April 29, 2021

Q1’21 Financial Results

Cohu

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 business benefiting from new semiconductor product designs, strength continuing across all major markets, robust automotive demand, driven by xEV and ADAS technologies, and continued mobility expansion with 5G proliferation, growing structural test business with Diamondx, our commitment to reducing direct energy consumption and further improving our corporate ESG programs, any comments on Cohu's FY 2021 outlook or growth, second half 2021 outlook, Target Quarterly Financial model, % of incremental revenue expected to fall to operating income, debt deleveraging priority, Cohu's second quarter 2021 sales forecast, guidance, sales mix, non-GAAP operating expenses, gross margin, adjusted EBITDA, effective tax rate, free cash flow, cap ex, and cash and shares outstanding, estimated minimum cash needed, estimated EBITDA breakeven point, any future Term Loan B principal reduction, and any other statements that are predictive in nature and depend upon or refer to future events or conditions, and include words such as "may," "will," "should," "would," "expect," "anticipate," "plan," "likely," "believe," "estimate," "project," "intend," and 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.

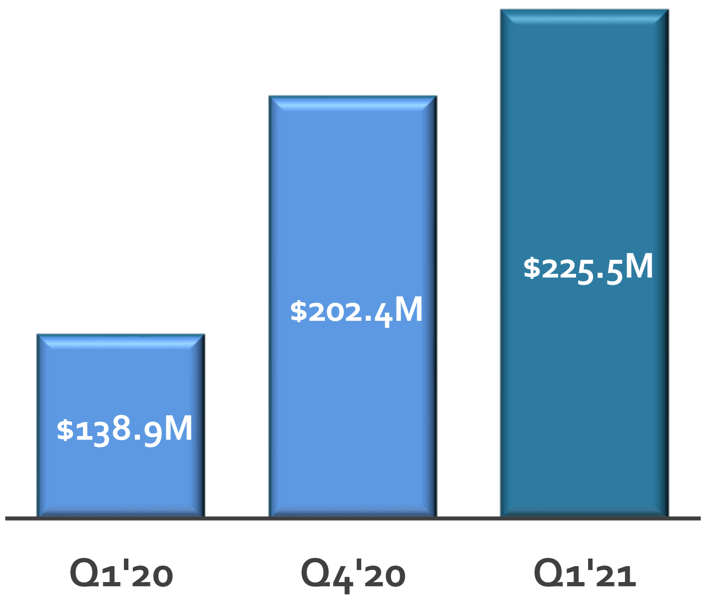
Actual results could differ materially from those contained in any forward-looking statement as a result of various factors, including, without limitation: the ongoing global COVID-19 pandemic has adversely affected, and is continuing to adversely affect, our business and results of operations; component, logistics and labor costs that are materially increasing due to COVID-19 constraints, commodity costs, availability of direct labor, increased demand and other factors; we are making investments in new products and product enhancements, which may adversely affect our operating results and these investments may not be commercially successful; we are exposed to the risks of operating a global business; we have manufacturing operations in Asia, and any failure to effectively manage multiple manufacturing sites and to secure raw materials meeting our quality, cost and other requirements, or failures by our suppliers to perform, could harm our sales, service levels and reputation; failure of critical suppliers to deliver sufficient quantities of parts in a timely and cost-effective manner could adversely impact us our operations; the semiconductor industry is seasonal, volatile and unpredictable; the semiconductor equipment and printed circuit board ("PCB") test industries are intensely competitive; semiconductor equipment is subject to rapid technological change, product introductions and transitions which may result in inventory write-offs, and our new product development involves numerous risks and uncertainties; the seasonal nature of the semiconductor equipment industry places enormous demands on our employees, operations and infrastructure; a limited number of customers account for a substantial percentage of our net sales; a majority of our revenues are generated from exports to foreign countries, primarily in Asia, that are subject to economic and political instability and we compete against a number of Asia-based test contactor, test handler, automated test equipment and PCB test suppliers; the incurrence of substantial indebtedness in connection with our financing of the Xcerra acquisition may have an adversely impact on Cohu's liquidity, limit Cohu's flexibility in responding to other business opportunities and increase Cohu's vulnerability to adverse economic and industry conditions; our Credit Agreement contains various representations and negative covenants that limit, subject to certain exceptions and baskets, our ability and/or our subsidiaries' ability to enter into financing and other transactions relating to our assets; because of high debt levels we may not be able to service our debt obligations in accordance with their terms; dilution of earnings per share due to our March 2021 follow-on equity offering; we are exposed to other risks associated with other acquisitions, investments and divestitures; we expect to continue to evaluate and pursue divestitures of non-core assets; our financial and operating results may vary and fall below analysts' estimates, or credit rating agencies may change their ratings on Cohu, any of which may cause the price of our common stock to decline or make it difficult to obtain other financing; potential goodwill impairments if our business underperforms; global economic and political conditions, including trade tariffs and export restrictions, and other regulatory requirements, have impacted our business and may continue to have an adverse impact on our business and financial condition; and our business and operations could suffer in the event 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.

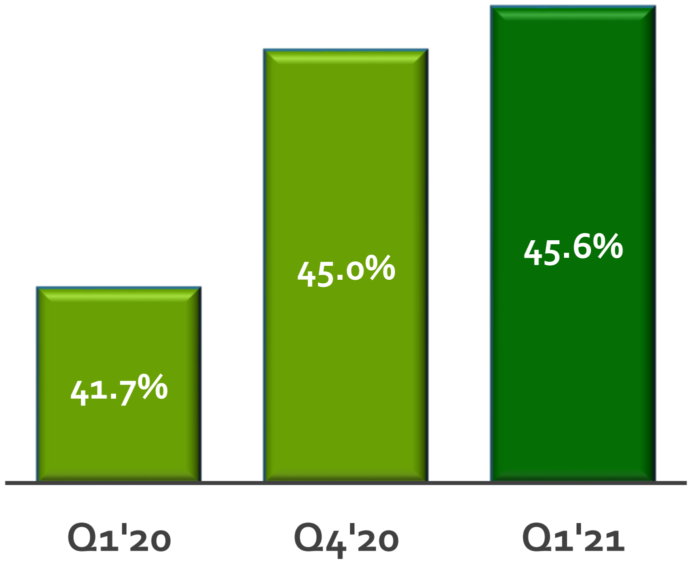
Business Update

Summary

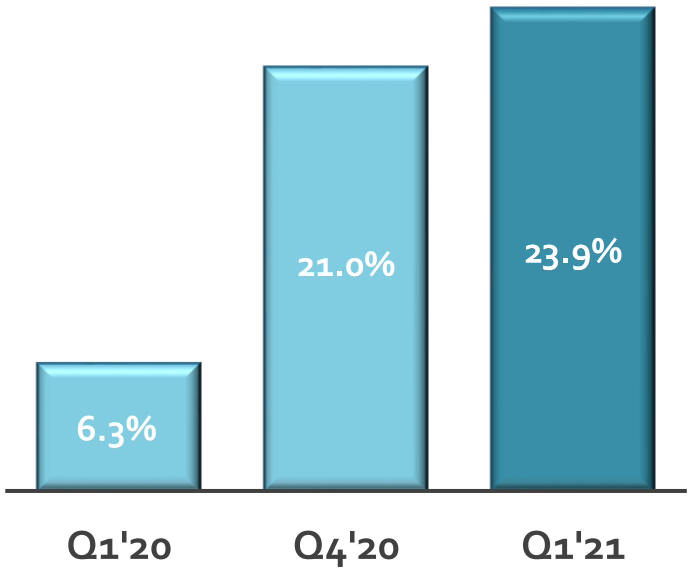
Revenue



Non-GAAP Gross Margin(1)



Adj. EBITDA(1)



- Q1’21 revenue and orders set new record; exceeded guidance
- Contactor revenue increased 14% quarter-over-quarter
- Growing structural test business with Diamond$_x$

- Q1’21 gross margin increased 390 bps year-over-year
- Steep ramp with handler lead-times stretching to ~ 18 weeks
- Facing cost increases across the supply chain & logistics

- Est. test cell utilization 88%
- Q2’21 est. revenue up ~ 7% QoQ at mid-point of guidance
- Strength across all major markets and robust automotive segment demand

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

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Diverse Revenue Profile

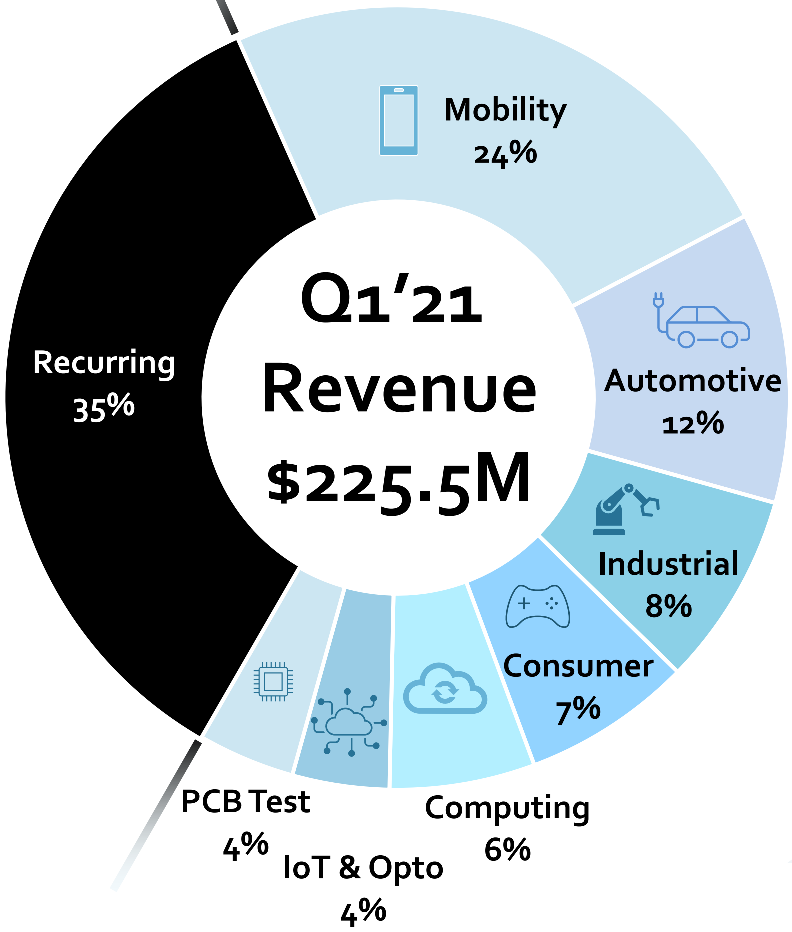
Recurring

Key Business Drivers

- **Semiconductor product designs**
- **Growing systems installed base**

Non-GAAP Gross Margin(1)

~ 48%



Systems

Key Business Drivers

- **Mobility wireless connectivity**
- **Automotive xEV and ADAS**

Non-GAAP Gross Margin(1)

~ 44%

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

2020 Sustainability Highlights

Energy Consumption & Waste Management

- Revenue was up +9% YoY
- -15% YoY direct energy
- +2% YoY renewable energy
- -2% YoY water
- No hazardous waste spills
- +1% YoY waste recycled

Product Safety & Materials Sourcing

- No product recalls
- No safety claims, legal proceedings or monetary losses
- Responsible mineral sourcing program

Renewable Energy & Life-Saving Products

Enabling solar and wind power solutions

- Power mgt. ICs, controllers, inverters, motor drivers, gate drivers

Enabling COVID-19 medical

- Point-of-care, rapid sepsis testing, contact-less temperature biometers

Business Ethics

- Employee training and compliance
- No bribery/corruption or anti-competitive behavior claims, legal proceedings or monetary losses
- No direct monetary contributions to political campaigns, lobbying

Employee Diversity & Inclusion (1)

Gender

- 27% female, 73% male
- 25% female board members

Race/Ethnicity

- 40% underrepresented minority
- 60% majority population

Enabling a smarter, safer, and more connected future

(1) Cohu tracks race/ethnicity only in the US; data as of year-end 2020
(2) For further detail visit: https://www.cohu.com/corporate-sustainability

Q1'21 Financials and Q2'21 Guidance

Q1’21 Non-GAAP Results

	Q4’20 Actual	Q1’21 Guidance(2)	Q1’21 Actual
Revenue	$202.4M	$212 - $232M	$225.5M
Gross Margin(1)	45.0%	45% - 46%	45.6%
Operating Expenses(1)	$51.7M	$53 - $54M	$52.2M
Non-GAAP EPS(1)	$0.73		$0.89
Adjusted EBITDA(1)	21.0%	~23%	23.9%

- **Mobility** *(RF testers and handlers)*, **Automotive EV / ADAS** *(handlers and contactors)* **and PCB test revenues reflect strong market demand**
- **Systems ramp drove recurring to 35% of total revenue in Q1**
- **Optimizing operating expenses lower than target model**
- **Q1’21 diluted shares outstanding 45.5 million**

(1) Non-GAAP: See Appendix for Q4’20, Q1’21 GAAP to non-GAAP reconciliations
(2) Guidance as provided on February 11, 2021 press release and earnings conference call

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Target Model Delivers Strong Leverage

Mid-Term Target Quarterly Model				
Revenue	$190M	$210M	$235M	$250M
Gross Margin[1]	46%	47%	48%	49%
Operating Expenses[1]	28%	27%	25%	24%
Adjusted EBITDA[1]	20%	22%	24%	25%
Non-GAAP EPS[1]	$0.55	$0.70	$0.90	$1.00
Free Cash Flow[2]	> 13%	> 15%	> 17%	> 18%

- **Maintaining mid-term target model profitability assuming**
  - Full repayment of term loan B
  - Effective tax rate of 18%
  - 49 million fully diluted shares

(1) Except for Revenue and Free Cash Flow, "Target Quarterly Model" assumptions are non-GAAP forward-looking figures and 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 figures to GAAP is not provided. "Mid-Term" means 3-5 year goals and there is no assurance that we will achieve these future objectives, see forward-looking statements

(2) Reflects cash from operating activities minus capital expenditures

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Balance Sheet

[$Million]	Q4'20	Q1'21
Cash and Investments	$170	$291
Accounts Receivable	$152	$197
Total Debt	$326	$224
Capital Additions	$5.1	$2.7
Cash Flow From Operations	$22.3	$6.1

- March 2021 common stock follow-on totaling ~5.7 million shares generated net proceeds of $223M
- Q1 cash balance includes follow-on net proceeds reduced by $102M debt repayment; deleveraging continues to be a capital allocation priority
- Steep sales growth drives increase in accounts receivable impacting cash flow from operations
- Modest Q1 capex requirements – maintaining target of ~ $20M annually

Q2’21 Outlook

	Q1’21 Actual	Q2’21 Guidance
Revenue	$225.5M	$234 - $250M
Gross Margin(1)	45.6%	42% - 43%
Operating Expenses(1)	$52.2M	$53 - 54M
Adjusted EBITDA(1)	23.9%	~ 22% (mid-point of guidance)

- Low end of revenue guidance considers some supply chain uncertainty and risks associated with book-and-bill and customer acceptances
- Gross margin lower than target model primarily due to product mix
- OPEX lower than model and sufficient to support current product investments
- Fully diluted shares outstanding estimated at 49 million

(1) See Appendix for Q1’21 GAAP to non-GAAP reconciliations. The Q2’21 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 predict without unreasonable efforts due to their inherent uncertainty, therefore, reconciliation of these figures to GAAP is not provided.

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 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 Mar 28, 2020	Diluted EPS	3 Months Ending Dec 26, 2020	Diluted EPS	3 Months Ending Mar 27, 2021	Diluted EPS
Income (Loss) From Continuing Operations - GAAP	$ (17,318)	$ (0.42)	$ 14,861	$ 0.34	$ 27,607	$ 0.61
Share based compensation	3,611	0.09	3,921	0.09	3,523	$ 0.08
Amortization of purchased intangible assets	9,538	0.23	9,898	0.23	9,244	$ 0.20
Restructuring costs related to inventory in COS	1,603	0.04	(550)	(0.01)	400	$ 0.01
Restructuring costs	403	0.01	6,223	0.14	1,340	$ 0.03
Manufacturing transition and severance costs	63	0.00	490	0.01	0	$ -
Impairment charge	3,949	0.09	0	0.00	0	$ -
PP&E step-up included in COS and SG&A	243	0.01	145	0.00	145	$ -
Reduction of Indemnification Receivable	0	0.00	111	0.00	0	$ -
Payroll taxes due to accelerated vesting of share-based awards	0	0.00	263	0.01	300	$ -
Tax effect of Non-GAAP adjustments	(1,960)	(0.05)	(3,556)	(0.08)	(2,045)	$ (0.04)
Income (Loss) From Continuing Operations - Non-GAAP	$132	$0.00	$31,806	$ 0.73	$40,514	$ 0.89
Weighted Average Shares - GAAP	Basic	41,502	Basic	42,125	Basic	43,756
Weighted Average Shares - Non-GAAP	Diluted	42,428	Diluted	43,486	Diluted	45,482

Adjusted EBITDA Reconciliation	3 Months Ending Mar 28, 2020	% of Net Sales	3 Months Ending Dec 26, 2020	% of Net Sales	3 Months Ending Mar 27, 2021	% of Net Sales
Net income (loss) attributable to Cohu - GAAP Basis	$ (17,276)	-12.4%	$ 14,861	7.3%	$ 27,607	12.2%
Income from discontinued operations	(42)	0.0%	0	0.0%	0	0.0%
Income tax provision	(992)	-0.7%	405	0.2%	3,575	1.6%
Interest expense	4,427	3.2%	2,855	1.4%	2,575	1.1%
Interest income	(147)	-0.1%	(14)	0.0%	(50)	0.0%
Amortization of purchased intangible assets	9,538	6.9%	9,898	4.9%	9,244	4.1%
Depreciation	3,416	2.5%	3,565	1.8%	3,323	1.5%
Amortization of cloud-based software implementation costs	205	0.1%	360	0.2%	370	0.2%
Loss on extinguishment of debt	0	0.0%	25	0.0%	1,761	0.8%
Other Non-GAAP Adjustments	9,629	6.9%	10,458	5.2%	5,563	2.5%
Adjusted EBITDA	$8,758	6.3%	$42,413	21.0%	$53,968	23.9%

GAAP to Non-GAAP Reconciliation

Gross Profit Reconciliation	3 Months Ending Mar 28, 2020	% of Net Sales	3 Months Ending Dec 26, 2020	% of Net Sales	3 Months Ending Mar 27, 2021	% of Net Sales
Net Sales	$ 138,921		$ 202,355		$ 225,488	
Gross Profit - GAAP	56,084	40.4%	91,241	45.1%	102,205	45.3%
Share Based Compensation	212	0.2%	252	0.1%	262	0.1%
Restructuring costs related to inventory in COS	1,603	1.2%	(550)	-0.3%	400	0.2%
Manufacturing transition and severance costs	0	0.0%	26	0.0%	0	0.0%
Gross Profit - Non-GAAP	$57,899	41.7%	$90,969	45.0%	$102,867	45.6%

Gross Profit Reconciliation - Systems vs. Recurring	Systems 3 Months Ending Mar 27, 2021	% of Net Sales	Recurring 3 Months Ending Mar 27, 2021	% of Net Sales	Total 3 Months Ending Mar 27, 2021	% of Net Sales
Net Sales	$146,780		$ 78,708		$225,488	
Gross Profit - GAAP	64,761	44.1%	37,444	47.6%	102,205	45.3%
Share Based Compensation	171	0.1%	91	0.1%	262	0.1%
Amortization of Purchased Intangible Assets	260	0.2%	140	0.2%	400	0.2%
Gross Profit - Non-GAAP	$65,192	44.4%	$37,675	47.9%	$102,867	45.6%

Operating Expense Reconciliation	3 Months Ending Mar 28, 2020	% of Net Sales	3 Months Ending Dec 26, 2020	% of Net Sales	3 Months Ending Mar 27, 2021	% of Net Sales
Operating Expense - GAAP	$ 69,710	50.2%	$ 72,467	35.8%	$ 66,475	29.5%
Share based compensation	(3,399)	-2.4%	(3,669)	-1.8%	(3,262)	-1.4%
Amortization of purchased intangible assets	(9,538)	-6.9%	(9,898)	-4.9%	(9,244)	-4.1%
Restructuring costs	(403)	-0.3%	(6,223)	-3.1%	(1,340)	-0.6%
Manufacturing transition and severance costs	(63)	0.0%	(464)	-0.2%	0	0.0%
Impairment charge	(3,949)	-2.8%	0	0.0%	0	0.0%
PP&E step-up included in SG&A	(243)	-0.2%	(145)	-0.1%	(145)	-0.1%
Reduction of Indemnification Receivable	0	0.0%	(111)	-0.1%	0	0.0%
Payroll taxes due to accelerated vesting of share-based awards	0	0.0%	(263)	-0.1%	(300)	-0.1%
Operating Expense - Non-GAAP	$ 52,115	37.5%	$ 51,694	25.5%	$ 52,184	23.1%

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GAAP to Non-GAAP Reconciliation

Operating Income Reconciliation	3 Months Ending Mar 28, 2020	% of Net Sales	3 Months Ending Dec 26, 2020	% of Net Sales	3 Months Ending Mar 27, 2021	% of Net Sales
Income (Loss) From Operations - GAAP basis	$ (13,626)	-9.8%	$ 18,774	9.3%	$ 35,730	15.8%
Share based compensation	3,611	2.6%	3,921	1.9%	3,524	1.6%
Amortization of purchased intangible assets	9,538	6.9%	9,898	4.9%	9,244	4.1%
Restructuring costs related to inventory in COS	1,603	1.2%	(550)	-0.3%	400	0.2%
Restructuring costs	403	0.3%	6,223	3.1%	1,340	0.6%
Manufacturing transition and severance costs	63	0.0%	490	0.2%	0	0.0%
Impairment charge	3,949	2.8%	0	0.0%	0	0.0%
PP&E step-up included in COS and SG&A	243	0.2%	145	0.1%	145	0.1%
Reduction of Indemnification Receivable	0	0.0%	111	0.1%	0	0.0%
Payroll taxes due to accelerated vesting of share-based awards	0	0.0%	263	0.1%	300	0.1%
Income From Operations - Non-GAAP	$ 5,784	4.2%	$ 39,275	19.4%	$ 50,683	22.5%

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