



MATERIALS THAT MATTER[®]

II-VI to Acquire Finisar

Creates a Global Leader in Photonics and
Compound Semiconductors

November 9, 2018



Safe Harbor Statement

This communication contains “forward-looking statements” within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements often address expected future business and financial performance and financial condition, and often contain words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “see,” “will,” “would,” “target,” similar expressions, and variations or negatives of these words. Forward-looking statements are not guarantees of future results and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in any forward-looking statements. Important factors that may cause such a difference include: (i) the ability of II-VI Incorporated (“II-VI”) and Finisar Corporation (“Finisar”) to complete the proposed transaction on the anticipated terms and timing or at all, (ii) potential litigation relating to the proposed transaction, (iii) inherent risks and costs associated with the integration of the businesses and achievement of the anticipated synergies, (iv) potential disruptions from the proposed transaction that may harm the parties’ respective businesses, (v) the ability of the parties to retain and hire key personnel, (vi) adverse legal and regulatory developments or determinations that could delay or prevent completion of the proposed transaction, and (vii) the ability of II-VI to consummate financing related to the transaction. Additional risks are described under the heading “Risk Factors” in II-VI’s Annual Report on Form 10-K for the year ended June 30, 2018, filed with the U.S. Securities and Exchange Commission (the “SEC”) on August 28, 2018, and in Finisar’s Annual Report on Form 10-K for the year ended April 29, 2018, filed with the SEC on June 15, 2018. These risks, as well as other risks associated with the proposed transaction, will be more fully discussed in a joint proxy statement/prospectus that will be included in a registration statement on Form S-4 to be filed by II-VI with the SEC in connection with the proposed transaction. Neither II-VI nor Finisar assumes any obligation to publicly provide revisions or updates to any forward looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by securities and other applicable laws.

A Transformative Combination

\$2.5B

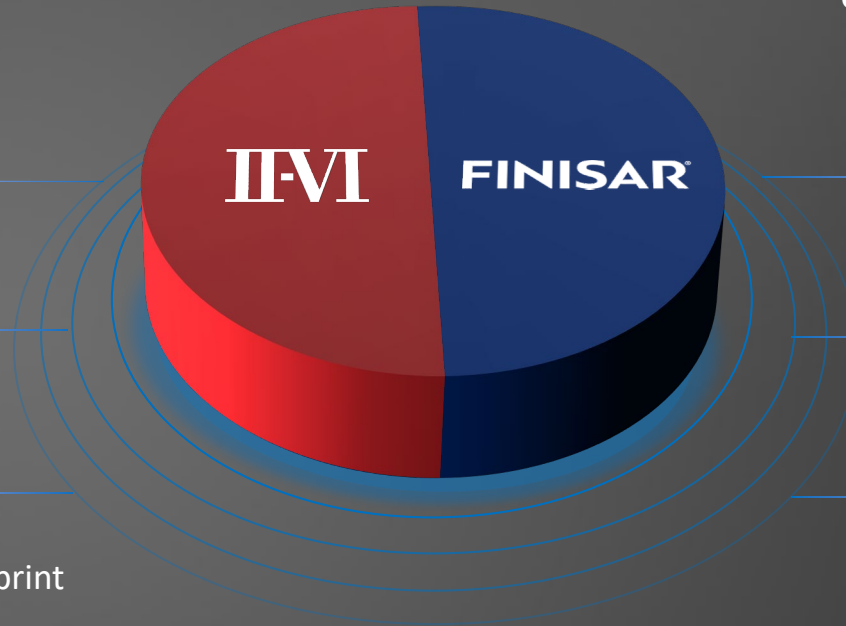
Pro Forma Revenue¹

\$570M

Pro Forma EBITDA¹

70

Locations Worldwide
Diversified Global Footprint



Communications, Automotive,
Consumer Electronics,
Materials Processing,
Semiconductor Equipment,
Military, Life Sciences

End Markets

\$22B

Addressable Market²

24K+

Employees Worldwide

Note: Pro forma Revenue and EBITDA represents LTM 09/30/2018 for II-VI and LTM 07/29/2018 for Finisar.

1. Represents LTM 09/30/2018 for II-VI plus LTM 07/29/2018 for Finisar and includes \$150mm run-rate synergies for EBITDA. EBITDA excludes amortization of intangibles, the impact of SFAS 123(R) stock-based compensation expense and one-time charges.
2. 2022 estimated market size. Includes 3D Sensing, Power Devices for Automotive and Wireless RF size from Yole, Optical Communications from Lightcounting and Ovum, Industrial Processing, Military, Life Sciences from Strategies Unlimited.

Finisar at a Glance

➤ #1 Optical Components Market Leader

➤ Leading GaAs Platform for 3D Sensing and LiDAR

➤ Broadest portfolio of optical modules

➤ Differentiation via Vertical Integration

➤ Engineering Innovation with ~2,000 Patents



DATAKOM

- Enables data center and enterprise network connectivity
- Key products include transceivers for 25G, 100G and 400G

TELECOM

- Enables optimal transmission in access, metro and long-haul
- Key products include WSS, OCMs, and tunable/coherent modules

3D SENSING

- Enables 3D Sensing for consumer and automotive applications
- Key product: VCSEL arrays

Strategic Window of Opportunity Now

Right Technology + Right Team + Right Time
THE POWER TO TRANSFORM

Combined broad base of talent, technology and manufacturing enhances our ability to hit market windows **today**

Disruptive Megatrends



3D Sensing



Electric &
Autonomous Vehicles



Proliferation of
Cloud Services

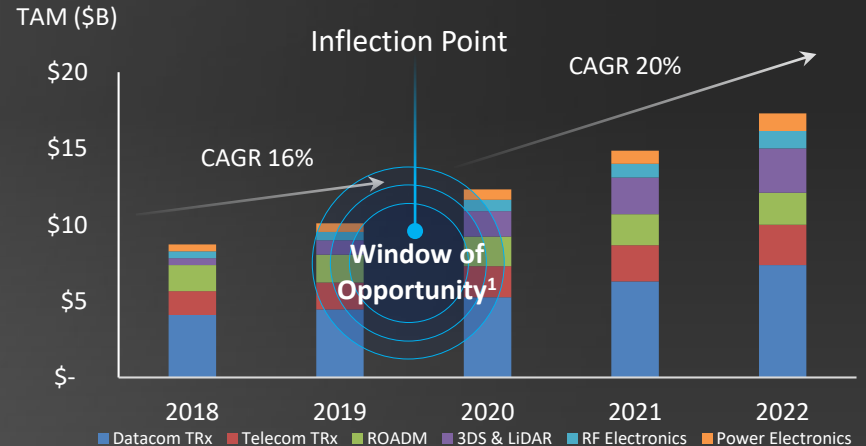


Increased Data and
Video Consumption



Growth in Mobile &
5G Communications

Note: Market size forecast from Lightcounting, Ovum and Yole.



II-VI and Finisar: History of Shared Culture and Values

Quality Culture is Foundational

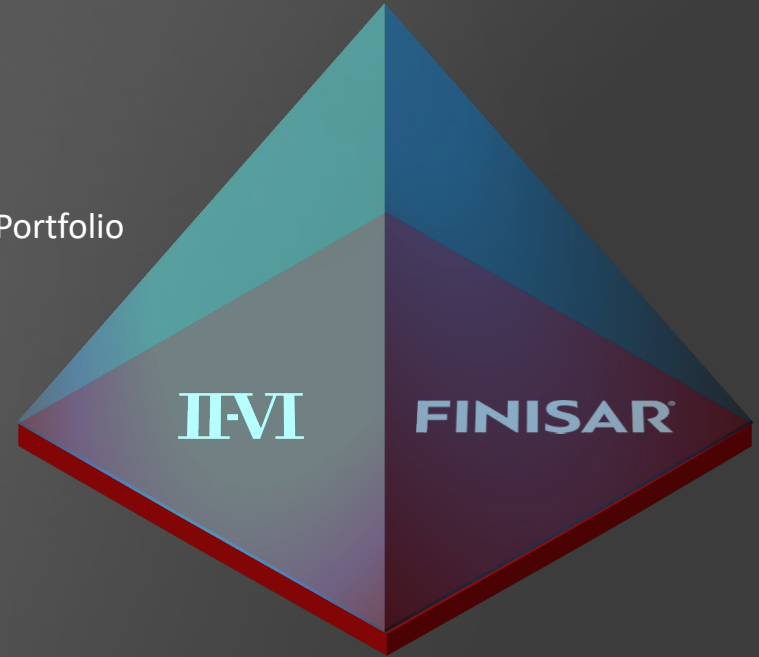
Shared Value and Vision

- 30+ Years of Innovation with over 2,700 patents
- Commitment to Address Customer Needs from a Broad Product Portfolio
- Leaders in Engineered Materials & Optoelectronic Devices

Shared Model

- Selective & Strategic Acquisitions
- Successful Differentiation via Vertical Integration
- Sustained Market Leadership

The Perfect Match: History, Culture, Technology and Assets

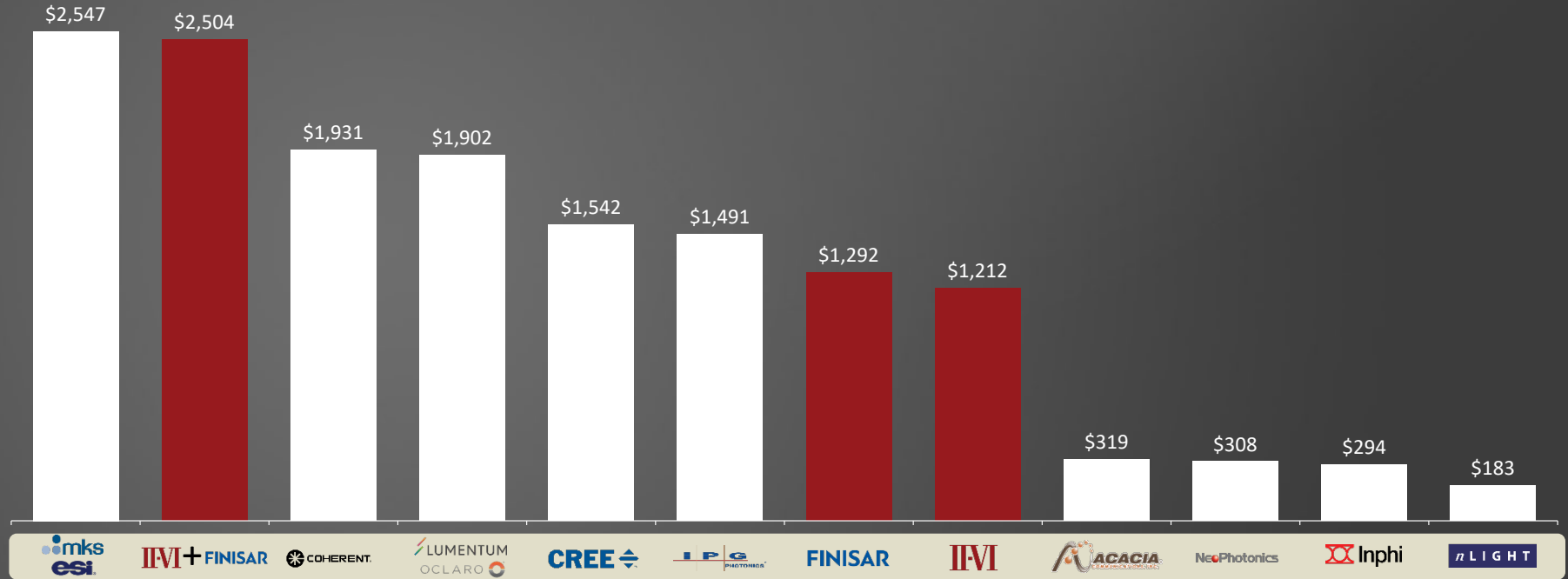


Transaction Strategic Rationale

- Creates One of the Largest Photonics and Compound Semiconductor Companies with \$2.5B of Revenue¹
- Combination Addresses Multiple Strong and Growing Markets
- Complementary Expertise in Datacom & Telecom Strengthens Position in Optical Communications
- Creates the Most Compelling 3D-Sensing and LiDAR platform with Faster Time to Market
- A Leader in Engineered Materials and Compound Semiconductors
- Expected to Achieve \$150mm Run-Rate Cost Synergies within 36 months

1. Represents LTM 9/30/2018 for II-VI plus LTM 07/29/2018 for Finisar.

One of the Largest Photonics & Compound Semiconductor Companies¹



Note: Dollars in millions. Lumentum pro forma for Oclaro. MKS pro forma for ESIO.

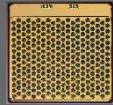
1. Represents LTM Revenue.

Irreversible Megatrends | Addressing Multiple Strong and Growing Markets

3D Sensing & LiDAR



GaAs | InP



For 3D sensing in consumer electronics & LiDAR in automotive

Optical Communications



GaAs | InP | Si Photonics



For terrestrial, submarine & wireless optical infrastructure and datacenters

RF Electronics in Wireless & Military



GaAs | GaN/SiC | Diamond



For 4G remote radio heads, 5G beam forming antennas & RF military electronics

Power Electronics For Green Energy



SiC

For electric vehicles (EV/HEV), smart grid power switching, solar and wind energy

2022 Market	\$2.9B	\$12.1B	\$1.1B	\$1.2B
2018-22 CAGR	60%	13%	26%	27%

Source: 3D Sensing & LiDAR, Wireless RF and Power Electronics for Green Energy from Yole, Optical Communications from Lightcounting and Ovum.

Complementary Expertise in Telecom and Datacom

- Industry leader in Datacom transceivers for Hyperscale datacenters
- Fixed & tunable transceivers for access & wireless optical infrastructure
- Next-generation coherent transmission & submarine amplification
- ROADM for optical transport: WSS, optical amplifiers, optical monitoring
- Highly vertically integrated from engineered materials to subsystems



Pump Laser



Amplifier



Transceiver



Wavelength Selective Switch

Product Portfolio Across Market Segments



TELECOM DATACOM

SUBSEA

ROADMS

TRANSMISSION

LONG HAUL, METRO & DATACENTER INTERCONNECTS

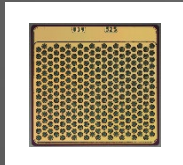


Most Compelling Platform for 3D Sensing & LiDAR

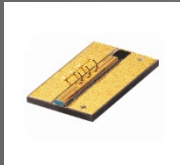
II-VI's and Finisar's GaAs and InP Platforms

= **Enhanced competency in 3D Sensing and LiDAR**

- Optimization of R&D, Capital and Asset Utilization
= **Faster Time to Market**
- Vertically integrated 6 inch GaAs compound semiconductor platform, one of the largest in the world
= **RF Devices and advanced optoelectronic integration**



VCSEL Arrays



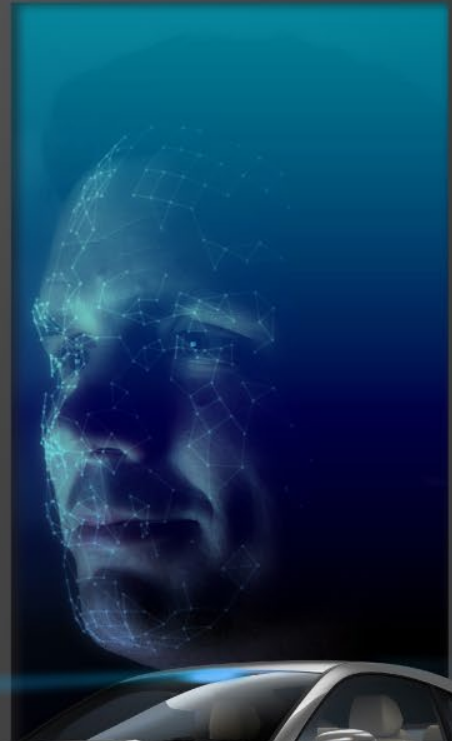
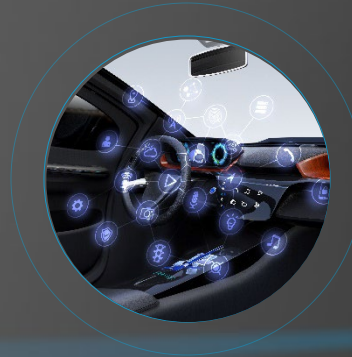
940nm DFB Lasers



3D Sensing Filters



Wide Angle Mirror



VCSEL Arrays For 3D Sensing & LiDAR CAGR ('18-22): +60%

Source: Yole

RF Electronics for Wireless Infrastructure & Military

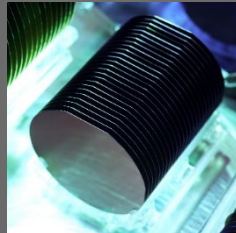
- II-VI's GaAs & SiC on 6" platform + Finisar's microelectronics design expertise = **Access to larger & growing markets**
- Collaboration with SEDI for GaN/SiC RF electronics
- For wireless & military: efficient, high power RF amplification with GaN/SiC HEMT
- Thin-film diamond on silicon for next generation high speed wireless electronics

SiC Substrates



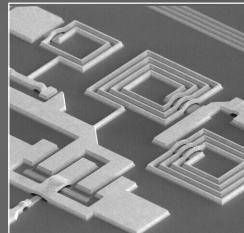
For 4G & 5G
Wireless Antennas

GaAs Epiwafers



For RF Devices in Wireless
Handsets

GaAs pHEMT



For RF Applications in
Military & Wireless

A world leading supplier of SiC substrates

GaN/SiC for RF Electronics
Market CAGR ('18-'22): **26%**
Source: Yole



5G

WIRELESS



Beam-forming Antenna

4G

WIRELESS



Remote Radio Head



Power Electronics for Green Energy

- II-VI's SiC on 6" platform + Finisar's microelectronics design expertise
= Access to larger & growing markets
- High efficiency voltage and power conversion
= SiC MOSFETs for Green Energy

Applications

- Electric cars (EV/HEV)
- Solar & Wind Energy
- Smart Grid Power Switching



SMARTCITY SMARTGRID



A world leading supplier of SiC substrates

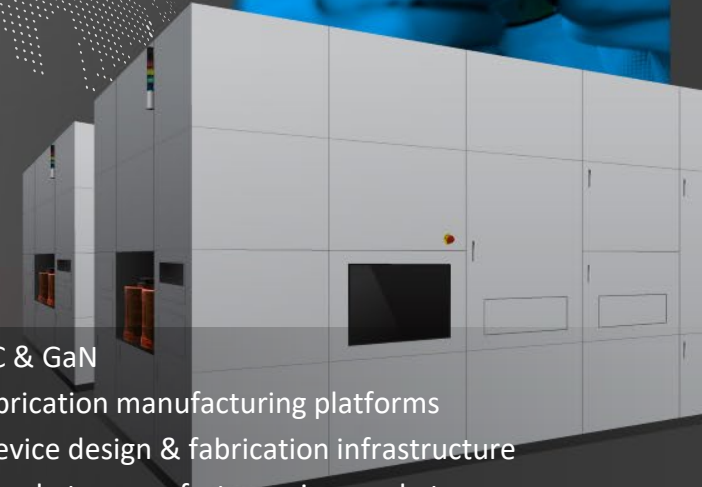
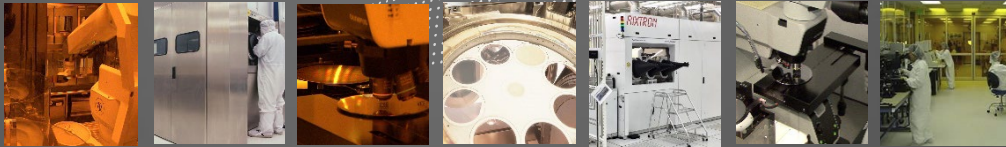
SiC for High Power Electronics
Market CAGR ('18-'22): 27%
Source: Yole



Bi-Directional Converter/ Inverter/ Electric Motor

DC-DC Converter

Combined Global Fab Footprint



- A broad compound semiconductor technology platform encompassing GaAs, InP, SiC & GaN
- One of the world's largest 6-inch vertically integrated epitaxial growth and device fabrication manufacturing platforms
- A global world-class team of experts and innovators in engineered materials, laser device design & fabrication infrastructure
- Combined, the companies will offer highly differentiated products & manufacturing scale to serve fast growing markets

Significant Value Creation Potential from Synergies

Annual Estimated Synergies
Achieved Within 36 months

Cost of Goods Sold



- Supply chain management - Procurement
- Infeed - Internal supply of enabling materials and components

~\$85 million

Research & Development



- More efficient R&D with scale
- Complementary engineering and design teams

General & Administration



- Consolidation of overlapping corporate costs
- Optimization of operating model

~\$65 million

Sales & Marketing



- Savings from scale

Total

~\$150 million

Transaction Overview

Transaction Consideration



- Approximately \$3.2 billion of total equity value
 - Finisar shareholders to own approximately 31% of the combined company

Per Share Consideration



- \$26.00 per share
 - \$15.60 in cash and 0.2218 shares of II-VI common stock, valued at \$10.40 per share based on the closing price of II-VI's common stock of \$46.88 on November 8, 2018

Sources of Financing



- \$2.0 billion of new funded debt in the form of fully committed financing (in addition to unfunded revolver)
- \$1.0 billion of combined balance sheet cash
- \$1.4 billion of equity issued to Finisar shareholders

Approval Process



- Approval by II-VI and Finisar shareholders
- Regulatory approvals

Expected Timeline



- Middle of calendar year 2019, subject to customary closing conditions

Financial Highlights



- \$150mm of expected annual cost synergies realized within 36 months of close
- Expected to drive accretion in Non-GAAP earnings-per-share for the first full year post close of approximately 10% and more than double that thereafter

Transaction Financing

Transaction Financing



- \$2.0 billion new funded debt, fully underwritten by BofA Merrill Lynch
 - \$450 million revolver unfunded at close

Pro-forma Capitalization Statistics



	(\$ in billion)	x LTM EBITDA (w/ synergies) ¹
Gross Debt	\$2.4	4.1x
Cash	\$0.3	0.6x
Net Debt	\$2.0	3.5x

Deleveraging and Capital Allocation



- Taken together, company has EBITDA generation of \$570mm¹
- Combined company has a strong deleveraging profile
- Ongoing ability to maximize strategic opportunities

1. Represents LTM 09/30/2018 for II-VI and LTM 07/29/2018 for Finisar and includes \$150mm run-rate synergies. EBITDA excludes amortization of intangibles, the impact of SFAS 123(R) stock-based compensation expense and one-time charges.

The image features a dark blue background with a glowing grid of light blue lines. In the center, a dense cluster of glowing blue cubes is arranged in a roughly rectangular shape. Each cube is outlined in bright blue and contains a small, glowing red arrow pointing in various directions. The overall effect is that of a complex, multi-dimensional data structure or a futuristic cityscape. The perspective is from a low angle, looking up at the cubes, which appear to be floating or rising from a dark, textured base that resembles a city at night with some lights visible.

IMI