Q3'24 FINANCIAL RESULTS

October 31, 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 design wins, new product introductions, sales expansion or manufacturing expenses and corresponding financial impacts; market segment growth; effects of test cell utilization on future business; impact of key business drivers for recurring revenue and systems; annual renewal rate on service contracts; market conditions forecasts and success of related cost reduction initiatives; target or anticipated performance metrics for new products and related financial effects; Q4'24 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.

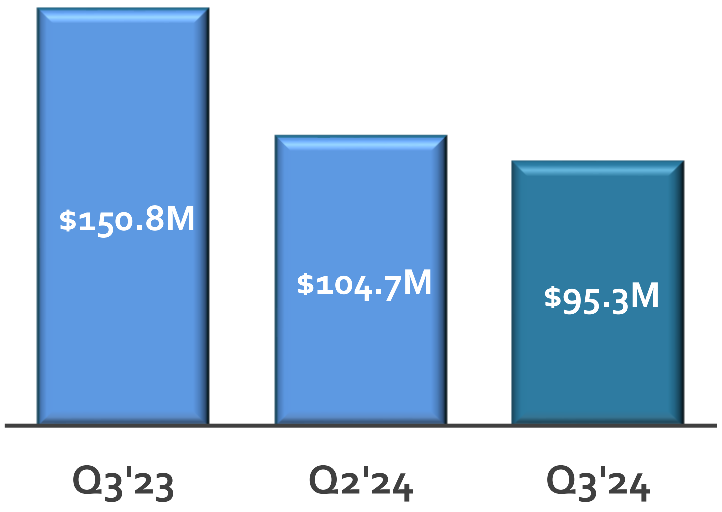
Actual results and future business conditions could differ materially from those contained in any forward-looking statement as a result of various factors, including, without limitation: new product investments and product enhancements which may not be commercially successful; the semiconductor industry 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.

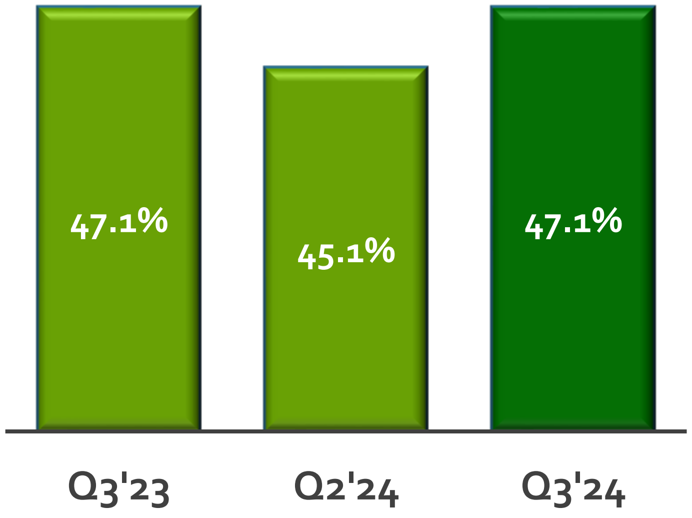
BUSINESS UPDATE

SUMMARY

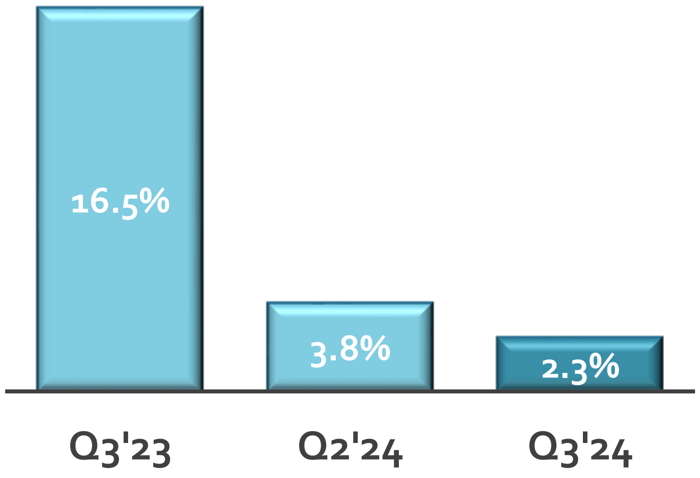
Revenue



Non-GAAP Gross Margin(1)



Adj. EBITDA(1)



- Test cell design-win at a top 5 automotive semi manufacturer
- Expansion of AI Inspection software solution
- 13% YoY revenue growth in the mobile segment

- Strong Gross Margin quarter
  - ✓ New, differentiated test & inspection products
  - ✓ Lower manufacturing expenses

- Test cell utilization down 2 pts. QoQ to 72% – *mobile at 68%, auto & ind. 75%, computing 69%*
- Cash & short-term investments increased $7M QoQ to ~ $269M

1) *See appendix for GAAP to non-GAAP reconciliation*

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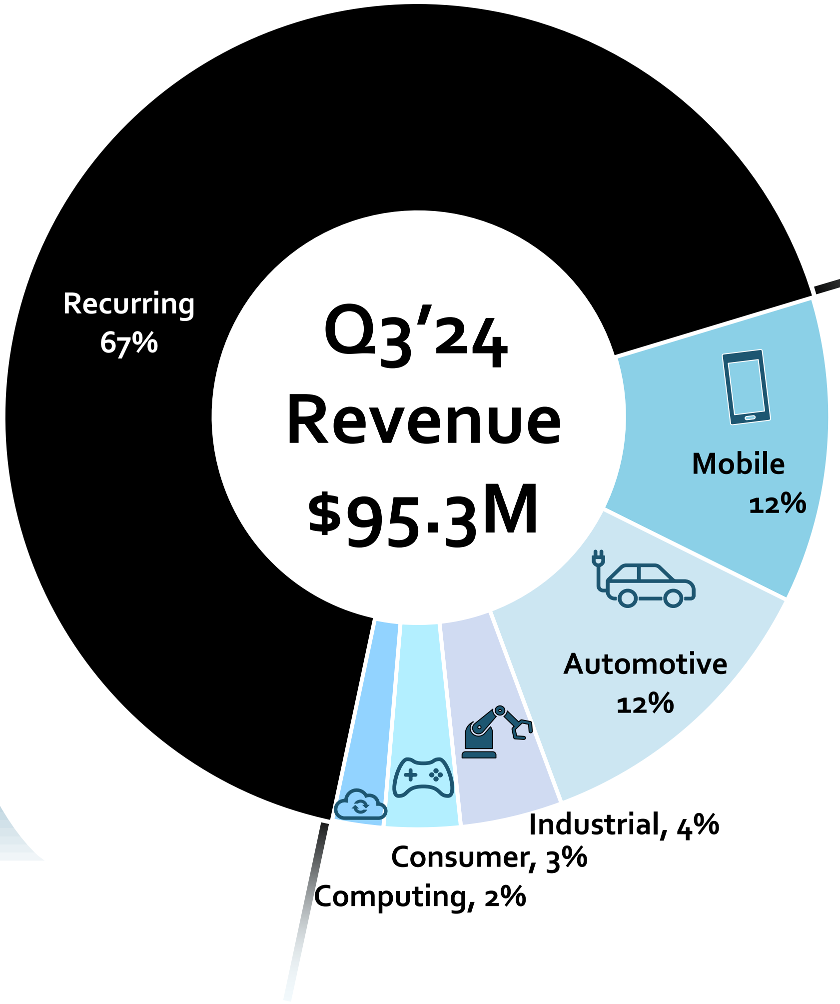
DIVERSE REVENUE PROFILE

Recurring

Key Business Drivers

- ~ 24,700 systems installed base
- ~ 95% ARR (Annual Renewal Rate) on service contracts
- Recurring orders improved 8% sequentially



Systems

Key Business Drivers

- Key Diamond$_x$ tester design-win with new VI100
- Expanding sales in inspection market
- New products for data center and recurring software

DIAMOND$_X$ MIXED SIGNAL TEST CELL

- Selected by a Top 5 automotive semiconductor manufacturer
- Integrated test cell solution; system includes new VI100 instrument & major mixed signal platform enhancements, paired with a NY32 handler and cCompact interface
- Cost-efficient & multi-site testing scales throughput for optimal cost-of-test
- Same system for lab characterization & high-volume manufacturing

$860M

Addressable Market

Auto, Industrial, Computing

Device Markets

2M Samples/sec

Simultaneous Current and Voltage Capture

Diamond$_x$ Tester

Increased voltage and current range for broader device coverage in a scalable universal air-cooled platform

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ENTERING HBM MEMORY MARKET WITH NEON

- Selected by a world leading memory manufacturer for inspection metrology of HBM used in high-performance computing and generative AI applications
- Cohu's AI Inspection software utilizes deep learning and neural network pattern recognition to improve inspection yield
- Highly efficient vision technology delivers accurate and reliable metrology of thousands of micro-pillars distributed over the device

6-sided

Micro-scale inspection

AI Inspection

Improves yield

$100M(1)

Revenue opportunity

ai inspection™

Integration with factory automation and efficient output sorting process addresses current and roadmap HBM market needs

(1) *The HBM market is projected to be approx. $23B in 2024 with a CAGR of 22% through 2029*

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DIE-LEVEL BURN-IN TEST SOLUTION FOR SiC DEVICES

- Selected by a leading SiC power device manufacturer for die-level burn-in and stress-test process
- Significant yield and productivity gains – *eliminates 40%+ yield loss with burn-in of tested-good dies*
- Full die traceability from input wafer to output media
- High current signal integrity testing interface up 2.5kV test per die, 3000W per carrier
- Advanced inspection with AI deep learning technology optimizes yield and enhances productivity

6-sided

Micro-scale inspection

40%+

Higher burn-in quality

\$50M[1]

Revenue opportunity

ai inspection™

High parallelism, singulated die burn-in test & inspection solution for Wide Bandgap Devices

(1) *The SiC market is projected to be approx. \$2.2B in 2024 with a CAGR of 25% through 2029*

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Q3'24 FINANCIALS AND Q3'24 GUIDANCE

Q3'24 NON-GAAP RESULTS

	Q2'24 Actual	Q3'24 Guidance[(2)]	Q3'24 Actual
Revenue	\$104.7M	\$95M +/- \$5M	\$95.3M
Gross Margin[(1)]	45.1%	~ 45%	47.1%
Operating Expenses[(1)]	\$46.9M	~ \$46M	\$45.2M
Non-GAAP EPS[(1)]	(\$0.01)		(\$0.08)
Adjusted EBITDA[(1)]	3.8%	~ 1%	2.3%

- Q3 revenue in-line with guidance; profitability better than forecast
- Resilient gross margin from differentiated products and strong recurring revenue
- Operating Expenses lower than guidance
- Q2 weighted average shares outstanding of 46.8 million

(1) *Non-GAAP, see Appendix for Q2'24, Q3'24 GAAP to non-GAAP reconciliations and for notes regarding use of forward-looking non-GAAP figures*
(2) *Guidance as provided on July 31, 2024 press release and earnings conference call*

BALANCE SHEET

	Q2'24	Q3'24
Cash and Investments[1]	$262M	$269M
Accounts Receivable	$103M	$92M
Total Debt	$10M	$11M
Capital Additions	$2.0M	$2.3M
Cash Flow From Operations	$1.1M	$17.4M

- Cash position supports inorganic growth and share purchase program
- CapEx target of ~ $20M / year
- $8.1M of cash in Q3 used for repurchase of 315K shares of Common Stock
- Positive Q3 cash flow from operations at trough revenue

(1) *Net cash per share Q2'24 = $5.37; Q3'24 = $5.53; See Appendix for GAAP to non-GAAP reconciliations.*

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Q4'24 OUTLOOK

	Q3'24 Actual	Q4'24 Guidance
Revenue[(1)]	\$95.3M	\$95M +/- \$7M
Gross Margin[(1)]	47.1%	~ 44%
Operating Expenses[(1)]	\$45.2M	~ \$46M
Adjusted EBITDA[(1)]	2.3%	~ (1%)

- Q4 revenue reflects continued soft automotive and industrial test demand
- Resilient gross margin from differentiated products and strong recurring revenue
- OPEX increasing QoQ due to higher labor costs from unfavorable fx impact
- Projecting ~ \$3.1M Q4 tax provision due to pretax income in foreign jurisdictions combined with no tax benefit from a projected U.S. loss

(1) *See Appendix for Q3'24 GAAP to non-GAAP reconciliations. The Q4'24 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 Jun 29, 2024	Diluted EPS	3 Months Ending Sep 28, 2024	Diluted EPS	12 Months Ending Dec 30, 2023	Diluted EPS
Net income (loss) - GAAP	$ (15,769)	$ (0.34)	$ (18,056)	$ (0.39)	$ 28,156	$ 0.59
Share based compensation	5,583	0.12	5,248	0.11	17,237	0.36
Amortization of purchased intangible assets	9,748	0.21	9,791	0.21	36,355	0.76
Restructuring costs related to inventory in COS	(12)	0.00	(20)	0.00	(62)	(0.00)
Restructuring costs	13	0.00	14	0.00	2,421	0.05
Manufacturing transition and severance costs	1,242	0.03	455	0.01	1,054	0.02
Impairment charge	0	0.00	(63)	0.00	0	0.00
Other acquisition costs	1	0.00	0	0.00	1,571	0.03
PP&E step-up included in COS and SG&A	12	0.00	12	0.00	67	0.00
Inventory Step-Up	0	0.00	0	0.00	1,141	0.02
Tax effect of Non-GAAP adjustments	(1,400)	(0.03)	(1,178)	(0.02)	(10,054)	(0.21)
Net income - Non-GAAP	($582)	$ (0.01)	($3,797)	$ (0.08)	$77,886	$ 1.62
Weighted Average Shares - GAAP	Diluted	46,965	Diluted	46,815	Diluted	48,025
Weighted Average Shares - Non-GAAP	Diluted	46,965	Diluted	46,815	Diluted	48,025
Income tax provision - GAAP	$ 1,286		$ 3,231		$ 17,660	
Tax effect of Non-GAAP adjustments [(1)]	1,400		1,178		10,054	
Income tax provision - Non-GAAP	$ 2,686		$ 4,409		$ 26,683	
Effective tax rate - GAAP	-8.9%		-21.8%		38.5%	
Effective tax rate - Non-GAAP	127.7%		720.4%		26.2%	

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

Gross Profit Reconciliation	3 Months Ending Sep 30, 2023	% of Net Sales	3 Months Ending Jun 29, 2024	% of Net Sales	3 Months Ending Sep 28, 2024	% of Net Sales	12 Months Ending Dec 30, 2023	% of Net Sales
Net Sales	$150,804		$ 104,701		$ 95,342		$ 636,322	
Gross Profit - GAAP	70,895	47.0%	46,922	44.8%	44,657	46.8%	302,868	47.6%
Share based compensation	223	0.1%	262	0.3%	270	0.3%	845	0.1%
Restructuring costs related to inventory in COS	(18)	0.0%	(12)	0.0%	(20)	0.0%	(62)	0.0%
Manufacturing transition and severance costs	0	0.0%	2	0.0%	0	0.0%	25	0.0%
Inventory step-up	0	0.0%	0	0.0%	0	0.0%	1,141	0.2%
Gross Profit - Non-GAAP	$71,100	47.1%	$47,174	45.1%	$44,907	47.1%	$304,817	47.9%

GAAP TO NON-GAAP RECONCILIATION

Operating Expense Reconciliation	3 Months Ending Jun 29, 2024	% of Net Sales	3 Months Ending Sep 28, 2024	% of Net Sales	12 Months Ending Dec 30, 2023	% of Net Sales
Operating Expense - GAAP	$ 63,221	60.4%	$ 60,426	63.4%	$ 259,596	40.8%
Share based compensation	(5,321)	-5.1%	(4,978)	-5.2%	(16,392)	-2.6%
Amortization of purchased intangible assets	(9,748)	-9.3%	(9,791)	-10.3%	(36,355)	-5.7%
Restructuring costs	(13)	0.0%	(14)	0.0%	(2,421)	-0.4%
Manufacturing transition and severance costs	(1,240)	-1.2%	(455)	-0.5%	(1,029)	-0.2%
Impairment charge	0	0.0%	63	0.1%	0	0.0%
PP&E step-up included in SG&A	(12)	0.0%	(12)	0.0%	(67)	0.0%
Other acquisition costs	(1)	0.0%	0	0.0%	(1,571)	-0.2%
Operating Expense - Non-GAAP	$ 46,886	44.8%	$ 45,239	47.4%	$ 201,761	31.7%

Adjusted EBITDA Reconciliation	3 Months Ending Sep 30, 2023	% of Net Sales	3 Months Ending Jun 29, 2024	% of Net Sales	3 Months Ending Sep 28, 2024	% of Net Sales	12 Months Ending Dec 30, 2023	% of Net Sales
Net income (loss) - GAAP	$ 3,915	2.6%	$ (15,769)	-15.1%	$(18,056)	-18.9%	$ 28,156	4.4%
Income tax provision	4,721	3.1%	1,286	1.2%	3,231	3.4%	17,660	2.8%
Interest expense	773	0.5%	144	0.1%	86	0.1%	3,382	0.5%
Interest income	(3,207)	-2.1%	(2,333)	-2.2%	(2,609)	-2.7%	(11,504)	-1.8%
Amortization of purchased intangible assets	8,857	5.9%	9,748	9.3%	9,791	10.3%	36,355	5.7%
Depreciation	3,319	2.2%	3,413	3.3%	3,362	3.5%	13,389	2.1%
Amortization of cloud-based software implementation costs	700	0.5%	709	0.7%	709	0.7%	2,800	0.4%
Loss on extinguishment of debt	0	0.0%	0	0.0%	0	0.0%	369	0.1%
Other Non-GAAP Adjustments	5,877	3.9%	6,827	6.5%	5,634	5.9%	23,362	3.7%
Adjusted EBITDA	$ 24,955	16.5%	$4,025	3.8%	$2,148	2.3%	$113,969	17.9%

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GAAP TO NON-GAAP RECONCILIATION

Free Cash Flow	3 Months Ending Sep 28, 2024	12 Months Ending Dec 30, 2023
Cash flow from operations - GAAP	$ 17,363	$ 101,470
Capital expenditures	(2,252)	(16,053)
Free cash flow - Non-GAAP	$ 15,111	$ 85,417
Cash flow from operations as a percentage of net sales - GAAP	11.5%	15.9%
Free cash flow as a percentage of net sales - Non-GAAP	10.0%	13.4%

Net Cash per Share	3 Months Ending Jun 29, 2024	3 Months Ending Sep 28, 2024
Cash and investments	$ 262,397	$ 269,238
Less: total debt	(9,970)	(10,520)
Net cash	$ 252,427	$ -
Weighted Average Shares - Diluted	46,965	46,815
Net Cash per Share	$ 5.37	$ 5.53

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