

Supplemental Financial Information

This document contains certain unaudited financial and business information, comprising the following pages:

1. Consolidated Statements of Operations (GAAP)
2. Consolidated Statements of Operations (Non-GAAP)
3. Supplemental Non-GAAP Financial Measures Reconciliation
4. Supplemental Non-GAAP Financial Measures - Adjustments by Income Statement line item
5. Summary Consolidated Balance Sheets
6. Revenue by Market and Geography
7. Adjusted EBITDA (both by dollar and percentage)

Important Note

This supplemental financial information contains financial statements that have not been prepared in accordance with generally accepted accounting principles in the United States (GAAP). This information should be read in conjunction with Coherent's consolidated financial statements and notes thereto filed with the SEC for each respective referenced period. We believe that quarter-to-quarter comparisons of results from operations, or any other similar period-to-period comparisons, should not be construed as reliable indicators of our future performance. You should note that future performance may, and likely will, vary significantly from past performance.

Additionally, Coherent utilizes a number of different financial measures, both GAAP and non-GAAP, in analyzing and assessing the overall business performance, for making operating decisions and for forecasting and planning future periods. Coherent considers the use of non-GAAP financial measures helpful in assessing its current financial performance, ongoing operations and prospects for the future. Ongoing operations are the ongoing revenue and expenses of the business, excluding certain costs and expenses that Coherent does not anticipate to recur on a quarterly basis or which do not reflect ongoing operations. While Coherent uses non-GAAP financial measures as a tool to enhance its understanding of certain aspects of its financial performance, Coherent does not consider these measures to be a substitute for, or superior to, the information provided by GAAP financial measures. Consistent with this approach, Coherent believes that disclosing non-GAAP financial measures to the readers of its financial statements provides such readers with useful supplemental data that, while not a substitute for GAAP financial measures, allows for greater transparency in the review of its financial and operational performance.

Each of the non-GAAP financial measures referenced below should not be considered in isolation from, or as a substitute for, a measure of financial performance prepared in accordance with GAAP. Further, investors are cautioned that there are inherent limitations associated with the use of each of these non-GAAP financial measures as an analytical tool. In particular, these non-GAAP financial measures are not based on a comprehensive set of accounting rules or principles and many of the adjustments to the GAAP financial measures reflect the exclusion of items that are recurring and will be reflected in Coherent's financial results for the foreseeable future. In addition, other companies, including other companies in Coherent's industry, may calculate non-GAAP financial measures differently than Coherent does, limiting their usefulness as a comparative tool. Please refer to the reconciliation of such measures to the comparable financial measures prepared in accordance with GAAP, which is included below.

Coherent, Inc.
Consolidated Statement of Operations - GAAP

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

	Three Months Ended									Fiscal Year Ended	
	January 1, 2022	October 2, 2021	July 3, 2021	April 3, 2021	January 2, 2021	October 3, 2020	July 4, 2020	April 4, 2020	December 28, 2019	October 2, 2021	October 3, 2020
Net sales	\$ 384,507	\$ 391,674	\$ 395,759	\$ 373,982	\$ 326,053	\$ 316,751	\$ 298,330	\$ 293,147	\$ 320,771	\$ 1,487,468	\$ 1,228,999
Cost of sales	216,943	239,838	239,776	232,957	206,057	204,518	203,053	199,036	211,518	918,628	818,125
Gross profit	167,564	151,836	155,983	141,025	119,996	112,233	95,277	94,111	109,253	568,840	410,874
Operating expenses:											
Research and development	29,769	32,056	31,982	32,007	28,221	28,821	28,283	29,794	28,680	124,266	115,578
Selling, general & administrative	93,774	78,754	78,219	72,662	74,228	73,081	67,525	61,307	68,551	303,863	270,464
Other impairment charges	-	-	-	-	-	-	-	451,025	-	-	451,025
Merger and acquisition costs	977	1,473	2,578	231,996	-	-	-	-	-	236,047	-
Intangibles amortization	565	584	1,100	596	597	616	643	1,296	1,432	2,877	3,987
Total operating expenses	125,085	112,867	113,879	337,261	103,046	102,518	96,451	543,422	98,663	667,053	841,054
Income (loss) from operations	42,479	38,969	42,104	(196,236)	16,950	9,715	(1,174)	(449,311)	10,590	(98,213)	(430,180)
Other income (expense) net	(6,185)	(9,233)	(3,277)	(2,526)	(2,289)	436	(4,282)	(5,663)	(3,034)	(17,325)	(12,543)
Income (loss) before income taxes	36,294	29,736	38,827	(198,762)	14,661	10,151	(5,456)	(454,974)	7,556	(115,538)	(442,723)
Provision for (benefit from) income taxes	6,029	8,678	8,565	(40,547)	14,517	2,462	3,252	(36,061)	1,763	(8,787)	(28,584)
Net income (loss)	\$ 30,265	\$ 21,058	\$ 30,262	\$ (158,215)	\$ 144	\$ 7,689	\$ (8,708)	\$ (418,913)	\$ 5,793	\$ (106,751)	\$ (414,139)
Net income (loss) per share											
Basic	\$ 1.23	\$ 0.86	\$ 1.24	\$ (6.49)	\$ 0.01	\$ 0.32	\$ (0.36)	\$ (17.39)	\$ 0.24	\$ (4.38)	\$ (17.18)
Diluted	\$ 1.21	\$ 0.85	\$ 1.22	\$ (6.49)	\$ 0.01	\$ 0.32	\$ (0.36)	\$ (17.39)	\$ 0.24	\$ (4.38)	\$ (17.18)
Shares used in computation:											
Basic	24,542	24,472	24,435	24,389	24,264	24,193	24,159	24,095	23,971	24,390	24,105
Diluted	24,919	24,899	24,842	24,389	24,455	24,360	24,159	24,095	24,160	24,390	24,105
As percentages of net sales:											
Gross profit	43.6%	38.8%	39.4%	37.7%	36.8%	35.4%	31.9%	32.1%	34.1%	38.2%	33.4%
Research and development	7.7%	8.2%	8.1%	8.6%	8.6%	9.1%	9.5%	10.2%	8.9%	8.4%	9.4%
Selling, general and administrative	24.4%	20.1%	19.8%	19.4%	22.8%	23.1%	22.6%	20.9%	21.4%	20.4%	22.0%
Operating income (loss)	11.0%	9.9%	10.6%	-52.5%	5.2%	3.1%	-0.4%	-153.3%	3.3%	-6.6%	-35.0%
Income (loss) before income taxes	9.4%	7.6%	9.8%	-53.1%	4.5%	3.2%	-1.8%	-155.2%	2.4%	-7.8%	-36.0%

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

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

	Three Months Ended									Fiscal Year Ended	
	January 1, 2022	October 2, 2021	July 3, 2021	April 3, 2021	January 2, 2021	October 3, 2020	July 4, 2020	April 4, 2020	December 28, 2019	October 2, 2021	October 3, 2020
Net sales	\$ 384,507	\$ 391,674	\$ 395,759	\$ 373,982	\$ 326,053	\$ 316,751	\$ 298,330	\$ 293,147	\$ 320,771	\$ 1,487,468	\$ 1,228,999
Cost of sales	214,404	232,892	235,502	227,255	196,862	199,665	199,496	186,981	198,905	892,511	785,047
Gross profit	170,103	158,782	160,257	146,727	129,191	117,086	98,834	106,166	121,866	594,957	443,952
Operating expenses:											
Research and development	28,533	30,922	30,890	30,216	26,997	27,182	26,796	28,823	28,183	119,025	110,984
Selling, general & administrative	64,834	71,211	70,405	65,549	65,062	63,387	54,420	53,745	63,421	272,227	234,973
Total operating expenses	93,367	102,133	101,295	95,765	92,059	90,569	81,216	82,568	91,604	391,252	345,957
Income from operations	76,736	56,649	58,962	50,962	37,132	26,517	17,618	23,598	30,262	203,705	97,995
Other income (expense) net	(6,185)	(3,942)	(3,277)	(2,526)	(2,289)	436	(4,282)	(5,663)	(3,034)	(12,034)	(12,543)
Income before income taxes	70,551	52,707	55,685	48,436	34,843	26,953	13,336	17,935	27,228	191,671	85,452
Provision for income taxes	12,851	8,680	10,833	13,214	8,118	2,449	732	3,098	6,562	40,845	12,841
Non-GAAP net income	\$ 57,700	\$ 44,027	\$ 44,852	\$ 35,222	\$ 26,725	\$ 24,504	\$ 12,604	\$ 14,837	\$ 20,666	\$ 150,826	\$ 72,611
Non-GAAP net income per share:											
Diluted	\$ 2.32	\$ 1.77	\$ 1.81	\$ 1.42	\$ 1.09	\$ 1.01	\$ 0.52	\$ 0.61	\$ 0.86	\$ 6.10	\$ 3.00
Shares used in computation:											
Diluted	24,919	24,899	24,842	24,760	24,455	24,360	24,267	24,176	24,160	24,739	24,241
As percentages of net sales:											
Gross profit	44.2%	40.5%	40.5%	39.2%	39.6%	37.0%	33.1%	36.2%	38.0%	40.0%	36.1%
Research and development	7.4%	7.9%	7.8%	8.1%	8.3%	8.6%	9.0%	9.8%	8.8%	8.0%	9.0%
Selling, general and administrative	16.9%	18.2%	17.8%	17.5%	20.0%	20.0%	18.2%	18.3%	19.8%	18.3%	19.1%
Operating income	20.0%	14.5%	14.9%	13.6%	11.4%	8.4%	5.9%	8.0%	9.4%	13.7%	8.0%
Income before income taxes	18.3%	13.5%	14.1%	13.0%	10.7%	8.5%	4.5%	6.1%	8.5%	12.9%	7.0%

Coherent, Inc.
Supplemental Non-GAAP Financial Measures Reconciliation

(In thousands except per share data, unaudited)

	Three Months Ended										Fiscal Year Ended	
	January 1, 2022	October 2, 2021	July 3, 2021	April 3, 2021	January 2, 2021	October 3, 2020	July 4, 2020	April 4, 2020	December 28, 2019	October 2, 2021	October 3, 2020	
GAAP net income (loss) from operations	\$ 30,265	\$ 21,058	\$ 30,262	\$ (158,215)	\$ 144	\$ 7,689	\$ (8,708)	\$ (418,913)	\$ 5,793	\$ (106,751)	\$ (414,139)	
Intangibles amortization	1,190	2,235	2,666	2,159	2,270	2,138	2,139	8,660	8,942	9,330	21,879	
Purchase accounting step up	-	453	641	-	-	-	-	-	-	1,094	-	
Stock-based compensation	29,613	8,696	8,963	7,746	10,613	11,485	12,834	7,892	6,936	36,018	39,147	
Non-recurring tax expense (release) items	(4,116)	2,466	182	1,256	9,225	2,966	5,210	(7,926)	(565)	13,129	(315)	
Other impairment charges	-	-	-	-	-	-	-	424,326	-	-	424,326	
Merger and acquisition costs	755	1,138	1,992	179,217	-	-	-	-	-	182,347	-	
Asset recovery	-	-	-	-	-	-	-	-	(1,106)	-	(1,106)	
Restructuring expense and other	(7)	7,981	146	3,059	4,473	226	397	798	666	15,659	2,087	
CEO transition charge	-	-	-	-	-	-	732	-	-	-	732	
Non-GAAP net income	\$ 57,700	\$ 44,027	\$ 44,852	\$ 35,222	\$ 26,725	\$ 24,504	\$ 12,604	\$ 14,837	\$ 20,666	\$ 150,826	\$ 72,611	
Net income per diluted share:												
GAAP Net income (loss) per diluted share	\$ 1.21	\$ 0.85	\$ 1.22	\$ (6.49)	\$ 0.01	\$ 0.32	\$ (0.36)	\$ (17.39)	\$ 0.24	\$ (4.38)	\$ (17.18)	
Total non-GAAP adjustments	1.11	0.92	0.59	7.91	1.08	0.69	0.88	18.00	0.62	10.48	20.18	
Non-GAAP net income per diluted share	\$ 2.32	\$ 1.77	\$ 1.81	\$ 1.42	\$ 1.09	\$ 1.01	\$ 0.52	\$ 0.61	\$ 0.86	\$ 6.10	\$ 3.00	
Sum of non-GAAP adjustments	27,435	22,969	14,590	193,437	26,581	16,815	21,312	433,750	14,873	257,577	486,750	
Diluted shares for non-GAAP	24,919	24,899	24,842	24,760	24,455	24,360	24,267	24,176	24,160	24,739	24,241	

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

(In thousands, unaudited)	Three Months Ended									Fiscal Year Ended	
	January 1, 2022	October 2, 2021	July 3, 2021	April 3, 2021	January 2, 2021	October 3, 2020	July 4, 2020	April 4, 2020	December 28, 2019	October 2, 2021	October 3, 2020
Cost of Sales											
Intangibles amortization	\$ 818	\$ 1,975	\$ 2,009	\$ 1,855	\$ 2,017	\$ 2,346	\$ 2,304	\$ 10,611	\$ 10,880	\$ 7,856	\$ 26,141
Purchase accounting step up	-	587	863	-	-	-	-	-	-	1,450	-
Stock-based compensation	1,731	1,694	1,720	1,989	2,272	1,884	1,237	1,011	1,182	7,675	5,314
Restructuring expense	(10)	2,690	(318)	1,858	4,906	623	16	433	551	9,136	1,623
	2,539	6,946	4,274	5,702	9,195	4,853	3,557	12,055	12,613	26,117	33,078
Research and development											
Stock-based compensation	1,236	1,134	1,100	1,030	1,199	1,554	1,469	894	561	4,463	4,478
Restructuring expense	-	-	(8)	761	25	85	18	77	(64)	778	116
	1,236	1,134	1,092	1,791	1,224	1,639	1,487	971	497	5,241	4,594
Selling, general and administrative											
Stock-based compensation	28,940	7,152	7,328	6,073	8,714	10,273	11,680	6,993	6,049	29,267	34,995
Restructuring expense and other	-	391	486	1,040	452	(579)	484	569	446	2,369	920
Asset recovery	-	-	-	-	-	-	-	-	(1,365)	-	(1,365)
CEO transition charge	-	-	-	-	-	-	941	-	-	-	941
	28,940	7,543	7,814	7,113	9,166	9,694	13,105	7,562	5,130	31,636	35,491
Other											
Other impairment charge	-	-	-	-	-	-	-	451,025	-	-	451,025
Merger and acquisition costs	977	1,473	2,578	231,996	-	-	-	-	-	236,047	-
Intangibles amortization											
Intangibles amortization	565	584	1,100	596	597	616	643	1,296	1,432	2,877	3,987
	565	584	1,100	596	597	616	643	1,296	1,432	2,877	3,987
Other income (expense)											
Loss on dissolution of OR Laser	-	5,291	-	-	-	-	-	-	-	5,291	-
Total of non-GAAP adjustments before income tax	34,257	22,971	16,858	247,198	20,182	16,802	18,792	472,909	19,672	307,209	528,175
Non-recurring tax expense (release) items	(4,116)	2,466	182	1,256	9,225	2,966	5,210	(7,926)	(565)	13,129	(315)
Non-GAAP adjustments tax effect	(2,706)	(2,468)	(2,450)	(55,017)	(2,826)	(2,953)	(2,690)	(31,233)	(4,234)	(62,761)	(41,110)
Total of non-GAAP adjustments after income tax	\$ 27,435	\$ 22,969	\$ 14,590	\$ 193,437	\$ 26,581	\$ 16,815	\$ 21,312	\$ 433,750	\$ 14,873	\$ 257,577	\$ 486,750

Coherent, Inc.
Summary Consolidated Balance Sheets

(In thousands, unaudited)

	January 1, 2022	October 2, 2021	July 3, 2021	April 3, 2021	January 2, 2021	October 3, 2020	July 4, 2020	April 4, 2020	December 28, 2019	September 28, 2019
Current assets:										
Cash, cash equivalents and short-term investments	\$ 392,552	\$ 456,534	\$ 409,227	\$ 368,177	\$ 543,575	\$ 475,604	\$ 420,890	\$ 369,367	\$ 349,592	\$ 305,953
Accounts receivable, net	243,378	249,389	256,197	248,856	226,199	220,289	197,757	202,699	235,933	267,553
Inventories	393,629	392,241	400,547	393,672	416,381	426,756	448,972	457,358	449,571	442,530
Prepaid expenses and other assets	101,881	81,121	89,303	84,749	92,615	89,015	90,973	89,749	87,725	78,785
Total current assets	1,131,440	1,179,285	1,155,274	1,095,454	1,278,770	1,211,664	1,158,592	1,119,173	1,122,821	1,094,821
Property, plant and equipment, net	306,872	302,613	295,481	264,383	260,207	245,678	251,453	242,858	327,673	323,434
Other assets	410,088	407,032	411,432	395,416	350,659	370,154	360,080	363,346	753,564	664,914
Total assets	\$ 1,848,400	\$ 1,888,930	\$ 1,862,187	\$ 1,755,253	\$ 1,889,636	\$ 1,827,496	\$ 1,770,125	\$ 1,725,377	\$ 2,204,058	\$ 2,083,169
Current liabilities:										
Short term borrowings	\$ 9,005	\$ 18,395	\$ 17,730	\$ 16,875	\$ 17,136	\$ 16,817	\$ 16,554	\$ 16,275	\$ 16,809	\$ 14,863
Accounts payable	100,424	104,539	108,831	93,028	62,412	60,225	68,484	62,029	55,851	51,531
Other current liabilities	235,947	259,281	244,706	233,089	217,115	191,016	178,479	182,990	183,763	173,920
Total current liabilities	345,376	382,215	371,267	342,992	296,663	268,058	263,517	261,294	256,423	240,314
Long-term obligations	413,799	425,800	437,269	409,622	428,823	411,140	397,264	381,718	396,153	392,238
Other long-term liabilities	191,241	212,730	214,195	207,686	212,272	221,074	215,838	208,935	245,507	165,881
Total stockholders' equity	897,984	868,185	839,456	794,953	951,878	927,224	893,506	873,430	1,305,975	1,284,736
Total liabilities and stockholders' equity	\$ 1,848,400	\$ 1,888,930	\$ 1,862,187	\$ 1,755,253	\$ 1,889,636	\$ 1,827,496	\$ 1,770,125	\$ 1,725,377	\$ 2,204,058	\$ 2,083,169

Coherent, Inc.
Revenue by Market and Geography

(In thousands, unaudited)

	Three Months Ended										Fiscal Year Ended	
	January 1, 2022	October 2, 2021	July 3, 2021	April 3, 2021	January 2, 2021	October 3, 2020	July 4, 2020	April 4, 2020	December 28, 2019	October 2, 2021	October 3, 2020	
Revenue by market												
Microelectronics	\$ 173,022	\$ 170,978	\$ 176,432	\$ 168,277	\$ 148,848	\$ 144,380	\$ 141,842	\$ 121,767	\$ 130,546	\$ 664,535	\$ 538,535	
Precision Manufacturing	104,554	106,739	103,462	107,398	81,450	79,334	81,737	86,307	88,372	399,049	335,750	
Instrumentation	93,943	100,248	100,267	88,333	85,227	78,203	61,530	73,408	87,180	374,075	300,321	
Aerospace and Defense	12,988	13,709	15,598	9,974	10,528	14,834	13,221	11,665	14,673	49,809	54,393	
	\$ 384,507	\$ 391,674	\$ 395,759	\$ 373,982	\$ 326,053	\$ 316,751	\$ 298,330	\$ 293,147	\$ 320,771	\$ 1,487,468	\$ 1,228,999	
Revenue by geography												
United States	\$ 90,537	\$ 93,671	\$ 88,371	\$ 82,741	\$ 71,527	\$ 80,866	\$ 65,094	\$ 72,257	\$ 77,885	\$ 336,310	\$ 296,102	
Europe	70,667	73,307	75,439	70,822	57,816	57,293	56,567	64,091	64,958	277,384	242,909	
Asia Pacific	208,301	206,831	211,377	202,213	184,047	165,490	162,627	141,914	163,157	804,468	633,188	
Other	15,002	17,865	20,572	18,206	12,663	13,102	14,042	14,885	14,771	69,306	56,800	
	\$ 384,507	\$ 391,674	\$ 395,759	\$ 373,982	\$ 326,053	\$ 316,751	\$ 298,330	\$ 293,147	\$ 320,771	\$ 1,487,468	\$ 1,228,999	

Coherent, Inc.
Adjusted EBITDA \$ and %

(In thousands except percentages, unaudited)

	Three Months Ended									Fiscal Year Ended	
	January 1, 2022	October 2, 2021	July 3, 2021	April 3, 2021	January 2, 2021	October 3, 2020	July 4, 2020	April 4, 2020	December 28, 2019	October 2, 2021	October 3, 2020
Income (loss) from operations	\$ 42,479	\$ 38,969	\$ 42,104	\$ (196,236)	\$ 16,950	\$ 9,715	\$ (1,174)	\$ (449,311)	\$ 10,590	\$ (98,213)	\$ (430,180)
Intangibles amortization	1,383	2,559	3,109	2,451	2,614	2,962	2,947	11,907	12,312	10,733	30,128
Depreciation	11,026	11,424	11,224	10,984	10,606	10,448	10,325	12,776	13,156	44,238	46,705
Stock-based compensation	31,907	9,980	10,148	9,092	12,185	13,711	14,386	8,898	7,792	41,405	44,787
Gains (losses) on deferred compensation plan assets	(300)	2,308	2,744	2,692	2,296	4,735	687	(1,364)	2,292	10,040	6,350
Purchase accounting step up	-	587	863	-	-	-	-	-	-	1,450	-
Other impairment charges	-	-	-	-	-	-	-	451,025	-	-	451,025
Merger and acquisition costs	977	1,473	2,578	231,996	-	-	-	-	-	236,047	-
Restructuring costs and other	(10)	3,081	160	3,659	5,383	129	518	1,079	933	12,283	2,659
Asset recovery	-	-	-	-	-	-	-	-	(1,365)	-	(1,365)
CEO transition charge	-	-	-	-	-	-	941	-	-	-	941
Adjusted EBITDA	\$ 87,462	\$ 70,381	\$ 72,930	\$ 64,638	\$ 50,034	\$ 41,700	\$ 28,630	\$ 35,010	\$ 45,710	\$ 257,983	\$ 151,050
Net sales	\$ 384,507	\$ 391,674	\$ 395,759	\$ 373,982	\$ 326,053	\$ 316,751	\$ 298,330	\$ 293,147	\$ 320,771	\$ 1,487,468	\$ 1,228,999
Adjusted EBITDA as a percentage of Net Sales	22.7%	18.0%	18.4%	17.3%	15.3%	13.2%	9.6%	11.9%	14.3%	17.3%	12.3%