

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

(In thousands except per share data, unaudited)

	Three Months Ended										Fiscal Year Ended	
	January 2, 2021	October 3, 2020	July 4, 2020	April 4, 2020	December 28, 2019	September 28, 2019	June 29, 2019	March 30, 2019	December 29, 2018	October 3, 2020	September 28, 2019	
<b>GAAP net income (loss) from continuing operations</b>	<b>\$ 144</b>	<b>\$ 7,689</b>	<b>\$ (8,708)</b>	<b>\$ (418,913)</b>	<b>\$ 5,793</b>	<b>\$ 624</b>	<b>\$ (3,099)</b>	<b>\$ 20,750</b>	<b>\$ 35,550</b>	<b>\$ (414,139)</b>	<b>\$ 53,825</b>	
Intangibles amortization	2,270	2,138	2,139	8,660	8,942	9,832	13,278	10,022	10,818	21,879	43,950	
Purchase accounting step up	-	-	-	-	-	-	-	-	353	-	353	
Stock-based compensation	10,613	11,485	12,834	7,892	6,936	9,091	8,243	7,543	6,643	39,147	31,520	
Non-recurring tax expense (release) items	9,225	2,966	5,210	(7,926)	(565)	1,684	4	123	(2,598)	(315)	(787)	
Other impairment charges (recoveries)	-	-	-	424,326	-	-	-	-	-	424,326	-	
Asset recovery	-	-	-	-	(1,106)	-	(1,083)	-	-	(1,106)	(1,083)	
Restructuring expense and other	4,473	226	397	798	666	131	14,771	768	351	2,087	16,021	
CEO transition charge	-	-	732	-	-	-	-	-	-	732	-	
<b>Non-GAAP net income</b>	<b>\$ 26,725</b>	<b>\$ 24,504</b>	<b>\$ 12,604</b>	<b>\$ 14,837</b>	<b>\$ 20,666</b>	<b>\$ 21,362</b>	<b>\$ 32,114</b>	<b>\$ 39,206</b>	<b>\$ 51,117</b>	<b>\$ 72,611</b>	<b>\$ 143,799</b>	
<b>Net income per diluted share:</b>												
GAAP Net income (loss) from continuing operations per diluted share	\$ 0.01	\$ 0.32	\$ (0.36)	\$ (17.39)	\$ 0.24	\$ 0.03	\$ (0.13)	\$ 0.85	\$ 1.45	\$ (17.18)	\$ 2.22	
Total non-GAAP adjustments	1.08	0.69	0.88	18.00	0.62	0.86	1.46	0.76	0.64	20.18	3.71	
<b>Non-GAAP net income per diluted share</b>	<b>\$ 1.09</b>	<b>\$ 1.01</b>	<b>\$ 0.52</b>	<b>\$ 0.61</b>	<b>\$ 0.86</b>	<b>\$ 0.89</b>	<b>\$ 1.33</b>	<b>\$ 1.61</b>	<b>\$ 2.09</b>	<b>\$ 3.00</b>	<b>\$ 5.92</b>	
Sum of non-GAAP adjustments	26,581	16,815	21,312	433,750	14,873	20,738	35,213	18,456	15,567	486,750	89,974	
Diluted shares for non-GAAP	24,455	24,360	24,267	24,176	24,160	24,118	24,196	24,332	24,472	24,105	24,279	

**Coherent, Inc.**  
**Supplemental Non-GAAP Financial Measures - Adjustments by Income Statement line item**

(In thousands, unaudited)	Three Months Ended									Fiscal Year Ended	
	January 2, 2021	October 3, 2020	July 4, 2020	April 4, 2020	December 28, 2019	September 28, 2019	June 29, 2019	March 30, 2019	Dec 29, 2018	October 3, 2020	September 29, 2019
<b>Cost of Sales</b>											
Intangibles amortization	\$ 2,017	\$ 2,346	\$ 2,304	\$ 10,611	\$ 10,880	\$ 11,723	\$ 11,844	\$ 12,106	\$ 12,027	\$ 26,141	\$ 47,700
Purchase accounting step up	-	-	-	-	-	-	-	-	456	-	456
Stock-based compensation	2,272	1,884	1,237	1,011	1,182	1,240	1,231	1,172	1,237	5,314	4,880
Restructuring expense	4,906	623	16	433	551	822	17,441	228	251	1,623	18,742
	<b>9,195</b>	<b>4,853</b>	<b>3,557</b>	<b>12,055</b>	<b>12,613</b>	<b>13,785</b>	<b>30,516</b>	<b>13,506</b>	<b>13,971</b>	<b>33,078</b>	<b>71,778</b>
<b>Research and development</b>											
Stock-based compensation	1,199	1,554	1,469	894	561	763	794	783	650	4,478	2,990
Restructuring expense	25	85	18	77	(64)	(505)	2,447	59	20	116	2,021
	<b>1,224</b>	<b>1,639</b>	<b>1,487</b>	<b>971</b>	<b>497</b>	<b>258</b>	<b>3,241</b>	<b>842</b>	<b>670</b>	<b>4,594</b>	<b>5,011</b>
<b>Selling, general and administrative</b>											
Stock-based compensation	8,714	10,273	11,680	6,993	6,049	7,928	7,630	7,049	5,989	34,995	28,596
Restructuring expense and other	452	(579)	484	569	446	(225)	1,385	593	205	920	1,958
Asset recovery	-	-	-	-	(1,365)	-	(1,337)	-	-	(1,365)	(1,337)
CEO transition charge	-	-	941	-	-	-	-	-	-	941	-
	<b>9,166</b>	<b>9,694</b>	<b>13,105</b>	<b>7,562</b>	<b>5,130</b>	<b>7,703</b>	<b>7,678</b>	<b>7,642</b>	<b>6,194</b>	<b>35,491</b>	<b>29,217</b>
<b>Impairment</b>											
Other impairment charges (recoveries)	-	-	-	451,025	-	-	-	-	-	451,025	-
<b>Intangibles amortization</b>											
Intangibles amortization	597	616	643	1,296	1,432	2,012	6,782	1,926	3,040	3,987	13,760
	<b>597</b>	<b>616</b>	<b>643</b>	<b>1,296</b>	<b>1,432</b>	<b>2,012</b>	<b>6,782</b>	<b>1,926</b>	<b>3,040</b>	<b>3,987</b>	<b>13,760</b>
<b>Total of non-GAAP adjustments before income tax</b>	<b>20,182</b>	<b>16,802</b>	<b>18,792</b>	<b>472,909</b>	<b>19,672</b>	<b>23,758</b>	<b>48,217</b>	<b>23,916</b>	<b>23,875</b>	<b>528,175</b>	<b>119,766</b>
Non-recurring tax expense (release) items	9,225	2,966	5,210	(7,926)	(565)	1,684	(1,390)	123	(2,598)	(315)	(2,181)
Non-GAAP adjustments tax effect	(2,826)	(2,953)	(2,690)	(31,233)	(4,234)	(4,704)	(11,614)	(5,583)	(5,710)	(41,110)	(27,611)
<b>Total of non-GAAP adjustments after income tax</b>	<b>\$ 26,581</b>	<b>\$ 16,815</b>	<b>\$ 21,312</b>	<b>\$ 433,750</b>	<b>\$ 14,873</b>	<b>\$ 20,738</b>	<b>\$ 35,213</b>	<b>\$ 18,456</b>	<b>\$ 15,567</b>	<b>\$ 486,750</b>	<b>\$ 89,974</b>

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

(In thousands, unaudited)

	January 2, 2021	October 3, 2020	July 4, 2020	April 4, 2020	December 28, 2019	September 28, 2019	June 29, 2019	March 30, 2019	December 29, 2018	September 29, 2018	June 30, 2018	March 31, 2018	December 30, 2017	September 30, 2017
<b>Current assets:</b>														
Cash, cash equivalents and short-term investments	\$ 543,575	\$ 475,604	\$ 420,890	\$ 369,367	\$ 349,592	\$ 305,953	\$ 318,573	\$ 348,801	\$ 320,016	\$ 310,615	\$ 232,458	\$ 346,114	\$ 423,446	\$ 475,576
Accounts receivable, net	226,199	220,289	197,757	202,699	235,933	267,553	269,057	313,351	330,892	355,208	337,560	312,938	309,132	305,668
Inventories	416,381	426,756	448,972	457,358	449,571	442,530	469,486	483,741	493,156	486,741	494,967	492,686	432,809	414,807
Prepaid expenses and other assets	92,615	89,015	90,973	89,749	87,725	78,785	88,197	80,279	84,968	85,938	89,572	95,669	86,680	115,613
<b>Total current assets</b>	<b>1,278,770</b>	<b>1,211,664</b>	<b>1,158,592</b>	<b>1,119,173</b>	<b>1,122,821</b>	<b>1,094,821</b>	<b>1,145,313</b>	<b>1,226,172</b>	<b>1,229,032</b>	<b>1,238,502</b>	<b>1,154,557</b>	<b>1,247,407</b>	<b>1,252,067</b>	<b>1,311,664</b>
Property, plant and equipment, net	260,207	245,678	251,453	242,858	327,673	323,434	323,974	318,989	320,933	311,793	303,214	307,330	291,308	278,850
Other assets	350,659	370,154	360,080	363,346	753,564	664,914	667,371	677,107	703,647	709,674	729,797	781,848	733,284	747,286
<b>Total assets</b>	<b>\$ 1,889,636</b>	<b>\$ 1,827,496</b>	<b>\$ 1,770,125</b>	<b>\$ 1,725,377</b>	<b>\$ 2,204,058</b>	<b>\$ 2,083,169</b>	<b>\$ 2,136,658</b>	<b>\$ 2,222,268</b>	<b>\$ 2,253,612</b>	<b>\$ 2,259,969</b>	<b>\$ 2,187,568</b>	<b>\$ 2,336,585</b>	<b>\$ 2,276,659</b>	<b>\$ 2,337,800</b>
<b>Current liabilities:</b>														
Short term borrowings	\$ 17,136	\$ 16,817	\$ 16,554	\$ 16,275	\$ 16,809	\$ 14,863	\$ 45,283	\$ 46,979	\$ 46,670	\$ 5,072	\$ 7,076	\$ 7,422	\$ 6,928	\$ 5,078
Accounts payable	62,412	60,225	68,484	62,029	55,851	51,531	62,954	68,155	74,738	70,292	82,602	93,309	81,397	75,860
Other current liabilities	217,115	191,016	178,479	182,990	183,763	173,920	180,277	249,764	255,703	297,474	262,478	301,237	304,876	338,207
<b>Total current liabilities</b>	<b>296,663</b>	<b>268,058</b>	<b>263,517</b>	<b>261,294</b>	<b>256,423</b>	<b>240,314</b>	<b>288,514</b>	<b>364,898</b>	<b>377,111</b>	<b>372,838</b>	<b>352,156</b>	<b>401,968</b>	<b>393,201</b>	<b>419,145</b>
Long-term obligations	428,823	411,140	397,264	381,718	396,153	392,238	409,836	405,837	413,505	420,711	422,285	449,653	503,005	589,001
Other long-term liabilities	212,272	221,074	215,838	208,935	245,507	165,881	137,097	138,751	145,513	151,956	181,976	195,283	185,072	166,390
Total stockholders' equity	951,878	927,224	893,506	873,430	1,305,975	1,284,736	1,301,211	1,312,782	1,317,483	1,314,464	1,231,151	1,289,681	1,195,381	1,163,264
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,889,636</b>	<b>\$ 1,827,496</b>	<b>\$ 1,770,125</b>	<b>\$ 1,725,377</b>	<b>\$ 2,204,058</b>	<b>\$ 2,083,169</b>	<b>\$ 2,136,658</b>	<b>\$ 2,222,268</b>	<b>\$ 2,253,612</b>	<b>\$ 2,259,969</b>	<b>\$ 2,187,568</b>	<b>\$ 2,336,585</b>	<b>\$ 2,276,659</b>	<b>\$ 2,337,800</b>

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

(In thousands, unaudited)

	Three Months Ended									Fiscal Year Ended	
	January 2, 2021	October 3, 2020	July 4, 2020	April 4, 2020	December 28, 2019	September 28, 2019	June 29, 2019	March 30, 2019	December 29, 2018	October 3, 2020	September 28, 2019
<b>Revenue by market</b>											
Microelectronics	\$ 148,848	\$ 144,380	\$ 141,842	\$ 121,767	\$ 130,546	\$ 141,281	\$ 143,221	\$ 169,265	\$ 178,409	\$ 538,535	\$ 632,176
Precision Manufacturing	81,450	79,334	81,737	86,307	88,372	93,908	101,405	104,922	104,643	335,750	404,878
Instrumentation	85,227	78,203	61,530	73,408	87,180	84,929	83,067	86,613	83,755	300,321	338,364
Aerospace and Defense	10,528	14,834	13,221	11,665	14,673	15,346	11,477	12,060	16,339	54,393	55,222
	<b>\$ 326,053</b>	<b>\$ 316,751</b>	<b>\$ 298,330</b>	<b>\$ 293,147</b>	<b>\$ 320,771</b>	<b>\$ 335,464</b>	<b>\$ 339,170</b>	<b>\$ 372,860</b>	<b>\$ 383,146</b>	<b>\$ 1,228,999</b>	<b>\$ 1,430,640</b>
<b>Revenue by geography</b>											
United States	\$ 71,527	\$ 80,866	\$ 65,094	\$ 72,257	\$ 77,885	\$ 88,463	\$ 82,913	\$ 84,179	\$ 84,030	\$ 296,102	\$ 339,585
Europe	57,816	57,293	56,567	64,091	64,958	67,345	71,105	81,340	74,174	242,909	293,964
Asia Pacific	184,047	165,490	162,627	141,914	163,157	165,152	171,309	191,935	211,135	633,188	739,531
Other	12,663	13,102	14,042	14,885	14,771	14,504	13,843	15,406	13,807	56,800	57,560
	<b>\$ 326,053</b>	<b>\$ 316,751</b>	<b>\$ 298,330</b>	<b>\$ 293,147</b>	<b>\$ 320,771</b>	<b>\$ 335,464</b>	<b>\$ 339,170</b>	<b>\$ 372,860</b>	<b>\$ 383,146</b>	<b>\$ 1,228,999</b>	<b>\$ 1,430,640</b>

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

(In thousands except percentages, unaudited)	Three Months Ended										Fiscal Year Ended	
	January 2, 2021	October 3, 2020	July 4, 2020	April 4, 2020	December 28, 2019	September 28, 2019	June 29, 2019	March 30, 2019	December 29, 2018	October 3, 2020	September 28, 2019	
<b>Income (loss) from operations</b>	<b>\$ 16,950</b>	\$ 9,715	\$ (1,174)	\$ (449,311)	\$ 10,590	\$ 8,574	\$ (7,157)	\$ 28,867	\$ 52,811	<b>\$ (430,180)</b>	\$ 83,095	
Intangibles amortization	2,614	2,962	2,947	11,907	12,312	13,735	18,626	14,032	15,067	30,128	61,460	
Depreciation	10,606	10,448	10,325	12,776	13,156	13,463	13,772	13,774	13,916	46,705	54,925	
Stock-based compensation	12,185	13,711	14,386	8,898	7,792	9,931	9,655	9,004	7,876	44,787	36,466	
Gains (losses) on deferred compensation plan assets	2,296	4,735	687	(1,364)	2,292	2,146	12	1,250	(2,073)	6,350	1,335	
Purchase accounting step up	-	-	-	-	-	-	-	-	456	-	456	
Other impairment charges (recoveries)	-	-	-	451,025	-	-	-	-	-	451,025	-	
Restructuring costs and other	5,383	129	518	1,079	933	92	21,273	880	476	2,659	22,721	
Asset recovery	-	-	-	-	(1,365)	-	(1,337)	-	-	(1,365)	(1,337)	
CEO transition charge	-	-	941	-	-	-	-	-	-	941	-	
<b>Adjusted EBITDA</b>	<b>\$ 50,034</b>	\$ 41,700	\$ 28,630	\$ 35,010	\$ 45,710	\$ 47,941	\$ 54,844	\$ 67,807	\$ 88,529	<b>\$ 151,050</b>	\$ 259,121	
Net sales	<b>\$ 326,053</b>	\$ 316,751	\$ 298,330	\$ 293,147	\$ 320,771	\$ 335,464	\$ 339,170	\$ 372,860	\$ 383,146	<b>\$ 1,228,999</b>	\$ 1,430,640	
<b>Adjusted EBITDA as a percentage of Net Sales</b>	<b>15.3%</b>	13.2%	9.6%	11.9%	14.3%	14.3%	16.2%	18.2%	23.1%	<b>12.3%</b>	18.1%	