



empower with light

**Jeffrey Rittichier**  
Chief Executive Officer

**Mark Weinswig**  
Chief Financial Officer

# “Safe Harbor” Statement

## **Forward-Looking Statements:**

This presentation contains forward-looking statements within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. Statements concerning future matters such as demand for our products, industry and market conditions, the development of new products, enhancements or technologies, sales levels, expense levels and other statements regarding matters that are not historical are forward-looking statements. These statements are based on management’s current expectations and beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, including without limitation, the following: (a) the rapidly evolving markets for the Company's products and uncertainty regarding the development of these markets; (b) the Company's historical dependence on sales to a limited number of customers and fluctuations in the mix of products and customers in any period; (c) delays and other difficulties in commercializing new products; (d) the failure of new products: (i) to perform as expected without material defects, (ii) to be manufactured at acceptable volumes, yields, and cost, (iii) to be qualified and accepted by our customers, and, (iv) to successfully compete with products offered by our competitors; (e) uncertainties concerning the availability and cost of commodity materials and specialized product components that we do not make internally; (f) actions by competitors; and (g) other risks and uncertainties discussed under Item 1A - Risk Factors in our Annual Report on Form 10-K for the fiscal year ended September 30, 2015, as updated by our subsequent periodic reports. All forward-looking statements are made as of the date hereof, based on information available to us as of the date hereof, and subsequent facts or circumstances may contradict, obviate, undermine, or otherwise fail to support or substantiate such statements. We assume no obligation to update any forward-looking statement to reflect subsequent events or circumstances, except as required by law.

## **Generally Accepted Accounting Principles:**

This presentation includes non-GAAP financial measures where indicated. The Company reports its financial results in accordance with GAAP. Additionally, the Company supplements reported GAAP financials with non-GAAP measures which are included in related press releases and reports furnished to the SEC, copies of which are available at the Company’s website: <http://www.EMCORE.com> or the SEC’s website at: <http://www.sec.gov>. These non-GAAP financial measures complement the Company’s consolidated financial statements presented in accordance with GAAP. However, these non-GAAP financial measures are not intended to supersede or replace the Company’s US GAAP results. These non-GAAP measures are presented in part to enhance the understanding of the Company’s historical financial performance and comparability between reporting periods. The Company believes the non-GAAP presentation, when shown in conjunction with the corresponding GAAP measures, provide relevant and useful information to analysts, investors, management and other interested parties. These non-GAAP measures are not in accordance with, or an alternative for measures prepared in accordance with GAAP, and may be different from non-GAAP measures used by other companies. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles. The Company believes that non-GAAP measures have limitations in that they do not reflect all of the amounts associated with the Company’s results of operations as determined in accordance with GAAP. These measures should only be used to evaluate the Company’s results of operations in conjunction with the corresponding GAAP measures.

# Who we are....

EMCORE is a leading provider of optical solutions for the communications and sensor markets



## Centers of Excellence

Alhambra, CA – R&D, InP Fab, Headquarters, Broadband

Warminster, PA – Specialty Photonics

Beijing, China – Product Assembly

## Corporate Overview

**LTM Revenue: \$88.2mm**

**Employees: ~600**

**NASDAQ Ticker: EMKR**

**New Leadership Team and  
Board of Directors**

**Strong Balance Sheet:  
\$110mm Cash as of Mar '16**

# Investment Highlights

Market Share Leadership in Core Businesses

Emerging Growth Opportunities in New Markets

Hybrid EMS Manufacturing Strategy

Instituting Six Sigma and Lean Manufacturing Disciplines

Accelerating Operating Leverage

Robust Balance Sheet

Strong, Operationally Focused Management Team





# End-Market Evolution of EMCORE

FY 2014

FY 2015

Business Highlights

Cable TV



Cable TV

Market Share Leader  
Top-Tier Customer Base  
Migration from DOCSIS 3.0 to 3.1

Satellite  
Communication



Satellite  
Communication

Market Share Leader  
Top-Tier Customer Base  
Emerging DAS Market for 5G

Space PV  
(Sold - \$150mm)

Telecom Chips  
(Organic)

New Market Entrant  
Leverages InP Fab & Drives Utilization  
GPON Migrating to Higher Value Areas

Telecom  
(Sold - \$18mm)

Fiber Optic Gyro  
(Organic)

New Market Entrant  
Leverages Core Fiber Optic Capabilities  
Penetrating Existing Defense Market

\$55.5 Million<sup>(1)</sup>



\$81.7 Million

47% YoY Core Revenue Growth

(1) Excludes Discontinued Operations

# Operational Evolution of EMCORE

FY 2014

FY 2015

Key Initiatives

1 Employee	6 Sigma Training	140 Professionals
✓✓	Fab Utilization	✓✓✓✓
✓✓	Product Yield	✓✓✓
✓✓✓✓	Labor Cost	✓✓
✓✓	Variable Cost	✓✓✓
21.1% Gross Margin <sup>(1)</sup>	 <b>Improved Results</b>	35.1% Gross Margin

Thorough Evaluation of Existing Operations and Processes

Shift of Non-Core Operations from Internal to Outsourced/EMS

Realignment of Personnel where Needed

Cultural Shift to Six Sigma & Lean

Focus on Driving Fab Utilization Through Merchant Chip Sales

Improvement in Production Yields Through Automation

**14.0% Point Increase in Gross Margin**

(1) Excludes Discontinued Operations

# CATV Growth Catalysts

## Demand for Bandwidth

Over-the-Top Services: Netflix, Hulu  
 Competition from Telcos and GOOG  
 4K Transmission

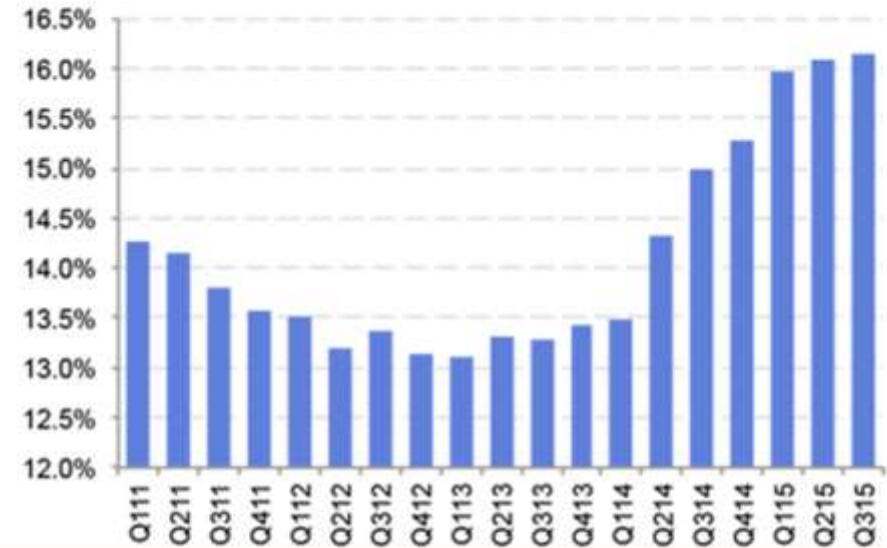
## Solutions

Downstream DOCSIS 3.0 & 3.1  
 Fiber Deep (N+0, N+1)  
 RF over Glass for Greenfield Builds

## EMCORE Advantage

Leading Chip and Device Technology  
 Cost Leadership in Manufacturing

**MSO Capex as % Revenue  
 (Rolling 4 Qtr.)**



## CATV Products



# Chip Growth Catalysts

## Fiscal 2014 / 2015

Rapid Entry into GPON Market to Drive Volume



## Fiscal 2016 & Beyond

Mix Shift to Other PON & Telecom as Design Wins are Awarded

### GPON

Improves InP Wafer Fab Utilization

Lays Groundwork for Higher Margin, Non-GPON Opportunities

Thinning Competitive Landscape

Shift from Selling Die to Bar Improves Margin Profile

### Other PON

Improves InP Wafer Fab Utilization

Much Higher Margin than GPON

Utilizes Core Technology & Experience

Longer Design-in Cycle than GPON

Greater Product Differentiation Potential vs. Competitors



# Evolution of Wireless Architecture

## Mobile Connectivity

Data and Location Services  
Mobile Streaming: Sports, Music, Etc.  
5G Wireless: Greater Bandwidth

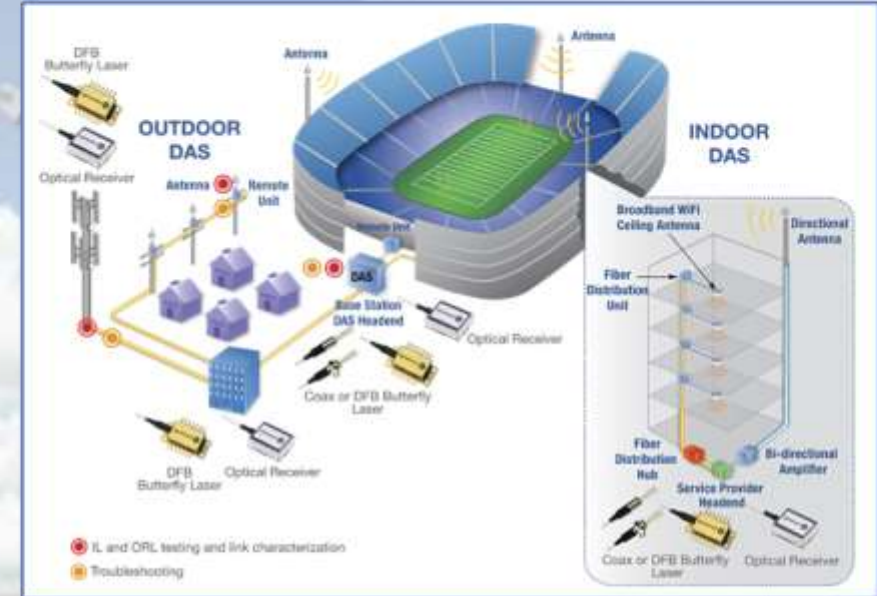
## Solutions

Fiber Replacement for Copper  
Greater Antenna Density  
Simpler DAS Implementation

## EMCORE Advantage

Technical Leadership in Linear Optics  
Leverage CATV infrastructure

## Next Generation / Gen5 Opportunity



## Satcom/Microwave/DAS Products



RF Satellite Fiber Links  
Microwave Fiber Links  
5G capable DFBs

# Fiber Optic Gyro Growth Catalysts

## Targeting/Navigation

GPS Doesn't Work on the Battlefield  
Drones Require Inertial Navigation  
Self-Aligning Targeting Systems

## Solutions

SWaP – Size, Weight and Power  
Patented Gyro Optics  
Integrated LiNbO<sub>3</sub>/InP Transceiver

## EMCORE Advantage

Linear Technology Leadership  
Transceiver IP

## Typical Applications



## Fiber Optic Gyros Products



Multi-Axis Navigation Grade  
Leading Size/Weight/Power  
Low Drift, High Accuracy



# EMCORE's Operating Strategy

## InP Fab Serves as the Foundation for Core Technologies and Products

■ Core

■ In-House/Outsource

### Key Initiatives

- Leverage Linear Technology
  - High Efficiency Packaging
  - High Frequency Analog Signals

Drives Superior Fab Utilization

Implement Automation to Drive Operating Leverage

Identify & Outsource Non-Core, Commodity Manufacturing Processes

Convert Fixed Costs to Variable Costs

Wafer



Chip/Laser



Component



Module



Subsystem



CATV

Sat. Comm.

Gyro

Chip

# Operational Transformation

## Embrace 6 Sigma Disciplines

- 100% of EMCORE's professionals are 6 Sigma White Belts
- 30% of our professionals will be Green Belts by June'16
- 20% will be Black Belts or Master Black Belts by June'17

## Top to Bottom Alignment Including Weekly Accountability

- All goals and objectives are linked from CEO's to Supervisors
- Nearly 2,000 metrics are tracked and monitored at all levels in the company on a weekly basis

## Insert Key Manufacturing Process "Modules" with Strong Operating Leverage

- Automation for Chip-Fab operations will reduce
- Headcount/operation when implemented by the end of CY16
- Automated Laser module processes being validated now

## Migrate to EMS for Commodity Processes

- Commodity processes will be outsourced (Box Builds, TO Cans, etc.)



# Serving Market Leading Companies World-wide

COMMSCOPE®



TELESTE



Raytheon



NeoPhotonics  
Innovation through Integration



# Investment Highlights

Market Share Leadership in Core Businesses

Emerging Growth Opportunities in New Markets

Hybrid EMS Manufacturing Strategy

Organization-wide adoption of Six Sigma and Lean Manufacturing Disciplines

Accelerating Operating Leverage

Robust Balance Sheet

Strong, Operationally Focused Management Team





empower with light

**Jeffrey Rittichier**  
Chief Executive Officer

**Mark Weinswig**  
Chief Financial Officer