

COHU INVESTOR PRESENTATION

June 2023

Cautionary Statement Regarding Forward-Looking Statements

Forward-Looking Statements:

Certain statements contained in this presentation may be considered forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, including statements regarding being aligned to high growth semiconductor markets and expected CAGRs; all Serviceable Addressable Market (SAM) estimates; share and growth over time; market segments CAGRs and growth drivers for each business; 3-5 year target "Plan" or "Target Model" financial goals; target revenue CAGRs by business; market position in business verticals and changes over time; end-market growth estimates; savings from higher yield; resiliency of recurring business; Q2'23 financial guidance; recurring revenue and backlog; any other Fy'23 forecasts; any references to product plans, roadmaps, developments and schedules; increases in test intensity, power and IoT nodes; expanding into probe card market; product lower cost, higher yield, throughput, productivity or life estimates; Sense+ gaining traction and growth; scalability and design wins with Diamondx testers; leadership in automotive test; product leadership in contactors; Neon product opportunities; DI-Core plans; gross margin expansion; est. Cap Ex; business segment revenue split at Target Model; revenue growth to \$1 Bil; investment thesis; any future M&A; any future Term Loan B principal reduction; the amount, timing or manner of any share repurchases; and any other statements that are predictive in nature and depend upon or refer to future events or conditions; and/or include words such as "may," "will," "should," "would," "expect," "anticipate," "plan," "likely," "believe," "estimate," "project," "intend;" and/or other similar expressions among others. Statements that are not historical facts are forward-looking statements. Forward-looking statements are based on current beliefs and assumptions that are subject to risks and uncertainties and are not guarantees of future performance. Any third-party industry analyst forecasts quoted are for reference only and Cohu does not adopt or affirm any such forecasts.

Actual results and future business conditions could differ materially from those contained in any forward-looking statement as a result of various factors, including, without limitation: cyclical COVID-19 pandemic impacts; new product investments and product enhancements which may not be commercially successful; inability to effectively manage multiple manufacturing sites in Asia and secure reliable and cost-effective raw materials; failure of sole source contract manufacturer; ongoing inflationary pressures on material and operational costs coupled with rising interest rates; economic recession; instability of financial institutions where we maintain cash deposits and potential loss of uninsured cash deposits; the semiconductor industry is seasonal, cyclical, volatile and unpredictable; the semiconductor equipment industry is intensely competitive; rapid technological changes and product introductions and transitions; a limited number of customers account for a substantial percentage of net sales; significant exports to foreign countries with economic and political instability and competition from a number of Asia-based manufacturers; loss of key personnel; reliance on foreign locations and geopolitical instability in such locations critical to Cohu and its customers; natural disasters, war and climate-related changes; increasingly restrictive trade and export regulations impacting our ability to sell products, specifically within China; significant goodwill and other intangibles as percentage of our total assets; risks associated with the MCT acquisition, such as integration and synergies, and other risks associated with additional potential acquisitions, investments and divestitures; levels of debt; financial or operating results that are below forecast or credit rating changes impacting our stock price or financing ability; law/regulatory and including tax law changes; significant volatility in our stock price; and the risk of cybersecurity breaches.

These and other risks and uncertainties are discussed more fully in Cohu's filings with the SEC, including the most recently filed Form 10-K and Form 10-Q, and the other filings made by Cohu with the SEC from time to time, which are available via the SEC's website at www.sec.gov. Except as required by applicable law, Cohu does not undertake any obligation to revise or update any forward-looking statement, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise.

COHU AT A GLANCE



\$813M

FY22 Revenue

\$324M

Cash & Investments ⁽²⁾

~ 18%

5-year Revenue CAGR ⁽¹⁾

~ 47%

FY22 Gross Margin ⁽³⁾

Aligned to high growth semiconductor markets⁽⁴⁾:

- Automotive Electronics CAGR ~ 16%
- Industrial Electronics CAGR ~ 9%
- Wired Comm. Electronics CAGR ~ 8%
- Computing-Server CAGR ~ 5%

~ 24,100

Equipment Installed Base

⁽¹⁾ For the period ending December 31, 2022

⁽²⁾ As of April 1, 2023

⁽³⁾ Non-GAAP, see Appendix for GAAP to non-GAAP reconciliations

⁽⁴⁾ Source: Gartner Worldwide Semiconductor Forecast Database (4Q22 Update)



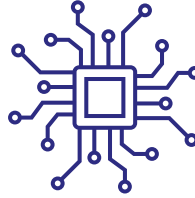
DELIVERING HIGHER YIELD & PRODUCTIVITY



High performance product portfolio at lower cost-of-ownership



Diverse customers and applications expanding addressable market



Increasing semiconductor complexity and package integration



Innovative solutions delivering higher yield & productivity



Scalable model that optimizes profitability and Plan ⁽⁴⁾ that delivers growth and drives shareholder value

Strong market
position in each business vertical

~ 20% share
in ~ \$4 billion addressable market ⁽¹⁾

Opportunities
in 5G connectivity, artificial intelligence, advanced packaging, industrial IoT ⁽²⁾, automotive ADAS ⁽³⁾ and electrification, consumer wearables

Broad IP portfolio
and strong global support enabling customers' production ramps and productivity goals

Revenue ⁽⁴⁾
\$1 billion
Gross Margin ⁽⁴⁾
49%
Operating Income ⁽⁴⁾
25%

⁽¹⁾ Cohu SAM: Serviceable Addressable Market are company estimates for 2023

⁽²⁾ Internet of Things

⁽³⁾ Advanced Driver Assistance Systems

⁽⁴⁾ Plan references a mid-term (3-5 years) target. Gross Margin and Op Income are Non-GAAP, see Appendix for notes regarding use of forward-looking non-GAAP figures

MARKET AND TECHNOLOGY LEADERSHIP

Equipment and Services enabling higher yield and productivity



#3

Semiconductor Test ⁽¹⁾ Test Interface

High fidelity measurement instruments
Compact, low-power systems → Scalability



#1



#1

Services ⁽²⁾

Global footprint
Data analytics



#2

Inspection & Metrology

Thermal and Vision Inspection
Technologies enabling higher yield



#1

Automation ⁽³⁾

(1) Leading supplier of RF Front-End test equipment; company estimates

(2) Service business of Cohu systems

(3) Automation includes test handlers

WHY WE ARE WINNING

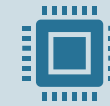
1% higher yield
equates to

~ \$5 billion

customer value ⁽¹⁾

Delivering higher yield
at lower cost-of-ownership

Solutions approach
faster time-to-yield



Precision instruments
higher accuracy & yield



Faster ramps
satisfying demand



Advanced vision
higher inspection yield



Global support
greater productivity



Active thermal
higher test yield



(1) Semiconductor Industry Association (SIA): global semiconductor industry sales totaled \$556 billion in 2021

TARGET MODEL

Revenue ⁽¹⁾

\$1B

Gross Margin ⁽¹⁾

49%

Operating Income ⁽¹⁾

25%

STRATEGY

Expand Semiconductor Test in high-growth markets beyond RF ⁽²⁾ Front-end ICs ⁽³⁾ with scalable, precision instrumentation

Accelerate Interface product sales in test cells and high-end RF probe card market

Expand Services business with data analytics to optimize equipment productivity

Deliver high-end Inspection & Metrology to key growth applications: 5G, AI ⁽⁴⁾, advanced packaging

⁽¹⁾ Mid-term (3-5 years) target. Gross Margin and Op Income are Non-GAAP, see Appendix for notes regarding use of forward-looking non-GAAP figures

⁽²⁾ Radio Frequency

⁽³⁾ Integrated Circuits
⁽⁴⁾ Artificial Intelligence



GROWTH STRATEGY

SCALABLE TEST SOLUTIONS ON DIAMOND_x

Cost-Performance Challenge

Devices with increasing mixed signal complexity

RF FEM &
RF-IoT

Analog & Power
Management

Customer Portfolio

Microcontrollers

Display
Drivers

Device cost down enabling market expansion

Platform Advantages

Best-in-Class Throughput

Event-Link architecture suited for efficient multisite mixed signal test

Air-Cooled Universal

Platform scalable from 5-slots suitable for low pin-count devices to 40-slots enabling >300 multisite test parallelism

Calibration to Device Pin

The only company positioned to solve technical and yield challenges through integrated tester-interface-handler solutions

Design-Wins ⁽¹⁾

RF-IoT (Ultra-wideband)

Low digital speed devices with high RF content benefiting from cost-performance optimized multisite instruments

up to **4X**

Higher Output

Power Management for Computing

Universal platform addressing high-power requirements, a more flexible alternative to dedicated solutions

up to **6x**

Competitors' Maximum Voltage

⁽¹⁾ Based upon customer provided benchmarking data

SENSE+ GAINING CUSTOMER TRACTION

New architecture with Stimulus Tester maximizes accuracy and production output



10X

Increase in Accuracy & Output⁽¹⁾

~\$18B

Device end-market⁽²⁾

~7% CAGR⁽²⁾



Fully configured, Sense+ delivers one-pass automated test, inspection & metrology for the most complex MEMS devices including <1 mm WLCSP

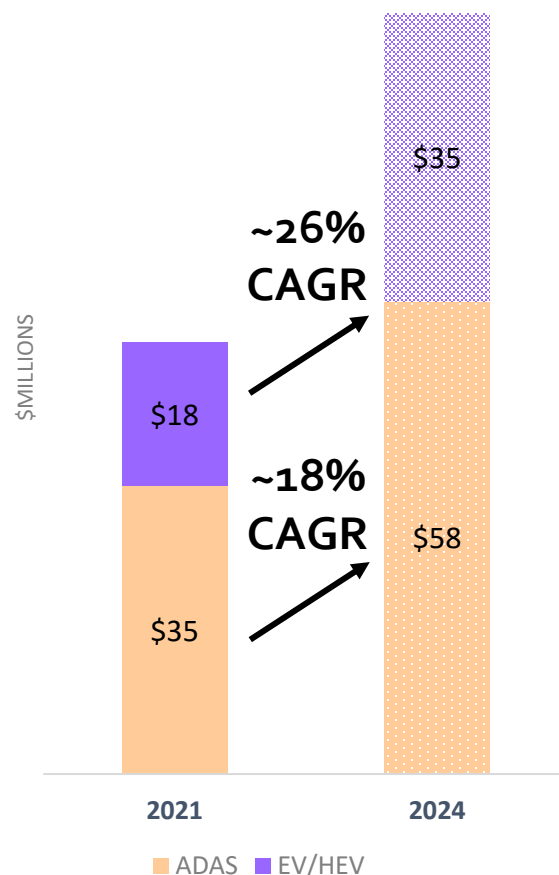
⁽¹⁾ Compared to prior generation solutions

⁽²⁾ MEMS market forecast 2025, CAGR 2020-2026 - Yole Developpement 2021

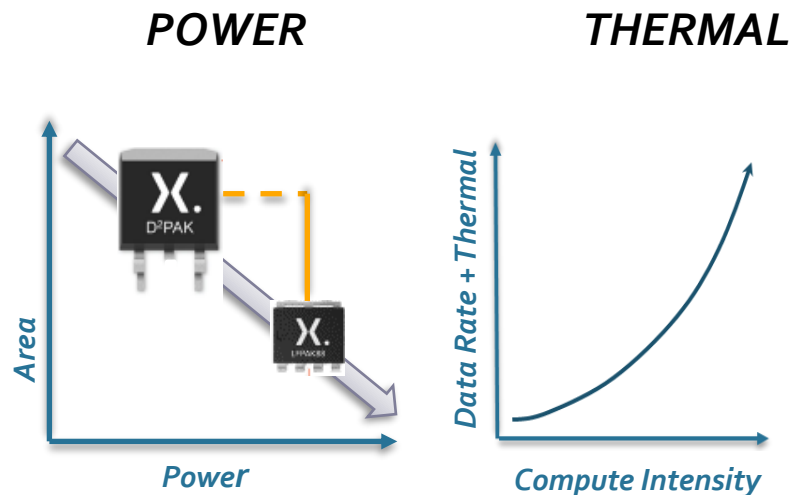
LEADERSHIP IN AUTOMOTIVE TEST SOLUTIONS

Accelerated Growth Segment

Contactor SAM ⁽¹⁾



Technical Drivers

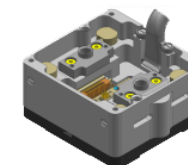


Customers



Product Leadership

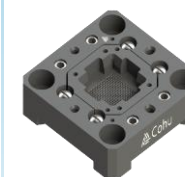
High Current Contactor



Unique pin architecture and heat dissipation structure delivers
~ 30% higher current capacity

~ 2X⁽¹⁾ Life Increase
~ 50%⁽¹⁾ Lower Cost

Thermal Contactor



Smart sensors for improved temperature accuracy when combined with Cohu test handlers

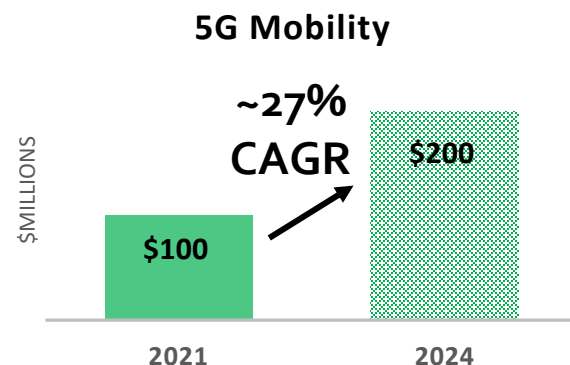
Higher Yield
with Thermal Accuracy

⁽¹⁾ Company estimates

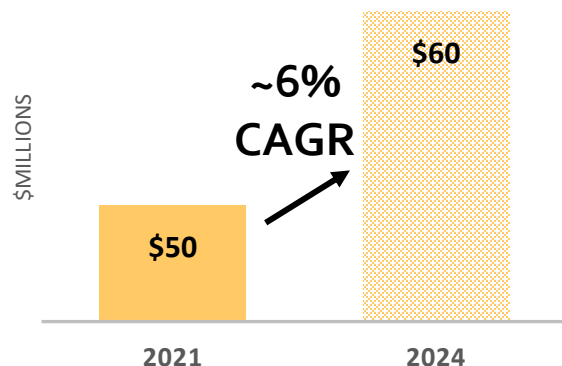
SOLUTIONS IN HIGH-PERFORMANCE APPLICATIONS

Accelerated Growth Segment

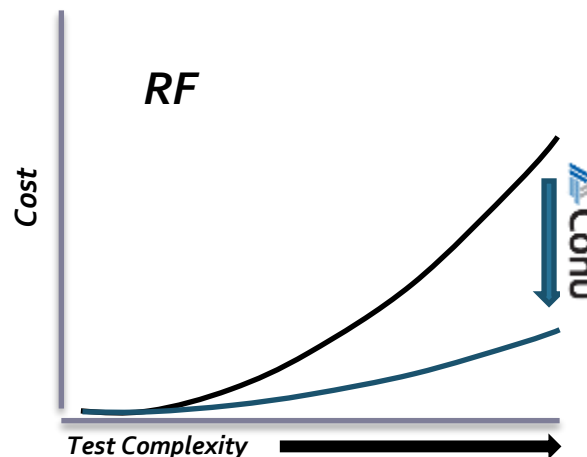
Contactor SAM ⁽¹⁾



Data Center



Technical Drivers



Customers



Product Leadership

Coaxial Contactor



High isolation for PAM4 ⁽²⁾
Improved isolation delivering higher signal integrity

2X⁽¹⁾

Better Isolation

mmWave Contactor



RF optimized to 60 GHz
~ 70% increase in performance over standard pins

~ 50%⁽¹⁾

Lower Cost-of-Ownership

⁽¹⁾ Company estimates

⁽²⁾ Pulse-amplitude Modulation

EXPANDING IN RF PROBE CARD



60 GHz Performance

- Multisite test at mmWave performance
- Direct attach technology



Time to Yield

- Turnkey solution simplifies implementation



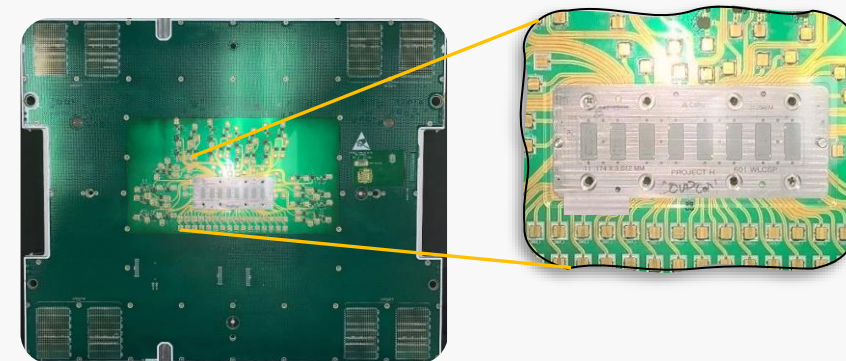
Cost of Test

- Field replaceable probe technology
- Integration with Cohu's Diamond_x semi tester enables calibration to the device



Production Ramp

- First time right quality with automated RF verification and full mechanical testing



Vertical

Membrane

	Vertical	Membrane
mmWave frequencies	✓	✗
mmWave multisite	✓	✗
>1A current	✓	✗
Field repair	✓	✗
Cost	✓	✗

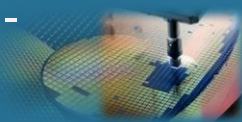
Expanding addressable market by \$300M ⁽¹⁾
Addressing 5G mobility and ADAS radar sensor markets

(1) Company estimates

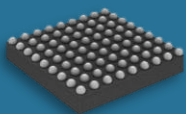
NEON INSPECTION MAXIMIZES YIELD

Customer Challenges

Small form-factor WLCSP devices with sub-millimeter size and exposed structure



Integrated modules with higher pad density, smaller pad size and pitch



Bringing tighter inspection requirements and need for higher yield



Infrared NV-Core technology enabling micro-scale defect detection below the device surface



Artificial Intelligence algorithms enabling pattern recognition and precise defect classification



Optimized for small form-factor processing at high-speed and yield

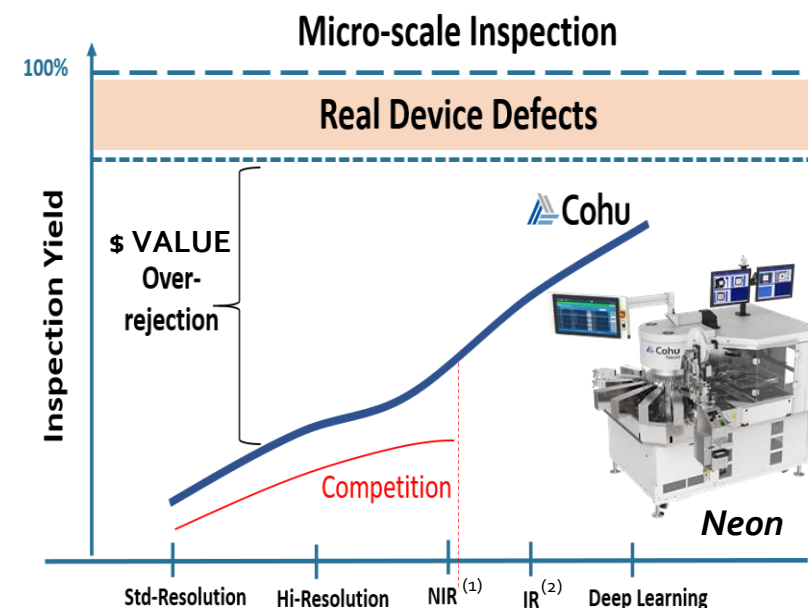


Automation compatible solutions supporting Industry 4.0 requirements

Value to Customer

up to **5%**⁽³⁾

Higher Inspection Yield



(1) Near infrared

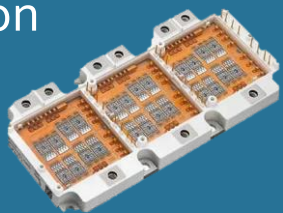
(2) Infrared

(3) Company estimates

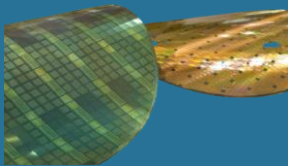
TRUE KNOWN GOOD DIE FOR MODULE INTEGRATION

Customer Challenges

Power module yield losses linked to multiple die integration



Test thinner SiC dies at higher power levels with full device integrity



Cohu Solution



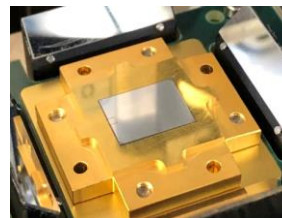
Proven high-power testing of 50 μm thin bare die with controlled contactor insertion assisted by NV-Core vision



Full 6-side micro-scale inspection post testing



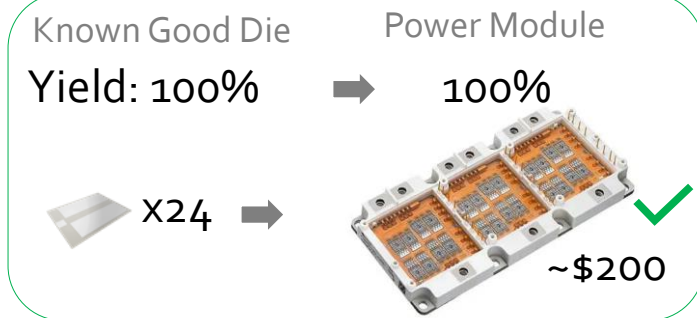
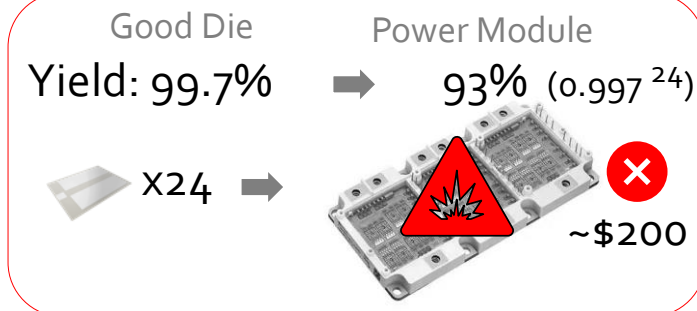
100% die traceability from wafer to tape-pocket



Value to Customer

up to **7%** ⁽¹⁾

Higher Yield



(1) Company estimates

RESILIENT RECURRING BUSINESS MODEL



\$334M

LTM⁽¹⁾ Recurring
Revenue



\$151M

LTM⁽¹⁾ Service
Revenue



> 24,300

Systems Installed
Base



300+

Highly Skilled Field
Service Engineers

6.4%

3-year CAGR ⁽²⁾

> 87%

*Annual Renewal Rate
on service contracts*

> 100

Customers

~ 12 year

Average Tenure

*Stable revenue at
50%+ gross margin⁽³⁾*

*Cloud-based, automated
order management for
~ 14,000 different spares*

*Over 280 high-volume
manufacturing facilities
in 31 countries*

*Virtual-assist and
on-site support*

(1) Last Twelve Months (LTM) revenue, as of April 1, 2023

(2) Compound Annual Growth Rate (CAGR) from Q1'20 to Q1'23

(3) Non-GAAP: See Appendix for GAAP to non-GAAP reconciliations and for notes regarding use of forward-looking non-GAAP figures

DATA INTELLIGENCE SYSTEMS INCREASING OUTPUT



Real-time equipment monitoring and data analytics for Industry 4.0 factory automation of Cohu Equipment

Collect Equipment Data

Analyze

Report, Conclude and Act

insight Software



Online Equipment Monitoring

Track uptime, yield, and throughput with proactive notifications for real-time corrective action



Process Control

Test process control via central recipe management for downloading applications to equipment fleet



Alarm Reporting

Pareto alarm reporting to expedite maintenance of critical problems

PdM Software ⁽¹⁾

Predict Out of Specification Performance

Analyze remaining useful life of critical components enabling proactive replacement before failure



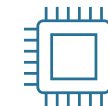
Real-time Monitoring of System

Track system components and thermal performance reducing out of guard band testing



Contactor Analytics

Monitor insertions and yield per site for optimal contactor maintenance



(1) PdM (Predictive Maintenance) software launching 1H'23



DELIVERING PROFITABILITY AND SHAREHOLDER VALUE

Q2'23 OUTLOOK

	Q4'22 Actual	Q1'23 Actual	Q2'23 Guidance ⁽²⁾
Revenue	\$191.1M	\$179.4M	\$161 - \$173M
Gross Margin ⁽¹⁾	48.8%	48.2%	~ 47%
Operating Expenses ⁽¹⁾	\$52.4M	\$52.3M	~ \$52M
Non-GAAP EPS ⁽¹⁾	\$0.70	\$0.56	
Adjusted EBITDA ⁽¹⁾	22.2%	21.1%	~ 18% (mid-pt. of guidance)

Q1 revenue led by automotive and industrial test demand

Resilient gross margin from differentiated products and strong recurring revenue

OPEX projected to be flat QoQ

Fully diluted shares outstanding estimated at 48.2 million

⁽¹⁾ Non-GAAP, see Appendix for Q4'22, Q1'23 GAAP to non-GAAP reconciliations and for notes regarding use of forward-looking non-GAAP figures

⁽²⁾ Guidance as provided on May 4, 2023 press release and earnings conference call

MID-TERM TARGET MODEL ⁽³⁾

\$1 billion
Revenue

\$4.00
EPS ⁽¹⁾

	Q1'23 Actuals	FY2022 Actuals	Target Model ⁽³⁾
Revenue	\$179.4M	\$812.8M	\$1 billion
Gross Margin ⁽¹⁾	48.2%	47.2%	49%
Operating Expenses ⁽¹⁾	29.2%	25.6%	24%
Non-GAAP EPS ⁽¹⁾	\$0.56	\$2.91	\$4.00
Adjusted EBITDA ⁽¹⁾	21.1%	23.7%	26%
Free Cash Flow ⁽²⁾	\$11.4M	\$98.1M	\$180M

Gross Margin, profitability and cash flow tracking to mid-term target

⁽¹⁾ Non-GAAP, see Appendix for GAAP to non-GAAP reconciliations, and for notes regarding use of forward-looking non-GAAP figures

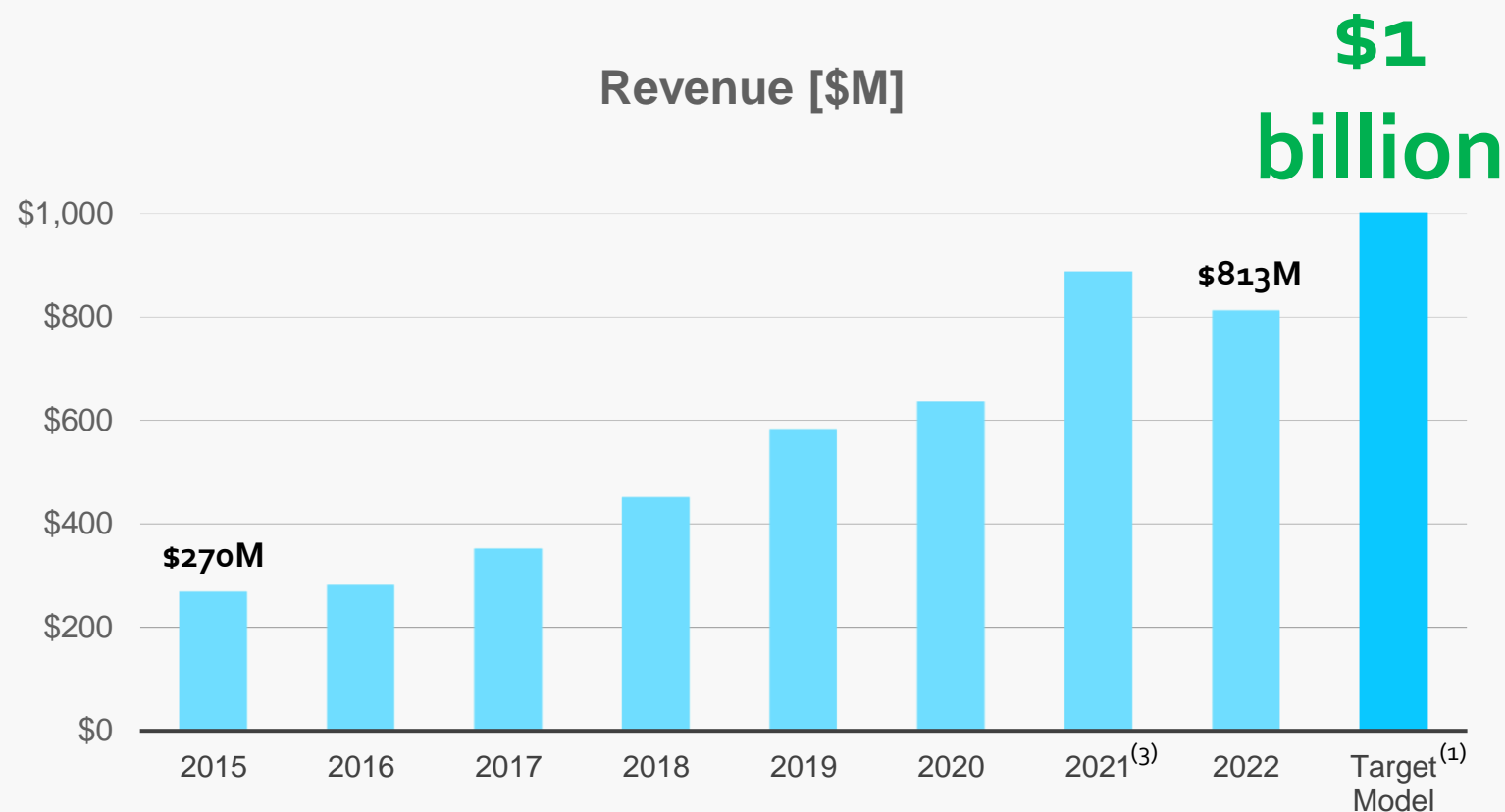
⁽²⁾ Reflects cash from operating activities minus capital expenditures

⁽³⁾ Mid-term (3-5 years) target model

REVENUE TARGET

Mid-Term Target ⁽¹⁾
Revenue CAGR

~ 7%



Winning new customers and expanding SAM in growing markets
Substantial revenue stream from recurring ⁽²⁾ with attractive profit profile

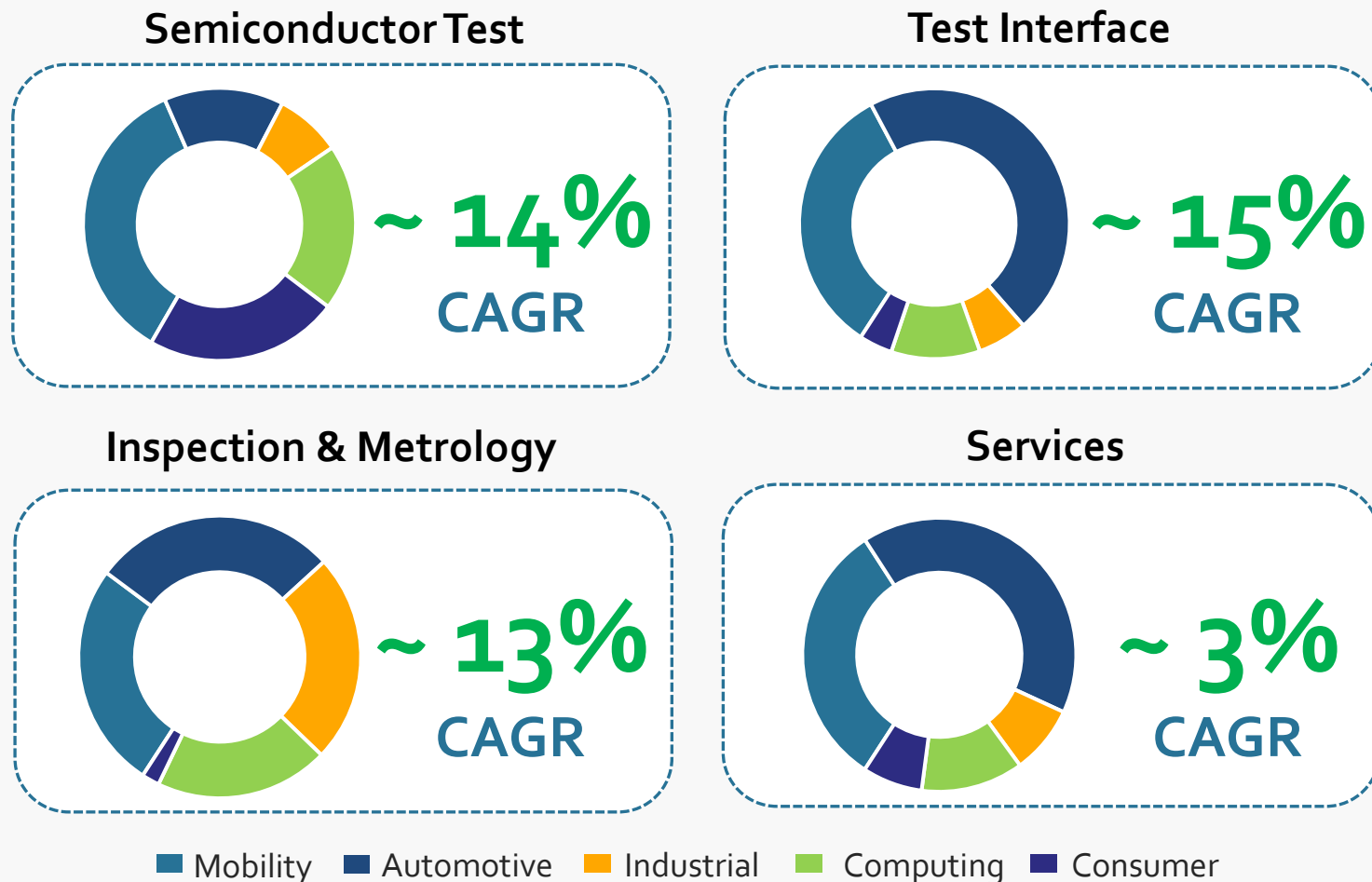
⁽¹⁾ Mid-term (3-5 years) target

⁽²⁾ Recurring includes revenue from Interface and Service-related products

⁽³⁾ For the period ending December 25, 2021; revenue includes \$26.8M of PCB Test business divested June 2021

REVENUE GROWTH TO \$1 BILLION

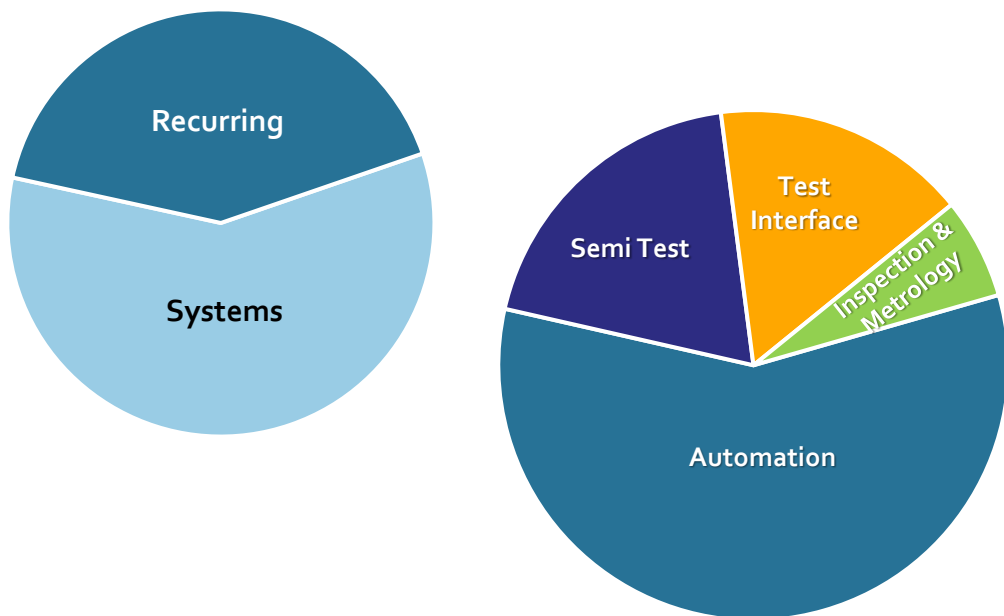
Increasing Revenue
in Key Secular
Growth Markets ⁽¹⁾



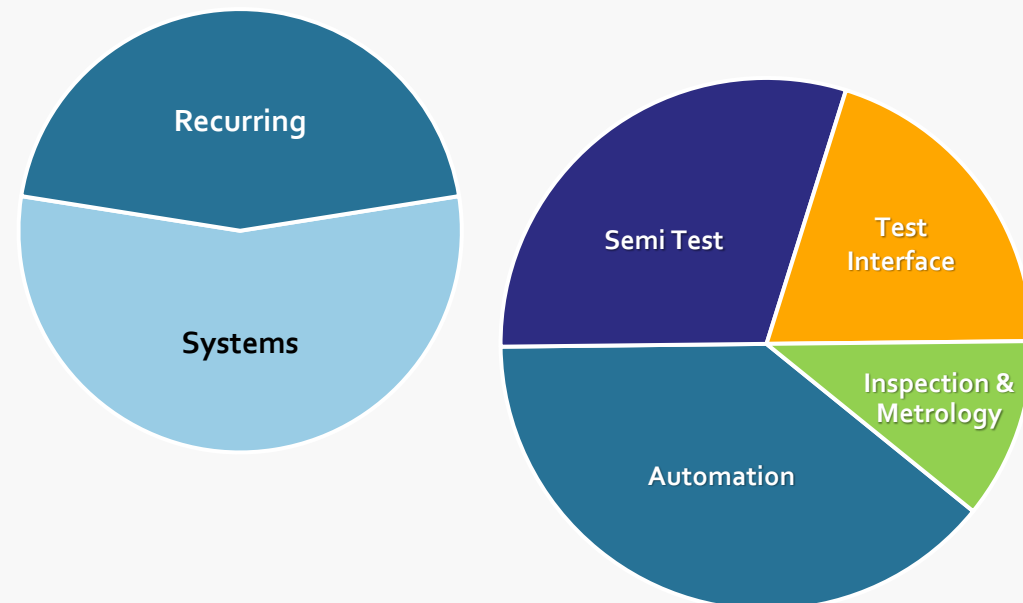
Leveraging market position & leading-edge products to drive revenue in high-growth applications incl. display drivers, ADAS, xEV, RF test and inspection

(1) Mid-term (3-5 years) targeted annual revenue growth and CAGR

REVENUE DISTRIBUTION AT TARGET FINANCIAL MODEL



Q1'23 TTM Actual Results



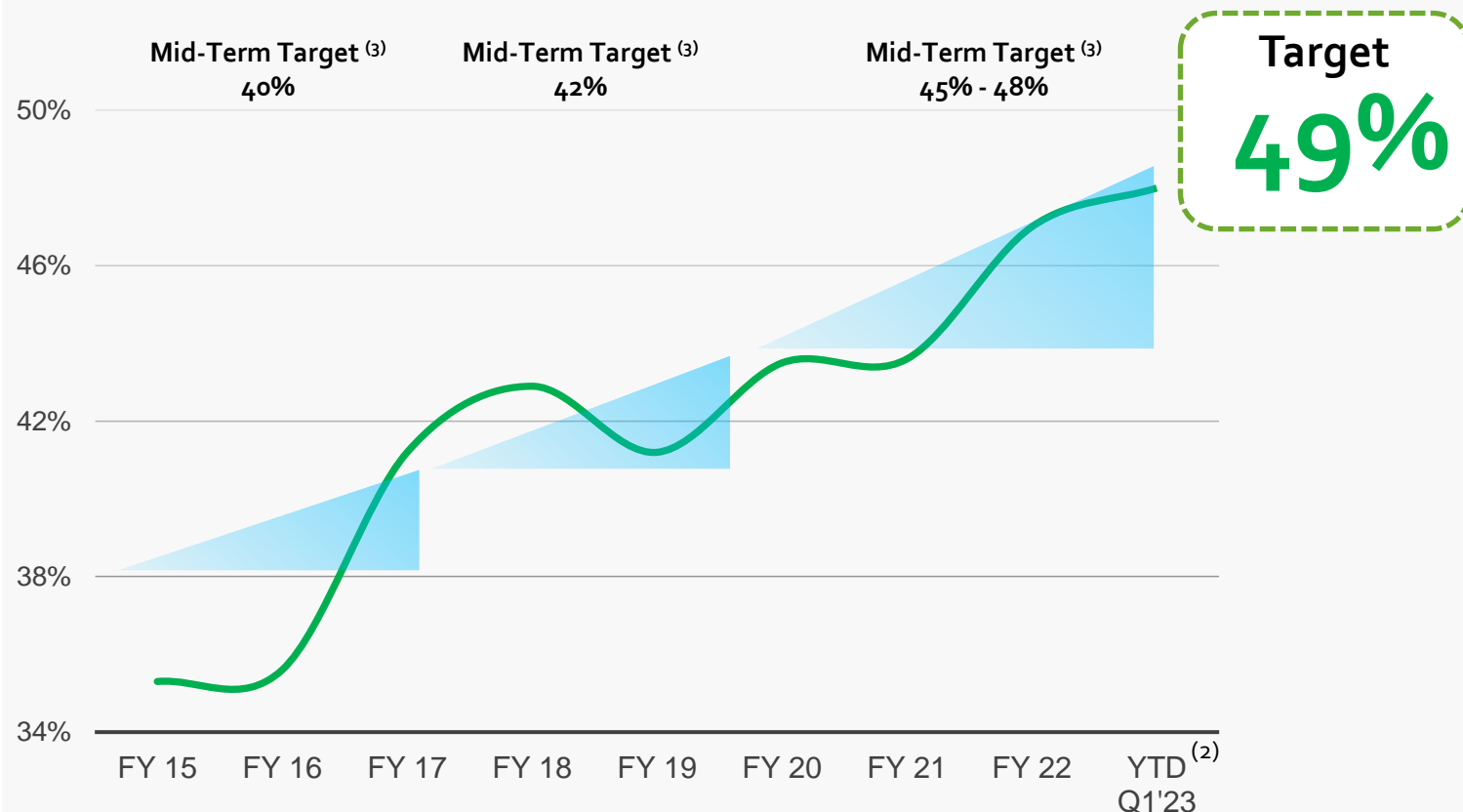
Target Financial Model ⁽¹⁾

Improved through-cycle profitability with large recurring business
Gross margin expansion from growth in premium product sales

(1) Mid-term (3-5 years) target

TRACK RECORD OF MARGIN EXPANSION

Achieved
+12 Points
of Gross Margin ⁽¹⁾
Expansion



Revenue mix progressing to target model and expanding gross margin
Increasing insourced manufacturing and efficiencies improves gross margin

⁽¹⁾ All Gross Margin amounts are Non-GAAP, see Appendix for GAAP to Non-GAAP reconciliations, and notes regarding use of forward-looking non-GAAP figures

⁽²⁾ Reflects actual results for the first 3 months of FY23

⁽³⁾ Prior years' gross margin targets

EFFECTIVE CAPITAL ALLOCATION STRATEGY



R&D Investment ⁽¹⁾

Funding organic growth
\$471M invested from FY16 – FY22



Share Repurchase

\$140M authorized
Repurchased 2.1M shares for \$61.5M through Q1'23



Debt

\$35M repaid in Q1'23
\$32M term loan B debt at Q1'23
<1x gross leverage ⁽²⁾



M&A

Expand SAM and technology portfolio
Accelerate timeline to financial targets



Capital Expenditures

Capex light ~\$20M annually
Expanding in-house manufacturing, global IT and R&D tools

⁽¹⁾ Amounts are Non-GAAP. See Appendix for GAAP to Non-GAAP reconciliations, and notes regarding use of forward-looking non-GAAP figures

⁽²⁾ Total debt divided by Adjusted EBITDA for last 12 months ending April 1, 2023; Non-GAAP figure – see Appendix for GAAP to Non-GAAP reconciliations

INVESTMENT THESIS

\$1 Billion Revenue	49% Gross Margin ⁽¹⁾	25% Operating Income ⁽¹⁾	18% Annual Free Cash Flow ⁽²⁾
~ 7% ⁽³⁾ Target 3-Year Revenue CAGR	+200 bps ⁽³⁾ Premium product sales and stable recurring revenue	+300 bps ⁽³⁾ Cost discipline driving strong operating leverage	~ \$180M ⁽³⁾ Driven by significant margin expansion and earnings growth
<i>Products aligned with secular growth markets</i>	<i>Expanding Asia contactor insourcing operations</i>	<i>R&D investments to drive differentiated products and new customer acquisition</i>	<i>Effective capital allocation delivering shareholder value</i>

(1) Non-GAAP forward-looking figures; See Appendix for notes regarding use of forward-looking non-GAAP figures

(2) Reflects cash from operating activities minus capital expenditures

(3) Mid-term (3-5 years) growth targets

APPENDIX

Use of Non-GAAP Financial Information:

This presentation includes non-GAAP financial measures, including non-GAAP Gross Margin/Profit, Income and Income (adjusted earnings) per share, Operating Income, Operating Expense, Adjusted EBITDA, free cash flow and debt/leverage ratio that supplement the Company's Condensed Consolidated Statements of Operations prepared under generally accepted accounting principles (GAAP). These non-GAAP financial measures adjust the Company's actual results prepared under GAAP to exclude charges and the related income tax effect for: share-based compensation, the amortization of purchased intangible assets including favorable/unfavorable lease adjustments, restructuring costs, manufacturing transition and severance costs, asset impairment charges, acquisition-related costs and associated professional fees, reduction of indemnification receivable, depreciation of purchase accounting adjustments to property, plant and equipment, purchase accounting inventory step-up included in cost of sales, and amortization of cloud-based software implementation costs (Adjusted EBITDA only). Reconciliations of GAAP to non-GAAP amounts for the periods presented herein are provided in this Appendix and should be considered together with the Condensed Consolidated Statements of Operations.

These non-GAAP measures are not meant as a substitute for GAAP, but are included solely for informational and comparative purposes. The Company's management believes that this information can assist investors in evaluating the Company's operational trends, financial performance, and cash generating capacity. Management uses non-GAAP measures for a variety of reasons, including to make operational decisions, to determine executive compensation in part, to forecast future operational results, and for comparison to our annual operating plan. However, the non-GAAP financial measures should not be regarded as a replacement for (or superior to) corresponding, similarly captioned, GAAP measures.

Use of Forward-Looking Non-GAAP Information:

This presentation includes non-GAAP forward looking figures that exclude estimated charges related to stock-based compensation, amortization of purchased intangibles, restructuring costs, acquisition-related costs, manufacturing transition/severance costs, inventory step-up costs, amortization of cloud-based software implementation costs (Adjusted EBITDA only), or other non-operational or unusual items, which we are unable predict without unreasonable efforts due to their inherent uncertainty, therefore, reconciliation of these non-GAAP forward looking figures to GAAP is not provided. Where a non-GAAP figure includes historical data and forward-looking estimates, we have reconciled the historical data, but for the foregoing reasons have not reconciled the forward-looking estimates.

GAAP TO NON-GAAP RECONCILIATION

Gross Profit Reconciliation	12 Months Ending		12 Months Ending		12 Months Ending		12 Months Ending		12 Months Ending		12 Months Ending		12 Months Ending		12 Months Ending		3 Months Ending		3 Months Ending	
	Dec 26, 2015	% of Net Sales	Dec 31, 2016	% of Net Sales	Dec 30, 2017	% of Net Sales	Dec 29, 2018	% of Net Sales	Dec 28, 2019	% of Net Sales	Dec 26, 2020	% of Net Sales	Dec 25, 2021	% of Net Sales	Dec 31, 2022	% of Net Sales	Dec 31, 2022	% of Net Sales	Apr 1, 2023	% of Net Sales
Net Sales	\$ 269,654		\$ 282,084		\$ 352,704		\$ 451,768		\$ 583,329		\$ 636,007		\$ 887,214		\$ 812,775		\$ 191,105		\$ 179,371	
Gross Profit - GAAP	89,038	33.0%	94,828	33.6%	143,407	40.7%	159,308	35.3%	229,829	39.4%	271,782	42.7%	386,961	43.6%	383,326	47.2%	93,151	48.7%	86,218	48.1%
Share Based Compensation	566	0.2%	398	0.1%	423	0.1%	546	0.1%	736	0.1%	893	0.1%	828	0.1%	646	0.1%	168	0.1%	180	0.1%
Amortization of purchased intangible assets	5,420	2.0%	5,170	1.8%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Restructuring costs related to inventory in COS	0	0.0%	0	0.0%	0	0.0%	19,053	4.2%	2,729	0.5%	3,731	0.6%	(558)	-0.1%	(454)	-0.1%	(35)	0.0%	(28)	0.0%
Manufacturing transition and severance costs	0	0.0%	75	0.0%	0	0.0%	0	0.0%	1,211	0.2%	26	0.0%	(7)	0.0%	(13)	0.0%	(13)	0.0%	18	0.0%
Amortization of inventory step-up	0	0.0%	0	0.0%	1,404	0.0%	14,782	0.0%	6,038	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	124	0.1%
Gross Profit - Non-GAAP	\$95,024	35.2%	\$100,471	35.6%	\$145,234	41.2%	\$193,689	42.9%	\$240,543	41.2%	\$276,432	43.5%	\$387,224	43.6%	\$383,505	47.2%	\$93,271	48.8%	\$86,512	48.2%

<u>Gross Profit Reconciliation</u>	Systems		Recurring		Total		<u>Operating Expense Reconciliation</u>	3 Months Ending		3 Months Ending		12 Months Ending	
	12 Months Ending		12 Months Ending		12 Months Ending			Dec 31, % of Net		Apr 1, % of Net		Dec 31, % of Net	
	Apr 1, 2023	% of Net Sales	Apr 1, 2023	% of Net Sales	Apr 1, 2023	% of Net Sales		2022	Sales	2023	Sales	2022	Sales
Net Sales													
Gross Profit - GAAP	\$ 460,290		\$ 334,099		\$ 794,389		Operating Expense - GAAP	\$ 65,908	34.5%	\$ 66,341	37.0%	\$ 257,769	31.7%
Share Based Compensation	198,304	43.1%	180,084	53.9%	378,388	47.6%	Share based compensation	(3,655)	-1.9%	(3,734)	-2.1%	(14,272)	-1.8%
Amortization of purchased intangible assets	367	0.1%	314	0.1%	681	0.1%	Amortization of purchased intangible assets	(8,103)	-4.2%	(8,754)	-4.9%	(33,185)	-4.1%
Restructuring costs related to inventory in COS	142	0.0%	(142)	0.0%	0	0.0%	Restructuring costs	(5)	0.0%	(888)	-0.5%	(605)	-0.1%
Manufacturing transition and severance costs	(309)	-0.1%	2	0.0%	(307)	0.0%	Manufacturing transition and severance costs	(1,716)	-0.9%	(253)	-0.1%	(1,716)	-0.2%
Amortization of inventory step-up	5	0.0%	0	0.0%	5	0.0%	PP&E step-up included in SG&A	0	0.0%	(9)	0.0%	0	0.0%
Gross Profit - Non-GAAP	<u>\$198,510</u>	<u>43.1%</u>	<u>\$180,257</u>	<u>54.0%</u>	<u>\$378,767</u>	<u>47.7%</u>	Payroll taxes due to accelerated vesting of share-based awards	0	0.0%	0	0.0%	(132)	0.0%
							Operating Expense - Non-GAAP	<u>\$ 52,357</u>	<u>27.4%</u>	<u>\$ 52,318</u>	<u>29.2%</u>	<u>\$ 207,787</u>	<u>25.6%</u>

<u>Earnings Reconciliation</u>	<u>3 Months Ending</u>		<u>3 Months Ending</u>		<u>12 Months Ending</u>	
	<u>Dec 31,</u>	<u>Diluted</u>	<u>Apr 1,</u>	<u>Diluted</u>	<u>Dec 31,</u>	<u>Diluted</u>
	<u>2022</u>	<u>EPS</u>	<u>2023</u>	<u>EPS</u>	<u>2022</u>	<u>EPS</u>
Income From Continuing Operations - GAAP	\$ 21,628	\$ 0.45	\$ 15,685	\$ 0.33	\$ 96,847	\$ 1.98
Share based compensation	3,823	0.08	3,914	0.08	14,918	0.31
Amortization of purchased intangible assets	8,103	0.17	8,754	0.18	33,185	0.68
Restructuring costs related to inventory in COS	(35)	0.00	(28)	0.00	(454)	(0.01)
Restructuring costs	5	0.00	888	0.02	605	0.01
Manufacturing transition and severance costs	1,703	0.04	271	0.01	1,703	0.03
Other acquisition costs	72	0.00	385	0.01	72	0.00
PP&E step-up included in COS and SG&A	0	0.00	9	0.00	0	0.00
Inventory Step-Up	0	0.00	124	0.00	0	0.00
Payroll taxes due to accelerated vesting of share-based awards	0	0.00	0	0.00	132	0.01
Tax effect of Non-GAAP adjustments	(1,761)	(0.04)	(3,057)	(0.07)	(5,063)	(0.10)
Income From Continuing Operations - Non-GAAP	<u>\$ 33,538</u>	<u>\$ 0.70</u>	<u>\$ 26,945</u>	<u>\$ 0.56</u>	<u>\$ 141,945</u>	<u>\$ 2.91</u>
Weighted Average Shares - GAAP	Basic	47,477	Basic	47,343	Basic	48,178
Weighted Average Shares - Non-GAAP	Diluted	48,175	Diluted	48,171	Diluted	48,799

GAAP TO NON-GAAP RECONCILIATION

<u>Adjusted EBITDA Reconciliation</u>	<u>3 Months Ending</u>		<u>3 Months Ending</u>		<u>12 Months Ending</u>	
	<u>Dec 31, 2022</u>	<u>% of Net Sales</u>	<u>Apr 1, 2023</u>	<u>% of Net Sales</u>	<u>Dec 31, 2022</u>	<u>% of Net Sales</u>
Net income - GAAP Basis	\$ 21,628	11.3%	\$ 15,685	8.7%	\$ 96,847	11.9%
Income tax provision	4,483	2.3%	4,973	2.8%	29,868	3.7%
Interest expense	1,249	0.7%	1,128	0.6%	4,177	0.5%
Interest income	(2,461)	-1.3%	(2,718)	-1.5%	(4,012)	-0.5%
Amortization of purchased intangible assets	8,103	4.2%	8,754	4.9%	33,185	4.1%
Depreciation	3,268	1.7%	3,337	1.9%	12,831	1.6%
Amortization of cloud-based software implementation costs	626	0.3%	700	0.4%	2,060	0.3%
Loss on extinguishment of debt	0	0.0%	369	0.2%	312	0.0%
Other Non-GAAP Adjustments	5,568	2.9%	5,554	3.1%	16,976	2.1%
Adjusted EBITDA	<u>\$42,464</u>	<u>22.2%</u>	<u>\$37,782</u>	<u>21.1%</u>	<u>\$192,244</u>	<u>23.7%</u>

<u>Free Cash Flow</u>	<u>3 Months Ending</u>	<u>12 Months Ending</u>
	<u>Apr 1, 2023</u>	<u>Dec 31, 2022</u>
Cash flow from operations - GAAP	\$ 16,485	\$ 112,861
Capital expenditures	(5,075)	(14,770)
Free cash flow - Non-GAAP	<u>\$ 11,410</u>	<u>\$ 98,091</u>

<u>Research & Development Reconciliation ⁽¹⁾</u>	<u>Cumulative</u>
	<u>Dec 31, 2016 - Dec 31, 2022</u>
Research & Development - GAAP ⁽²⁾	\$ 488,862
Share Based Compensation	(16,419)
Restructuring included in R&D	(273)
Manufacturing transition and severance costs	(1,049)
Research & Development - Non-GAAP	<u>\$ 471,121</u>

<u>Adjusted EBITDA Reconciliation</u>	<u>12 Months Ending</u>
	<u>Apr 1, 2023</u>
Net income (loss) - GAAP Basis	\$ 81,766
Income tax provision	23,327
Interest expense	4,424
Interest income	(8,205)
Amortization of purchased intangible assets	33,952
Depreciation	13,133
Amortization of cloud-based software implementation costs	2,504
Loss on extinguishment of debt	866
Other non-GAAP adjustments	20,430
Adjusted EBITDA	<u>\$ 172,197</u>
Total debt	\$ 44,487
Leverage Ratio	0.3

(1) From continuing operations

(2) Total includes R&D costs of our PCB Test Business totaling \$7,698