

2018 Annual Meeting of Stockholders

May 16, 2018



 Cohu

Cautionary Statement Regarding Forward Looking Statements

Certain matters discussed in this presentation, including statements regarding capturing new customers; strength in automotive and mobility segments; growth in contactor business; gross margin expansion; Opex control; first half 2018 order momentum and visibility; first half 2018 year-over-year growth projections; Cohu's second quarter 2018 sales forecast, guidance and effective tax rate; and all statements regarding the acquisition of Xcerra and expected benefits of the transaction are forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those projected or forecasted. Such risks and uncertainties include, but are not limited to, risks associated with acquisitions; inventory, goodwill and other asset write-downs; our ability to convert new products into production on a timely basis and to support product development and meet customer delivery and acceptance requirements for new products; our reliance on third-party contract manufacturers and suppliers; failure to obtain customer acceptance resulting in the inability to recognize revenue and accounts receivable collection problems; revenue recognition impacts due to ASC 606; market demand and adoption of our new products; customer orders may be canceled or delayed; the concentration of our revenues from a limited number of customers; intense competition in the semiconductor equipment industry; our reliance on patents and intellectual property; compliance with U.S. export regulations; impacts from the Tax Cuts and Jobs Act of 2017; geopolitical issues; ERP system implementation issues; the seasonal, volatile and unpredictable nature of capital expenditures by semiconductor manufacturers; rapid technological change; and significant risks associated with the Xcerra transaction including but not limited to (i) the risk that the conditions to the closing of the proposed transaction are not satisfied, (ii) uncertainties as to the timing of the consummation of the proposed transaction and the ability of each of Cohu and Xcerra to consummate the proposed transaction, including as a result of the failure of Cohu to obtain or provide on a timely basis or at all the necessary financing, (iii) the ability of Cohu and Xcerra to integrate their businesses successfully and to achieve anticipated synergies, (iv) the possibility that other anticipated benefits of the proposed transaction will not be realized, (v) potential litigation relating to the proposed transaction that could be instituted against Cohu, Xcerra, or their respective directors, (vi) possible disruptions from the proposed transaction that could harm Cohu's and/or Xcerra's respective businesses, (vii) the ability of Cohu or Xcerra to retain, attract and hire key personnel, (viii) potential adverse reactions or changes to relationships with customers, employees, suppliers or other parties resulting from the announcement or completion of the proposed transaction, (ix) potential business uncertainty, including changes to existing business relationships, during the pendency of the proposed transaction that could affect Cohu's or Xcerra's financial performance, (x) certain restrictions during the pendency of the proposed transaction that may impact Cohu's or Xcerra's ability to pursue certain business opportunities or strategic transactions, (xi) the adverse impact to Cohu's operating results from interest expense on the financing debt, rising interest rates, and any restrictions on operations related to such debt, and (xii) continued availability of capital and financing and rating agency actions. These and other risks and uncertainties are discussed more fully in Cohu's filings with the Securities and Exchange Commission, including the most recently filed Form 10-K and Form 10-Q, and in the Registration Statement on Form S-4 that has or will be filed by Cohu with the SEC containing a prospectus with respect to the Cohu common stock to be issued in the proposed Xcerra transaction and a joint proxy statement of Cohu and Xcerra in connection with the proposed transaction that is or will be contained therein. The forward-looking statements included in this release are not assurances, and speak only as of the date of this release, and Cohu does not undertake any obligation to update these forward-looking statements to reflect subsequent events or circumstances.

Participants in the Solicitation; Additional Information

Participants in the Solicitation

Cohu, Xcerra, certain of their respective directors, executive officers, members of management and employees may, under the rules of the SEC, be deemed to be participants in the solicitation of proxies in connection with the proposed transaction. Information regarding the persons who may, under the rules of the SEC, be deemed “participants” in the solicitation of proxies in connection with the proposed transaction, and a description of their direct and indirect interests in the proposed transaction, which may differ from the interests of Xcerra stockholders or Cohu stockholders generally, is set forth in the Joint Proxy Statement/Prospectus filed with the SEC. Information regarding Xcerra’s directors and executive officers and their beneficial ownership of Xcerra common stock is also set forth in Xcerra’s proxy statement on Schedule 14A filed with the SEC on September 5, 2017, and in its Annual Report on Form 10-K for the year ended July 31, 2017, and is supplemented by other public filings made, and to be made, with the SEC by Xcerra. These documents are available free of charge at the SEC’s website at www.sec.gov or by visiting the Xcerra Investor Relations page on its corporate website at <https://Xcerra.com/investors>. Information concerning Cohu’s directors and executive officers and their beneficial ownership of Cohu’s common stock is set forth in Cohu’s annual proxy statement on Schedule 14A filed with the SEC on April 3, 2018, and in its Annual Report on Form 10-K for the year ended December 31, 2017. These documents are available free of charge at the SEC’s website at www.sec.gov or by visiting the Cohu Investor Relations page on its corporate website at <https://Cohu.gcs-web.com>. Other information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, are contained in the Joint Proxy Statement/Prospectus regarding the proposed transaction and other relevant materials that have been or will be filed with the SEC when they become available. You may obtain copies of the documents described in the preceding sentence when they become available free of charge by visiting the SEC’s website at www.sec.gov.

Additional Information and Where You Can Find It

Cohu will file with the SEC the Registration Statement containing the Joint Proxy Statement/Prospectus and other documents concerning the proposed transaction. The definitive Joint Proxy Statement/Prospectus will be delivered to the stockholders of Xcerra and Cohu after the Registration Statement is declared effective by the SEC. This communication is not a substitute for the Registration Statement, the definitive Joint Proxy Statement/Prospectus or any other documents that Xcerra or Cohu may file or may have filed with the SEC, or will send or have sent to stockholders in connection with the proposed transaction. **INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS WHEN IT BECOMES AVAILABLE AND OTHER RELEVANT DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.** Investors and security holders may obtain a free copy of these documents (when they become available) and other documents filed by Xcerra and Cohu with the SEC at the SEC’s website at www.sec.gov. The Joint Proxy Statement/Prospectus and other documents filed by Xcerra or Cohu may also be obtained free of charge by visiting the Xcerra Investor Relations page on its corporate website at <https://Xcerra.com/investors> or by contacting Xcerra Investor Relations by telephone at (781) 467-5063 or by mail at Xcerra Investor Relations, Xcerra Corporation, 825 University Avenue, Norwood, MA 02062, attention Rich Yerganian or by visiting the Cohu Investor Relations page on its corporate website at <https://Cohu.gcs-web.com> or by contacting Cohu Investor Relations by telephone at (858) 848-8106 or by mail at Cohu Corporate Headquarters, 12367 Crosthwaite Circle, Poway, CA 92064, attention Jeffrey D. Jones..

Corporate Profile

Global technology and market leader in \$2 billion* Semiconductor Final Test Handlers, Contactors and Vision Inspection



Company
NASDAQ

COHU



Revenue
(2017)

\$353M



EBITDA
(2017**)

15.8%



Net Cash
(4Q17)

\$156M



Employees
(Worldwide)

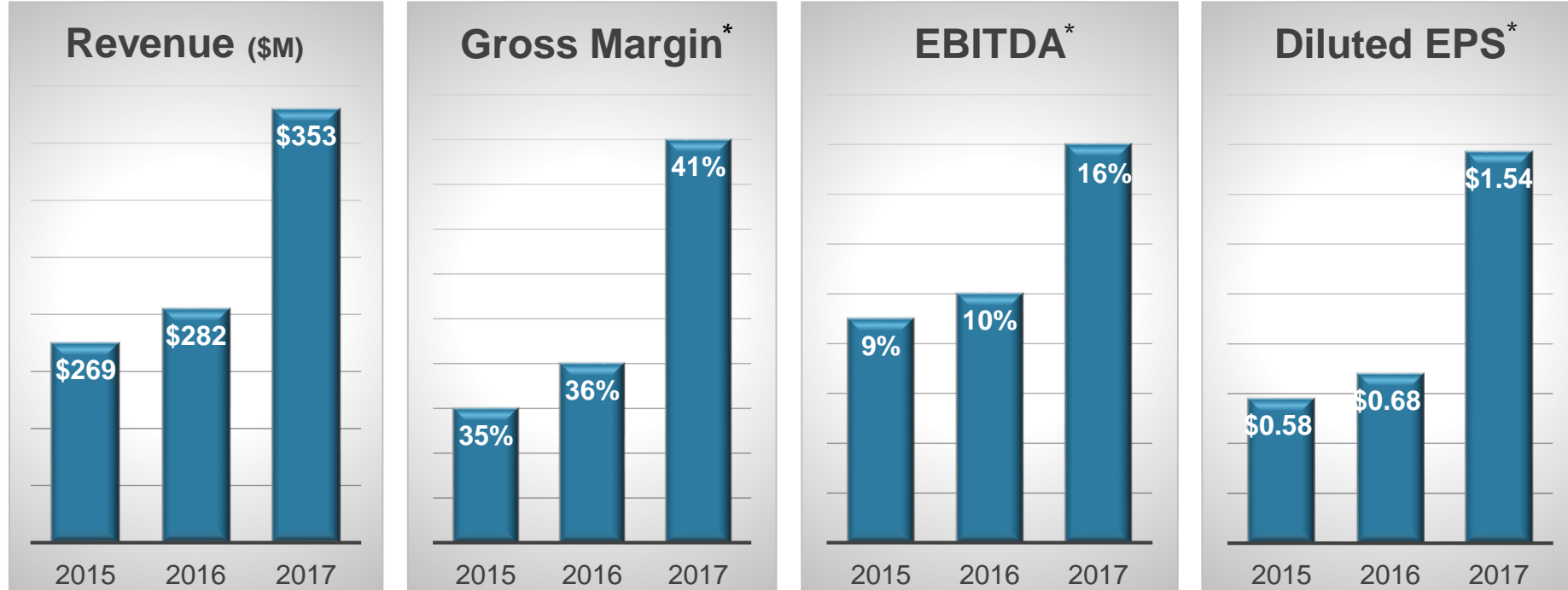
~1,750

***We create leading-edge solutions for
semiconductor test and inspection***

* VLSI Research and Company estimates

** EBITDA reflects non-GAAP

Strategy & Execution Yielding Results

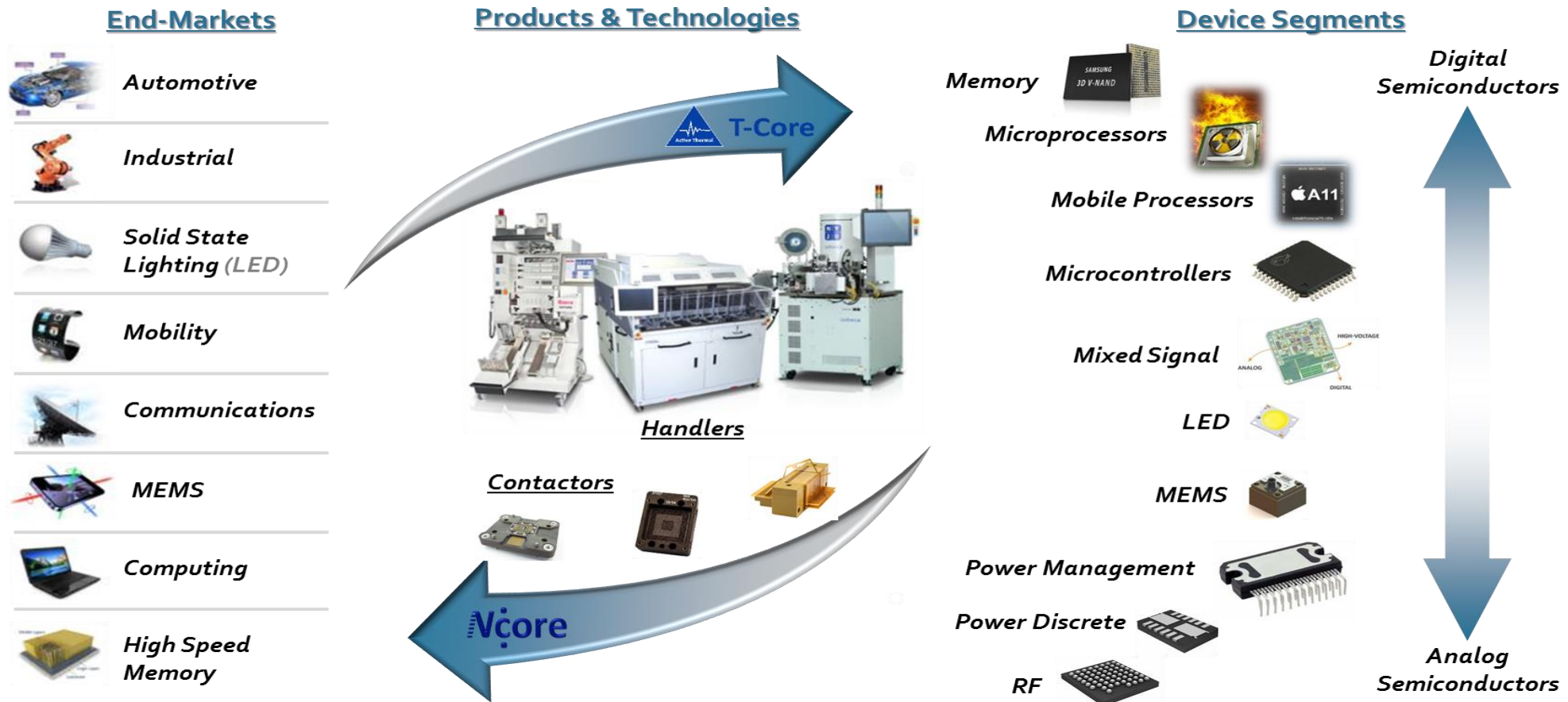


Continued strength and momentum in automotive and mobility markets
Growth in contactors with Kita acquisition
Gross margin expansion from Asia manufacturing
Opex control while strategically investing for growth

* Amounts are Non-GAAP and exclude amortization of purchased intangibles, stock based compensation expense, acquisition related costs, manufacturing transition and severance costs.

Multiple Markets – Leading Solutions

Thermal and Vision Inspection technologies enabling higher yield \Rightarrow **customer value**



The Xcerra Acquisition

Brings Together Complementary Products in Core Test and Inspection Handlers

Creates a Stronger Provider in Test Contactors to Drive Continued Innovation

Grows Product Portfolio into Automated Test Equipment (ATE)

Expands Footprint in High Growth Semi Areas: Automotive, IoT, Industrial and Mobility

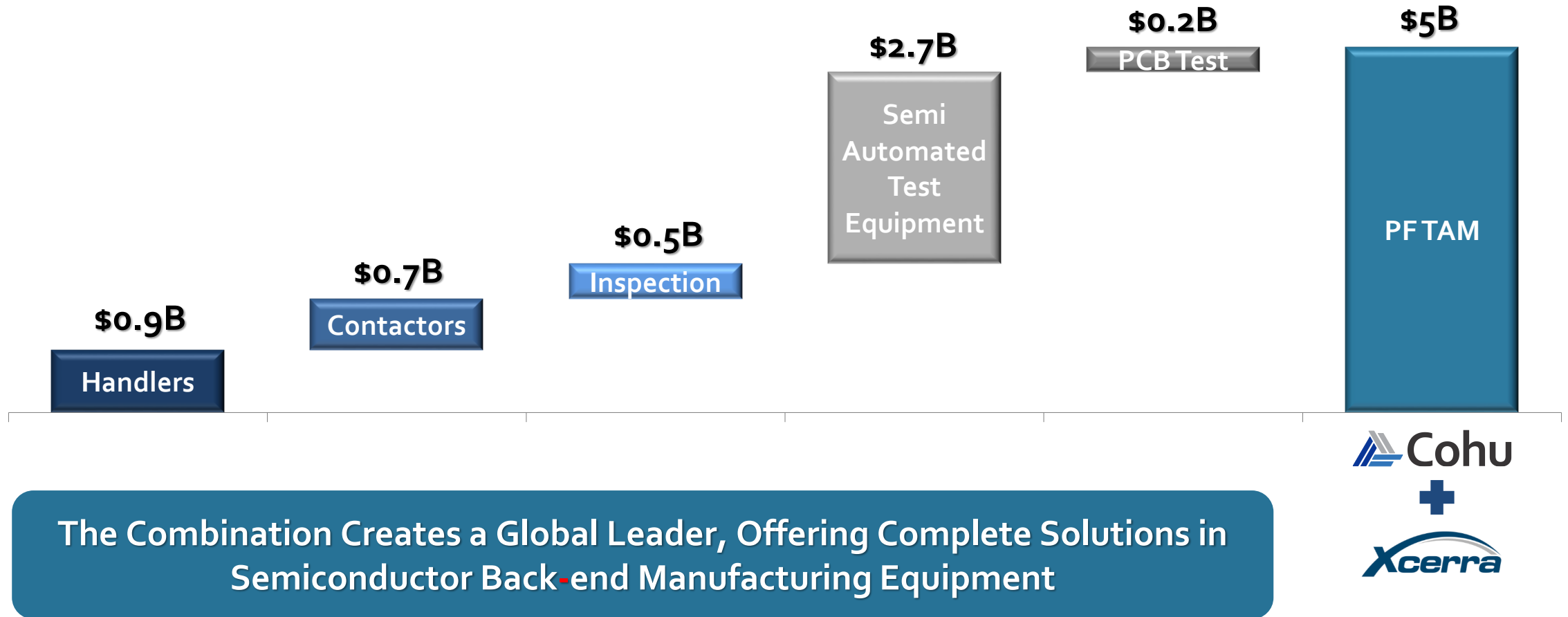
Diversifies Revenue Base and Increases TAM to \$5 billion

Immediately EPS Accretive; Delivers Over \$20 Million* Annual Cost Synergies within 2 Years

Highly Attractive Financials

** Synergies exclude approximately \$7M of stock-based compensation*

Diversifies Revenue Base and Increases TAM to \$5B



Source: Company estimates

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Appendix



Reconciliation of GAAP to Non-GAAP Results

<u>Earnings Reconciliation</u>	<u>12 Months Ending</u>		<u>12 Months Ending</u>		<u>12 Months Ending</u>	
	<u>Dec 26,</u>	<u>Diluted</u>	<u>Dec 31,</u>	<u>Diluted</u>	<u>Dec 30,</u>	<u>Diluted</u>
	<u>2015</u>	<u>EPS</u>	<u>2016</u>	<u>EPS</u>	<u>2017</u>	<u>EPS</u>
Income (Loss) From Continuing Operations - GAAP	\$5,792	\$0.22	\$3,260	\$0.12	\$33,121	\$1.15
Share Based Compensation	6,755	0.25	7,143	0.26	7,007	0.24
Amortization of Purchased Intangible Assets	7,032	0.26	6,902	0.25	4,208	0.15
Manufacturing Transition and Severance Costs	970	0.04	1,498	0.05	502	0.02
Other Acquisition Costs	0	0.00	1,777	0.06	370	0.01
Inventory Step-Up	0	0.00	0	0.00	1,404	0.05
Impairment of Goodwill and Other Assets	273	0.01	0	0.00	0	0.00
Gain on Sale of Facility	(3,198)	(0.12)	0	0.00	0	0.00
Reduction of Indemnification Receivable	0	0.00	588	0.03	1,172	0.04
Adjustment to Contingent Consideration	0	0.00	0	0.00	1,423	0.05
U.S. Tax Reform	0	0.00	0	0.00	(2,022)	(0.07)
Tax Effect of Non-GAAP Adjustments	(1,961)	(0.07)	(2,408)	(0.09)	(2,776)	(0.10)
Income From Continuing Operations - Non-GAAP	<u>\$15,663</u>	<u>\$0.58</u>	<u>\$18,760</u>	<u>\$0.68</u>	<u>\$44,410</u>	<u>\$1.54</u>
Weighted Average Shares - GAAP and Non-GAAP	Diluted	26,788	Diluted	27,480	Diluted	28,916

<u>Gross Profit Reconciliation</u>	<u>12 Months Ending</u>		<u>12 Months Ending</u>		<u>12 Months Ending</u>	
	<u>Dec 26,</u>	<u>% of Net</u>	<u>Dec 31,</u>	<u>% of Net</u>	<u>Dec 30,</u>	<u>% of Net</u>
	<u>2015</u>	<u>Sales</u>	<u>2016</u>	<u>Sales</u>	<u>2017</u>	<u>Sales</u>
Net Sales	\$269,654		\$282,084		\$352,704	
Gross Profit - GAAP	89,038	33.0%	94,828	33.6%	140,718	39.9%
Share Based Compensation	566	0.2%	398	0.1%	423	0.1%
Amortization of Purchased Intangible Assets	5,420	2.0%	5,170	1.8%	2,689	0.8%
Manufacturing Transition and Severance Costs	0	0.0%	75	0.0%	0	0.0%
Inventory Step-Up	0	0.0%	0	0.0%	1,404	0.4%
Gross Profit - Non-GAAP	<u>\$95,024</u>	<u>35.3%</u>	<u>\$100,471</u>	<u>35.6%</u>	<u>\$145,234</u>	<u>41.2%</u>

<u>Adjusted EBITDA Reconciliation</u>	<u>12 Months Ending</u>		<u>12 Months Ending</u>		<u>12 Months Ending</u>	
	<u>Dec 26,</u>	<u>% of Net</u>	<u>Dec 31,</u>	<u>% of Net</u>	<u>Dec 30,</u>	<u>% of Net</u>
	<u>2015</u>	<u>Sales</u>	<u>2016</u>	<u>Sales</u>	<u>2017</u>	<u>Sales</u>
Income (Loss) From Operations - GAAP	\$7,959	3.0%	\$5,665	2.0%	\$34,748	9.9%
Depreciation Expense	4,240	1.6%	3,510	1.2%	4,987	1.4%
Amortization of Purchased Intangible Assets	7,032	2.6%	6,902	2.4%	4,208	1.2%
Share Based Compensation	6,755	2.5%	7,157	2.5%	7,007	2.0%
Manufacturing Transition and Severance Costs	970	0.4%	1,498	0.5%	502	0.1%
Other Acquisition Costs	0	0.0%	1,778	0.6%	370	0.1%
Inventory Step-Up	0	0.0%	0	0.0%	1,404	0.4%
Impairment of Goodwill and Other Assets	273	0.1%	0	0.0%	0	0.0%
Gain on Sale of Facility	(3,198)	-1.2%	0	0.0%	0	0.0%
Reduction of Indemnification Receivable	0	0.0%	588	0.2%	1,172	0.3%
Adjustment to Contingent Consideration	0	0.0%	0	0.0%	1,423	0.4%
Adjusted EBITDA - Non-GAAP	<u>\$24,031</u>	<u>8.9%</u>	<u>\$27,098</u>	<u>9.6%</u>	<u>\$55,821</u>	<u>15.8%</u>