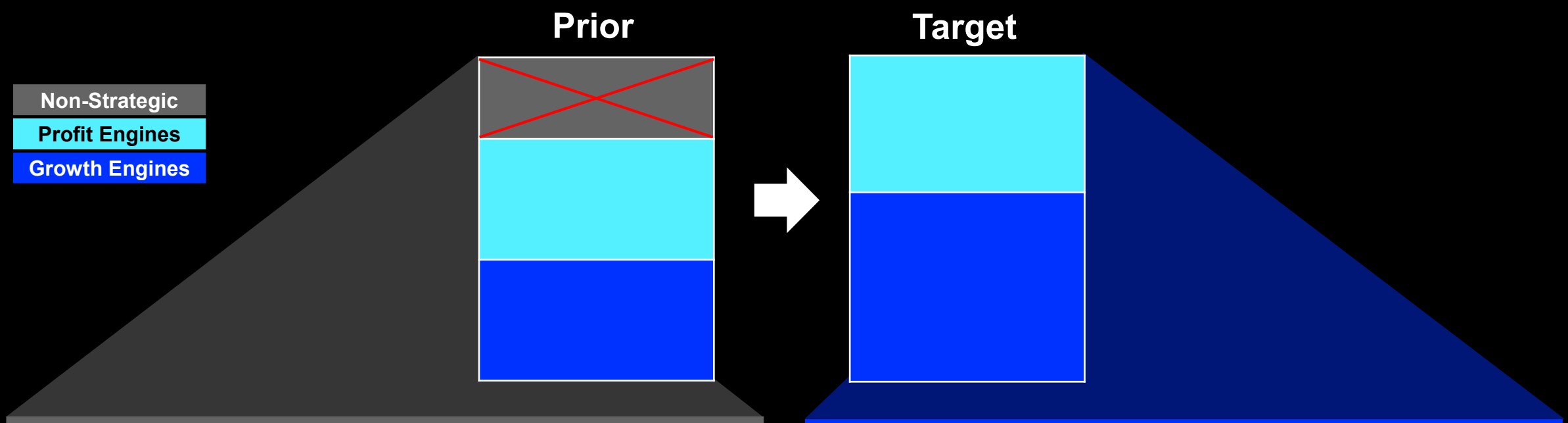


## Target Investment Distribution

- Concentrate investment on the core product lines and reduce distractions
- Bias investment toward faster-growing product lines

| Non-Core | Growth Engines | Profit Engines |
|---|---|---|
| Shut down or divest | Increase investment to expand and accelerate the roadmap | Invest to ensure continued health and profitability |

# STREAMLINING OUR PORTFOLIO: FOCUS ON PROFITABLE GROWTH ACCELERATION




## Streamlining and Reducing Distractions

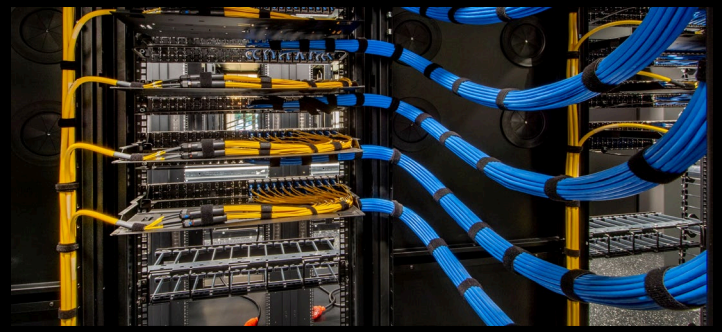
- Divesting or exiting non-core product lines
  - Shut down 5 unprofitable product lines
  - Focused SiC on wafer/epi and shut down devices & modules
- Streamlining our asset base
  - Exited 9 facilities over the past 18 months
  - Initiated exits from additional facilities
- Additional actions in flight

## Concentrating Investment on the Core Business

- Datacenter and Communications
  - Accelerated transceiver and optical switching roadmap
  - Tripled InP laser capacity for transceivers and CPO
- Industrial
  - Accelerated roadmap in new growth areas, e.g., ultrafast laser
  - Expanding software and services capabilities
- Driving roadmap of faster product cost reductions

# KEY GROWTH DRIVERS: DATACENTER AND COMMUNICATIONS

## AI Data Transmission



Datacenter Bandwidth Growth
10X

1.6T in production this year

3.2T and 6.4T in development

## Optical Switching

SAM Expansion
$2B+

First revenue this quarter

Rapid roadmap of new products

## Datacenter Interconnect

DCI Transceiver Market
Grows to $4B

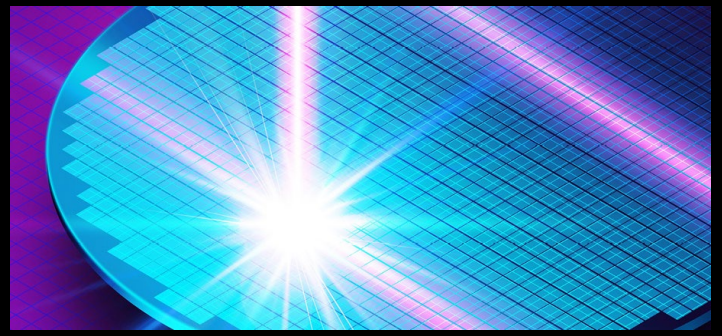
400G & 800G ZR/ZR+ ramping

1.6T ZR/ZR+ in development

Note: 10X ('25-'30) - LightCounting; OCS $2B+ and DCI $4B in 2030 - Cignal AI and internal estimates.

# KEY GROWTH DRIVERS: INDUSTRIAL LASERS AND MATERIALS

## Semi Cap Equipment

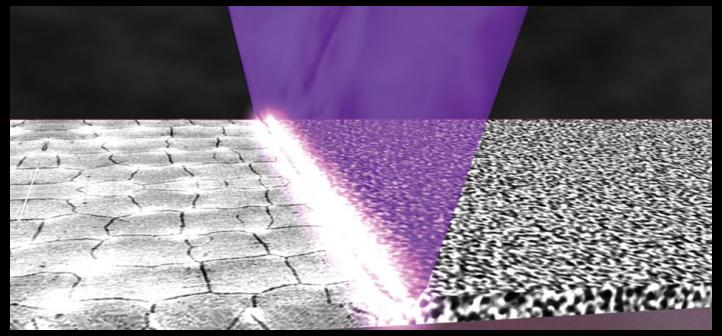


**AI Driving Demand for the Most Advanced Nodes**

Enabled by lasers, optics & materials

Broadest and most advanced portfolio

## Display Manufacturing

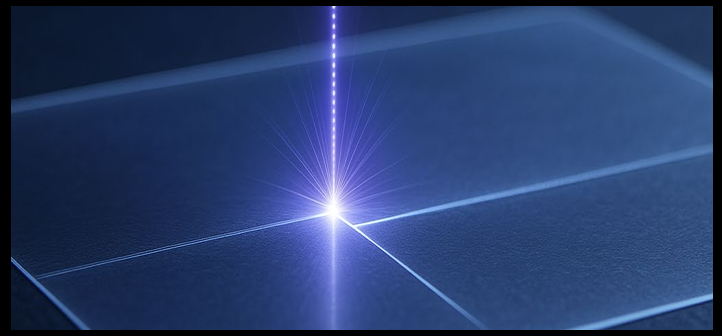


**2X Expansion in OLED Surface Area**

Our lasers enable annealing

New microLED tool launches this qtr

## Precision Manufacturing

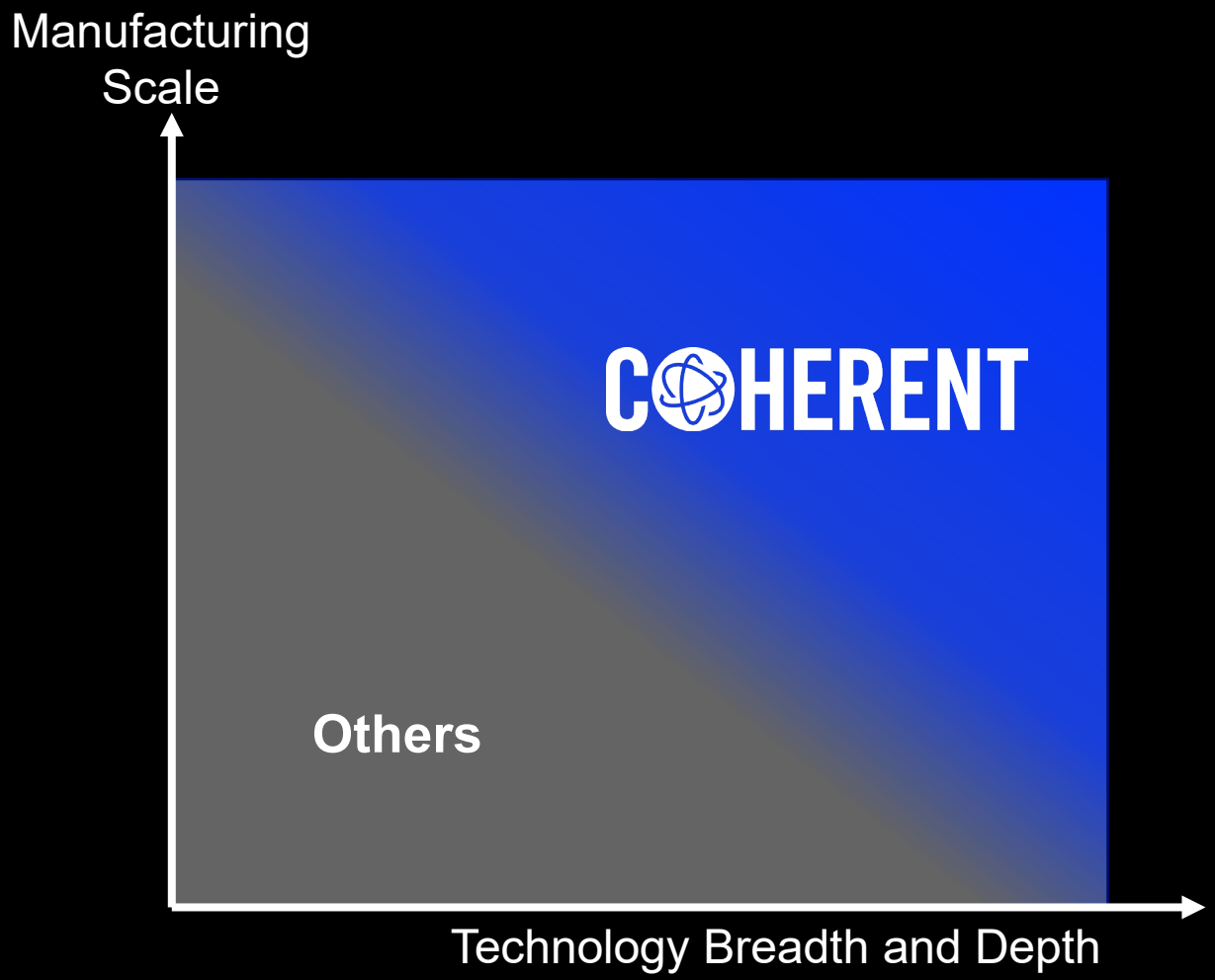


**Increasing Use of Laser Processes in Modern Manufacturing**

Broadest portfolio of solutions

New fiber laser to expand share

# GLOBAL PHOTONICS LEADER

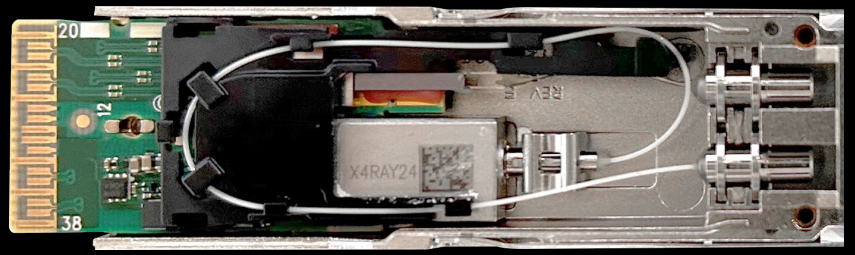



## Customer Benefits

- Deeper level of innovation
- Faster time to market
- Higher quality
- Supply chain resilience
- Economies of scale

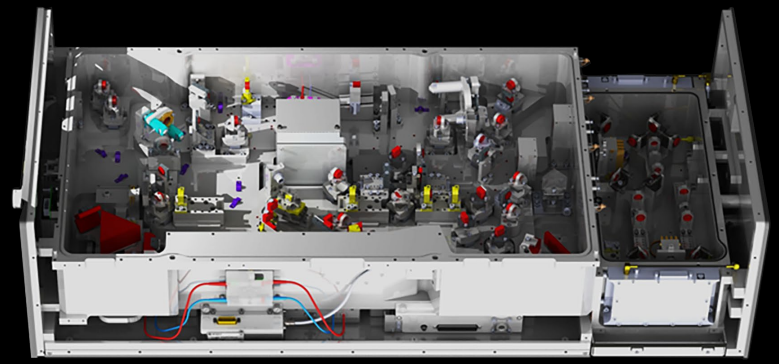
# THE INNOVATION PARTNER OF CHOICE

## Datacenter and Communications




Critical lasers and optics are internally designed and manufactured

## Industrial

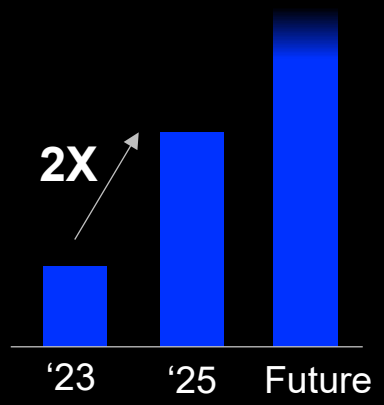


Key photonic and material technologies are internally designed and manufactured

Multigenerational innovation and development partnerships with leading AI cloud providers and the most advanced industrial leaders

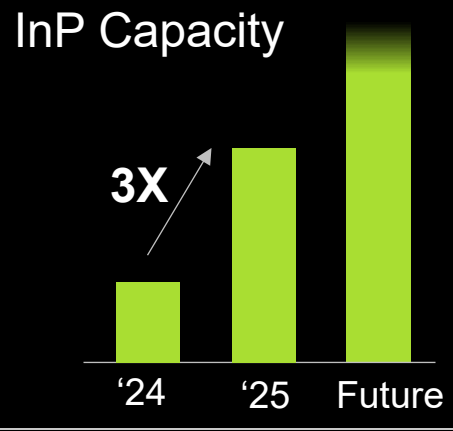
# INDUSTRY-LEADING SUPPLY CHAIN RESILIENCE

## Assembly and Test Capacity




- Decades of assembly experience
- >400M transceivers shipped
- 2X capacity increase

## Laser Device Capacity

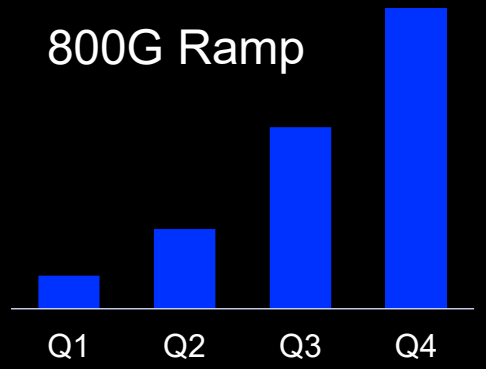



- 3X InP capacity increase
- Majority of our InP transceivers use our own EMLs
- New 6" line begins production next quarter in Sherman, TX

## Multi-Site Flexibility

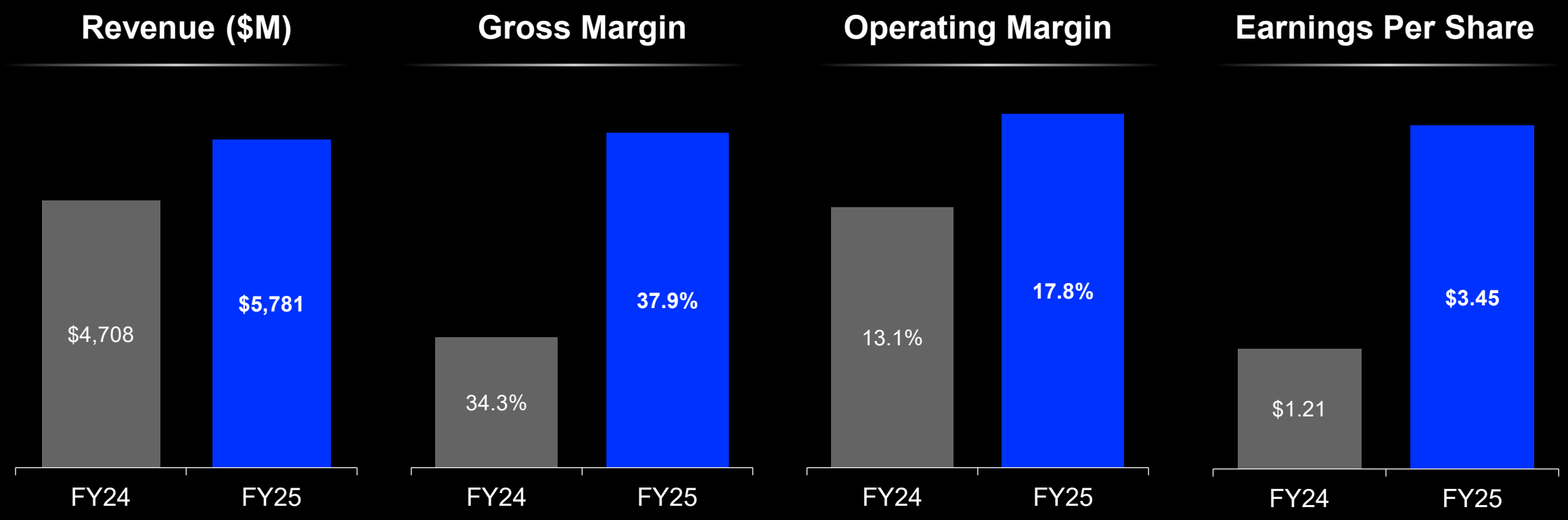
| | Sites | Countries |
|---|---|---|
| Materials/Optics | 23 | 6 |
| Wafer Fabs | 6 | 3 |
| Components | 20 | 8 |
| Assembly & Test | 14 | 7 |

## Fast Ramp Ability




- Ramped 800G volume at 2X the rate of the 400G ramp
- Plans in place to ramp 1.6T faster than 800G

# ACHIEVING SIGNIFICANT PROGRESS IN FY25

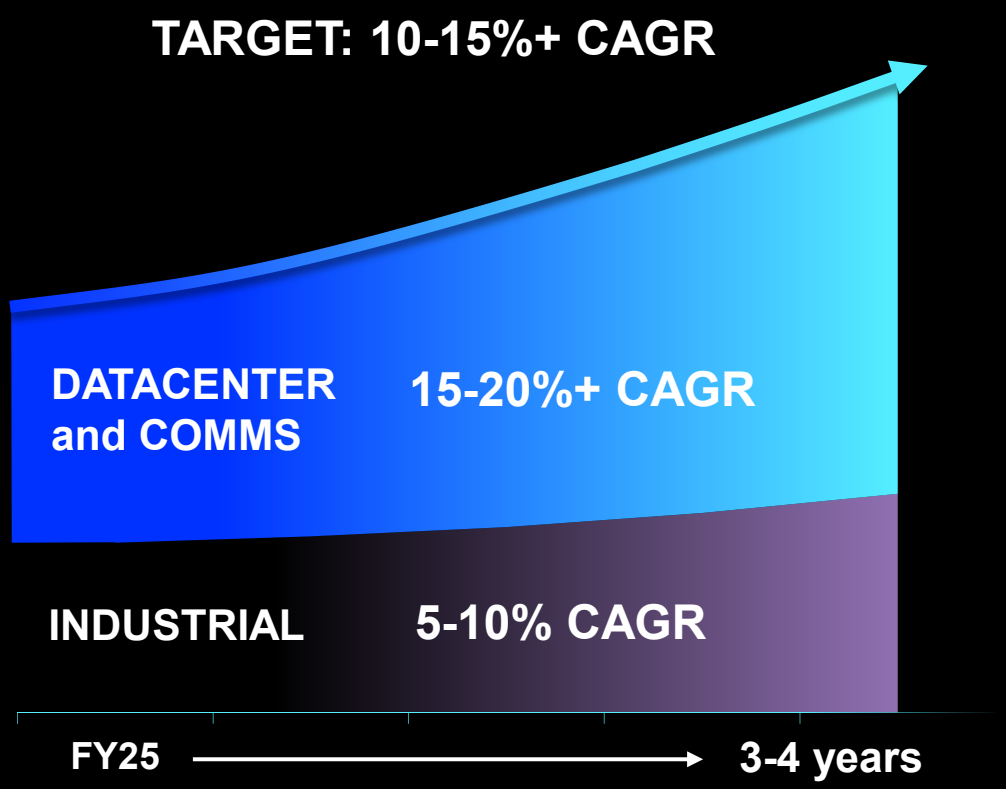



**22.8% Growth** | **+360 bps Expansion** | **+470 bps Expansion** | **2.8X Growth**

Note: See appendices for non-GAAP financial measures and the GAAP to non-GAAP reconciliations.

# DRIVING DOUBLE-DIGIT REVENUE GROWTH

## Revenue




## Growth Drivers

### DATACENTER and COMMUNICATIONS

- AI datacenter market growth
- SAM expansion, e.g., optical switching
- Share gain opportunity

### INDUSTRIAL

- Industrial market growth
- Content expansion of lasers and optics
- Growing recurring service revenue stream

# EXPANDING OPERATING MARGIN

| | FY24 | Target |
|---|---|---|
| Gross Margin | 34% | >42% |
| Operating Expense | 21% | 18% |
| Operating Margin | 13% | >24% |

Note: Non-GAAP financial measures on this slide include gross margin, operating expense percentage, and operating margin. Target model is next 3-4 years. See appendices for GAAP to non-GAAP reconciliation.

# LASER FOCUSED ON GROWTH

**Focus on Our Growth and Profit Drivers**

**Accelerate Our Innovation Engine**

**Drive Operational and Financial Discipline**

# ANALYST & INVESTOR DAY 2025

## Datacenter and Communications

**Dr. Julie Sheridan Eng**
**Chief Technology Officer**

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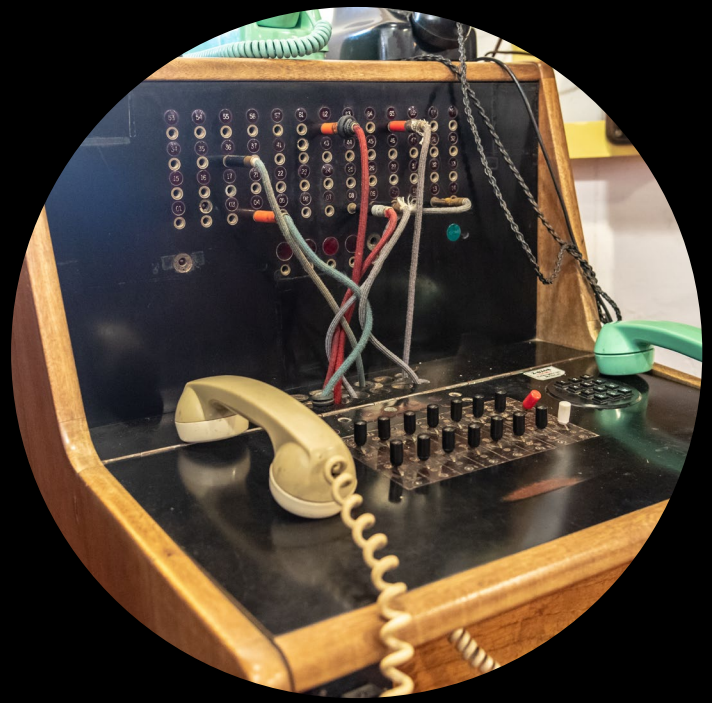
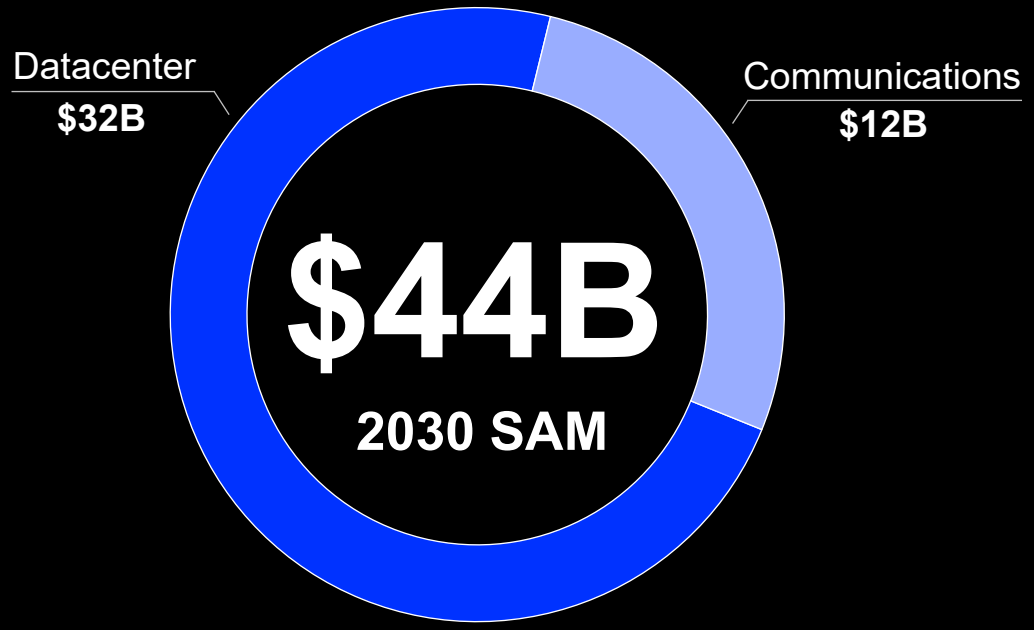
# PHOTONICS HAS ENABLED MODERN DATACENTERS AND COMMUNICATIONS

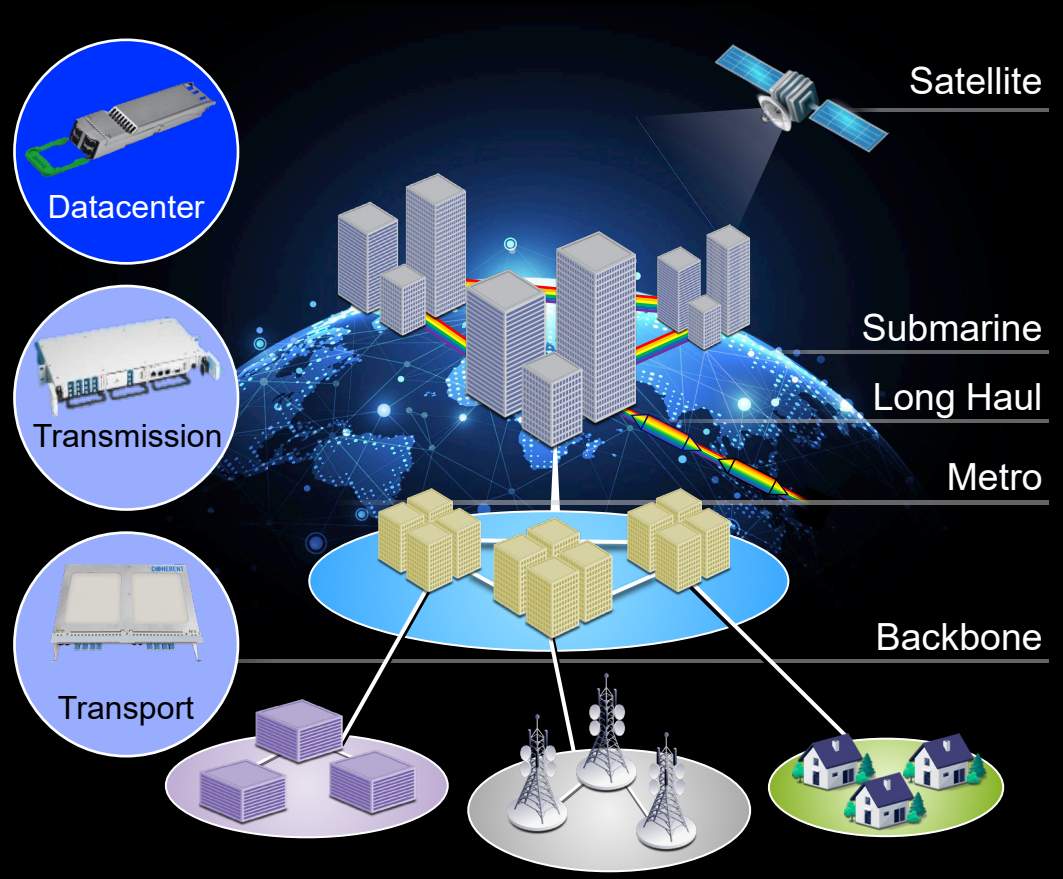


Electrical → Photonics

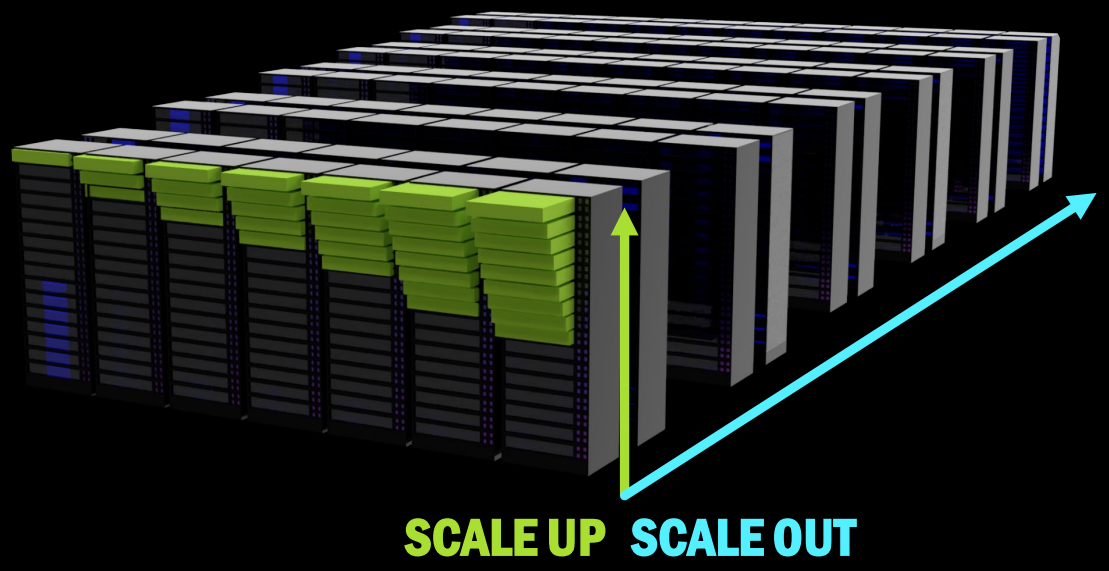
# POWERING DATACENTER AND COMMUNICATIONS NETWORKS

## Datacenter and Communications



# EXPANDING ROLE OF OPTICS IN THE DATACENTER



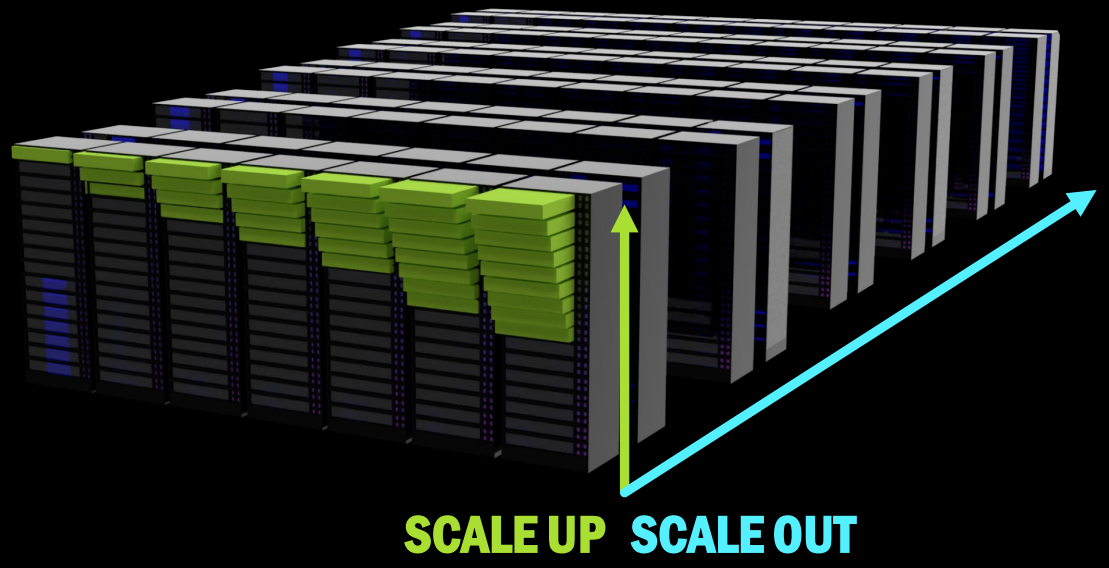

## Scale Out

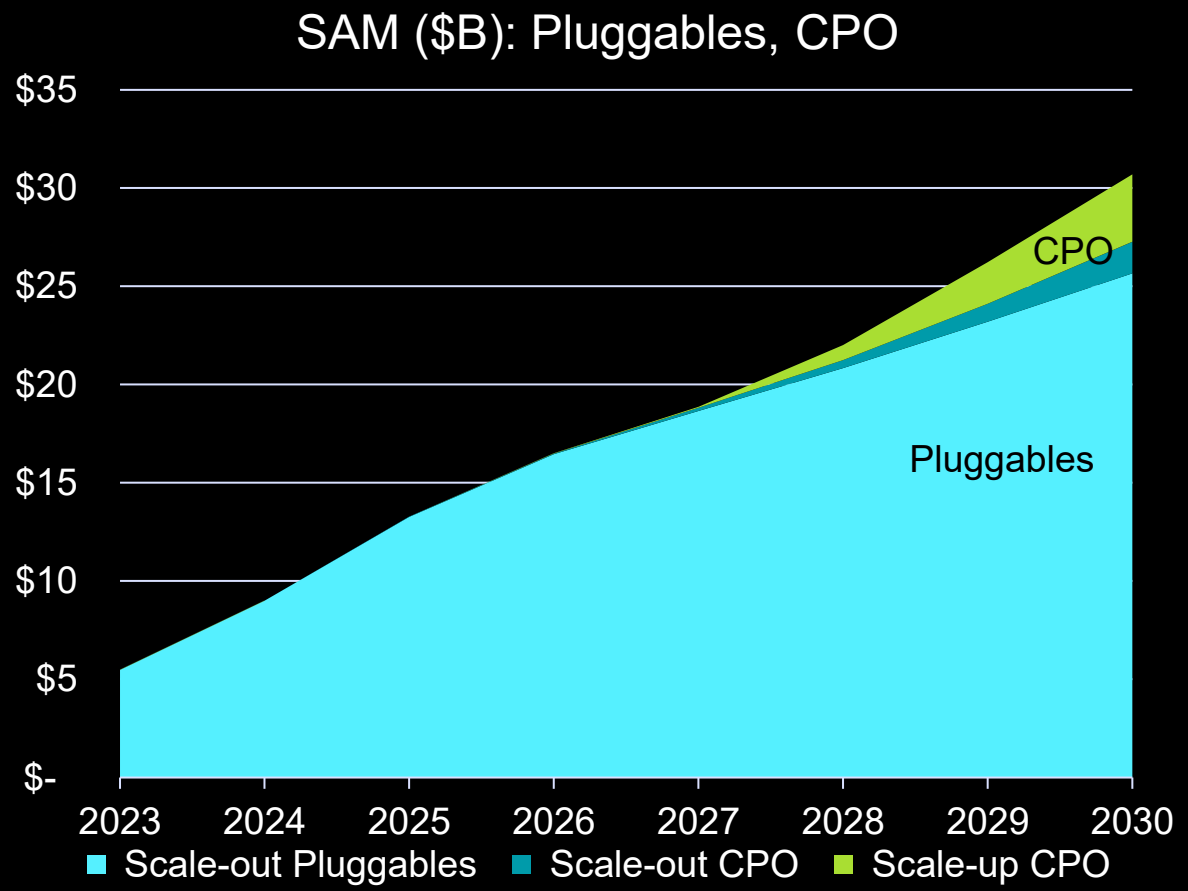
- Pluggable transceivers today
- Distances 10 m to 10 km
- Heterogeneous environment
- Flexibility very important
- Pluggable transceivers primary form factor

## Scale Up

- Copper today
- Distances <10 m
- Closed system
- Density, cost, and power very important
- SAM expansion opportunity as optics replaces copper
- CPO (co-packaged optics) primary form factor

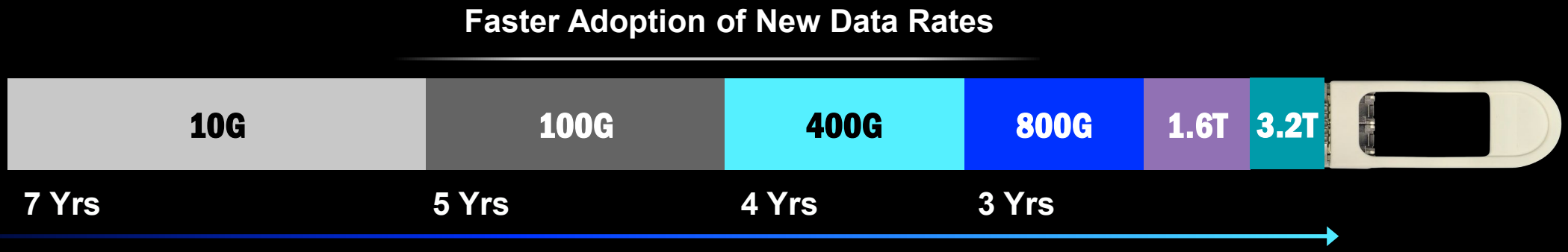
# DATACENTER OPTICAL INTERCONNECTS GROW THROUGH THE END OF THE DECADE

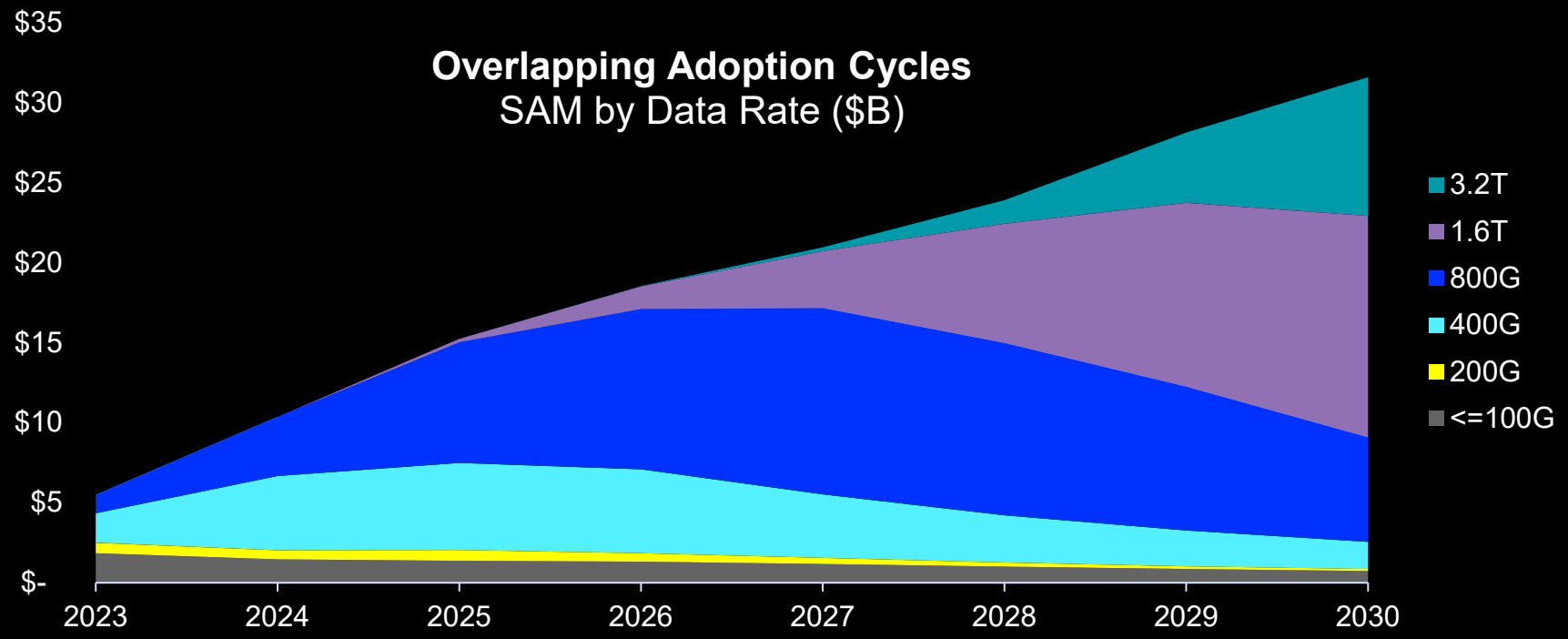



LightCounting and internal estimates

# ACCELERATING ADOPTION CYCLES FAVOR TECHNOLOGY LEADERS




LightCounting and internal estimates

# OPTICS POWERS THE DATACENTER

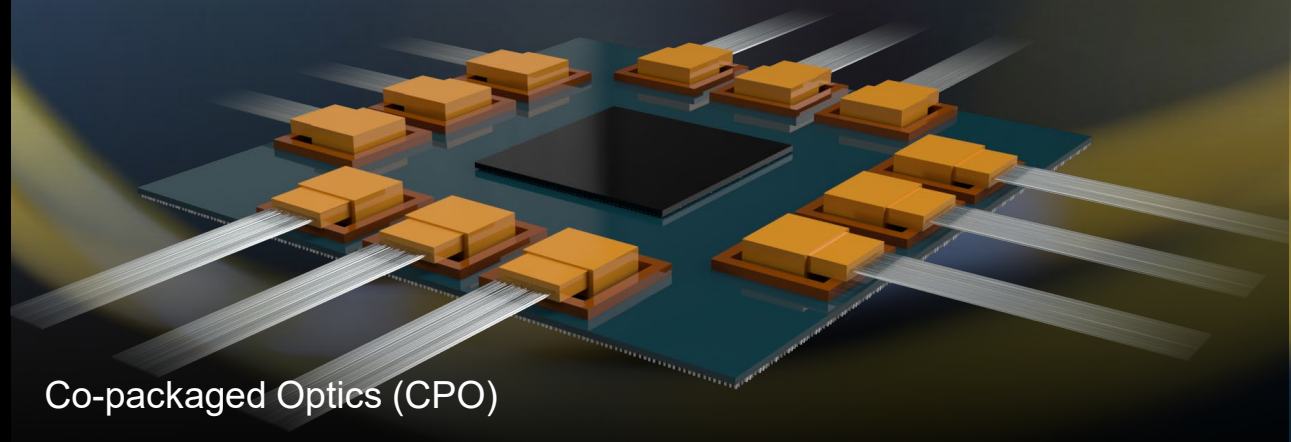
## Pluggable Transceivers Offer Flexibility

- Robust roadmap of increasing bandwidth density
- Standardized, multi-vendor ecosystem
- Easily serviceable
- Delays architectural commitment
- Retains “pay as you grow”

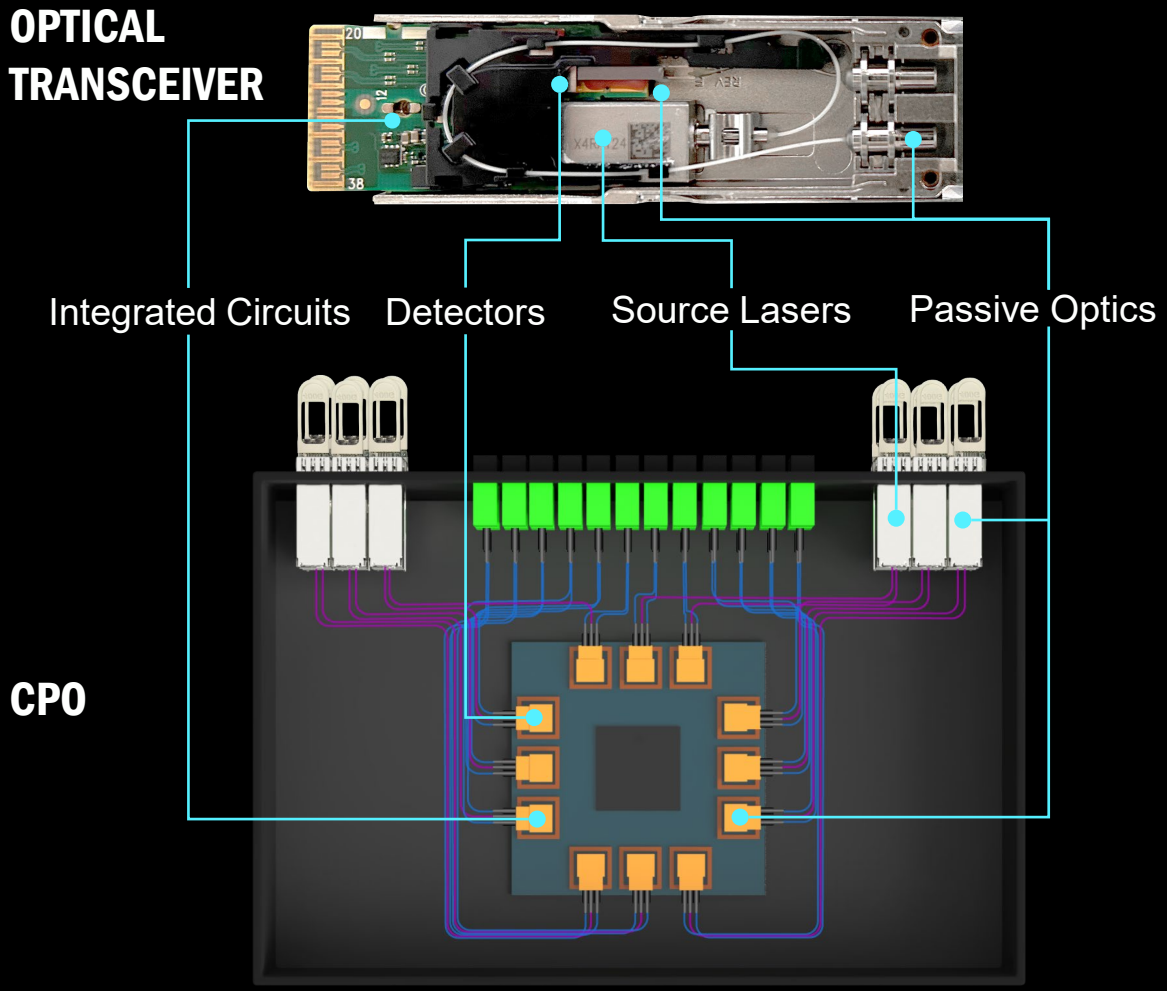
## Co-packaged Optics Drives SAM Expansion

- Miniaturized transceiver, closer to switch/xPU chip
- Reduces power consumption, latency, and cost
- Increases faceplate density
- Great fit for scale up to replace copper

Pluggable Transceivers

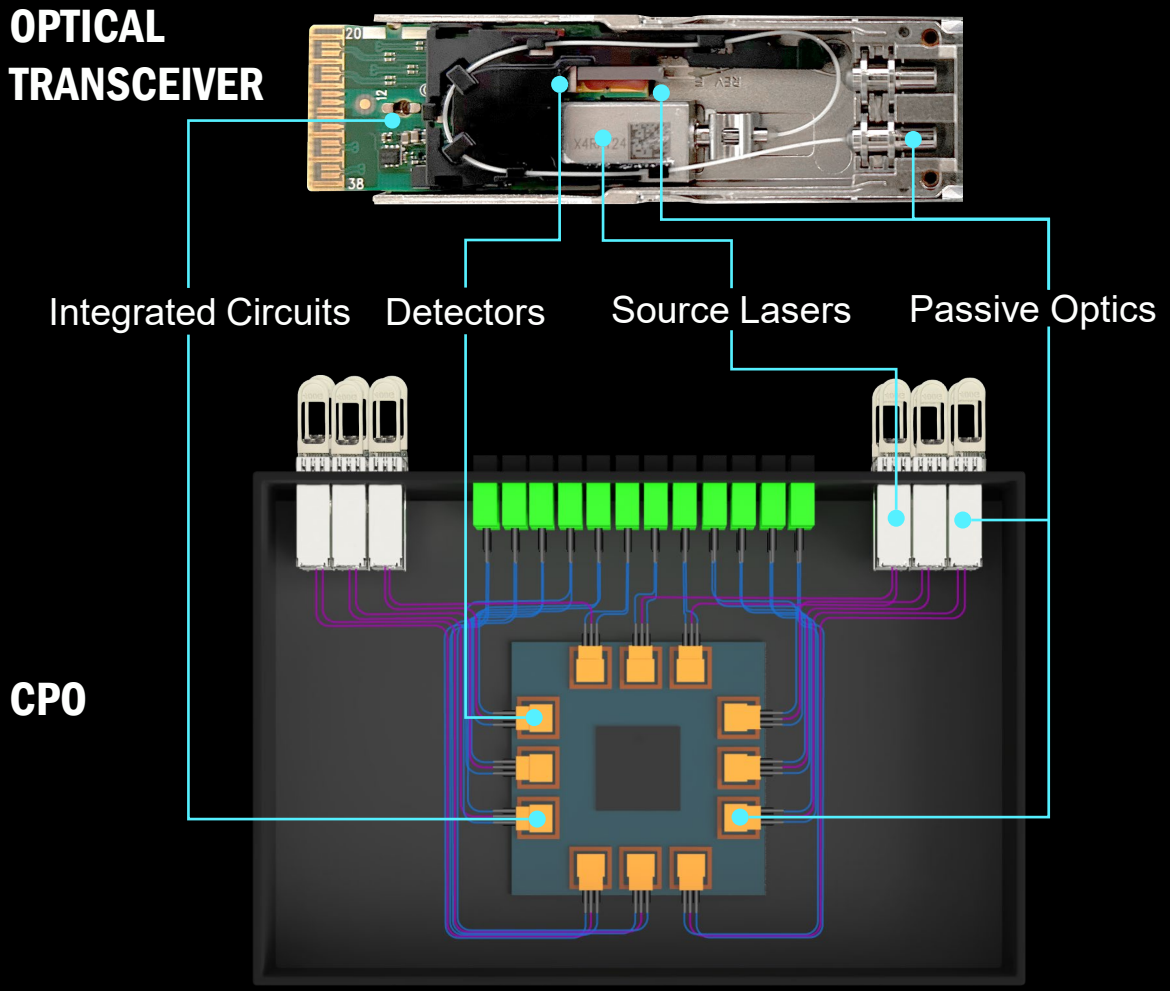

Co-packaged Optics (CPO)

# DEEP DATACOM TECHNOLOGY STACK IS A COMPETITIVE ADVANTAGE




| Capability | Type | Pluggable Transceiver | CPO |
|---|---|---|---|
| Assembly and Test | Components and Modules | ✓ | ✓ |
| Sources | GaAs VCSELs | ✓ | ✓ |
| | InP EMLs | ✓ | |
| | InP CW Lasers | ✓ | ✓ |
| | Silicon Photonics | ✓ | ✓ |
| Detectors | GaAs Detectors | ✓ | ✓ |
| | InP Detectors | ✓ | ✓ |
| Passive Optics | Isolators | ✓ | ✓ |
| | Lens Arrays | ✓ | |
| | Optical Multiplexer Demultiplexer | ✓ | ✓ |
| Thermal Control | Thermoelectric Coolers | ✓ | ✓ |
| Integrated Circuits | Laser Drivers | ✓ | ✓ |
| | TIA | ✓ | ✓ |
| | External Laser Source | | ✓ |
| | Polarization-maintaining Fiber | | ✓ |
| | Fiber Attach Unit | | ✓ |

# DEEP DATACOM TECHNOLOGY STACK IS A COMPETITIVE ADVANTAGE



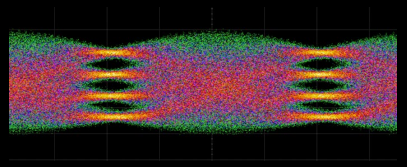

| Capability | Type | Pluggable Transceiver | CPO |
|---|---|---|---|
| Assembly and Test | Components and Modules | ✓ | ✓ |
| Sources | GaAs VCSELs | ✓ | ✓ |
| | InP EMLs | ✓ | |
| | InP CW Lasers | ✓ | ✓ |
| | Silicon Photonics | ✓ | ✓ |
| Detectors | GaAs Detectors | ✓ | ✓ |
| | InP Detectors | ✓ | ✓ |
| Passive Optics | Isolators | ✓ | ✓ |
| | Lens Arrays | ✓ | |
| | Optical Multiplexer Demultiplexer | ✓ | ✓ |
| Thermal Control | Thermoelectric Coolers | ✓ | ✓ |
| Integrated Circuits | Laser Drivers | ✓ | ✓ |
| | TIA | ✓ | ✓ |
| | External Laser Source | | ✓ |
| | Polarization-maintaining Fiber | | ✓ |
| | Fiber Attach Unit | | ✓ |

COHERENT

# 20-YEAR TECHNOLOGY LEADER: BROAD AND DEEP LASER PORTFOLIO

## GaAs VCSELs

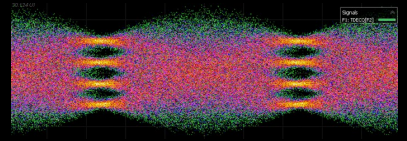
212 Gb/s Eye

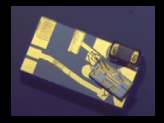


- Shipped in Coherent Transceivers and sold to other Transceiver Manufacturers
- 200G/lane VCSEL-based 1.6T Transceiver Demonstrated OFC 2025

## InP EMLs/DMLs

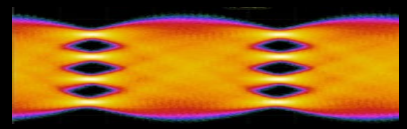
400 Gb/s Eye

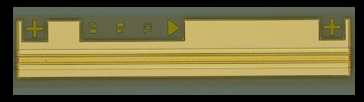




- Majority of Coherent EML-based Transceivers Ship with Coherent EML
- Demonstrated 400G Differential EML at OFC 2025

## InP CW Lasers/Silicon Photonics





- InP CW Laser in Production and Higher-Power Versions in Development
- Demonstrated 1.6T DR8 with InP CW Laser and Silicon Photonics at ECOC 2024

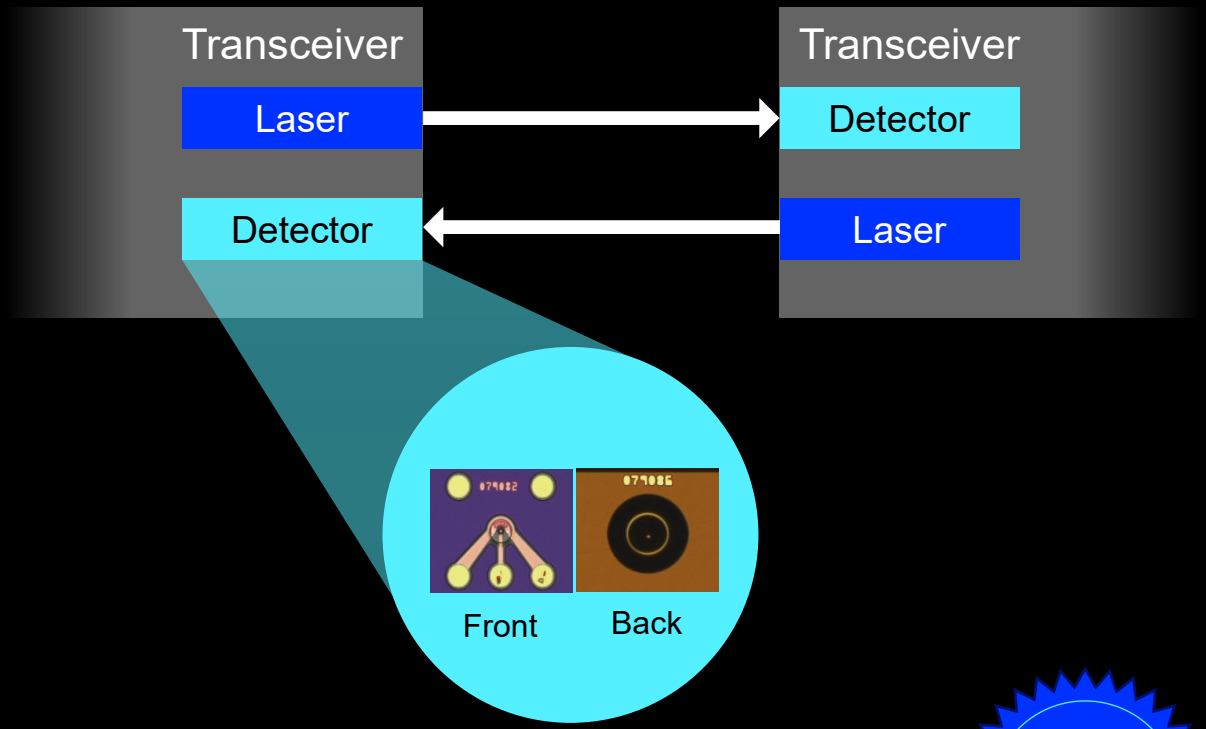
Shipped

**1 BILLION** VCSELs | **¼ BILLION** InP Lasers

For Datacom

COHERENT

# INTERNALLY DEVELOPED PHOTODETECTORS ARE A DIFFERENTIATOR




Advantages of Deep Vertical Tech Stack
- Time to market
- Innovation
- Cost
- Supply chain resilience

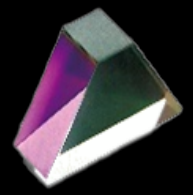
Differentiation in Photodetectors (PDs):
- World's first 4x25G PD for first 100G transceivers
- Custom-designed PD with integrated backside lenses for 200G/lane

Shipped

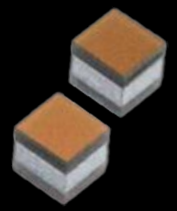
**1 BILLION**

InP and GaAs Photodetectors

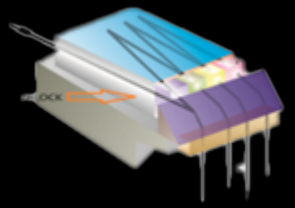
# EXPERTISE IN PASSIVE OPTICS ADDS TO COMPETITIVE ADVANTAGE

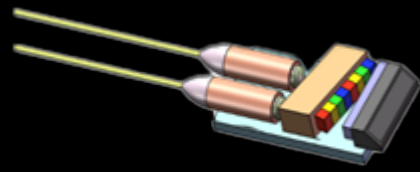


Garnet

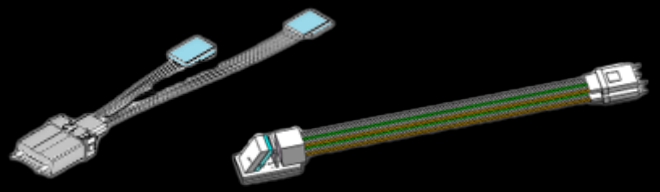


Free Space Isolators

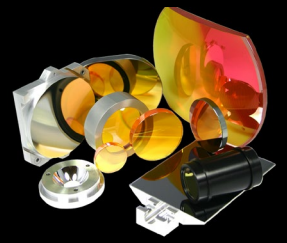




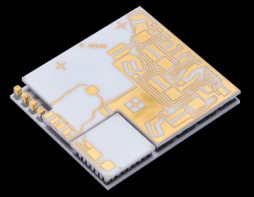
Optical Multiplexers and Demultiplexers



Fiber Assemblies for Transceivers



Micro-optics



Thermoelectric Coolers

**In-house design and manufacture enable differentiation and cost advantage**

**Isolators, garnet, and passive optics are critical for transceivers**

# MARKET-LEADING ROADMAP FOR PLUGGABLE TRANSCEIVERS

**800G**
In Volume Production

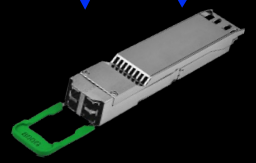
**1.6T**
Volume Production 2025

**3.2T**
In Development

**6.4T**
In Development

OFC 2025

NEW PRODUCT



OCS Optimized Transceivers

DEMO

200G/lane VCSEL 1.6 T SR8 Transceiver

1.6T Si Pho LRO Transceiver

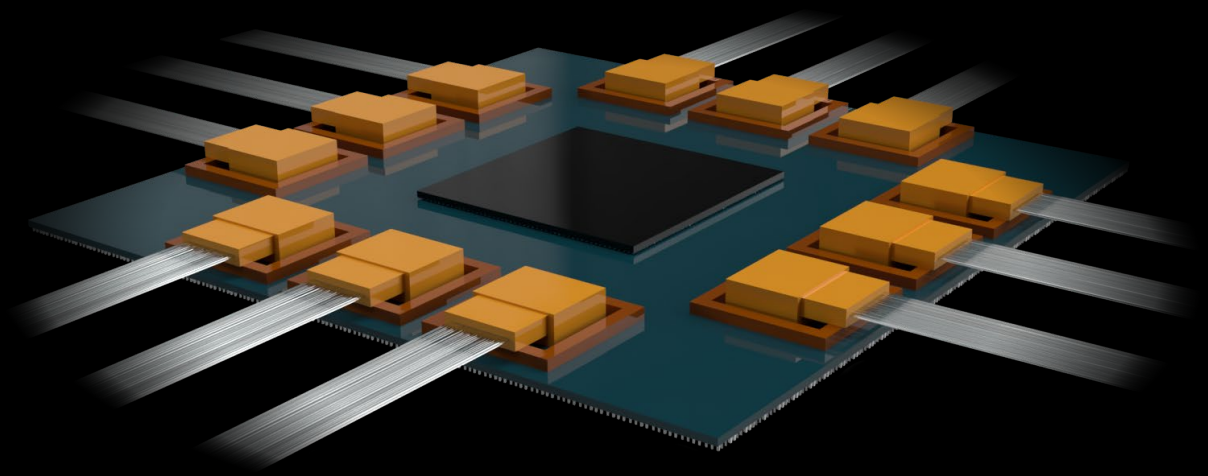
1.6T Si Pho 3 nm DSP Transceiver

DEMO

INDUSTRY FIRST

400G EML for 3.2T Transceiver

# DEEP MULTI-CUSTOMER ENGAGEMENT ON CPO



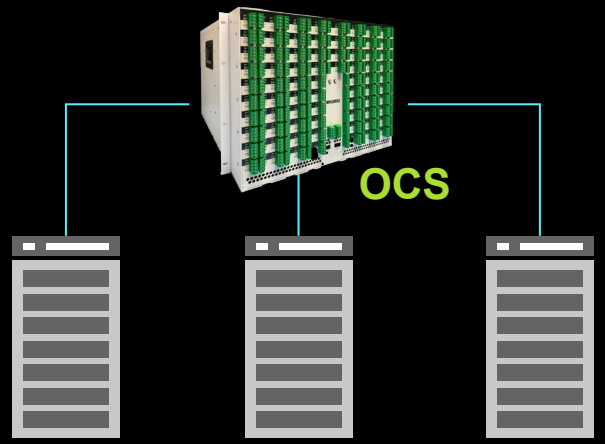
- **Engaged with a broad set of customers**
- **Wide range of implementation**
- **Broad portfolio of CPO-enabling technologies**

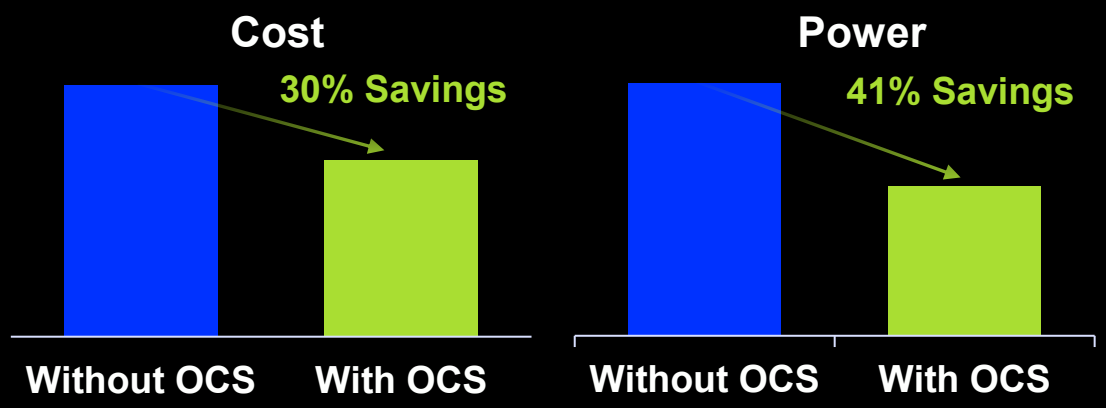
**Proud to be an Nvidia Ecosystem Innovation Partner**

*"AI factories are growing and networking infrastructure must evolve to keep pace. NVIDIA's collaboration with innovators, such as Coherent, on silicon photonics will propel the next generation of AI."*

- Gilad Shainer, SVP of Networking at NVIDIA

# OPTICAL CIRCUIT SWITCH (OCS) DRIVES SAM EXPANSION




**Benefits of OCS**

- Reduces power consumption and cost
- Allows dynamic scheduling
- Improves network reliability
- Minimizes latency

**$2B**

**OCS SAM by 2030**

Note: OCS SAM - Cignal AI and internal estimates

# DEEPLY DIFFERENTIATED OPTICAL CIRCUIT SWITCH TECHNOLOGY

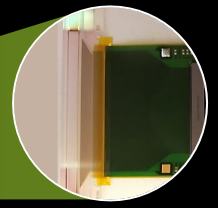
Software

**Software Stack by Coherent**
Integrated software for onboard control electronics and interface to customer network management


OCS System by Coherent

## Coherent Solution

Liquid Crystal Technology

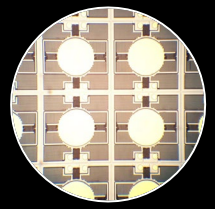


Liquid Crystal Cell

- No moving parts
- No high-voltage components
- Shipped into subsea applications for decades
- Dramatically differentiated reliability

## Other Solutions

Microelectromechanical Systems (MEMS)



MEMS Mirror Arrays

- Mechanical moving parts
- High-voltage components

- **Shipping components into OCS for >10 years**
- **Demonstrated OCS at OFC 2024**
- **First revenue achieved this quarter**

# MARKET-LEADING OCS ROADMAP FOR DATACENTER AND DCI

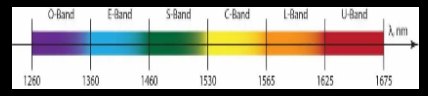
**64x64 OCS** — Production 2025


Received production orders

**Larger Capacity OCS** — Production 2025

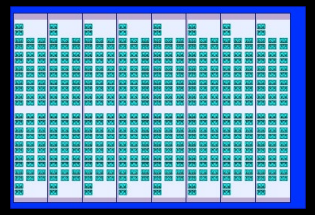
Larger switch release for higher radix needs

**C-Band OCS** — Samples 2026



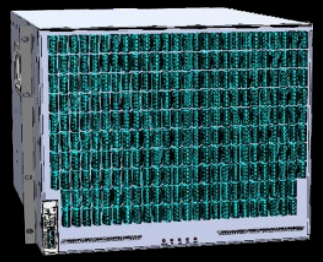

C-band availability to address DCI market

**Modular OCS** — 2026



Modular chassis design to address scale-up needs

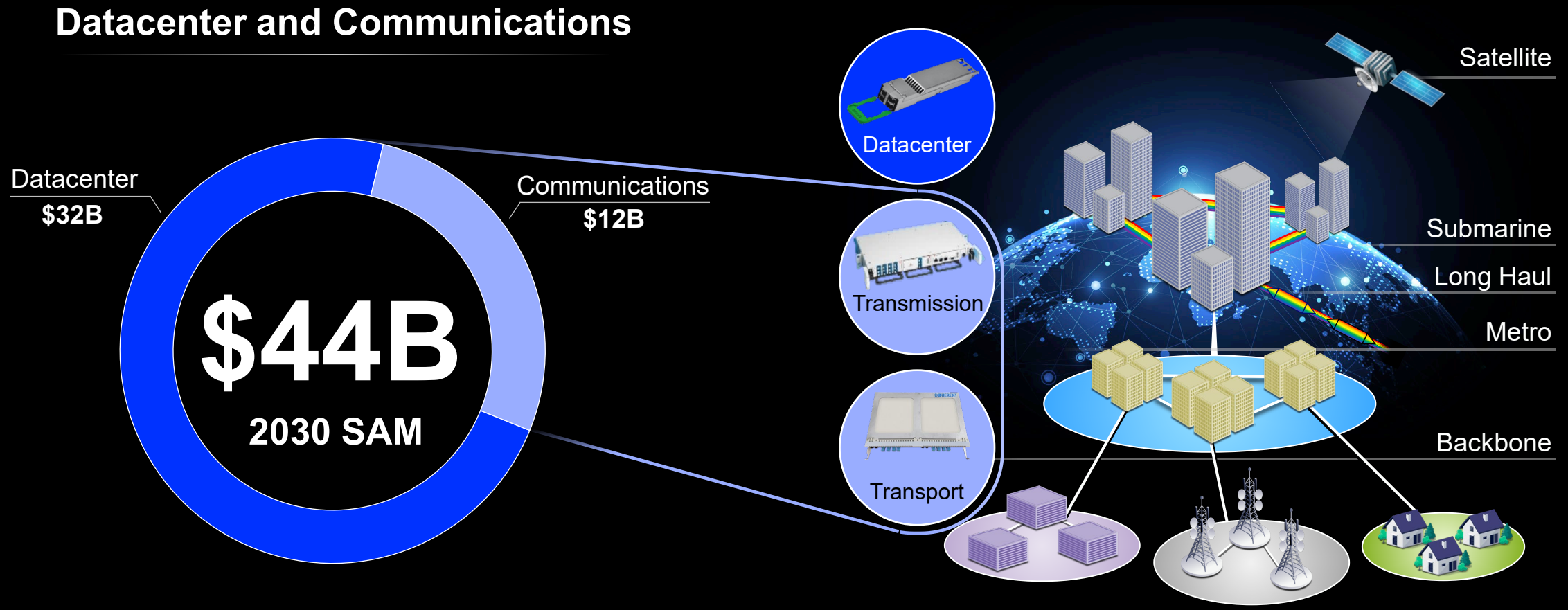
**Increasing Capacity OCS** — 2027



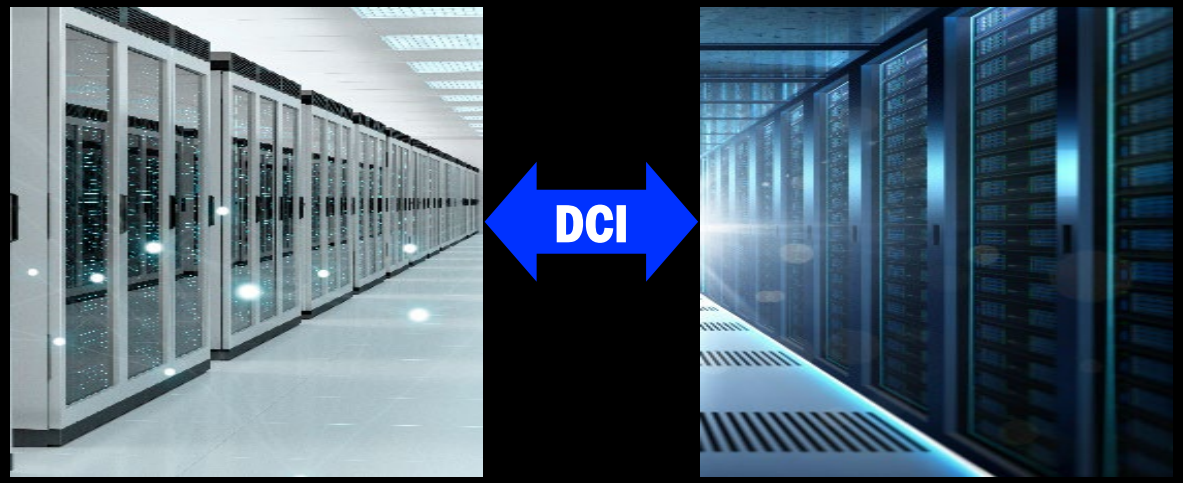
Continuous evolution to larger radix sizes

# POWERING DATACENTER AND COMMUNICATIONS NETWORKS

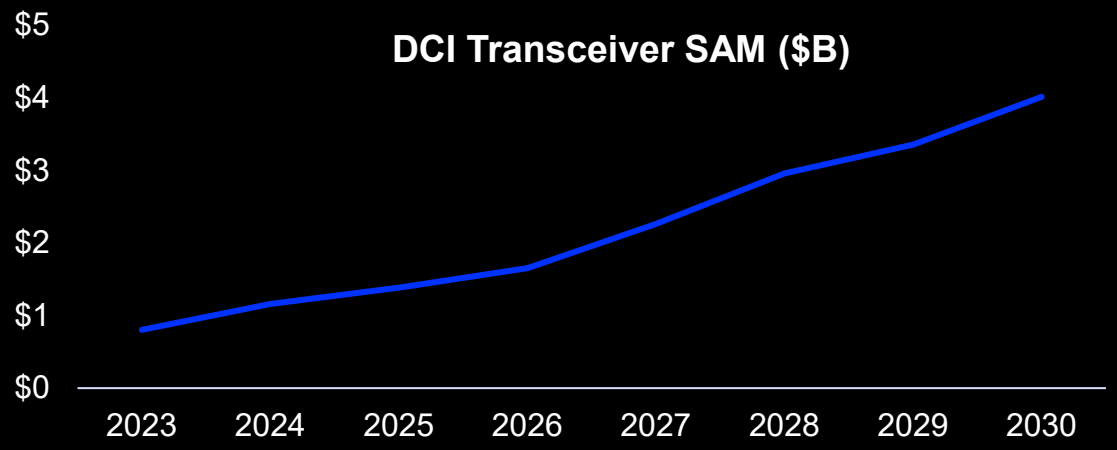
## Datacenter and Communications



# SIGNIFICANT GROWTH IN DATACENTER INTERCONNECT (DCI) TRANSCEIVERS




- Power constraints are forcing AI workloads to be spread across multiple datacenters
- Drives the need for more and higher-speed optical interconnects between datacenters
- 100G, 400G, 800G ZR/ZR+ transceivers critical for DCI



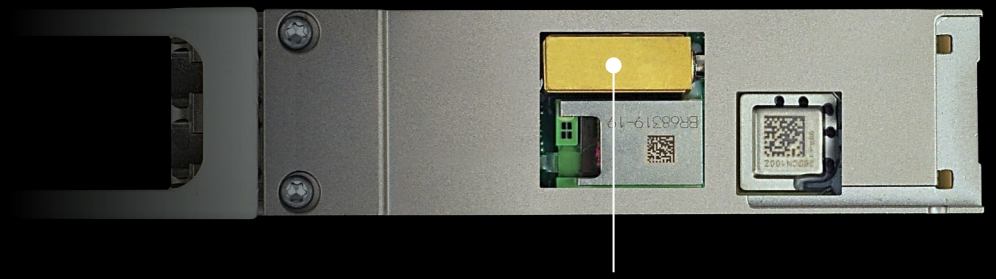

Source: Cignal AI and internal estimates

**$4B**

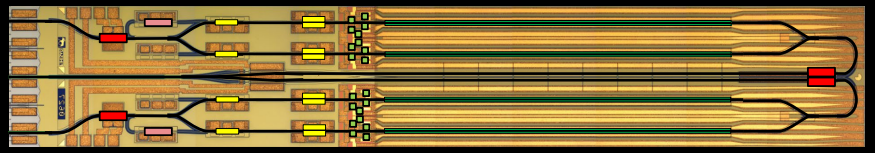
**DCI Transceiver SAM by 2030**

# DIFFERENTIATION AND TIME TO MARKET LEAD THROUGH INTERNAL TECHNOLOGY

## 100G ZR QSFP28 TRANSCEIVER



Purpose-built Power-optimized Tunable Laser



Complex InP PIC Designed and Manufactured by Coherent

## Multi-Year Lead Due to Internal InP Technology

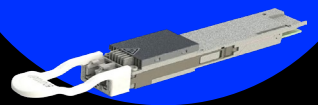
- Industry's first 100G ZR QSFP28 transceiver
- Enabled by novel low-power InP tunable laser

## First to Market on 800G ZR/ZR+ QSFP-DD

- Enabled by market-leading InP photonic integrated circuit (PIC) technology
- InP PIC technology enables power- and cost-efficient solution for C & L band

# INDUSTRY-LEADING DCI ROADMAP

**100G 400G**
In Production

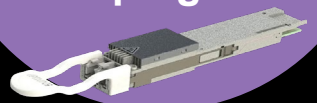


INDUSTRY FIRST

Industry's First 100G ZR QSFP28

400G ZR+ for longer reach and DCI backbones

**800G**
Ramping now

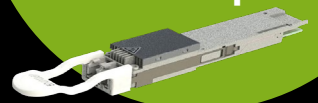


INDUSTRY FIRST

Industry's First 800G ZR/ZR+ Q-DD

Industry's First L-band 800G ZR/ZR+

**1.6T**
In Development



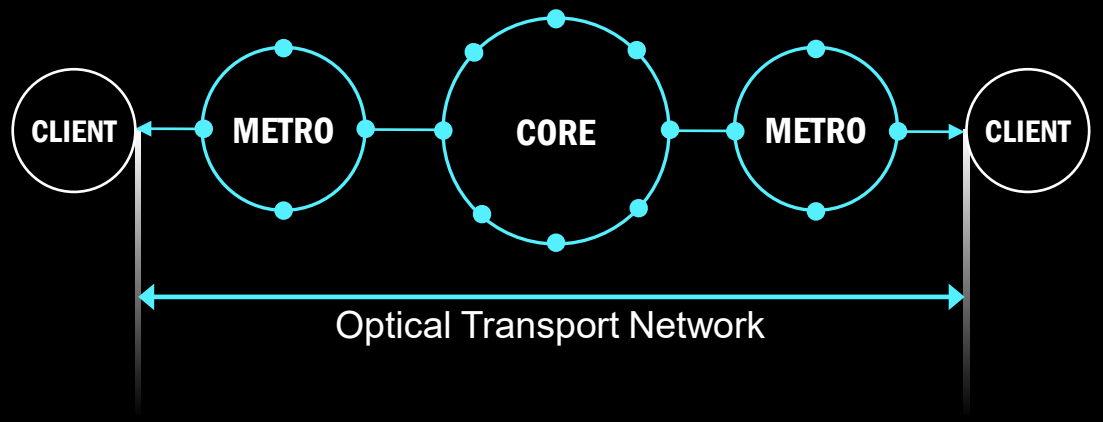
LR/ZR
AI Campus Scale Out

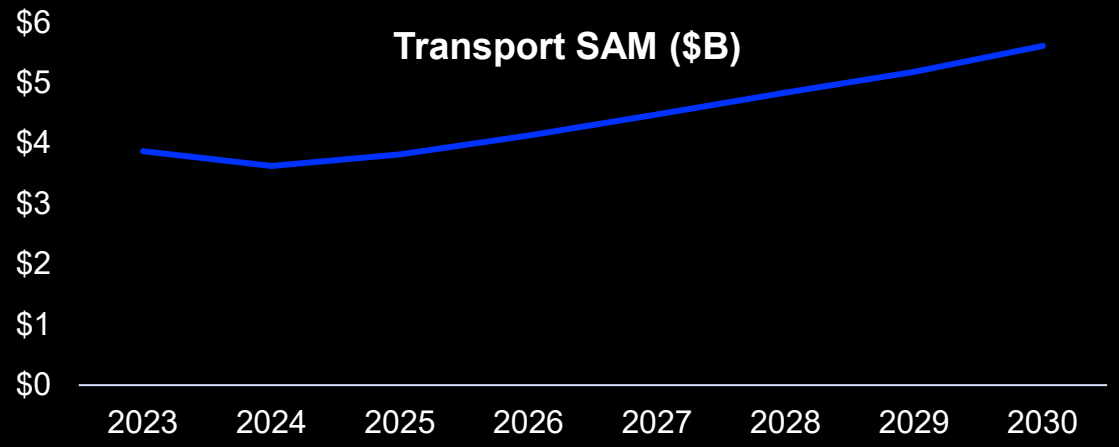
**3.2T**
In Development

FR/LR/ZR
AI Scale Out

COHERENT

# TRANSPORT EQUIPMENT CRITICAL FOR NETWORK GROWTH AND FLEXIBILITY




Note: Transport SAM - OMDIA and internal estimates

- Transport products carry, route, and monitor the optical signal from source to destination
- Key functions include:
  - Amplification
  - Switching and routing
  - Monitoring
- Deep vertical tech stack & broad solution set

**$5B**

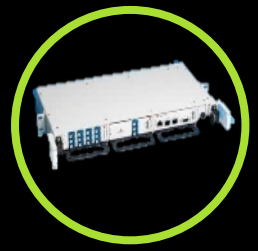
**Transport Market by 2030**

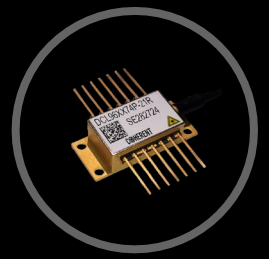
# HISTORY OF INNOVATIONS POWERING TRANSPORT NETWORK EFFICIENCY


Merchant EDFA


Wavelength Blocker DGE

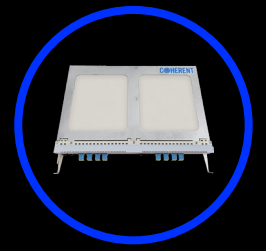

OCM


Disaggregated Subsystems


Dual Chip Pump


Uncooled μPump Nano EDFA Embedded OTDR

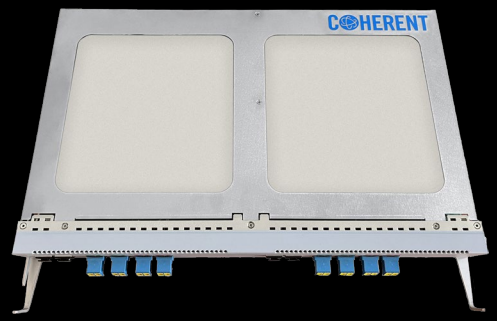

POLS


Multi-Rail

- Best-in-class GaAs pump laser chip design and efficiency for over 20 years
- Multi-generation lead in pump technology
- Deep vertical tech stack & broad solution set

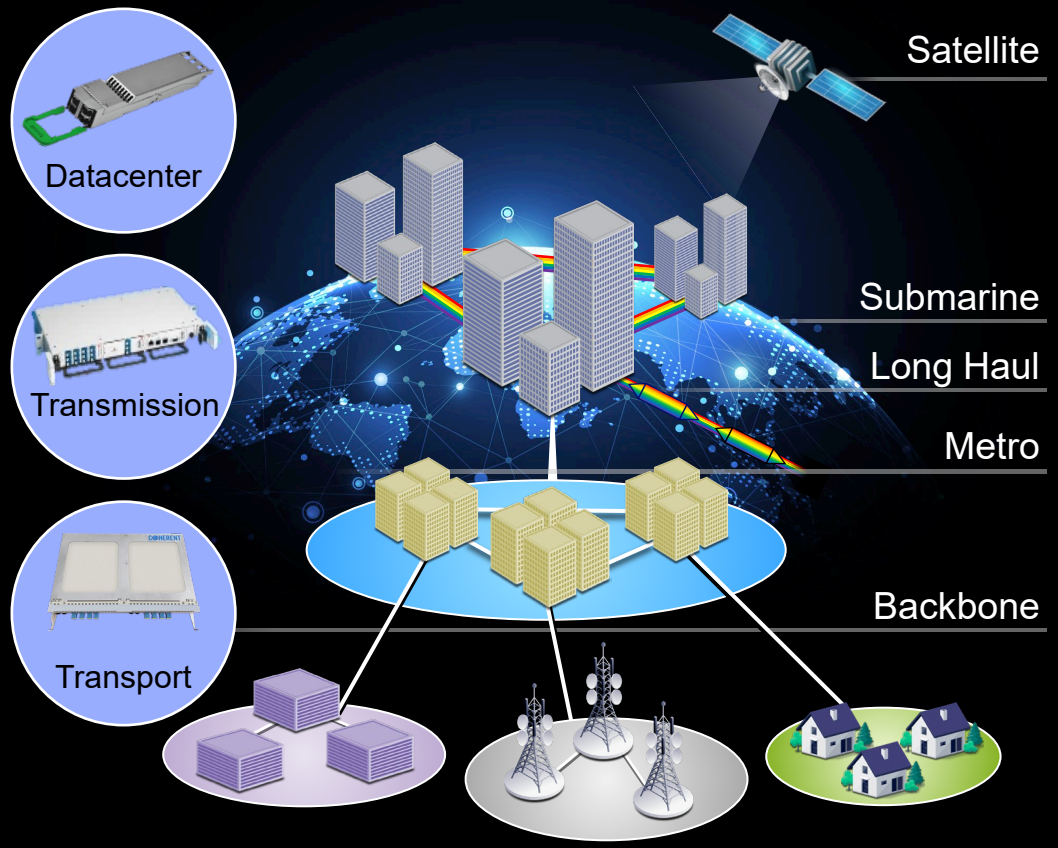
OFC 2025

INDUSTRY FIRST




**Industry First**
Demonstration of multi-rail systems for dramatic improvement in power, efficiency, and footprint

# POWERING DATACENTER AND COMMUNICATIONS NETWORKS




**Large and Rapidly Growing Markets**

**Innovation Leader with Many Industry Firsts**

**Broad and Deep Technology Portfolio**

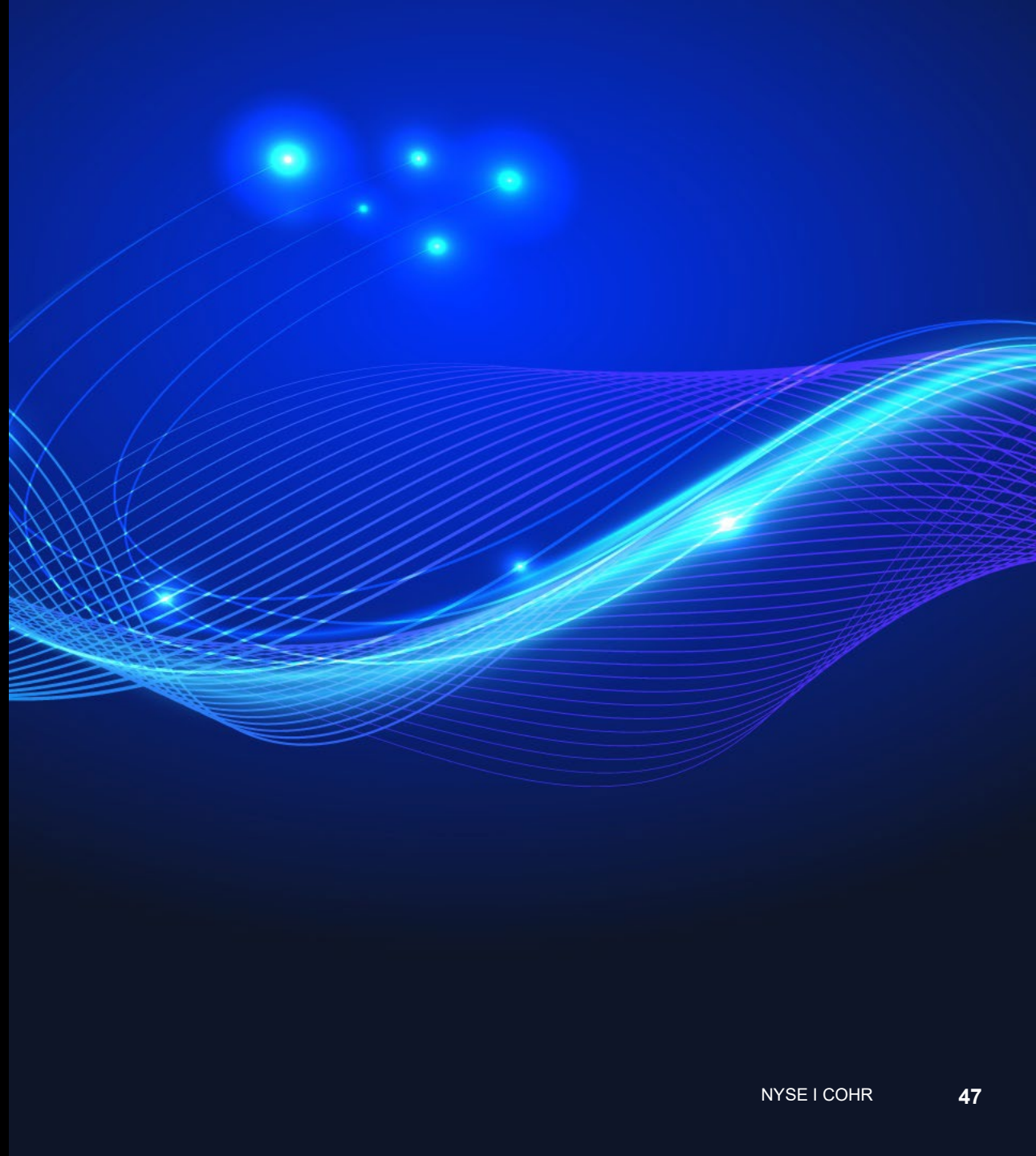
**Multi-Gen Relationships with Top Customers**

# ANALYST & INVESTOR DAY 2025

## Industrial Segment

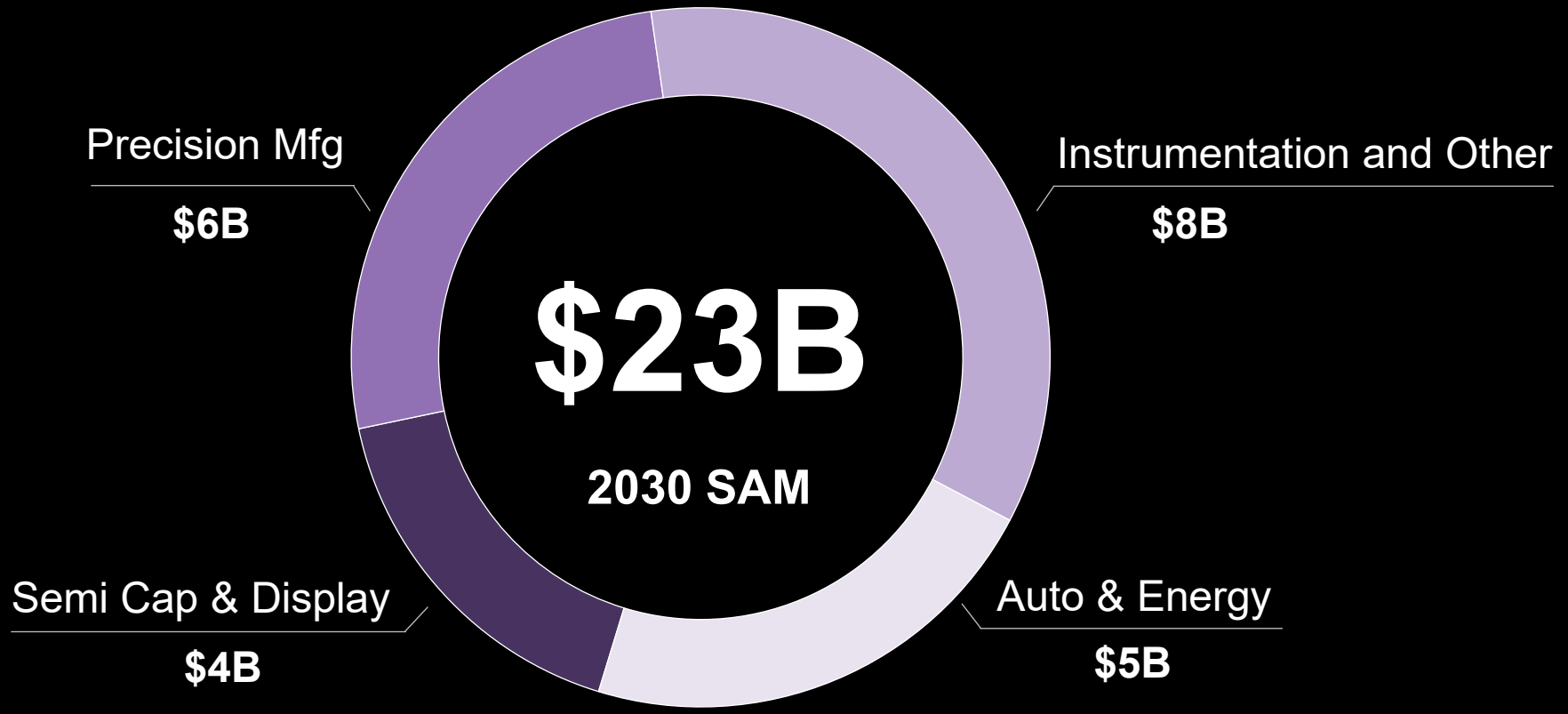
**Dr. Christopher Dorman**

**EVP, Lasers**



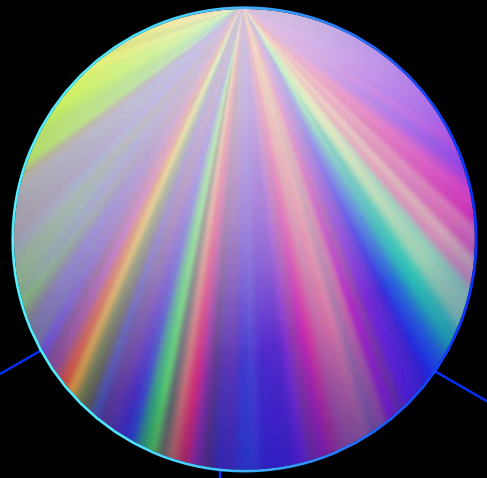
COHERENT

# LARGE MARKET OPPORTUNITY

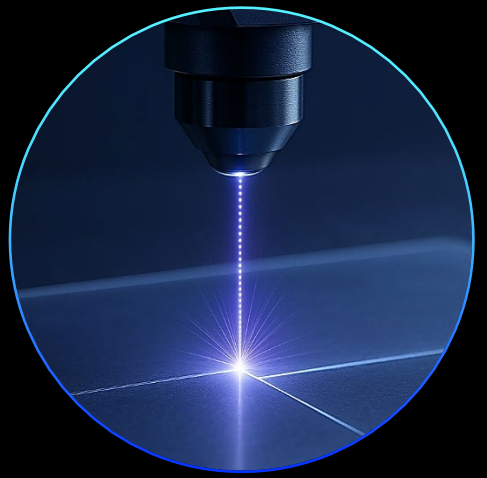


# INDUSTRIAL PHOTONICS – INNOVATION ACROSS THREE PARAMETERS

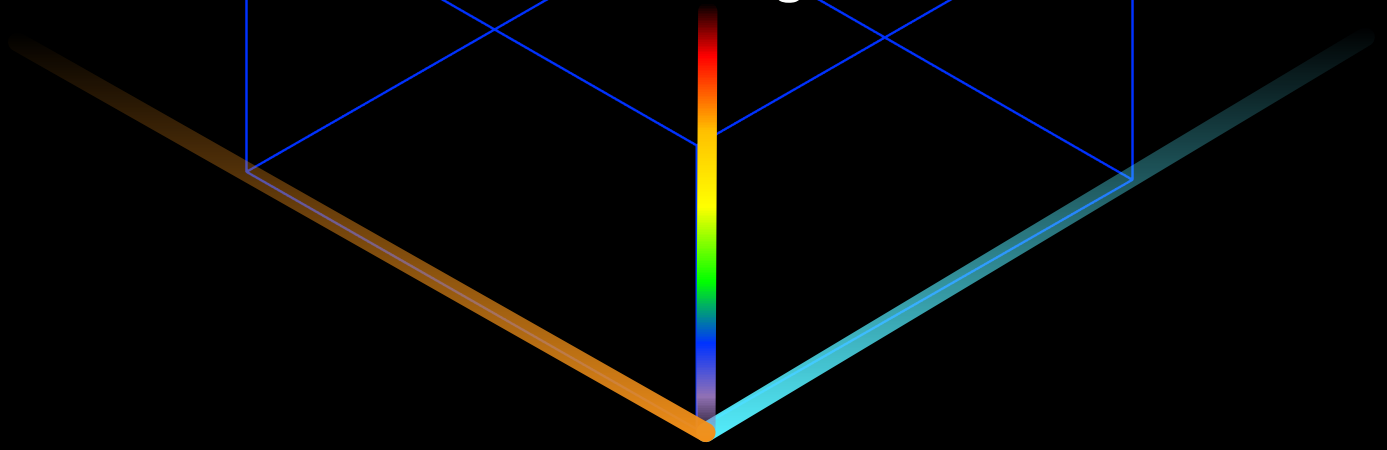
Power



Wavelength

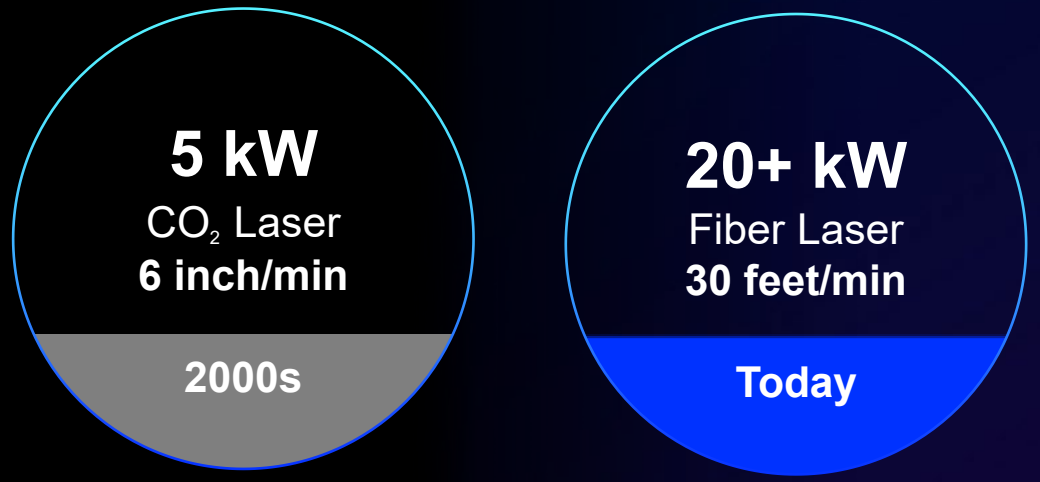


Pulse Length



# HIGHER POWER: MEANS FASTER DELIVERY OF PRECISE HEAT

**Power Increasing Over Time**
(½ inch Mild Steel Cutting Comparison)

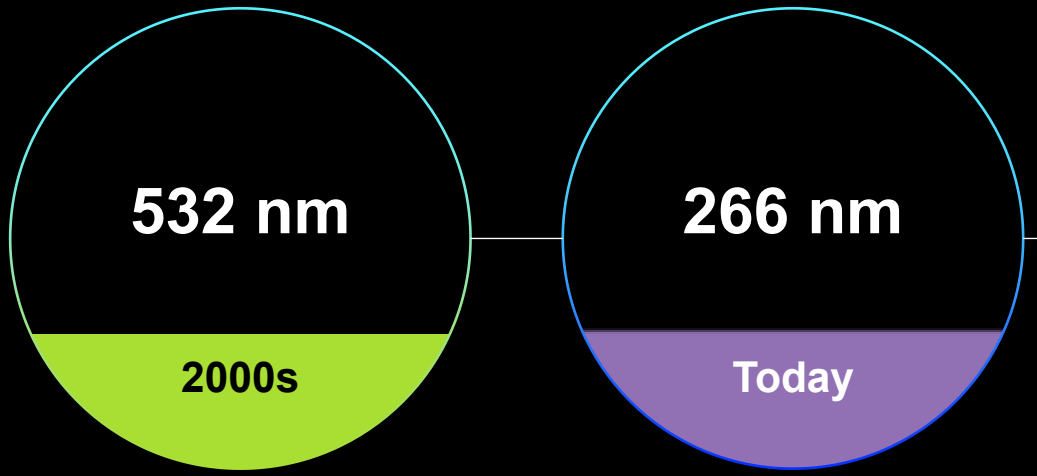



Higher Power
- More heat per second
- Faster melting
- Faster welding, cutting, scribing


COHERENT

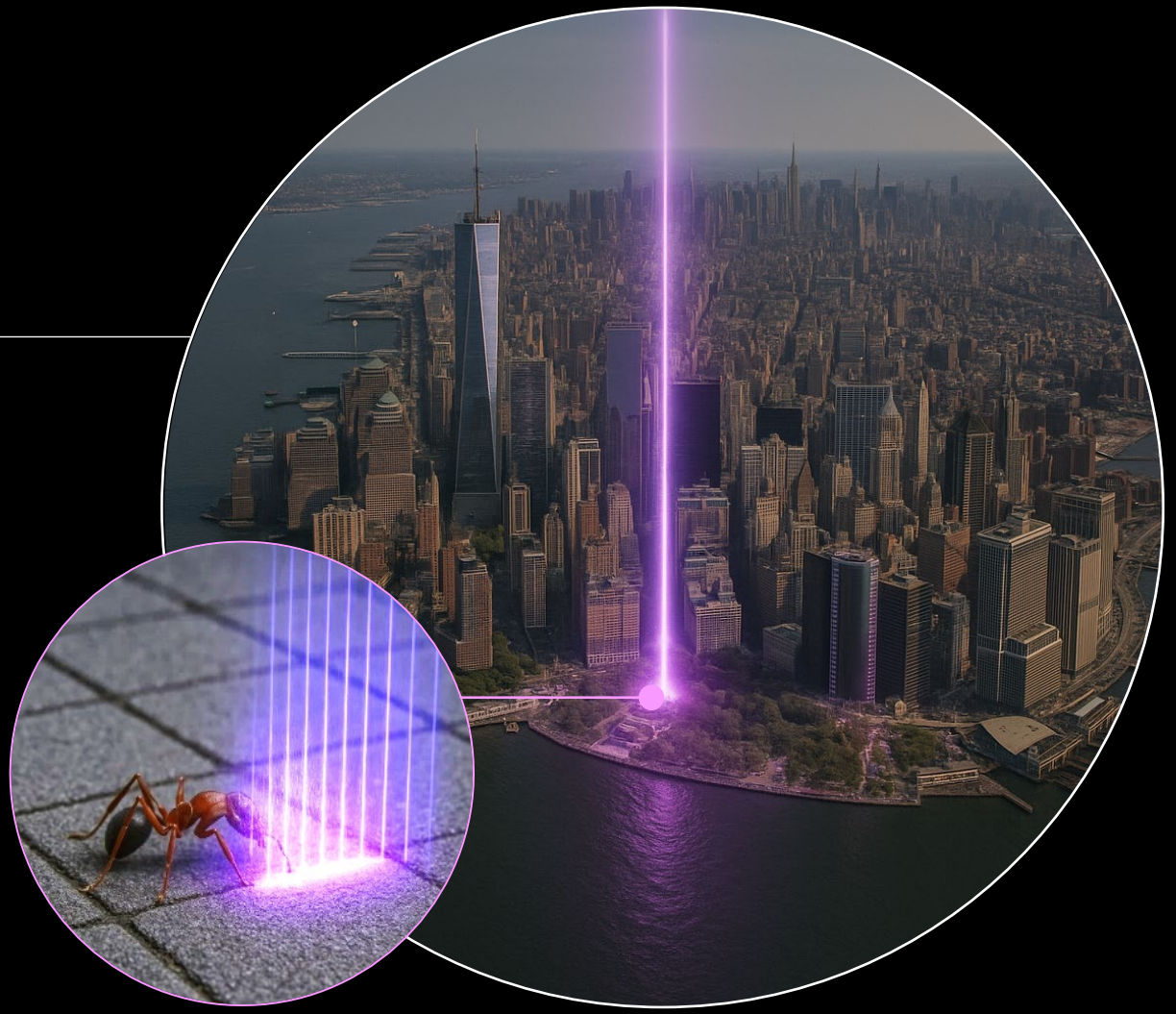
# SHORTER WAVELENGTH: MEANS FINER FEATURE MANUFACTURING

**Wavelength Decreasing over Time**

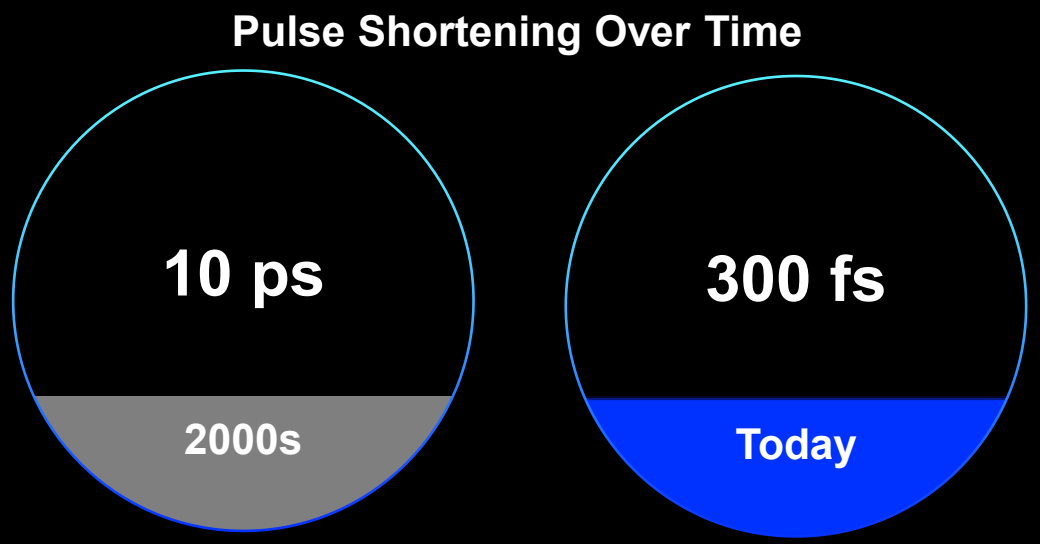



Shorter Wavelengths
- Focusing to a smaller spot
- Finer feature manufacturing
- Imaging smaller objects

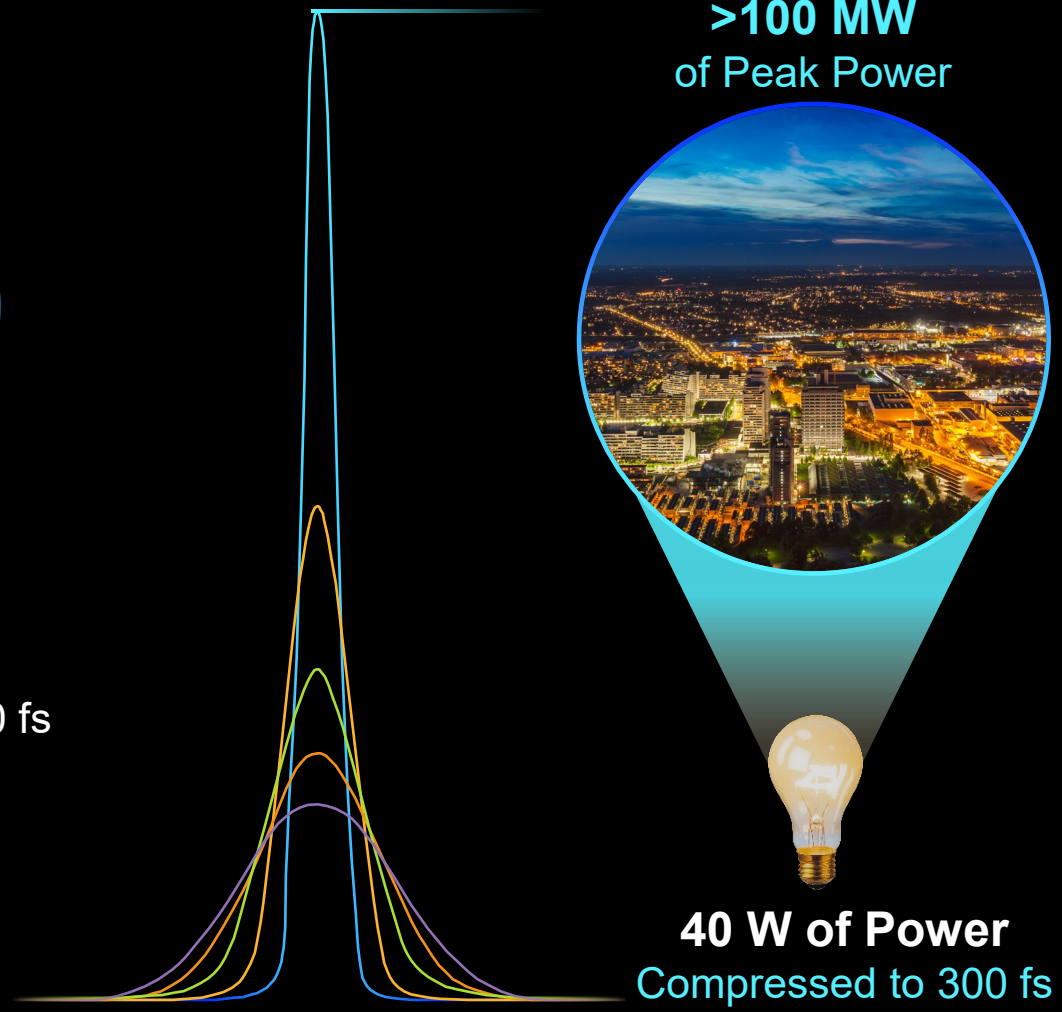
Modern wafer inspection is equivalent to scanning Manhattan in 20 seconds to find and identify the species of an ant



# SHORTER PULSES: MEANS CUTTING WITHOUT HEAT




Shorter Pulses
- Higher peak power for less time
- Heat travels at electron speed, a few atoms in 300 fs
- Cutting without heat



# FULL PORTFOLIO OF LASER TECHNOLOGY = FULL RANGE OF APPLICATIONS

| | Excimer Laser | Ion Laser | Solid State | Fiber Laser | $CO_2$ Laser |
|---|---|---|---|---|---|
| |  |  |  |  |  |
| Wavelength | UV | UV | UV – IR | IR | Far IR |
| Power | High | Low | All | High | High |
| Pulse | Long | Continuous | Continuous, Long, Ultrafast | Continuous | Continuous, Long |

# BROAD PORTFOLIO OF PRODUCTS, WIDE SPECTRUM OF MARKETS


| Market | Excimer | Ion | Solid State | Fiber | $CO_2$ |
|---|---|---|---|---|---|
| Semi Capital Equipment | ◉ | ◉ | ◉ | ◉ | ◉ |
| Precision Manufacturing | ◉ | n/a | ◉ | ◉ | ◉ |
| Display Manufacturing | ◉ | n/a | ◉ | n/a | ◉ |
| Instrumentation | ◉ | ◉ | ◉ | n/a | ◉ |

n/a = Not applicable

# LASERS MAKE MODERN SMARTPHONE MANUFACTURING POSSIBLE

**Legend:**
- Excimer
- Ion
- Solid state
- Fiber laser
- $CO_2$

Precision Manufacturing

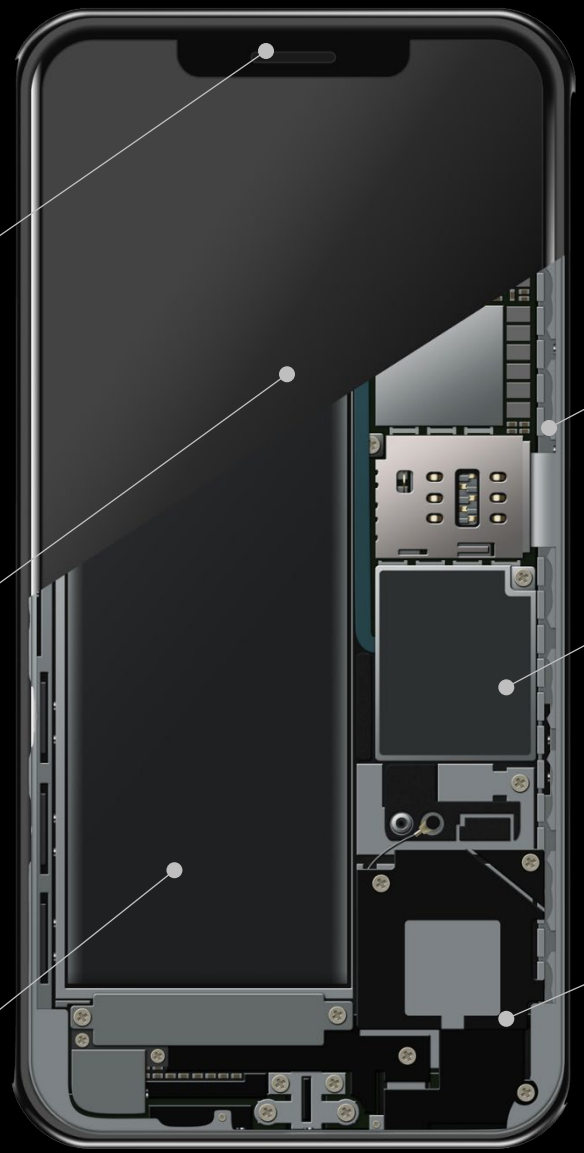
Display Cap Equipment

Semi Cap Equipment

## Camera Module / Sensor
- Sapphire Lens Cutting
- Welding / Soldering

## Display Module OLED
- LTPS Annealing
- Laser Lift-Off
- Glass / Sapphire Cutting
- Flex OLED Cutting and Drilling
- Film / Polarizer Cutting

## Battery
- Foil Cutting
- Marking / Coding
- Welding
- Structuring



## Case
- Cutting / Engraving
- Laser Marking / Coding
- 3D Molded Interconnects

## IC Logic / Memory / Modem
- Photolithography
- Bare & Patterned Wafer Inspection
- Wafer Dicing / Low-k-Scribe
- SiP Package Machining
- Wafer Annealing

## Main PCB
- Micro Via Drilling
- Laser Direct Imaging
- Laser Singulation / Depaneling

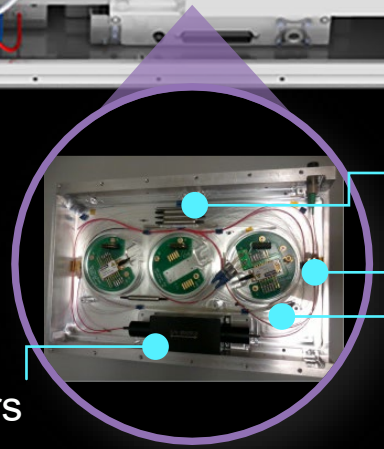
COHERENT

# DEEPEST PORTFOLIO OF PHOTONIC TECHNOLOGIES

## EXAMPLE: ULTRAFAST LASER

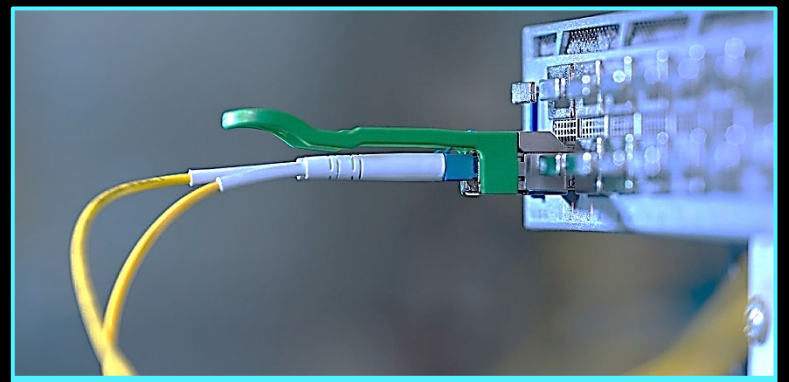

Software

**Integrated Software** for onboard control electronics, external control, and diagnostics




COHERENT

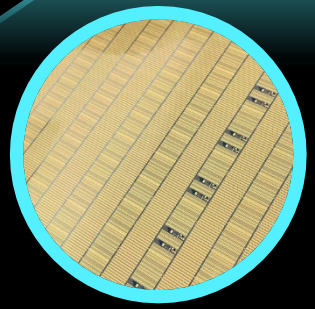
# ADVANCED MATERIALS ARE OUR KEY FOUNDATIONAL ELEMENTS



**Transceivers**

**Lasers**

**Industrial**



**Indium Phosphide**

**Gallium Arsenide**

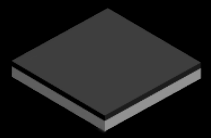
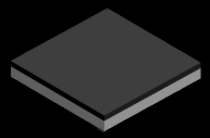
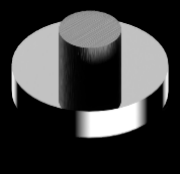
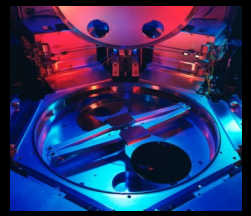
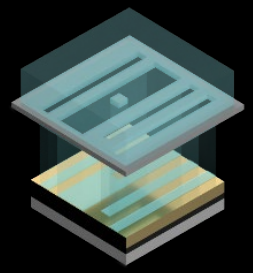
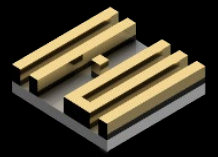
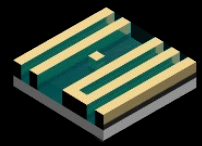
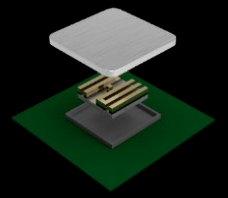
**Crystals/ Garnet**

**Zinc Selenide**

**Diamond/SiC/ Composites**

COHERENT

# ADVANCED MATERIALS MAKE SEMICONDUCTORS POSSIBLE

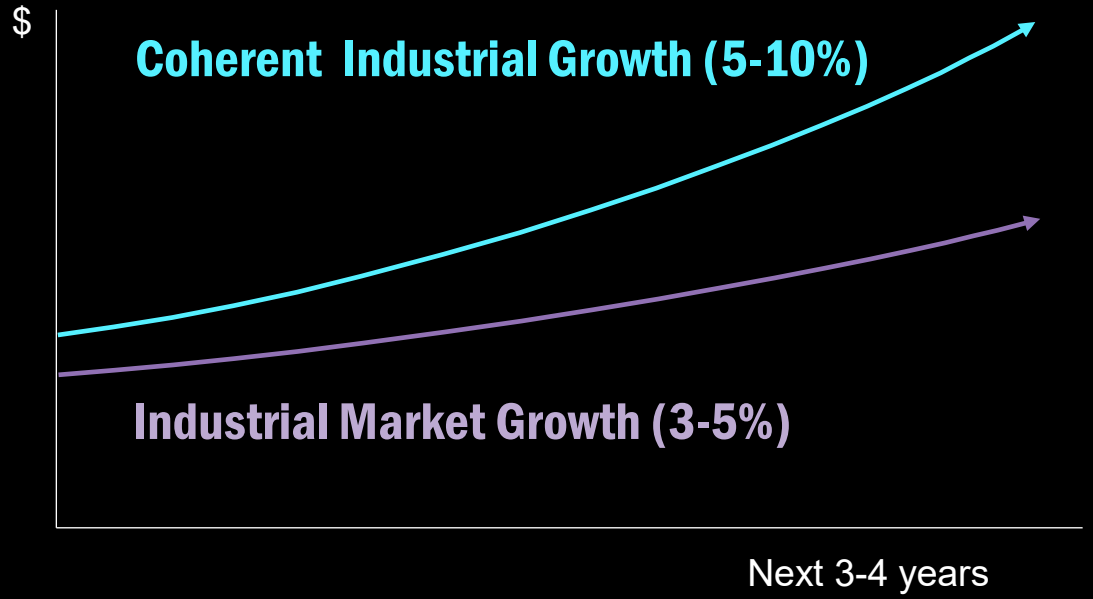









| Epitaxy | Deposition | CMP | Inspection | Lithography | Etch | Ion Implantation | Back End |
|---|---|---|---|---|---|---|---|
| Epi Susceptors | Baseplates<br>Showerheads<br>Wafer Carriers | CMP Discs | Wafer Chucks<br>Stages | Wafer Tables<br>Stages<br>Mirrors<br>Laser Windows<br>Optics<br>Crystals | Baseplates<br>Showerheads | Wafer Carriers | TCB Nozzles<br>Back-end Stages<br>Via Drilling Optics |

ZnSe
Diamond
Crystals
SiC / Engineered Materials

# KEY GROWTH DRIVERS IN OUR INDUSTRIAL END MARKETS

- **Semi Capital Equipment** — Wavelength
- **Precision Manufacturing** — Power, Pulse
- **Display Capital Equipment** — Power, Wavelength
- **Instrumentation** — Wavelength




- Increasing laser processes
- Increasing laser complexity

# INCREASING USE AND COMPLEXITY OF SEMI CAP INSPECTION LASERS

| | | | | |
|---|---|---|---|---|
| **Node** | **250 nm** | **3 nm** | **≤2 nm** | Smaller node size increases process intensity and complexity |
| Optical Inspection Steps | 3 | 85 | 100+ | Steep increase in number of inspection steps |
| Wavelength | 532 nm | 266 nm | ≤266 nm | Shorter wavelengths Increasing complexity |

# TODAY'S SEMI CAP INSPECTION LASERS ARE 5X MORE COMPLEX


Software

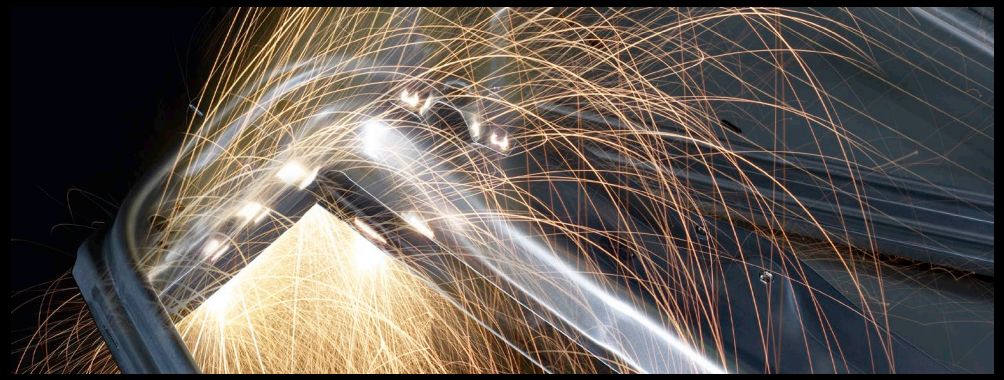
Equivalent of Entire Laser in 2002

Cutting-Edge Software

- Atomic-level mirror position control
- 20 years of internal crystal development
- Materials expertise enabling 20,000-hour lifetime

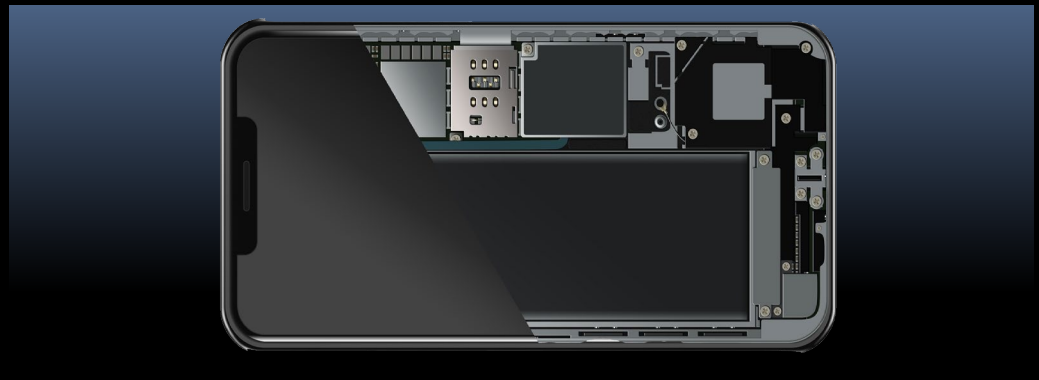
# INCREASING LASER CONTENT IN PRECISION MANUFACTURING

## Example: EV Manufacturing
## Ultra-Precise Heat



| Year | 2000s | Today | Future |
|---|---|---|---|
| Laser Process Steps | 1-2 | 40 | 50+ |
| Laser | 5 kW | 10 kW | kW, Pulsed |

## Example: Mobile Phone Manufacturing
## Ultrafast, Power Without Heat



| 2000s | Today | Future |
|---|---|---|
| 1-2 | 40 | 50+ |
| 30 ns | 300 fs | fs UV |

COHERENT

# DEEP TECH STACK ENABLES PRECISION MANUFACTURING LEADERSHIP

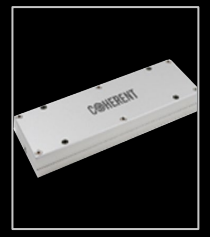
## Power: Speed- and Cost-Driven



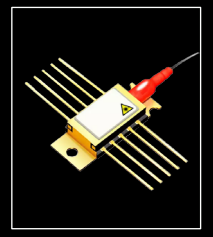
Specialty Fiber

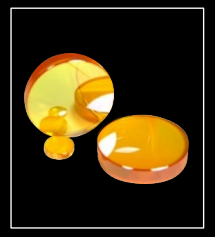

GaAs Epi Wafers


Beam Delivery Systems



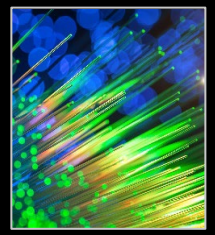
Combiner Components


Pump Assemblies


Optics

Software

## Ultrafast: Capability-Driven



Advanced Fiber


Nonlinear Crystals


Complex Optic Coatings

# PRODUCT LAUNCH: PRECISION MANUFACTURING

AIM FL Series of Single-Mode Fiber Lasers



**Launched March 2025**

- Rack-mounted industrial, multi-kilowatt single-mode fiber lasers
- For automotive, EV, medical device, and consumer goods manufacturing
- Single-mode for superior beam quality, stability, and precision
- Leverages Coherent's deep vertical tech stack

# DISPLAY MARKET: ENABLING OLED AREA GROWTH AND MICROLED ADOPTION

| | Area | Vol/year | Today | Outlook |
|---|---|---|---|---|
|  | 1X | 1.4 Billion | 55% OLED | 90% OLED |
|  | 4X | 440 Million | 5% OLED | 25% OLED |
|  | 100X | 230 Million | 0% microLED | 10% of TV Market Penetration = $1B Opportunity |

**OLED**

**2X**

Expansion in Total OLED Surface Area

**microLED**

Future Content Expansion

# UNRIVALLED UV PHOTON POWER FOR OLED DISPLAY PROCESSING

| | 2010s | Today | Future |
|---|---|---|---|
| Area of OLED (million $m^2$) | 0.01 | 10 | 20 |
| Panel Size | Gen 4.5 | Gen 6 | Gen 8 |
| Laser Power | 1 kW Excimer | 2 kW Excimer | 2 kW Excimer, DPSS |

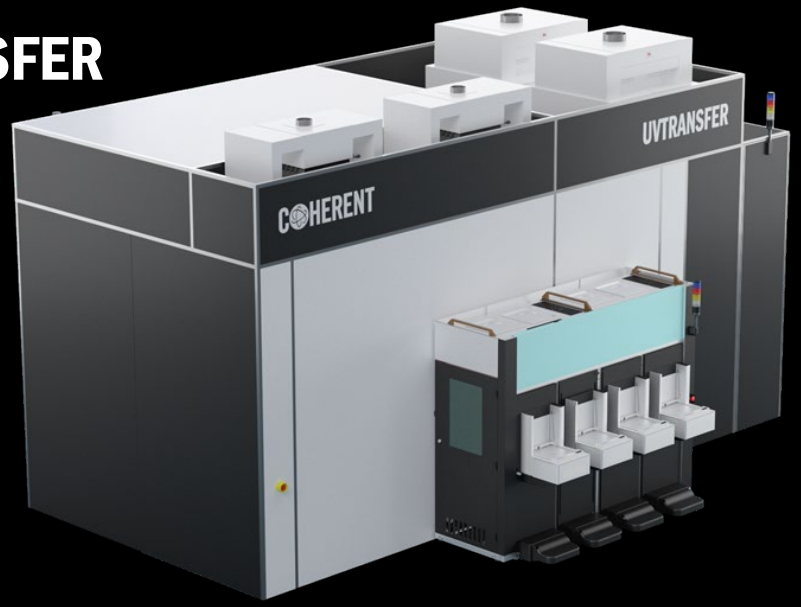
2 kW UV anneals the silicon backplane
Process of record

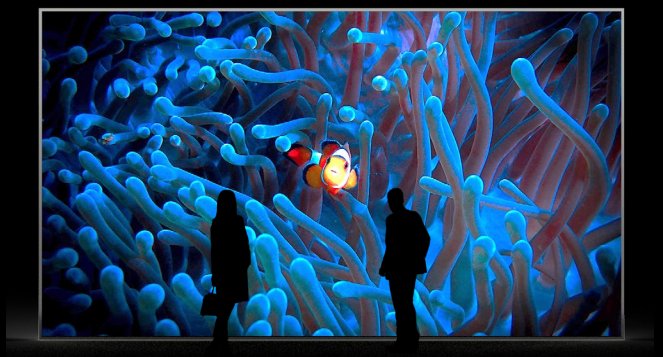
Software

Sophisticated software stack for excimer, solid state annealing

# PRODUCT LAUNCH: DISPLAY

## UVTRANSFER



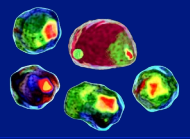
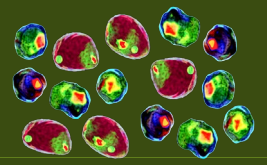
Launching This Quarter

- World's first high-throughput turnkey system for inline microLED production, more than 50k LED per second
- MicroLED for TV-sized panels
- Brightest display, tiles for size flexibility, long lifetime, robust
- Highest power of UV photons for production-ready throughput rates
- Mass transfer time reducing from hours to minutes per TV

Software

Sophisticated software stack for microLED manufacturing

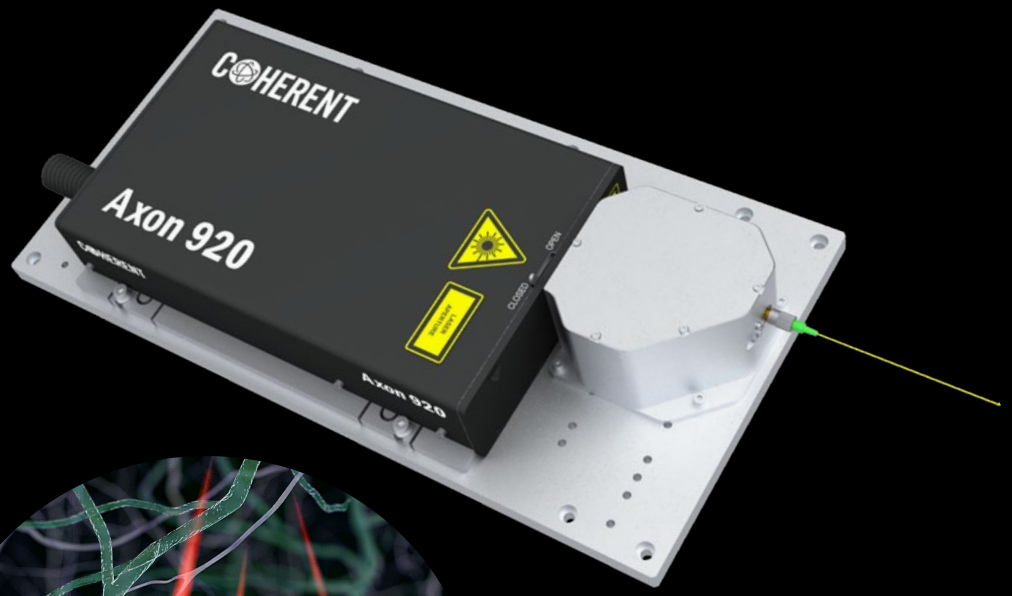
# HEALTH SCIENCES REQUIRE INCREASING PHOTONIC COMPLEXITY

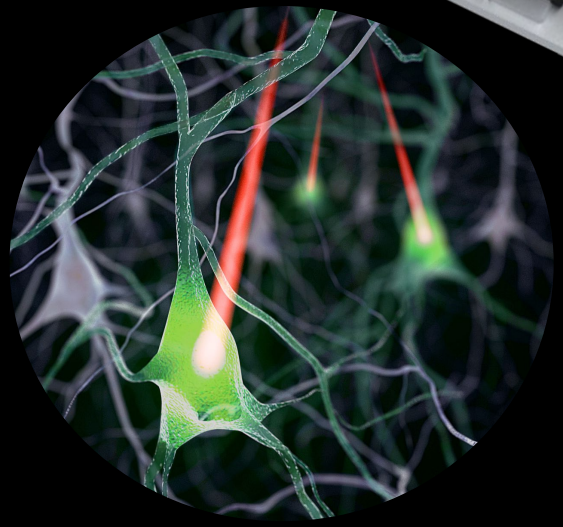
| | 2000s | Today | Future |
|---|---|---|---|
| Cells / s |  |  |  |
| | 10,000 | 50,000 | 150,000 |
| Colors | 1-2 | 6 | 9+ |
| Contents |  |  |  |


- Flow Cytometry: Laser-based analysis to rapidly count thousands of cells
- Detects cancers, detects diseases, assesses vaccines
- Growth driven by an aging population and personalized medicine
- High-dimensional analysis

Software

# PRODUCT LAUNCH: INSTRUMENTATION – AXON FL



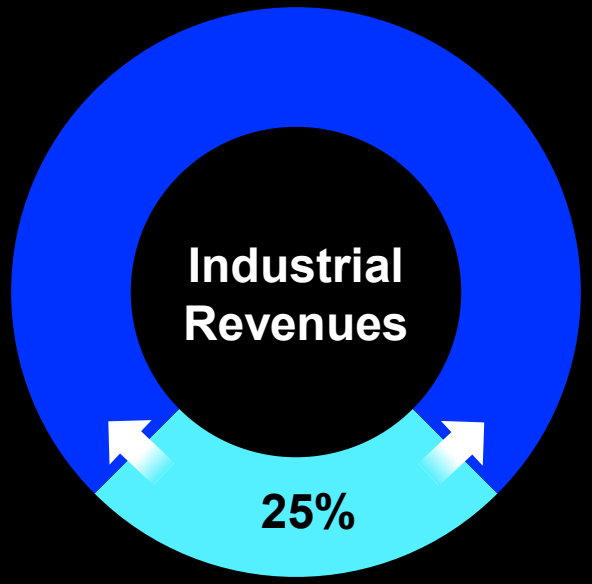
Launched This Quarter

- 140 fs 920 nm pulses for 3D imaging of brains to neuron-level accuracy
- Enables real-time laser imaging of neural activity on mobile subjects, providing real-world feedback
- Neuroscience, disease research, drug discovery, and moving toward clinical applications
- Driven by an aging population

Software

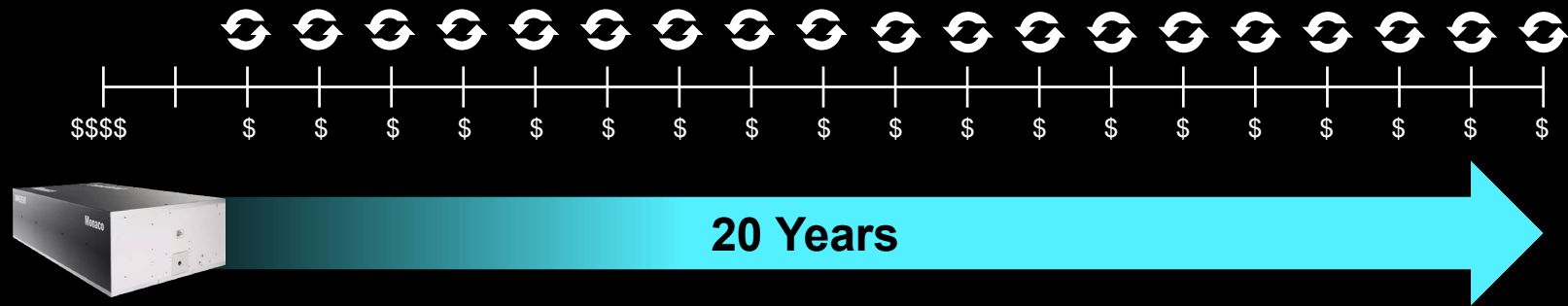
Sophisticated software stack for neuroscience

# EXPANDING RECURRING SERVICE REVENUE STREAMS




Growing Service and Consumables Revenue

**Example: Solid State Laser**




**System Sale Revenue**

**$1X**

**Service and Consumables Revenue**

**$5X**

**Enduring Service Revenue**

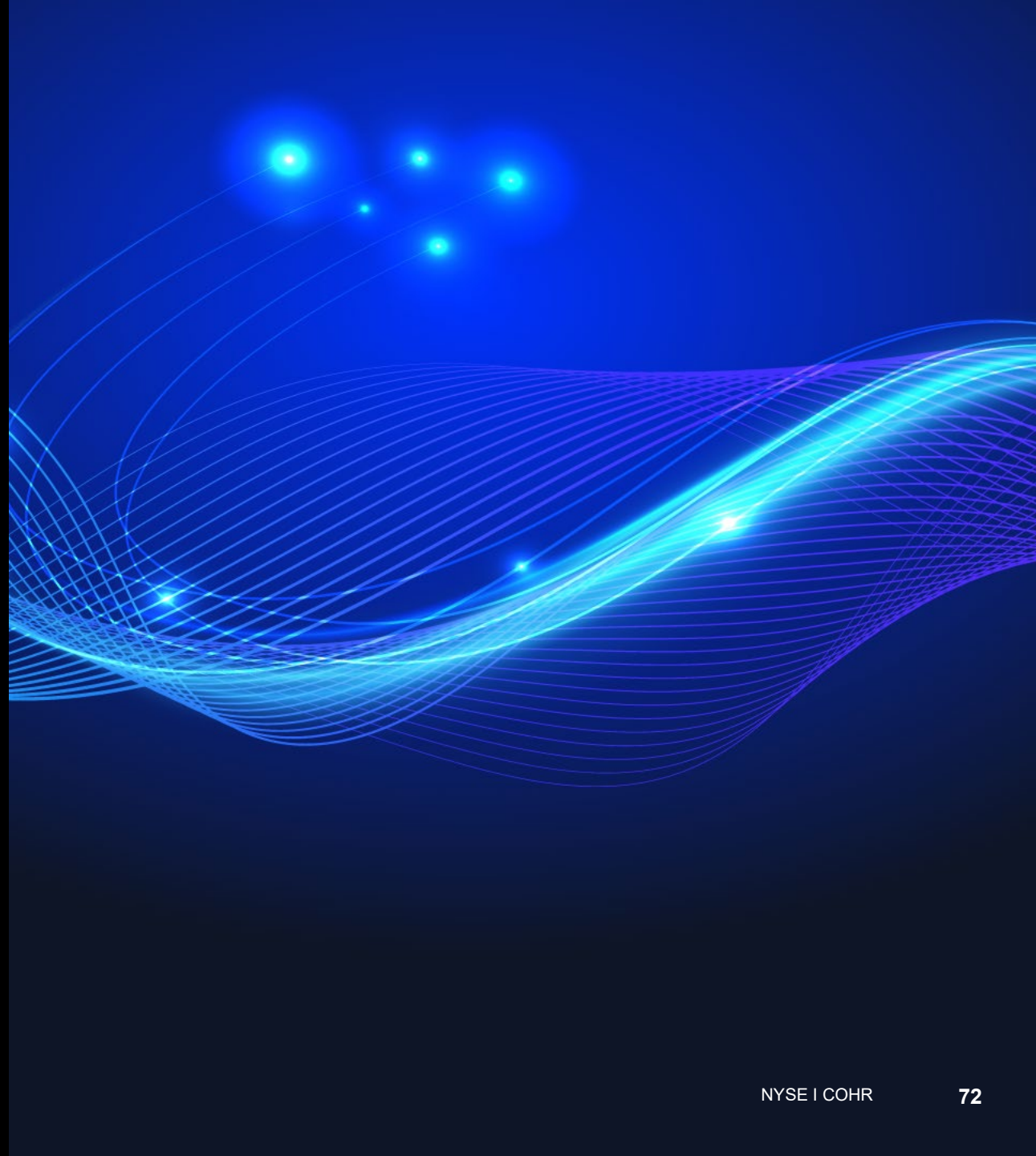
# GROWING COMPLEXITY AND CONTENT

**Faster than Market Growth** | **Unmatched Product Portfolio** | **Deep Technology Stack** | **Long Life, High Margin Revenue**

# ANALYST & INVESTOR DAY 2025

## Financials

**Sherri Luther**
**CFO**



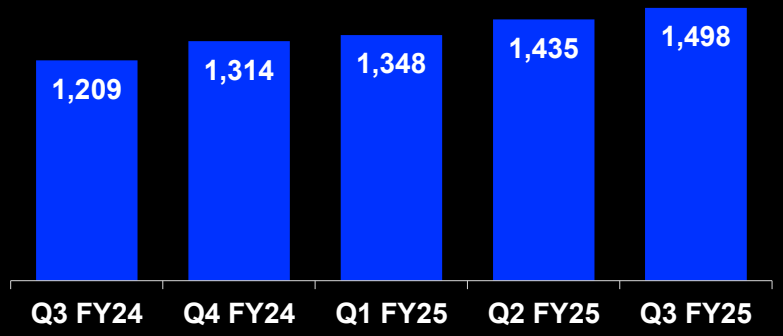
COHERENT

# KEY FINANCIAL PRIORITIES

| Strong Revenue Growth | Margin & Profit Expansion | OpEx Efficiency | Disciplined Capital Allocation |
|---|---|---|---|

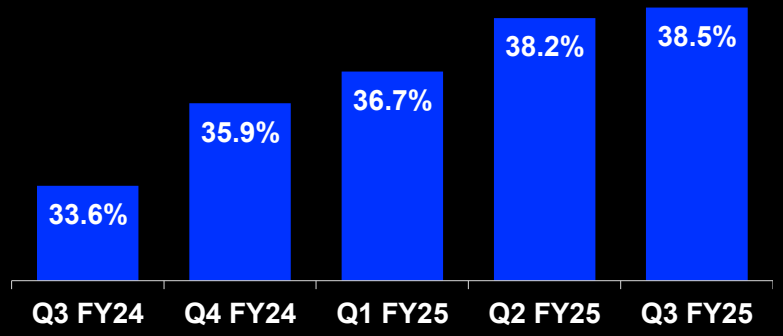
# FINANCIAL PROGRESS TO DATE

## REVENUE ($M)



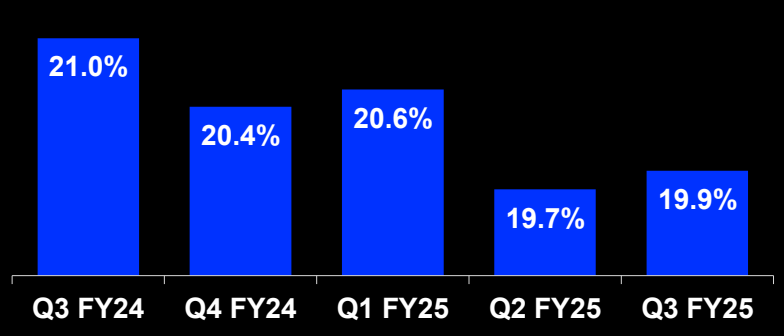

*24% Revenue Growth*

## GROSS MARGIN



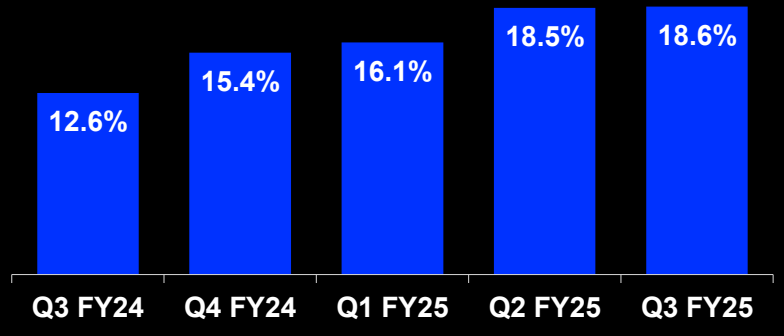

*+ 490 bps Expansion*

## OPEX



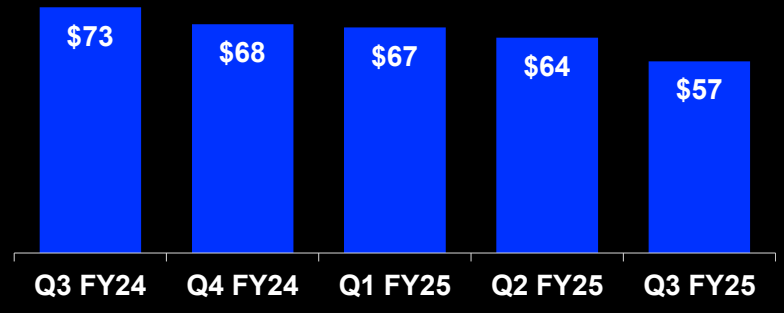

*OpEx Discipline*

## OPERATING INCOME %



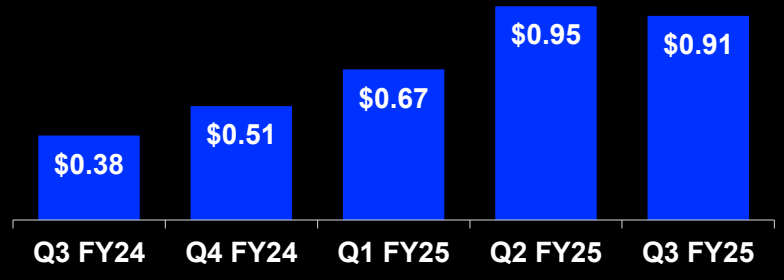

*+ 600 bps Expansion*

## INTEREST EXPENSE ($M)




*22% Reduction in Interest*

## EARNINGS PER SHARE

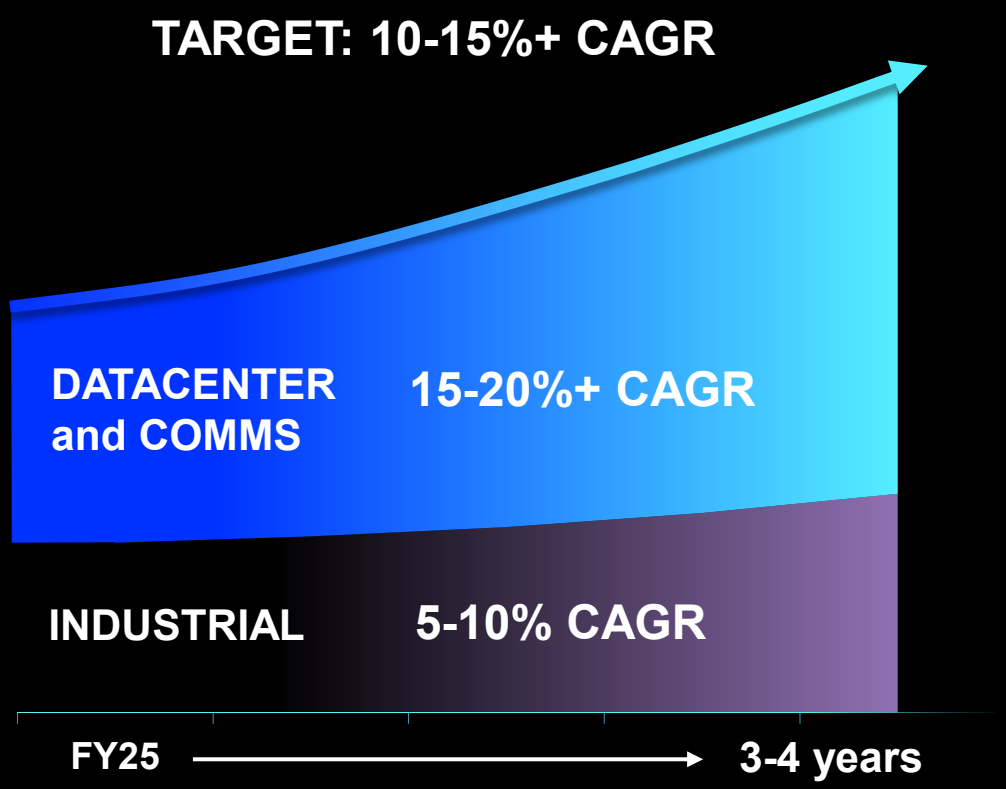



*2.4X EPS Growth*

Note: All comparisons for Q3'25 vs Q3'24. See appendices for non-GAAP financial measures and the GAAP to non-GAAP reconciliation.

# DRIVING DOUBLE-DIGIT REVENUE GROWTH

## Revenue




## Growth Drivers

### DATACENTER and COMMUNICATIONS

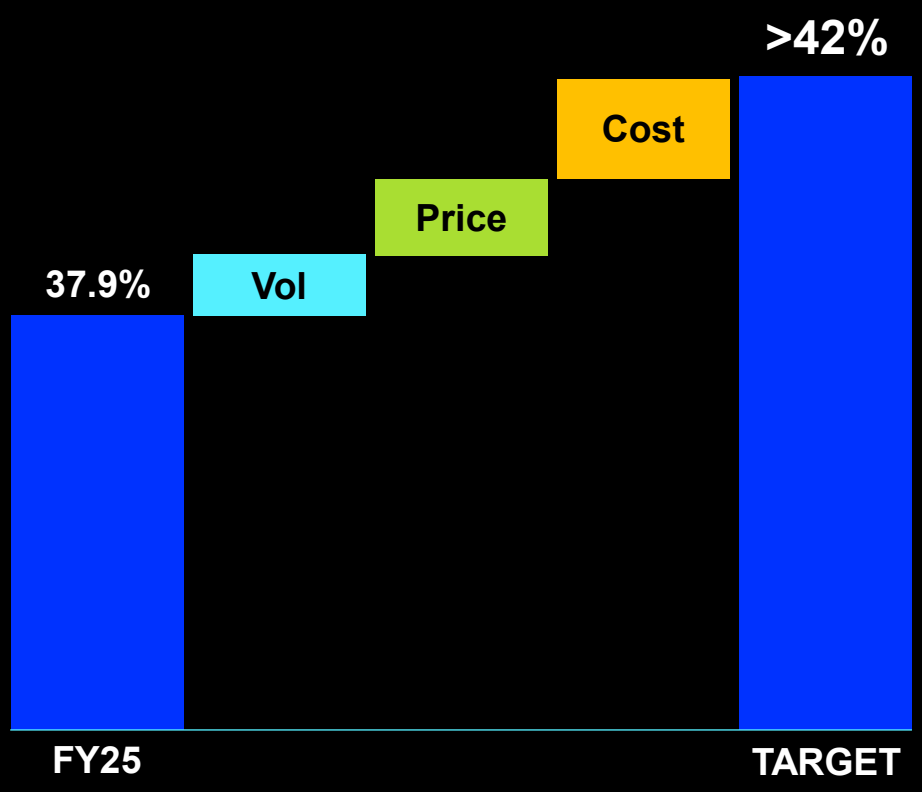
- AI datacenter market growth
- SAM expansion, e.g., optical switching
- Share gain opportunity

### INDUSTRIAL

- Industrial market growth
- Content expansion of lasers and optics
- Growing recurring service revenue stream

# GROSS MARGIN EXPANSION

## Gross Margin




## Expansion Strategies

### Product Volume
- Improved absorption on higher volumes is a tailwind
- Potential headwinds from mix

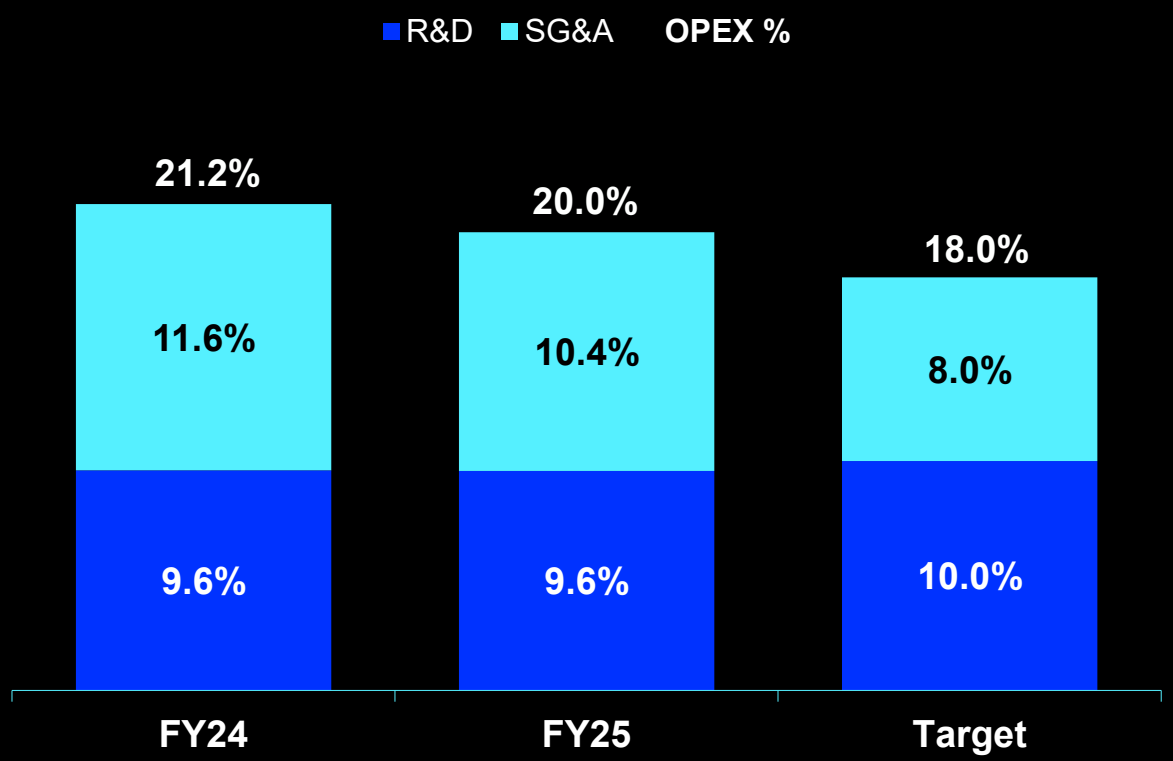
### Pricing Optimization
- New pricing tools & analytics
- Depth & breadth of product offerings

### Cost Reductions
- Operational improvements in efficiency & yield
- Reductions in fixed costs and overhead

Note: Non-GAAP Gross Margin. See appendices for non-GAAP financial measures and the GAAP to non-GAAP reconciliation.

# INVESTMENTS FOR LONG-TERM GROWTH

## Operating Expenses




## Investment Strategy

### SG&A

- Disciplined G&A expense management
- Drive efficiencies & leverage with low-cost geos
- Operational leverage as revenue grows

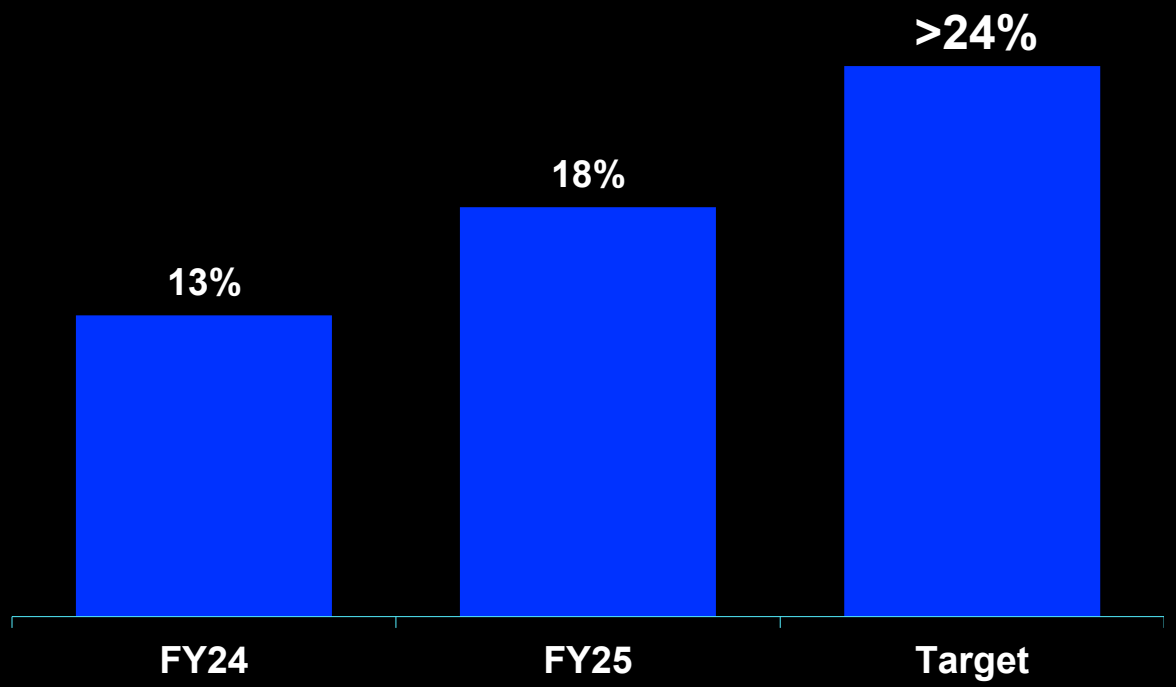
### R&D

- Scale with revenue & invest in long-term growth
- Investments with the highest ROI
- Shift investments to profit & growth engines

Note: See appendices for non-GAAP financial measures and the GAAP to non-GAAP reconciliation.

# PROFITABILITY GROWTH

## Operating Margin



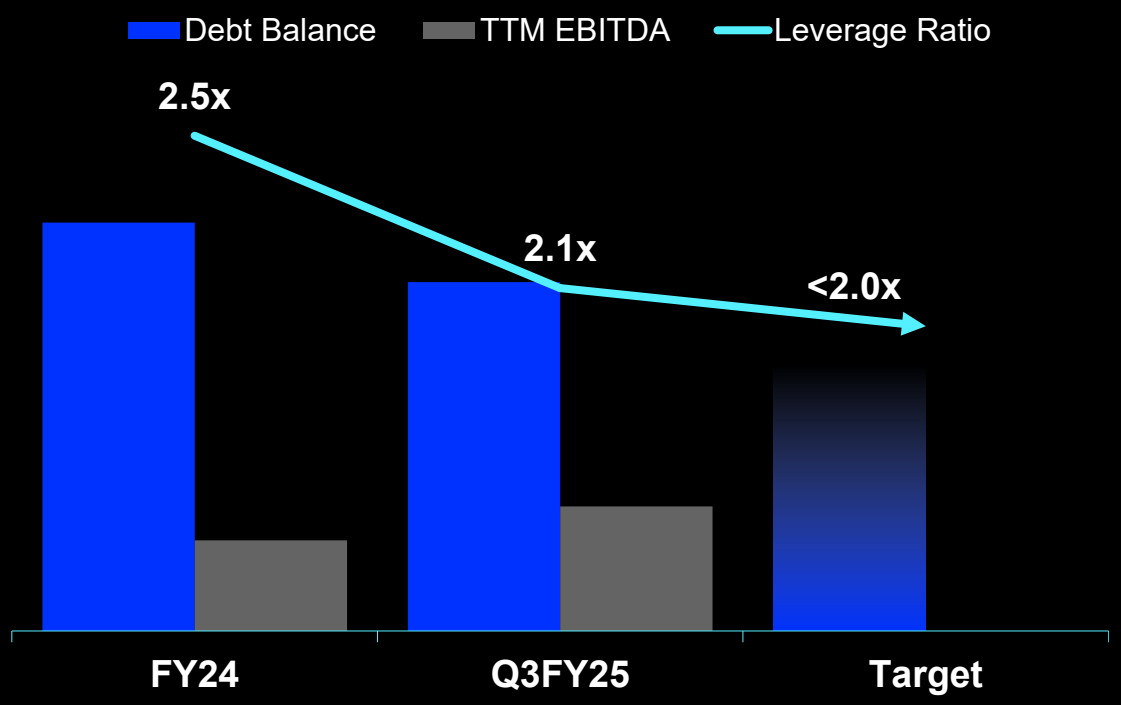

## Profitability Expansion

- Double-digit revenue growth
- Gross margin expansion
- Disciplined SG&A spend
- R&D investments for long-term growth

Note: See appendices for non-GAAP financial measures and the GAAP to non-GAAP reconciliation.

# STRENGTHENING THE BALANCE SHEET

## Leverage Ratio




## Cash Allocation

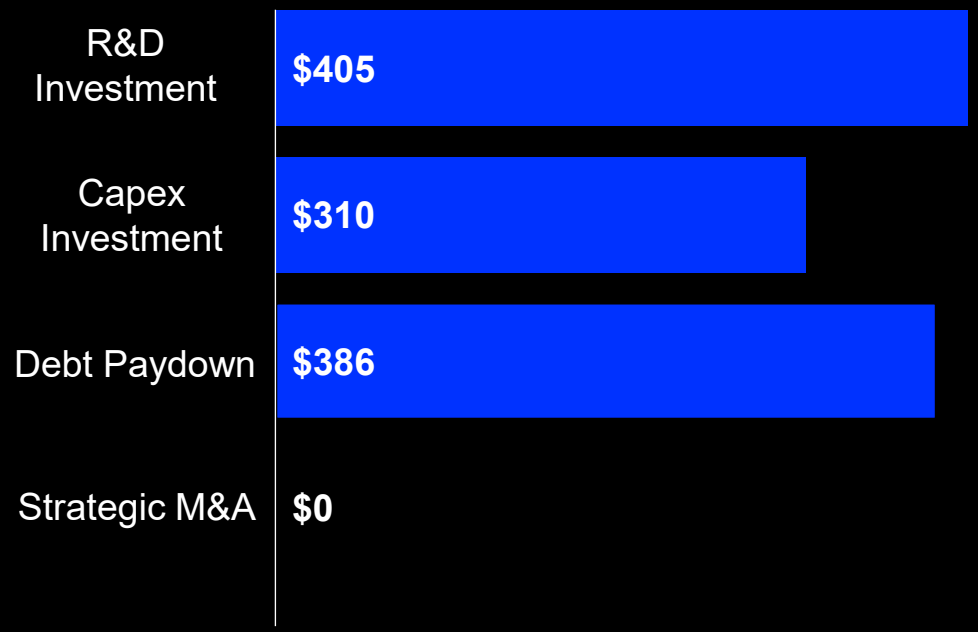
- Maintain strong liquidity
- Excess cash used to pay down debt
- Reduced interest rate by 75 bps through debt repricing
- Drive leverage ratio to <2.0x
- Debt payments of $386M made in FY25 YTD

## Focus on Debt Leverage Reduction

Note: Non-GAAP financial measures. See appendices for GAAP to non-GAAP reconciliation. Debt leverage ratio as defined by credit agreement, excludes convertible preferred shares.

# CAPITAL ALLOCATION

## Capital Allocation in Q1-Q3 FY25 ($M)




## Go-Forward Strategy

**Organic Investment**

Invest in the product portfolio

Capex investment to support revenue growth

**Debt Paydown & Interest Reduction**

Reduce leverage ratio to <2.0

**Strategic M&A**

Adjacent & complementary to the core business

**Investing to Drive Long-Term Revenue Growth and Reduce Debt and Interest**

# FINANCIAL TARGET MODEL

| | FY24 | FY25 | Target Model (Next 3 to 4 years) | |
|---|---|---|---|---|
| **Revenue Growth (YoY)** | **(9%)** | **+23%** | **10-15%+** | Sustainable double-digit growth |
| **Gross Margin** | **34.3%** | **37.9%** | **>42%** | Pricing optimization & cost reduction strategy |
| **OpEx** | **21.2%** | **20.0%** | **18%** | Investing in long-term product portfolio (10% R&D, 8% SG&A) |
| **Operating Margin** | **13.1%** | **17.8%** | **>24%** | Expanding margins & profitability |

## Focused on Driving Long-Term Shareholder Value

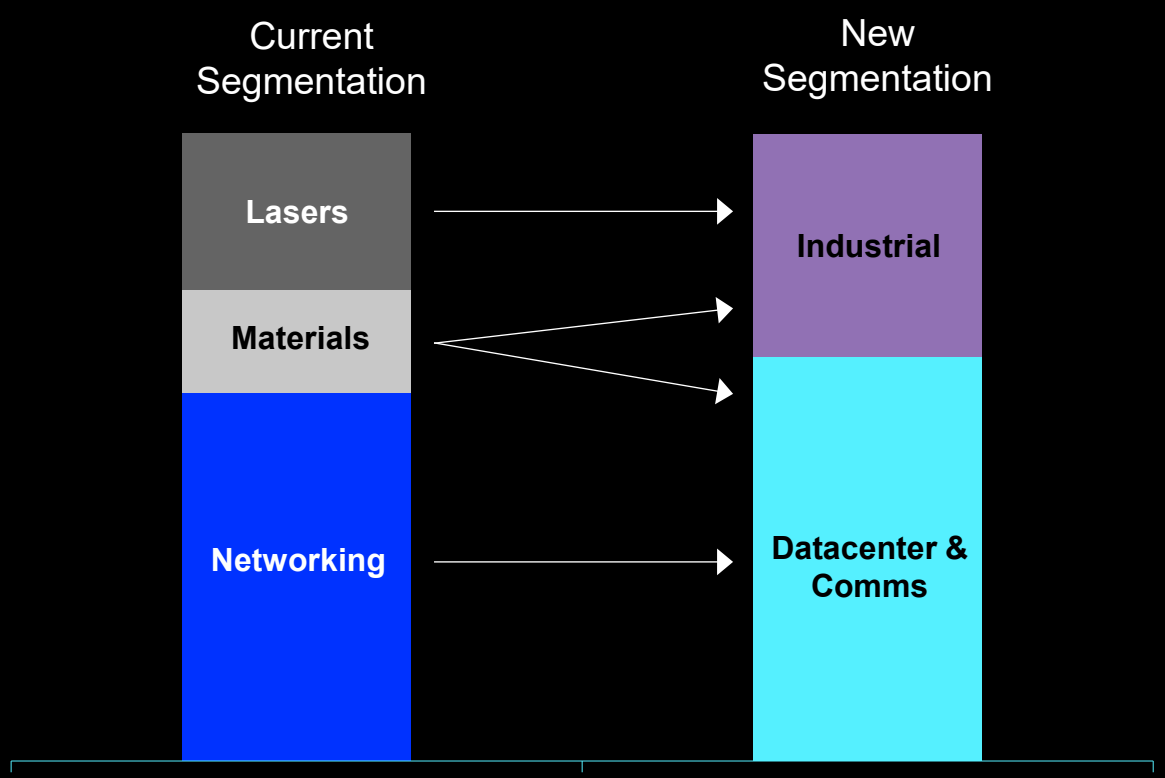
Note: See appendices for non-GAAP financial measures and the GAAP to non-GAAP reconciliation.

# TARIFFS

- Based on the current tariff policy, the impact of tariffs to our business in Q4 FY25 is not expected to be significant
- Any changes to this current landscape could change the expected impact
- We believe we have a resilient & flexible supply chain highly valued by our customers
    - Global manufacturing footprint with 60 different locations across 14 countries
    - Half of our manufacturing locations are in the U.S.
    - Internal production of many of our most critical technology in-feeds
    - Adaptable supply chain with optionality that benefits our customers
- We expect to adapt as necessary to support our customers in response to any changes in the landscape

# NEW REPORTING SEGMENTATION BEGINNING IN FY26

## Revenue Distribution




## New Segments

- New reporting segmentation will be effective FY26
- Reflects better alignment with end markets

**INDUSTRIAL**

- Semiconductor and Display Capital Equipment
- Precision Manufacturing, Instrumentation and Other

**DATACENTER and COMMUNICATIONS**

- Datacom Transceivers and Components
- Telecom and DCI

Note: Revenue distribution is based on FY25 Forecast.

# KEY FINANCIAL PRIORITIES

| Strong Revenue Growth | Margin & Profit Expansion | OpEx Efficiency | Disciplined Capital Allocation |
|---|---|---|---|

# APPENDIX: GAAP TO NON-GAAP RECONCILIATIONS

Non-GAAP financial measures on these slides include gross margin, operating expense percentage, operating margin, operating income percentage and earnings per share. See appendices for GAAP to non-GAAP reconciliations. Debt leverage ratio as defined by credit agreement, excludes convertible preferred shares. All comparisons for quarterly data are Q3’25 vs Q3’24.

FY25 is Q1 to Q3 actuals plus Q4 mid-point of guide. The Company does not provide reconciliations of forward-looking Non-GAAP measures. 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.

# GROSS MARGIN RECONCILIATION

| (Millions, except percentages) | Q3 24 | Q4 24 | Q1 25 | Q2 25 | Q3 25 | FY24 |
|---|---|---|---|---|---|---|
| GAAP Gross Margin | $366 | $432 | $460 | $509 | $528 | $1,456 |
| GAAP Gross Margin % | 30.3% | 32.9% | 34.1% | 35.5% | 35.2% | 30.9% |
| Share-based compensation | 5 | 5 | 6 | 6 | 5 | 23 |
| Amortization of acquired intangibles | 31 | 30 | 30 | 30 | 44 | 122 |
| Integration, site consolidation and other | 4 | 4 | (1) | 3 | - | 15 |
| Non-GAAP Gross Margin | $406 | $471 | $495 | $ 548 | $577 | $1,616 |
| Non-GAAP Gross Margin % | 33.6% | 35.9% | 36.7% | 38.2% | 38.5% | 34.3% |

# OPERATING EXPENSES RECONCILIATION

| (Millions, except percentages) | Q3 24 | Q4 24 | Q1 25 | Q2 25 | Q3 25 | FY24 |
|---|---|---|---|---|---|---|
| GAAP Operating Expenses | $344 | $369 | $385 | $372 | $456 | $1,360 |
| % of Revenue | 28.5% | 28.1% | 28.6% | 26.0% | 30.4% | 28.9% |
| Share-based compensation | (21) | (24) | (30) | (35) | (35) | (104) |
| Amortization of acquired intangibles | (42) | (41) | (41) | (41) | (44) | (166) |
| Restructuring and other charges | (12) | (14) | (24) | (8) | (74) | (27) |
| Integration, site consolidation and other | (15) | (21) | (12) | (5) | (6) | (65) |
| Non-GAAP Operating Expenses | $254 | $269 | $278 | $283 | $297 | $998 |
| % of Revenue | 21.0% | 20.4% | 20.6% | 19.7% | 19.9% | 21.2% |

# R&D % AND SG&A % RECONCILIATION

| | Q1 25 | Q2 25 | Q3 25 | FY24 |
|---|---|---|---|---|
| GAAP R&D Expense % | 9.8% | 10.0% | 10.1% | 10.2% |
| Share-based compensation | (0.4%) | (0.4%) | (0.4%) | (0.5%) |
| Amortization of acquired intangibles | (0.1%) | - | (0.3%) | (0.1%) |
| Non-GAAP R&D Expense % | 9.3% | 9.6% | 9.4% | 9.6% |

| | Q1 25 | Q2 25 | Q3 25 | FY24 |
|---|---|---|---|---|
| GAAP SG&A Expense % | 17.0% | 15.4% | 15.5% | 18.1% |
| Share-based compensation | (1.8%) | (2.1%) | (2.0%) | (1.7%) |
| Amortization of acquired intangibles | (3.0%) | (2.8%) | (2.7%) | (3.5%) |
| Integration, site consolidation and other | (0.9%) | (0.3%) | (0.4%) | (1.3%) |
| Non-GAAP SG&A Expense % | 11.3% | 10.2% | 10.5% | 11.6% |

# OPERATING INCOME RECONCILIATION

| (Millions, except percentages) | Q3 24 | Q4 24 | Q1 25 | Q2 25 | Q3 25 | FY24 |
|---|---|---|---|---|---|---|
| GAAP Operating Income | $22 | $63 | $75 | $137 | $72 | $96 |
| GAAP Operating Income % | 1.8% | 4.8% | 5.6% | 9.5% | 4.8% | 2.0% |
| Share-based compensation | 26 | 29 | 36 | 41 | 40 | 127 |
| Amortization of acquired intangibles | 72 | 72 | 72 | 72 | 87 | 288 |
| Restructuring and other charges | 12 | 14 | 24 | 8 | 74 | 27 |
| Integration, site consolidation and other | 19 | 25 | 11 | 7 | 6 | 80 |
| Non-GAAP Operating Income | $152 | $203 | $218 | $265 | $279 | $618 |
| Non-GAAP Operating Income % | 12.6% | 15.4% | 16.1% | 18.5% | 18.6% | 13.1% |

# EARNINGS PER SHARE RECONCILIATION

| | Q3 24 | Q4 24 | Q1 25 | Q2 25 | Q3 25 | FY 24 |
|---|---|---|---|---|---|---|
| GAAP net income per share - diluted | $(0.29) | $(0.52) | $ (0.04) | $0.44 | $ (0.11) | $ (1.84) |
| Share-based compensation | 0.17 | 0.19 | 0.23 | 0.26 | 0.25 | 0.83 |
| Amortization of acquired intangibles | 0.46 | 0.47 | 0.45 | 0.45 | 0.55 | 1.89 |
| Restructuring and other charges | 0.08 | 0.09 | 0.15 | 0.05 | 0.47 | 0.18 |
| Integration, site consolidation and other | 0.12 | 0.16 | 0.07 | 0.04 | 0.04 | 0.52 |
| Foreign currency exchange (gains) losses | 0.02 | 0.01 | 0.06 | (0.22) | 0.10 | 0.06 |
| Non-controlling interest impact of non-GAAP items | - | - | - | - | (0.08) | - |
| Tax effect of non-GAAP adjustments | (0.18) | 0.12 | (0.25) | (0.08) | (0.31) | (0.42) |
| Non-GAAP net income per share - diluted | $0.38 | $0.51 | $0.67 | $0.95 | $0.91 | $1.21 |