Q1'24 FINANCIAL RESULTS

May 2, 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 the source and contribution of recurring revenue; impact of key business drivers for systems products; effect of annual renewal rate on service contracts on future business; consequence of systems installed base or employee tenure; completion of sustainability or social projects, initiatives or goals; mid-term target financial model; resiliency of our recurring business model; balance sheet strength to support inorganic growth and share purchase program; target capital expenditures; Q2'24 outlook and financial guidance, including market forecasts, gross margin, strength of recurring revenue, operating expense, outstanding share projections, tax treatment impacts and success of cost reduction measures; 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: new product investments and product enhancements which may not be commercially successful; the semiconductor industry is seasonal, cyclical, volatile and unpredictable; recent erosion in mobile, automotive and industrial market sales; our ability to manage and deliver high quality products and services; failure of sole source contract manufacturer or our ability to manage third-party raw material, component and/or service providers; ongoing inflationary pressures on material and operational costs coupled with rising interest rates; economic recession; the semiconductor industry is intensely competitive, subject to rapid technological changes, and experiences consolidation of key customers for semiconductor test equipment; 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; our relationships with customers may deteriorate; loss of key personnel; risks of using artificial intelligence within Cohu's product developments and business; reliance on foreign locations and geopolitical instability in such locations critical to Cohu and its customers; natural disasters, war and climate-related changes, including related economic impacts; levels of debt; access to sufficient capital on reasonable or favorable terms; foreign operations and related currency fluctuations; required or desired accounting charges and the cost or effectiveness of accounting controls; instability of financial institutions where we maintain cash deposits and potential loss of uninsured cash deposits; significant goodwill and other intangibles as percentage of our total assets; increasingly restrictive trade and export regulations impacting our ability to sell products, specifically within China; risks associated with acquisitions, investments and divestitures such as integration and synergies; constraints related to corporate governance structures; share repurchases and related impacts; financial or operating results that are below forecast or credit rating changes impacting our stock price or financing ability; law/regulatory changes and including environmental or tax law changes; significant volatility in our stock price; the risk of cybersecurity breaches; enforcing or defending intellectual property claims or other litigation.

These and other risks and uncertainties are discussed more fully in Cohu's filings with the SEC, including our most recent 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.

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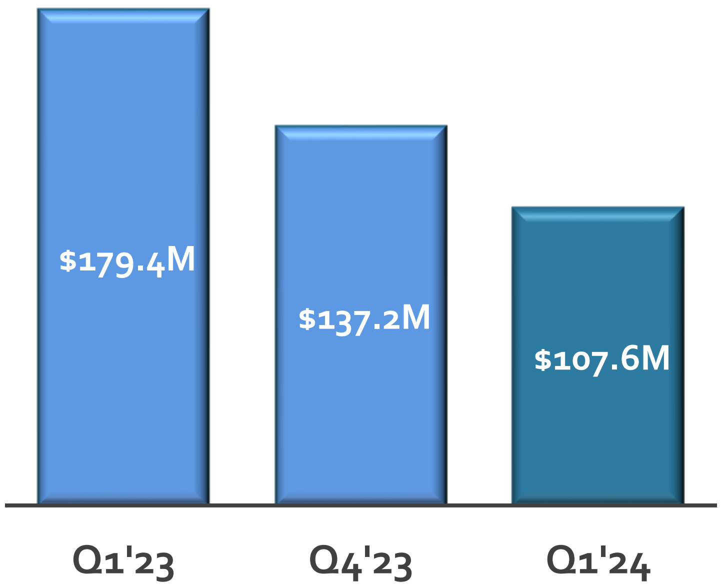
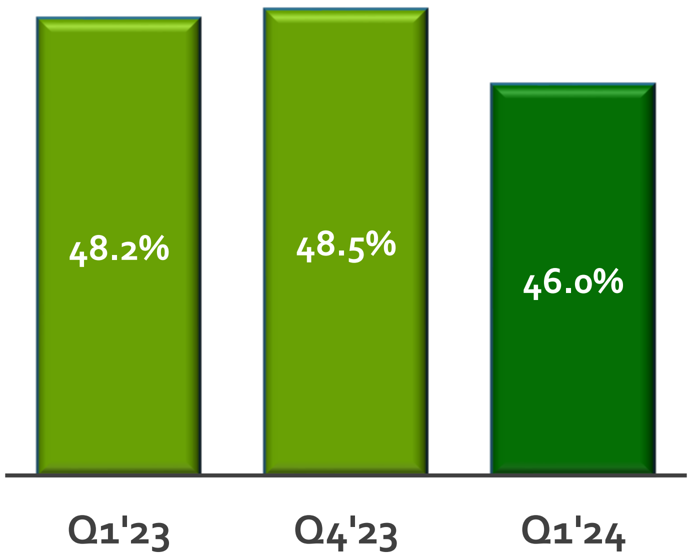
BUSINESS UPDATE

SUMMARY

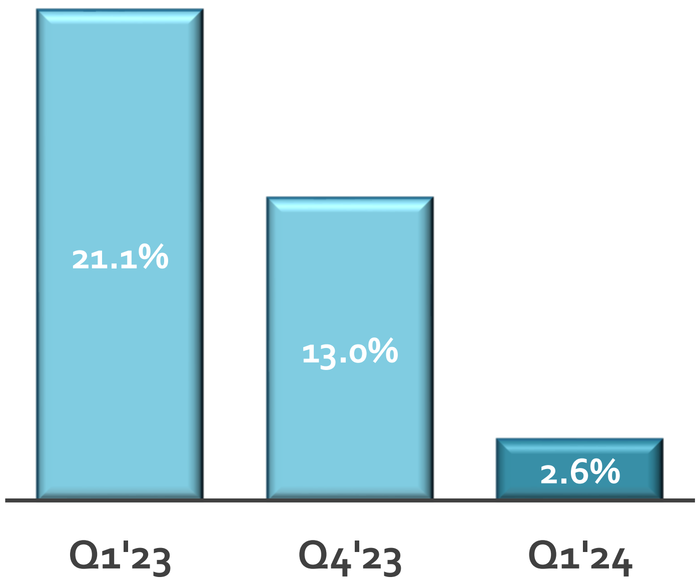
Revenue



Non-GAAP Gross Margin(1)



Adj. EBITDA(1)



- High ARR(2) Service business
- μ-sense microphone tester selected by leading U.S. fabless customer
- ADAS customer selected RF interface for radar sensor test

- GM better than guidance:
  - ✓ Differentiated products
  - ✓ Resilient recurring business
  - ✓ Test interface mfg. in Asia

- Test cell utilization up 100 bps QoQ to 72%: *mobile at 67%, auto & ind. 78%, computing 66%*
- Published 2023 Sustainability report; joined SBTi with goal to set near-term emissions reduction targets

(1) *See appendix for GAAP to non-GAAP reconciliation*
(2) *Annual Renewal Rate*

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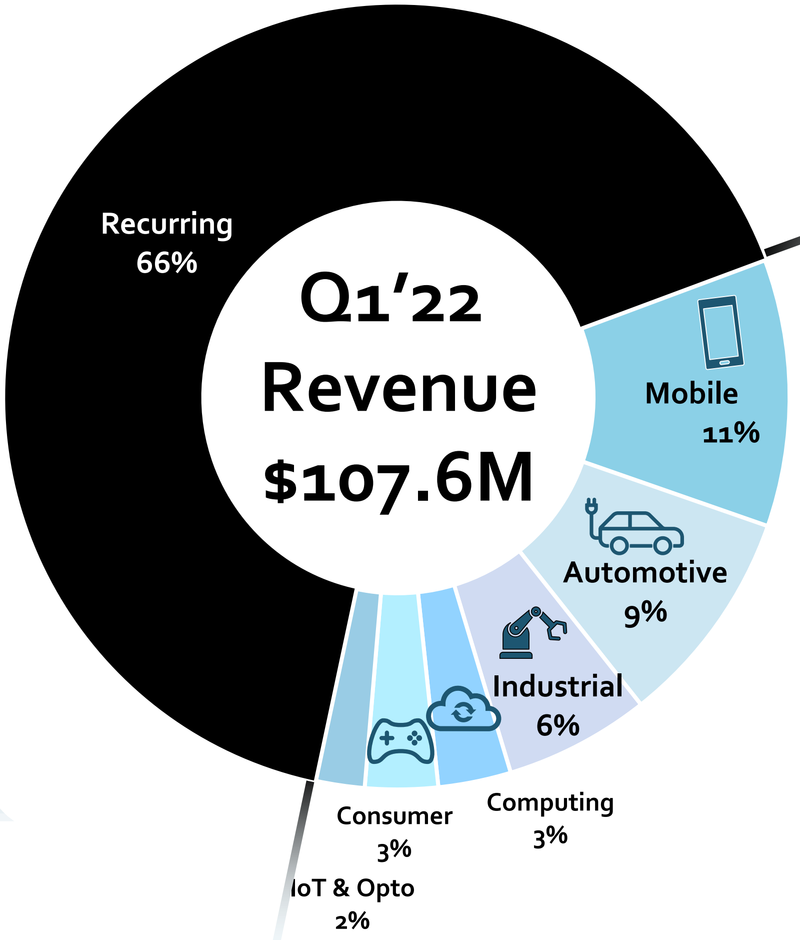
DIVERSE REVENUE PROFILE

Recurring

Key Business Drivers

- More stable recurring revenue
- EQT acquisition adds to test interface business
- Service business



Systems

Key Business Drivers

- Weaker system demand across all markets
- Focus on customer design-wins and qualification of new products

RESILIENT RECURRING BUSINESS MODEL

$304M	$138M	~ 24,700	~ 500
LTM[1] Recurring Revenue	LTM[1] Service Revenue	Systems Installed Base	Highly Skilled Field Engineers
2.7%	**~ 93%**	**108**	**~ 11 year**
3-year CAGR [2]	*Annual Renewal Rate on service contracts*	*Customers*	*Average Tenure*
Consumable products generate stable revenue	*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 March 30, 2024*
(2) *Compound Annual Growth Rate (CAGR) from Q1'21 to Q1'24*

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2023 SUSTAINABILITY HIGHLIGHTS

Environmental

- Renewable source energy usage increased to 32%
- $9.1M invested in a new energy-efficient mfg. facility
- Committed $1.2M for solar projects in Melaka & Laguna
- Rainwater harvesting system & deionized water recycling
- 838K 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, & advanced healthcare

Business Ethics & Employee Culture

- Increased employee training hours investment by 11% YoY
- Returned 4.5% of profits to eligible non-exec. employees
- 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
- 25% female board members

Race/Ethnicity

- 40% minority population
- 60% majority population

Excellent employee safety record – accident rate 67% <u>below</u> 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) *Vs comparable liquid-cooled test system*
(3) *Overall equipment efficiency*
(4) *Active thermal control*

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Q1'24 FINANCIALS AND Q2'24 GUIDANCE

Q1'24 NON-GAAP RESULTS

	Q4'23 Actual	Q1'24 Guidance[2]	Q1'24 Actual
Revenue	$137.2M	$107M +/- $6M	$107.6M
Gross Margin[1]	48.5%	~ 45%	46.0%
Operating Expenses[1]	$49.8M	~ $51M	$50.2M
Non-GAAP EPS[1]	$0.23		$0.01
Adjusted EBITDA[1]	13.0%	~ 2%	2.6%

- Q1 revenue in-line with guidance; profitability better than forecast
- Resilient gross margin from differentiated products and strong recurring revenue
- Operating Expenses lower than guidance
- Q1 diluted shares outstanding of 47.6 million

(1) *Non-GAAP, see Appendix for Q4'23, Q1'24 GAAP to non-GAAP reconciliations and for notes regarding use of forward-looking non-GAAP figures*

(2) *Guidance as provided on February 15, 2024 press release and earnings conference call*

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MID-TERM TARGET MODEL[3]

$1 billion
Revenue

$4.00
EPS[1]

	Q1'24 Actuals	FY2023 Actuals	Target Model[3]
Revenue	$107.6M	$636.3M	$1 billion
Gross Margin[1]	46.0%	47.9%	50%
Operating Expenses[1]	46.7%	31.7%	25%
Non-GAAP EPS[1]	$0.01	$1.62	$4.00
Adjusted EBITDA[1]	2.6%	17.9%	26%
Free Cash Flow[2]	($17.3M)	$85.4M	$180M

- Resilient recurring revenue supports gross margin through the trough of the cycle
- Q1'24 free cash flow reflects payment of variable compensation and payroll burden

(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.*

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BALANCE SHEET

	Q4'23	Q1'24
Cash and Investments[1]	$336M	$271M
Accounts Receivable	$125M	$116M
Total Debt	$41M	$11M
Capital Additions	$3.9M	$3.3M
Cash Flow From Operations	$2.7M	($14.0M)

- Cash position supports inorganic growth and share purchase program
- CapEx target of ~ $20M / year
- $10.7M of cash in Q1 used for repurchase of ~ 334K shares of Common Stock
- Paid off remaining Term Loan B balance of $29.3M in early Q1'24

(1) *Net cash per share Q1'24 = $5.47; See Appendix for GAAP to non-GAAP reconciliations.*

Q2'24 OUTLOOK

	Q1'24 Actual	Q2'24 Guidance
Revenue(1)	$107.6M	$105M +/- $6M
Gross Margin(1)	46.0%	~ 45%
Operating Expenses(1)	$50.2M	~ $49M
Adjusted EBITDA(1)	2.6%	~ 2%

- **Q2 revenue reflects continued soft mobile, automotive and industrial test demand**
- **Resilient gross margin from differentiated products and strong recurring revenue**
- **OPEX declining QoQ due to labor and other cost reductions**
- **Projecting ~ $1.6M Q2 tax provision due to pretax income in foreign jurisdictions combined with no tax benefit from a projected U.S. loss**

(1) See Appendix for Q1'24 GAAP to non-GAAP reconciliations. The Q2'24 non-GAAP guidance excludes estimated pre-tax charges related to stock-based compensation of $0.2M (CoS) and $3.1M (Opex), and amortization of purchased intangibles of $9.6M (Opex). These forward-looking figures do not reflect restructuring costs, acquisition-related costs, other 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 to predict without unreasonable efforts due to their inherent uncertainty, therefore, reconciliation of these figures to GAAP is not provided.

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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, effective tax rate, free cash flow, net cash per share and Adjusted EBITDA 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 schedules accompanying this release and should be considered together with the Condensed Consolidated Statements of Operations. With respect to any forward-looking non-GAAP figures, we are unable to provide without unreasonable efforts, at this time, a GAAP to non-GAAP reconciliation of any forward-looking figures due to their inherent uncertainty.
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.

GAAP TO NON-GAAP RECONCILIATION

Earnings Reconciliation	3 Months Ending Dec 30, 2023	Diluted EPS	3 Months Ending Mar 30, 2024	Diluted EPS	12 Months Ending Dec 30, 2023	Diluted EPS
Net income (loss) - GAAP	$ (2,028)	$ (0.04)	$ (14,635)	$ (0.31)	$ 28,156	$ 0.59
Share based compensation	4,557	0.10	4,628	0.10	17,237	0.36
Amortization of purchased intangible assets	9,738	0.20	9,795	0.21	36,355	0.76
Restructuring costs related to inventory in COS	(3)	0.00	(4)	0.00	(62)	(0.00)
Restructuring costs	375	0.01	9	0.00	2,421	0.05
Manufacturing transition and severance costs	534	0.01	1,654	0.03	1,054	0.02
Impairment charge	0	0.00	966	0.02	0	0.00
Other acquisition costs	288	0.01	174	0.00	1,571	0.03
PP&E step-up included in COS and SG&A	30	0.00	12	0.00	67	0.00
Inventory Step-Up	868	0.02	0	0.00	1,141	0.02
Tax effect of Non-GAAP adjustments	(3,239)	(0.08)	(1,999)	(0.04)	(10,054)	(0.21)
Net income - Non-GAAP	$11,120	$ 0.23	$600	$ 0.01	$77,886	$ 1.62
Weighted Average Shares - GAAP	Diluted	47,369	Diluted	47,134	Diluted	48,025
Weighted Average Shares - Non-GAAP	Diluted	47,795	Diluted	47,606	Diluted	48,025
Income tax provision - GAAP	$ 1,531		$ (1,700)		$ 17,660	
Tax effect of Non-GAAP adjustments (1)	3,239		1,999		10,054	
Income tax provision - Non-GAAP	$ 4,770		$ 299		$ 34,931	
Effective tax rate - GAAP	-308.0%		10.4%		38.5%	
Effective tax rate - Non-GAAP	30.0%		33.3%		26.2%	

(1) Calculated by applying statutory tax rates in effect to the respective non-GAAP adjustments.

Gross Profit Reconciliation	3 Months Ending Apr 1, 2023	% of Net Sales	3 Months Ending Dec 30, 2023	% of Net Sales	3 Months Ending Mar 30, 2024	% of Net Sales	12 Months Ending Dec 30, 2023	% of Net Sales
Net Sales	$179,371		$137,226		$107,614		$636,322	
Gross Profit - GAAP	86,218	48.1%	65,410	47.7%	49,249	45.8%	302,868	47.6%
Share based compensation	180	0.1%	226	0.2%	227	0.2%	845	0.1%
Restructuring costs related to inventory in COS	(28)	0.0%	(3)	0.0%	(4)	0.0%	(62)	0.0%
Manufacturing transition and severance costs	18	0.0%	7	0.0%	0	0.0%	25	0.0%
Inventory step-up	124	0.1%	868	0.6%	0	0.0%	1,141	0.2%
Gross Profit - Non-GAAP	$86,512	48.2%	$66,508	48.5%	$49,472	46.0%	$304,817	47.9%

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GAAP TO NON-GAAP RECONCILIATION

Operating Expense Reconciliation	3 Months Ending Dec 30, 2023	% of Net Sales	3 Months Ending Mar 30, 2024	% of Net Sales	12 Months Ending Dec 30, 2023	% of Net Sales
Operating Expense - GAAP	$ 65,076	47.4%	$ 67,222	62.5%	$ 259,596	40.8%
Share based compensation	(4,331)	-3.2%	(4,401)	-4.1%	(16,392)	-2.6%
Amortization of purchased intangible assets	(9,738)	-7.1%	(9,795)	-9.1%	(36,355)	-5.7%
Restructuring costs	(375)	-0.3%	(9)	0.0%	(2,421)	-0.4%
Manufacturing transition and severance costs	(527)	-0.4%	(1,654)	-1.5%	(1,029)	-0.2%
Impairment charge	0	0.0%	(966)	-0.9%	0	0.0%
PP&E step-up included in SG&A	(30)	0.0%	(12)	0.0%	(67)	0.0%
Other acquisition costs	(288)	-0.2%	(174)	-0.2%	(1,571)	-0.2%
Operating Expense - Non-GAAP	$ 49,787	36.3%	$ 50,211	46.7%	$ 201,761	31.7%

Adjusted EBITDA Reconciliation	3 Months Ending Apr 1, 2023	% of Net Sales	3 Months Ending Dec 30, 2023	% of Net Sales	3 Months Ending Mar 30, 2024	% of Net Sales	12 Months Ending Dec 30, 2023	% of Net Sales
Net income (loss) - GAAP	$ 15,685	8.7%	$ (2,028)	-1.5%	$(14,635)	-13.6%	$ 28,156	4.4%
Income tax provision	4,973	2.8%	1,531	1.1%	(1,700)	-1.6%	17,660	2.8%
Interest expense	1,128	0.6%	754	0.5%	289	0.3%	3,382	0.5%
Interest income	(2,718)	-1.5%	(2,847)	-2.1%	(2,709)	-2.5%	(11,504)	-1.8%
Amortization of purchased intangible assets	8,754	4.9%	9,738	7.1%	9,795	9.1%	36,355	5.7%
Depreciation	3,337	1.9%	3,372	2.5%	3,429	3.2%	13,389	2.1%
Amortization of cloud-based software implementation costs	700	0.4%	700	0.5%	709	0.7%	2,800	0.4%
Loss on extinguishment of debt	369	0.2%	0	0.0%	241	0.2%	369	0.1%
Other Non-GAAP Adjustments	5,554	3.1%	6,619	4.8%	7,427	6.9%	23,362	3.7%
Adjusted EBITDA	$ 37,782	21.1%	$17,839	13.0%	$2,846	2.6%	$113,969	17.9%

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GAAP TO NON-GAAP RECONCILIATION

Free Cash Flow	3 Months Ending Mar 30, 2024	12 Months Ending Dec 30, 2023
Cash flow from operations - GAAP	$ (13,964)	$ 101,470
Capital expenditures	(3,327)	(16,053)
Free cash flow - Non-GAAP	$ (17,291)	$ 85,417
Cash flow from operations as a percentage of net sales - GAAP	-9.3%	15.9%
Free cash flow as a percentage of net sales - Non-GAAP	-11.5%	13.4%

Net Cash per Share	3 Months Ending Dec 30, 2023	3 Months Ending Mar 30, 2024
Cash and investments	$ 335,698	$ 271,322
Less: total debt	(40,627)	(10,827)
Net cash	$ 295,071	$ 260,495
Weighted Average Shares - Diluted	47,795	47,606
Net Cash per Share	$ 6.17	$ 5.47

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