emcore
empower with light

empower with light

Jeffrey Rittichier
Chief Executive Officer

Jikun Kim
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 mixed signal optical components for the communications and sensor markets.

Corporate Overview

- TTM Revenue Est.: $110.7mm
- Target 15% non-GAAP
- Operating Income: FY18 Exit
- New Leadership Team and Board of Directors
- Strong Balance Sheet: $68.6mm Cash as of Mar ‘17
- NASDAQ Ticker: EMKR

Centers of Excellence

- Alhambra, CA – R&D, InP Fab, Headquarters, Broadband
- Warminster, PA – Specialty Photonics
- Beijing, China – Product Assembly
New BOD and New Leadership Team

Returned $85M to Shareholders since January ‘15

Driven by a strong Board of Directors

- Chairman: Gerald Fine Ph. D., Corning Photonics, Schott NA, December 2013
- Stephen Domenik, Sevin Rosen, Intel, December 2013
- Rex S. Jackson, JDSU, December 2015
- Ed Coringrato, Cyoptics, Lucent Microelectronics, June 2016

Led by an upgraded Leadership Team

- President & CEO: Jeffrey Rittichier, Appointed December 2014
- CFO: Jikun Kim, Appointed June 2016
- 80% of VP level personnel have changed since FY14

With Improved Governance Policies: Clawback, Stock Ownership, Performance Based RSUs and more
“Mixed Signal” devices bridge the analog physical world with digital computing and communications

**Fiber Gyro**: Analog chips enable a special fiber coil to sense rotation. Sensitive electronics decode the complex signal and feed it into a signal processor used in navigation.

**DOCSIS CATV** transmission uses a pair of analog optical “radio carriers” to transmit 100% digital data over a network originally built to share a satellite dish.

**Wireless DAS** keeps 5G signals in native analog “radio” form as they go up to, and down from the antenna, reducing costs and damage.
Mixed Signal Optics: Core Competencies

Indium Phosphide and Lithium Niobate wafer fab
produces a large portfolio of linear and some digital devices

Optical packages
High coupling efficiency and wide temperature range

Digital/Small Signal Analog
pulling information out of demanding, noisy environments
Market Expansion with Mixed Signal Optics

Moving from $150M CATV to $2.5B SAM

**Broadband:** $600M SAM*
- CATV, Satcom, Wireless, Other
- DOCSIS 3.1 Fiber Deep, 5G
- Tier 1 Customers: Arris, Cisco, Teleste, WISI, Kathrein, PBN

**Navigation:** $1.8B SAM*
- Emerging Leader in FOG/IMU products.
- Patent protected, vertically integrated
- Tier 1 Customers: Raytheon, Lockheed Martin, United Technologies, BAE

**Telecom Chips:** $500M SAM*
- Developing Merchant Chip business
- Leveraging Disaggregation: “White box” designs
- Tier 1 Customers: NPTN, CIG, YSOD

*CY2021 estimates based on 3rd Party and internal market research
EMCORE’s Operating Strategy

InP Fab Serves as the Foundation for Core Technologies and Products

<table>
<thead>
<tr>
<th>Core</th>
<th>In-House/Outsource</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wafer</td>
<td><img src="wafer.png" alt="Image" /></td>
</tr>
<tr>
<td>Chip/Laser</td>
<td><img src="chip.png" alt="Image" /></td>
</tr>
<tr>
<td>Component</td>
<td><img src="component.png" alt="Image" /></td>
</tr>
<tr>
<td>Module</td>
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<tr>
<td>Subsystem</td>
<td><img src="Subsystem.png" alt="Image" /></td>
</tr>
<tr>
<td>CATV</td>
<td>SatCom</td>
</tr>
</tbody>
</table>

Key Initiatives

- Leverage Mixed Signal Technology
  - Analog/Digital Chip design
  - High Efficiency Packaging
  - Digital/Analog Signals

- Driving Superior Asset Utilization
  - Improves wafer fab operating leverage
  - Common packaging automation
  - Automatic tuning and calibration

- Identify & Outsource Non-Core, Commodity Manufacturing Processes

- Convert Fixed Costs to Variable Costs
CATV Opportunity: Expanded SAM to $225M with CPE*

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

Opportunities
Downstream DOCSIS 3.1
Fiber Deep (N+0, N+1)
RF over Glass (RFoG) Micro nodes

EMCORE Advantage
Leading Chip and Device Technology
Cost Leadership in Manufacturing

*2021 estimates based on SEC filings from Comcast & Charter/TWC/Brighthouse, Suddenlink, Shaw, EMCORE Internal
Chip Growth Opportunity: $500M SAM*

End Use Drivers
Communications: Private and Public
Sensor Applications
“White Box” Designs and Disaggregation

Opportunities
10 GPON
OLT RFoG
NG-PON2
EMLs, ASEs, SOAs and sensor devices

EMCORE Advantage
Leading Chip and Device Technology
Cost Leadership in Manufacturing

*FY2021 estimates based on LightCounting, Electronicast, EMCORE Internal
Fiber Optic Gyro Opportunity: $1,800M*

**End Use Drivers**
- GPS Doesn’t Work on the Battlefield
- Drones Require Inertial Navigation
- Self-Aligning Targeting Systems

**Opportunities**
- Navigation and Strategic Grade Gyros/IMUs
- Tactical Grade Gyros

**EMCORE Advantage**
- SWaP – Size, Weight and Power
- Patented Gyro Optics
- Superior operating leverage with CATV, Wireless, etc

* Coming various sources: FY2021 estimates based on Markets and Markets, Yole, Mordor, and EMCORE Internal
Embrace 6 Sigma Disciplines
• Most of EMCORE’s professionals are 6 Sigma White Belts
• 30% of our professionals have completed Green Belt training
• 15% will be Black Belts or Master Black Belts by June’18

EMCORE Performance Management: Top to Bottom Alignment and 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

Manufacturing Transformation
• Wafer Fab: Asset Light with Operating Leverage on “chip fab” Operations
• Dramatically transformed Assembly operations: reduction of US footprint by 30%, China by 60%
• “Dual Use” automation: projects developed in China are exported to the US and integrated

FY16 Results
• Over $2.5M in Savings from FY15 Green Belt Projects in FY16
Serving Market Leading Companies World-wide
Financial Trends FY2014 – YTD TTM

- Revenue: $55.5M, $81.7M, $91.9M, $110.7M
- Non-GAAP EPS: ($0.46), $0.14, $0.20, $0.39
- Non-GAAP OM: 4.7%, 5.5%, 9.3%
Investment Highlights

- Strong core market growth in CATV driven by DOCSIS 3.1 buildout
- Mixed Signal Optics Strategy expands EMCORE’s addressable markets ~10X
- New hybrid EMS manufacturing strategy improves efficiency and lowers headcount
- Organization-wide adoption of Six Sigma and Lean Manufacturing Disciplines for improved performance
- Accelerating Operating Leverage from automation in operations
- Robust Balance Sheet
- Strong, Operationally Focused Management Team
<table>
<thead>
<tr>
<th>All $ in Thousands</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>TTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>US GAAP net income</td>
<td>4,852</td>
<td>63,100</td>
<td>8,266</td>
<td>6,904</td>
</tr>
<tr>
<td>US GAAP net loss (income) from discontinued operations</td>
<td>(724)</td>
<td>(65,372)</td>
<td>(5,647)</td>
<td>(369)</td>
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<tr>
<td>US GAAP net income (loss) from Continuing Operations</td>
<td>4,128</td>
<td>(2,272)</td>
<td>2,619</td>
<td>6,535</td>
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<tr>
<td>Income Tax Expense (Benefit)</td>
<td>(24,596)</td>
<td>(2,194)</td>
<td>14</td>
<td>279</td>
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<tr>
<td>Sale of Assets Loss (Gain)</td>
<td>(100)</td>
<td>230</td>
<td>(41)</td>
<td>(41)</td>
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<tr>
<td>Change in FV of financial instruments</td>
<td>(34)</td>
<td>(122)</td>
<td>0</td>
<td>0</td>
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<tr>
<td>OCI Gain</td>
<td>(307)</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Currency exchange losses (gain)</td>
<td>(10)</td>
<td>138</td>
<td>393</td>
<td>642</td>
</tr>
<tr>
<td>Total Other Income &amp; Tax Related Adjustments</td>
<td>(25,047)</td>
<td>(1,948)</td>
<td>366</td>
<td>879</td>
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<tr>
<td>Stock based compensation expense - R&amp;D</td>
<td>459</td>
<td>379</td>
<td>372</td>
<td>406</td>
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<tr>
<td>Stock based compensation expense - SG&amp;A</td>
<td>2,240</td>
<td>3,020</td>
<td>1,445</td>
<td>1,971</td>
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<tr>
<td>Compensation related to divestitures</td>
<td>0</td>
<td>2,471</td>
<td>0</td>
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<tr>
<td>Litigation related expenses</td>
<td>0</td>
<td>1,856</td>
<td>(815)</td>
<td>(1,679)</td>
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<tr>
<td>Amortization</td>
<td>25</td>
<td>82</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Transaction Compensation Adjustments</td>
<td>1,782</td>
<td>0</td>
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<tr>
<td>Severance Charges</td>
<td>1,776</td>
<td>1,083</td>
<td>678</td>
<td>1,387</td>
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<tr>
<td>Impairments</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>468</td>
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<tr>
<td>Total Operating Expense Adjustments</td>
<td>6,282</td>
<td>8,892</td>
<td>1,680</td>
<td>2,552</td>
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<tr>
<td>ARO accretion</td>
<td>171</td>
<td>110</td>
<td>66</td>
<td>70</td>
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<tr>
<td>Gain on ARO liability</td>
<td>0</td>
<td>(845)</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Inventory OH Adjustments</td>
<td>306</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Stock based compensation expense - COGS</td>
<td>283</td>
<td>214</td>
<td>345</td>
<td>403</td>
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<tr>
<td>Total COGS Adjustments</td>
<td>760</td>
<td>(521)</td>
<td>411</td>
<td>473</td>
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<tr>
<td>Non GAAP pre-tax income from Continuing Operations</td>
<td>(13,877)</td>
<td>4,150</td>
<td>5,076</td>
<td>10,440</td>
</tr>
</tbody>
</table>
## Non GAAP Reconciliation

<table>
<thead>
<tr>
<th>All $ in Thousands</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>TTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP EPS from Continuing Operations - per diluted share</td>
<td>$0.16</td>
<td>$2.10</td>
<td>$0.31</td>
<td>$0.25</td>
</tr>
<tr>
<td>Other income &amp; tax related adjustments</td>
<td>$(0.85)</td>
<td>$(2.24)</td>
<td>$(0.20)</td>
<td>$0.02</td>
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<tr>
<td>Operating expense adjustments</td>
<td>$0.21</td>
<td>$0.30</td>
<td>$0.06</td>
<td>$0.09</td>
</tr>
<tr>
<td>COGS adjustments</td>
<td>$0.02</td>
<td>$(0.02)</td>
<td>$0.02</td>
<td>$0.02</td>
</tr>
<tr>
<td>Non GAAP pre-tax EPS from Continuing Operations per diluted share</td>
<td>$(0.46)</td>
<td>$0.14</td>
<td>$0.20</td>
<td>$0.39</td>
</tr>
</tbody>
</table>

| Share Count | 30,453 | 30,012 | 25,979 | 26,892 |

<table>
<thead>
<tr>
<th>GAAP Gross Margins</th>
<th>21.8%</th>
<th>35.1%</th>
<th>33.6%</th>
<th>34.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non GAAP Gross Margins</td>
<td>23.2%</td>
<td>34.5%</td>
<td>34.1%</td>
<td>34.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GAAP Operating Margins</th>
<th>-36.6%</th>
<th>-5.5%</th>
<th>3.2%</th>
<th>6.6%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non GAAP Operating Margins</td>
<td>-23.9%</td>
<td>4.7%</td>
<td>5.5%</td>
<td>9.3%</td>
</tr>
</tbody>
</table>