

COHU INVESTOR PRESENTATION

July 2024

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 expected CAGRs; assessments regarding market position for various products and services; effect of annual renewal rate on service contracts on future business; consequence of systems installed base or employee tenure; market segments CAGRs and growth drivers for each business; resiliency of recurring business; 3-5 year target plan or financial goals of a target model; target revenue CAGRs by business; all addressable market estimates; share and growth over time; market position and/or share in business verticals and changes over time; end-market growth estimates and related opportunities; any references to research and development, product plans, roadmaps, developments and schedules and any related product performance capabilities; strength of IP portfolio; savings or value from higher yield or increasing productivity; ongoing gross margin expansion or balance sheet strength; effectiveness of capital allocation strategies; revenue growth to \$1 Bil; investment thesis; any future M&A; 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 mobility market segment (primarily semiconductors used in smartphones, also other wearables) is undergoing a significant downturn; risks of using artificial intelligence within Cohu’s product developments and business; 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, including economic impacts from the Hamas-Israel conflict or any other wars; 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 EQT 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



\$636M

FY23 Revenue

~ 48%

FY23 Gross Margin⁽²⁾

~ 7%

5-year Revenue CAGR⁽¹⁾

\$336M

Cash & Investments⁽¹⁾

Yield & Productivity

Customer Value Creation

~ 24,700

Equipment Installed Base⁽¹⁾



⁽¹⁾ As of December 30, 2023.

⁽²⁾ Non-GAAP, see Appendix for GAAP to non-GAAP reconciliations.

A LEADER IN SEMICONDUCTOR TEST & INSPECTION⁽²⁾

Global infrastructure to supply equipment and services optimizing semiconductor manufacturing yield and productivity



#1

Test Automation

Thermal control and vision inspection technologies enabling higher yield



#2

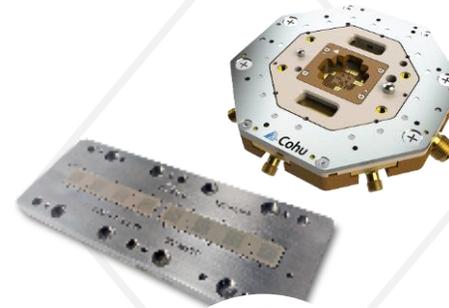
Inspection



#1

Services⁽¹⁾

Device applications, spares, data analytics



#1

Test Interface

High current MEMS interface architecture



#3

Semi Tester

Compact, low-power, scalable instruments

Recurring Business



⁽¹⁾ Service business of Cohu systems.

⁽²⁾ Based on Company estimates of addressable markets

RESILIENT RECURRING BUSINESS MODEL



\$304M

LTM⁽¹⁾ Recurring Revenue

2.7%

3-year CAGR ⁽²⁾

Consumable products generate stable revenue



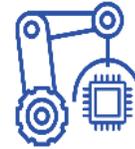
\$138M

LTM⁽¹⁾ Service Revenue

~ 93%

Annual Renewal Rate on service contracts

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



~ 24,700
Systems Installed Base

108

Customers

Over 280 high-volume manufacturing facilities in 31 countries



~ 500
Highly Skilled Field Engineers

~ 11 year

Average Tenure

Virtual-assist and on-site support

⁽¹⁾ Last Twelve Months (LTM) for the period ending March 30, 2023.

⁽²⁾ Compound Annual Growth Rate (CAGR) from Q1'21 to Q1'24.

MID-TERM THESIS IN SEMICONDUCTORS

All markets benefit from AI computing's accelerated transition to edge AI applications

"Anything" AI Data Centers are fast-growing

- 2023 market ~ \$85B
- 2023-26 CAGR ~ 22%

Automotive moving to autonomous driving

- 2023 market ~ \$69B
- 2023-26 CAGR ~ 11%
- Test cell utilization remains ~ 80%
- ADAS is the next big opportunity

Largest market, Wireless Comms returns to growth

- 2023 market ~ \$134B
- 2023-26 CAGR ~ 7%

Consumer & Industrial 2023-26 CAGRs ~ 7%



2023⁽¹⁾
IC Market Size

2023-26⁽¹⁾
CAGR

2026⁽¹⁾
IC Market Size

\$85B

22%
CAGR

\$153B

\$69B

11%
CAGR

\$94B

\$134B

7%
CAGR

\$163B

\$56B

7%
CAGR

\$69B

\$65B

7%
CAGR

\$80B

\$80B

5%
CAGR

\$93B

\$27B

3%
CAGR

\$30B

Bubble represents
IC market size

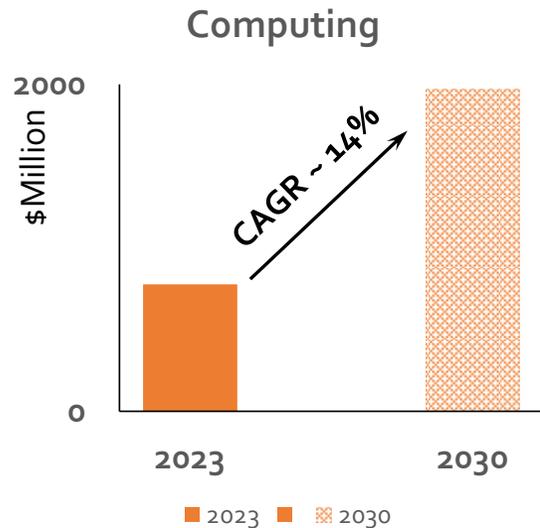


(1) Source: Bank of America GSA Meeting, December 2023; Data from the Wall Street research.

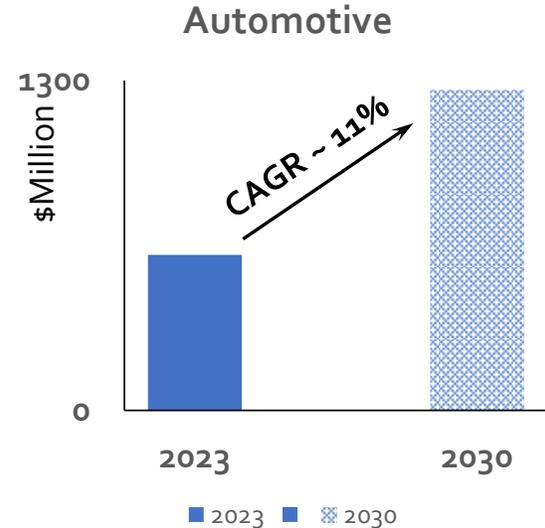
(2) Data Centers market size data includes DRAM memory.

(3) PCs market size data includes Other Compute and NAND memory.

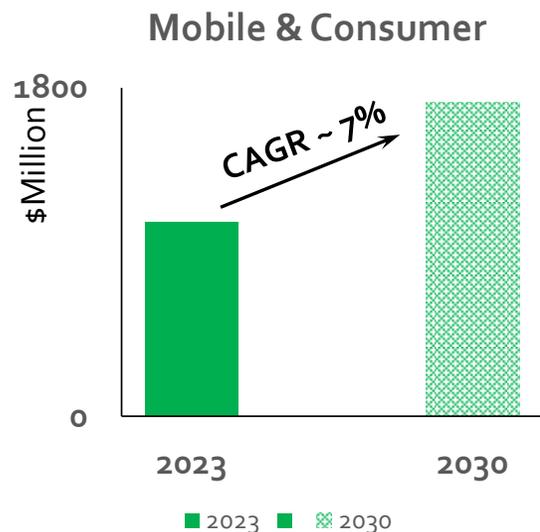
GROWING ADDRESSABLE MARKETS⁽¹⁾



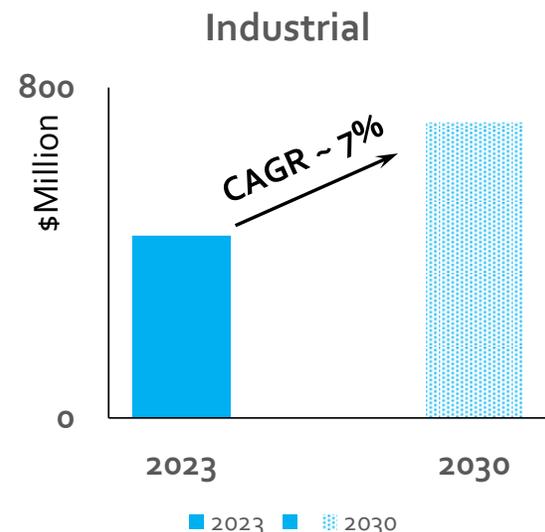
Increasing processor power, advanced packages
(high ASP products)



Autonomous vehicles, electrification, sensors, processing power, infotainment



Edge AI applications with more processing power, sensors, mixed signal devices



Autonomous systems, higher voltage/currents, processing, sensing, communications

⁽¹⁾ Company estimates based on Wall Street Research for semiconductor market segments.

INVESTED ~ 13% R&D⁽¹⁾ IN EXPANDING TECHNOLOGIES

Dynamic thermal control, advanced vision systems, high current carrying capacity, data analytics optimization, universal mixed signal tester

Active Thermal Control

Dynamic heat removal from processor devices⁽²⁾ during test

~ 1%

Higher Test Yield

Advanced Inspection

AI optical inspection to ensure device integrity and long-term reliability

1 μ m

Defect Detection

~ 2%

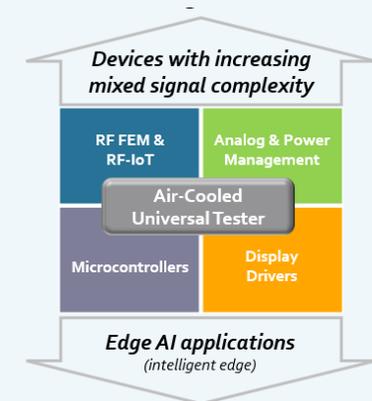
Higher Yield

Universal Tester

Scalable configurations to match portfolio needs with a reduced capital investment requirement

~ 30%

Cost-of-Test Benefit



High Current Interface

MEMS pins with heat dissipation architecture in sockets and probe cards

~ 2%

Higher Test Yield

Data Intelligence

Data analytics for predictive maintenance and factory automation

2%+

Higher Overall Equipment Efficiency

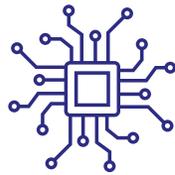
(1) Non-GAAP last 12 months ending Dec .30, 2023; see Appendix for GAAP to non-GAAP reconciliations.

(2) GPU, MPUs, APUs.

DELIVERING HIGHER YIELD & PRODUCTIVITY



Diverse customers and applications expanding addressable market



Increasing semiconductor complexity and package integration



Innovative solutions delivering higher yield & productivity



MID-TERM STRATEGY



Scalable model that optimizes profitability and shareholder value

Strong market position in each business vertical

~ 20% share in ~ \$3.2 billion addressable market⁽¹⁾

Opportunities

AI data centers, automotive ADAS⁽²⁾ and electrification, edge AI computing, industrial automation, consumer wearables, infotainment

Broad IP portfolio

in thermal control for processors test (*GPUs, MPUs, APUs*), vision inspection, MEMS test interface (*SiC, RF, digital*)

Grow Recurring revenue w/interface products and data analytics to optimize productivity

Expand Systems with differentiated technologies in growing markets

Target Revenue⁽³⁾

\$1 billion

Gross Margin

50%

Operating Income

25%

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

⁽²⁾ Advanced Driver Assistance Systems.

⁽³⁾ Mid-term (3-5 years) target model.

2023 SUSTAINABILITY HIGHLIGHTS

Environmental



- Renewable sourced energy usage increased to 32%
- \$9.1M invested in a new energy-efficient mfg. facility
- Developed plans to secure renewable sourced electricity for largest mfg. sites in 2024
- Rainwater harvesting system & deionized water recycling
- 838K kg non-hazardous waste & 68% of hazardous waste recycled

Product Safety & Materials Sourcing



- No product recalls
- No safety claims, legal proceedings or monetary losses
- Responsible mineral sourcing program
- Subsequent to invasion of Ukraine, ceased all business in Russia and Belarus

Energy-Efficient Solutions



- Diamond_x air-cooled architecture consumes ~75% less power⁽²⁾
- DI-Core improves OEE⁽³⁾
- T-Core ATC⁽⁴⁾ dynamically removes heat from devices
- Smart factory automation & AI deep learning solutions
- Enabling customer solutions for solar & wind power, vehicle electrification, and advanced healthcare

Business Ethics & Employee Culture



- Increased employee training hours investment by 11% YoY
- Returned 4.5% of profits to eligible non-exec. employees
- Conducted global employee engagement survey
- No bribery/corruption or anti-competitive behavior claims, legal proceedings, or monetary losses
- No direct monetary contributions to political campaigns, lobbying

Employee Diversity⁽¹⁾, Inclusion and Safety



Gender

- 29% female, 71% male
- 33% female board members⁽⁵⁾

Race/Ethnicity

- 40% minority population
- 60% majority population

Excellent employee safety record – accident rate 67% below industry benchmark

Committed to engage with the Science Based Targets initiative (“SBTi”) with the goal to develop near-term science-based emissions reduction targets

⁽¹⁾ Cohu tracks race/ethnicity data only in the US; data as of year-end 2023

⁽²⁾ Versus comparable liquid-cooled test system

⁽³⁾ Overall equipment efficiency

⁽⁴⁾ Active thermal control

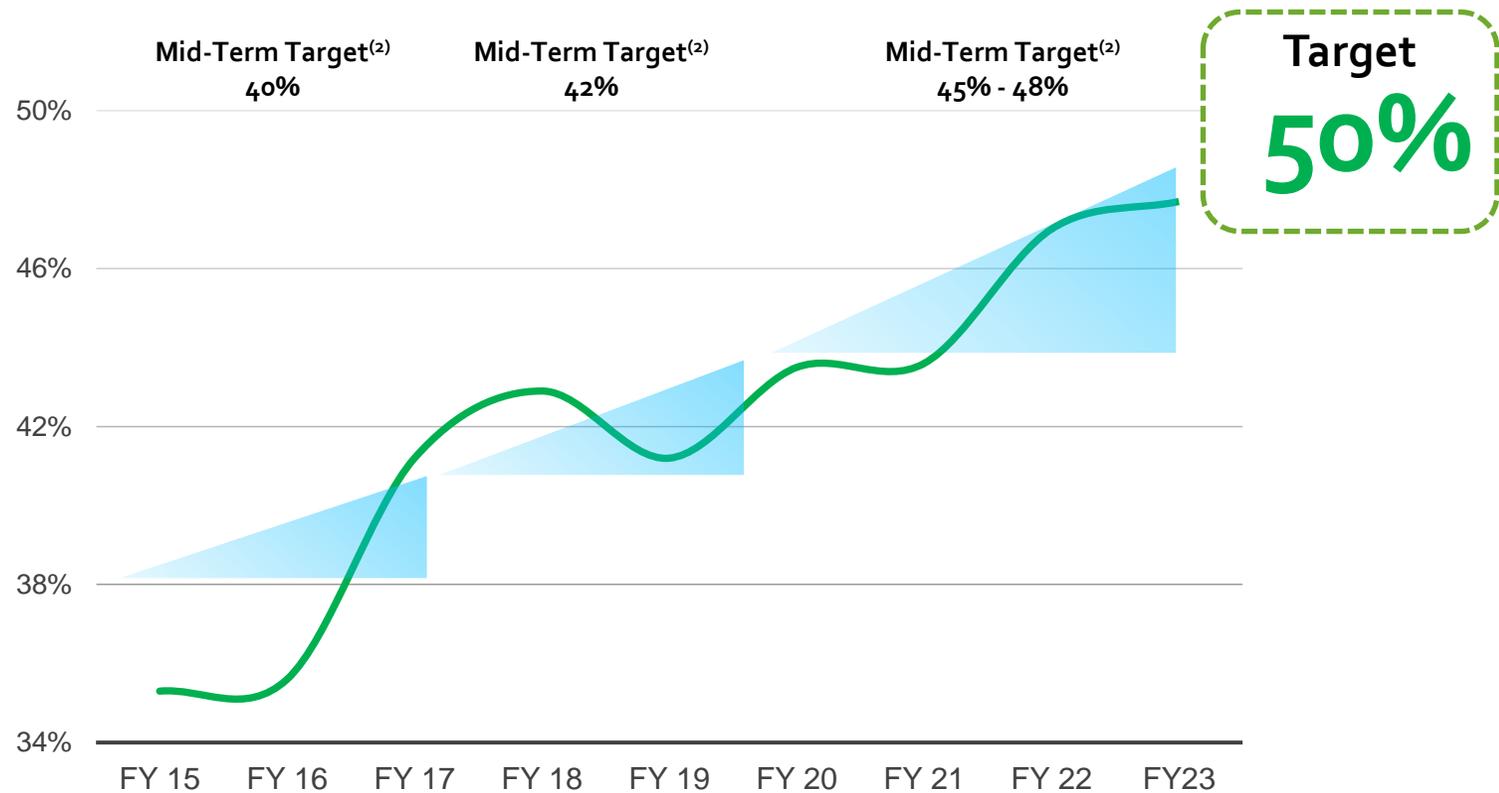
⁽⁵⁾ As of May 6, 2024

The background of the slide features a complex financial data visualization. It includes a candlestick chart with red and green bars, overlaid with a network of glowing blue and green nodes and lines, suggesting a digital or data-driven environment. The overall color palette is dominated by teal and blue tones.

PROFITABILITY AND SHAREHOLDER VALUE

TRACK RECORD OF MARGIN EXPANSION

Achieved
+13 Points
of Gross Margin⁽¹⁾
Expansion



Differentiated products and recurring revenue expanding gross margin
Optimizing supply chain and manufacturing to improve 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⁾ Prior years' gross margin targets.

MID-TERM TARGET MODEL ⁽³⁾

\$1 billion

Revenue

\$4.00

EPS ⁽¹⁾

	FY2023 Actuals	Target Model ⁽³⁾
Revenue	\$636.3M	\$1 billion
Gross Margin ⁽¹⁾	47.9%	50%
Operating Expenses ⁽¹⁾	31.7%	25%
Non-GAAP EPS ⁽¹⁾	\$1.62	\$4.00
Adjusted EBITDA ⁽¹⁾	17.9%	26%
Free Cash Flow ⁽²⁾	\$85.4M	\$180M

Resilient recurring revenue supports profits and cash flow through the trough of the cycle

⁽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.

STRONG BALANCE SHEET

	Year Ending 2023
Cash and Investments ⁽¹⁾	\$336M
Accounts Receivable	\$125M
Total Debt	\$41M
Capital Additions	\$16.1M
Cash Flow From Operations	\$101.5M

- Cash position supports inorganic growth and share purchase program
- CapEx target of ~ \$20M / year
- \$12.8M of cash in Q4 used for repurchase of 390K shares of Common Stock
- Paid off remaining Term Loan B balance of \$29.3M in early Q1'24

⁽¹⁾ Net cash per share Q4'23 = \$6.17; See Appendix for GAAP to non-GAAP reconciliations.

EFFECTIVE CAPITAL ALLOCATION STRATEGY



R&D Investment⁽¹⁾

Funding organic growth
\$556M invested from FY16 – FY23



Share Repurchase

\$140M authorized
Repurchased 2.7M shares for \$81.6M through Q4'23



Debt

Paid off remaining Term Loan B balance of \$29.3M in Q1'24



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.

INVESTMENT THESIS

\$1 billion

Revenue

50%

Gross Margin⁽²⁾

25%

Operating Income ⁽²⁾

18%

Annual Free
Cash Flow⁽³⁾

~ 10%

*Target Mid-Term⁽¹⁾
Revenue CAGR aligned with
market growth projections*

+300 bps

*Premium product sales and
growing recurring revenue*

\$250M

*Cost discipline driving
strong operating leverage*

\$180M

*Driven by margin expansion
and earnings growth*

*Products aligned with
secular growth markets*

*Expanding Asia contactor
insourcing operations*

*R&D investments to drive
differentiated products and
new customer acquisition*

*Effective capital allocation
delivering shareholder value*

⁽¹⁾ Mid-term (3-5 years) growth targets.

⁽²⁾ Non-GAAP forward-looking figures; See Appendix for notes regarding use of forward-looking non-GAAP figures.

⁽³⁾ Reflects cash from operating activities minus capital expenditures.



**We deliver leading-edge solutions to
enable a smarter, safer,
and more connected future.**

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																	
	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		
Net Sales	\$ 269,654		\$ 282,084		\$ 352,704		\$ 451,768		\$ 583,329		\$ 636,007		\$ 887,214		\$ 812,775		\$ 636,322	
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%	302,868	47.6%
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%	845	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%
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%	(62)	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%	25	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%	1,141	0.2%
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%	\$ 304,817	47.9%

Operating Expense Reconciliation	12 Months Ending	
	Dec 30, 2023	% of Net Sales
Operating Expense - GAAP	\$259,596	40.8%
Share based compensation	(16,392)	-2.6%
Amortization of purchased intangible assets	(36,355)	-5.7%
Restructuring costs	(2,421)	-0.4%
Manufacturing transition and severance costs	(1,029)	-0.2%
PP&E step-up included in SG&A	(67)	0.0%
Other acquisition costs	(1,571)	-0.2%
Operating Expense - Non-GAAP	\$201,761	31.7%

Adjusted EBITDA Reconciliation	12 Months Ending	
	Dec 30, 2023	% of Net Sales
Net income - GAAP Basis	\$ 28,156	4.4%
Income tax provision	17,660	2.8%
Interest expense	3,382	0.5%
Interest income	(11,504)	-1.8%
Amortization of purchased intangible assets	36,355	5.7%
Depreciation	13,389	2.1%
Amortization of cloud-based software implementation costs	2,800	0.4%
Loss on extinguishment of debt	369	0.1%
Other Non-GAAP Adjustments	23,362	3.7%
Adjusted EBITDA	\$113,969	17.9%

Free Cash Flow	12 Months Ending	
	Dec 30, 2023	% of Net Sales
Cash flow from operations - GAAP	\$ 101,470	
Capital expenditures	(16,053)	
Free cash flow - Non-GAAP	\$ 85,417	

Earnings Reconciliation	12 Months Ending	
	Dec 30, 2023	Diluted EPS
Income From Continuing Operations - GAAP	\$ 28,156	\$ 0.59
Share based compensation	17,237	0.36
Amortization of purchased intangible assets	36,355	0.76
Restructuring costs related to inventory in COS	(62)	(0.00)
Restructuring costs	2,421	0.05
Manufacturing transition and severance costs	1,054	0.02
Other acquisition costs	1,571	0.03
PP&E step-up included in COS and SG&A	67	0.00
Inventory Step-Up	1,141	0.02
Tax effect of Non-GAAP adjustments	(10,054)	(0.21)
Income From Continuing Operations - Non-GAAP	\$ 77,886	\$ 1.62
Weighted Average Shares - GAAP	Diluted	48,025
Weighted Average Shares - Non-GAAP	Diluted	48,025

Research & Development Reconciliation	12 Months Ending	
	Dec 30, 2023	% of Net Sales
Research & Development - GAAP	\$ 88,571	13.9%
Share Based Compensation	(3,394)	-0.5%
Manufacturing transition and severance costs	(22)	0.0%
Research & Development - Non-GAAP	\$ 85,155	13.4%

Research & Development Reconciliation ⁽¹⁾	Cumulative	
	Dec 31, 2016 - Dec 30, 2023	
Research & Development - GAAP ⁽²⁾	\$ 577,433	
Share Based Compensation	(19,813)	
Restructuring included in R&D	(273)	
Manufacturing transition and severance costs	(1,071)	
Research & Development - Non-GAAP	\$ 556,276	

(1) From continuing operations

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