

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): October 22, 2018

COHERENT, INC.

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation)

001-33962  
(Commission File No.)

94-1622541  
(IRS Employer Identification  
Number)

5100 Patrick Henry Drive  
Santa Clara, CA 95054  
(Address of principal executive offices, including zip code)

(408) 764-4000  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

**ITEM 2.02. Results of Operations and Financial Condition**

On October 22, 2018, Coherent, Inc. (“Coherent”) issued a press release regarding certain preliminary financial results for the fiscal quarter ended September 29, 2018. A copy of the press release is furnished as Exhibit 99.1 to this report.

As Coherent’s quarter-end audit and financial review is not complete, these preliminary financial results reflect the extent of Coherent’s current understanding of such results and are subject to adjustments. Coherent will release its financial results for the fiscal quarter ended September 29, 2018 after the market closes on Tuesday, November 6, 2018.

NON-GAAP FINANCIAL MEASURES: 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. In assessing the overall health of its business, Coherent excluded items in the following general categories described below:

*Non-GAAP Gross Margin and Non-GAAP Operating Margin.* Coherent has excluded certain recurring and non-recurring items in order to enhance investors’ understanding of its ongoing operations and to compare these results across multiple fiscal periods, particularly where a one-time event may have an impact in one fiscal quarter and not another.

Each of the non-GAAP financial measures described above, and used herein, 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.

**ITEM 9.01. Financial Statements and Exhibits**

(d) Exhibits

Exhibit No.	Description
99.1	<a href="#">Press release dated October 22, 2018</a>

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: October 22, 2018

COHERENT, INC.

By: /s/ Kevin Palatnik  
Kevin Palatnik  
Executive Vice President and  
Chief Financial Officer



PRESS RELEASE

Contact: Kevin Palatnik  
EVP & Chief Financial Officer  
+1 (408) 764-4110  
Kevin.Palatnik@coherent.com

October 22, 2018  
Press Release No. 1432  
For Immediate Release:

Coherent, Inc. Announces Preliminary Fourth Fiscal Quarter 2018 Financial Results

SANTA CLARA, CA., October 22, 2018 — Coherent, Inc. (NASDAQ: COHR) today announced that it expects, for the fourth fiscal quarter ended September 29, 2018, revenue, non-GAAP gross margin percentage and non-GAAP operating margin percentage in the approximate ranges set forth below, which as noted, are below the guidance ranges previously provided by the company during its earnings conference call on July 31, 2018:

	Updated Ranges	Previous Ranges
Revenue	\$460 million - \$461 million	\$465 million - \$485 million
Non-GAAP Gross Margin %	43% - 44%	46% - 49%
Non-GAAP Operating Margin %	22% - 23%	25% - 28%

As the company’s quarter-end financial review is not complete, the updated ranges are subject to adjustments.

The updated ranges result from several factors, including end of quarter execution challenges in one of the company’s German manufacturing sites and a softening demand environment in China. The company continues to finalize its financial and operational review and will provide additional comments on the past quarter, the upcoming quarter and macro views of fiscal 2019 and fiscal 2020 on its November 6, 2018 earnings call.

Fiscal Fourth Quarter 2018 Results Conference Call

Coherent will release its fiscal fourth quarter 2018 financial results after the market closes on Tuesday, November 6, 2018. The company will hold a conference call to review the results at approximately 1:30 p.m. (Pacific)/4:30 p.m. (EDT). A listen-only broadcast of the conference call can be accessed on the company’s website at [www.coherent.com/investors](http://www.coherent.com/investors). For those not available to listen to the live broadcast, the call will be archived for approximately three months.

5100 Patrick Henry Dr., Santa Clara, CA 95054 | [www.coherent.com](http://www.coherent.com)

The previous and updated guidance for non-GAAP financial measures excludes share-based compensation-related charges, amortization of intangible assets, restructuring charges, other impairment charges (recoveries), acquisition-related costs, purchase accounting step-up and the related tax adjustments. The company has not reconciled non-GAAP gross margin guidance to GAAP gross margin or non-GAAP operating margin guidance to GAAP operating margin because the company does not provide guidance on GAAP gross margin or GAAP operating margin and would not be able to present the various reconciling cash and non-cash items between the GAAP financial measures and the non-GAAP financial measures, including share-based compensation expense, without unreasonable effort. Share-based compensation expense is impacted by the company’s future hiring and retention needs and, to a lesser extent, the future fair market value of the company’s common stock, all of which is difficult to predict and subject to constant change. The actual amounts of such reconciling items will have a significant impact on the company’s GAAP gross margin and operating margin.

RISKS AND UNCERTAINTIES

This press release contains forward-looking statements, as defined under the Federal securities laws. These forward-looking statements include the statements in this press release that relate to the company’s outlook for its guided ranges for the financial results of the fourth fiscal quarter ended September 29, 2018. These forward-looking statements are not guarantees of future results and are subject to risks, uncertainties and assumptions that could cause our actual results to differ materially and adversely from those expressed in any forward-looking statement. Factors that could cause actual results to differ materially include the review of the fourth quarter results and quarter-end accounting procedures. In addition, the company and its business, including the aforementioned forward-looking statements, are subject to risks and uncertainties, including, but not limited to, risks associated with growth in demand for our products, customer acceptance and adoption of our products, the worldwide demand for flat panel displays and adoption of OLED for mobile displays, the pricing and availability of OLED displays, the demand for and use of our products in commercial applications, our ability to generate sufficient cash to fund capital spending or debt repayment, our successful implementation of our customer design wins, our and our customers’ exposure to risks associated with worldwide economic conditions, our customers’ ability to cancel long-term purchase orders, the ability of our customers to forecast their own end markets, our ability to accurately forecast future periods, continued timely availability of products and materials from our suppliers, our ability to timely ship our products and our customers’ ability to accept such shipments, our ability to have our customers qualify our product offerings, worldwide government economic policies, our ability to integrate the business of Rofin and other acquisitions successfully, manage our expanded operations and achieve anticipated synergies, and other risks identified in the company’s SEC filings. Readers are encouraged to refer to the risk disclosures and critical accounting policies described in the company’s reports on Forms 10-K, 10-Q and 8-K, including the risks identified in today’s financial press release, as applicable and as filed from time-to-time by the company.

###

Founded in 1966, Coherent, Inc. is one of the world’s leading providers of lasers, laser-based technologies and laser-based system solutions for scientific, commercial and industrial customers. Our common stock is listed on the Nasdaq Global Select Market and is part of the Russell 1000 and Standard & Poor’s MidCap 400 Index. For more information about Coherent, visit the company’s website at <http://www.coherent.com> for product and financial updates.

5100 Patrick Henry Dr., Santa Clara, CA 95054 | [www.coherent.com](http://www.coherent.com)

---