

Q2'24 FINANCIAL RESULTS

July 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 new product introductions, customer adoptions or facility capabilities and corresponding financial impacts; effects of test cell utilization on future business; market conditions forecasts and success of related cost reduction initiatives; impact of key business drivers for recurring revenue and systems; target or anticipated performance metrics for new products and related financial effects; mid-term target financial model; resiliency of our recurring business model; reduction of operating expenses and related revenue and cash flow results; Q3'24 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.

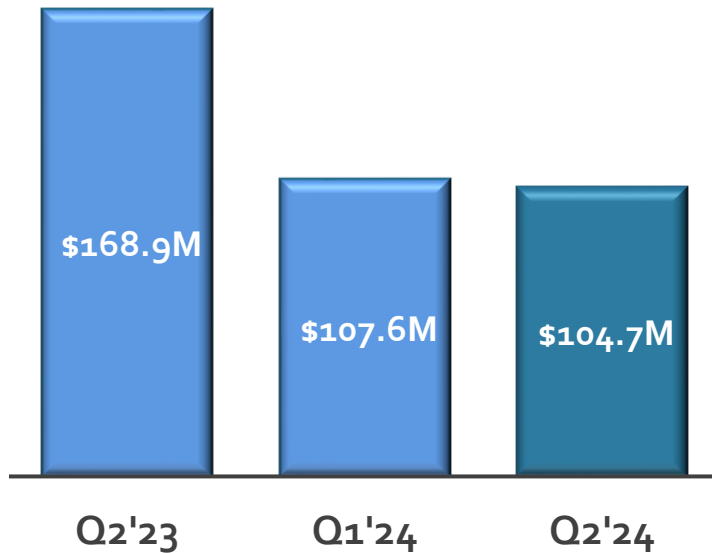
These and other risks and uncertainties are discussed more fully in Cohu's filings with the SEC, including our most recent Form 10-K and Form 10-Q, and the other filings made by Cohu with the SEC from time to time, which are available via the SEC's website at www.sec.gov. Except as required by applicable 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

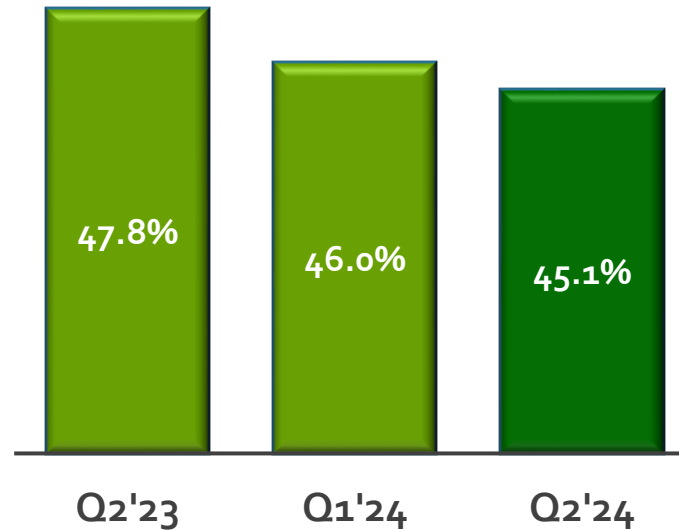
SUMMARY

Revenue



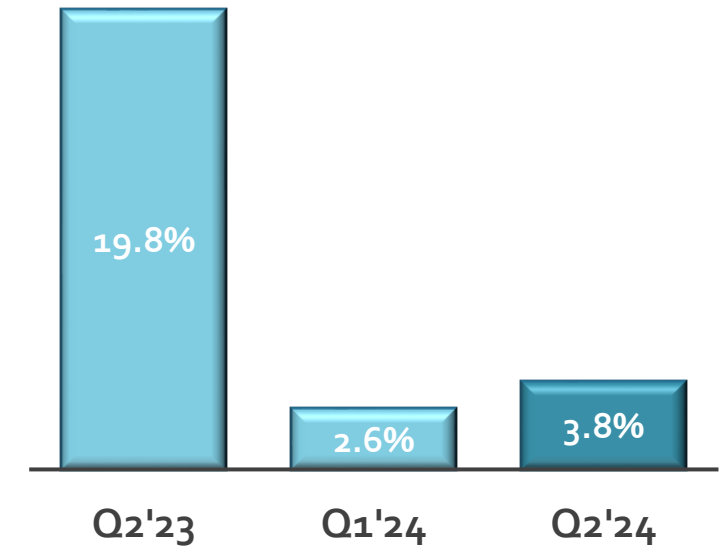
- Introduced *Krypton* inspection metrology at two customers
- *Diamond_x* tester selected at two test subcontractors
- Launched *cStrider* power probe card at a SiC⁽²⁾ customer

Non-GAAP Gross Margin⁽¹⁾



- Gross Margin steady
 - ✓ Differentiated products
 - ✓ Reduced costs to align with market conditions

Adj. EBITDA⁽¹⁾



- Test cell utilization up 2 pts. QoQ to 74% – mobile at 69%, auto & ind. 77%, computing 70%
- Opened Eng. Design Center in Penang (Malaysia) for test instrumentation development

1) See appendix for GAAP to non-GAAP reconciliation

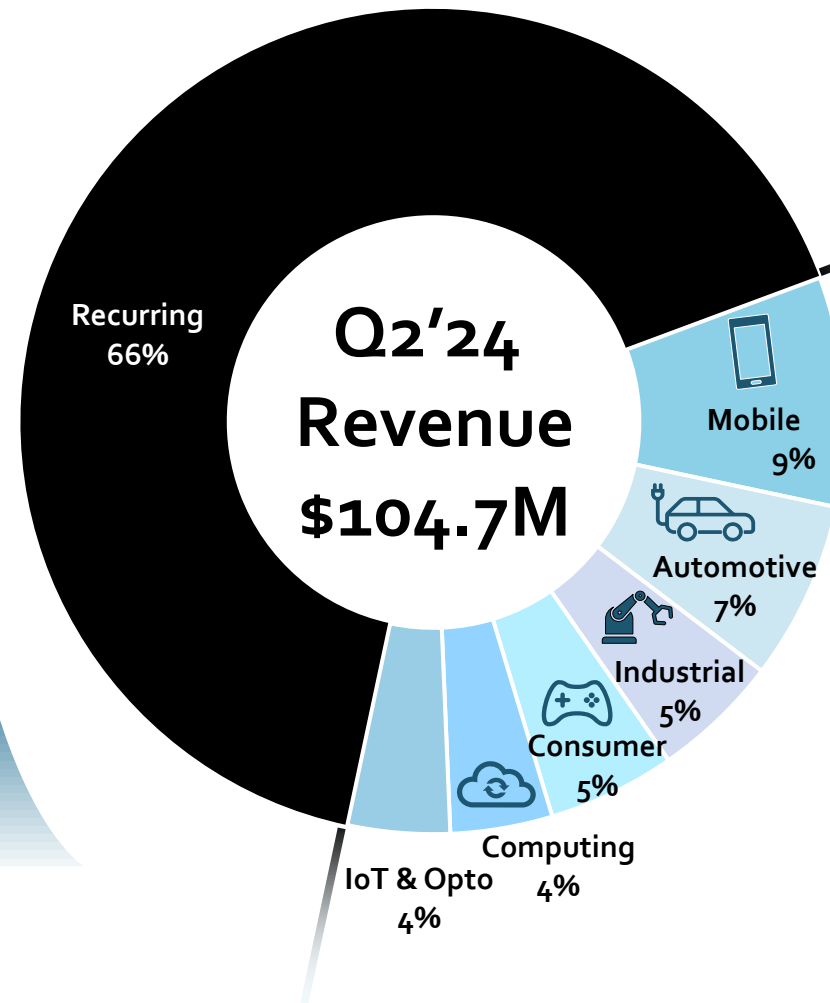
2) SiC – Silicon Carbide

DIVERSE REVENUE PROFILE

Recurring

Key Business Drivers

- ~ 24,700 systems installed base
- ~ 93% ARR (Annual Renewal Rate) on service contracts
- ~ 50% interface revenue penetration of Cohu systems



Systems

Key Business Drivers

- Signs of recovery in computing and mobile segments
- Auto sequentially weaker fcst. in Q3
- Industrial stable

KRYPTON – NEW INSPECTION METROLOGY SYSTEM

- Selected by 2 IDMs⁽¹⁾ for automotive & aerospace inspection metrology
- AI⁽²⁾ inspection (*DI-Core software*) improves yield and productivity
- Unique race-track architecture enables higher throughput and productivity
- Factory automation ready with AMR⁽³⁾ hardware and communications interface

1 μ m
microscale defect detection

up to 2%
higher yield

~ 30%
higher productivity



Krypton System



Next generation inspection metrology system
delivers higher quality and productivity

1) IDM – Integrated Device Manufacturer
2) AI – Artificial Intelligence
3) AMR – Autonomous Mobile Robot

cSTRIDER – HIGH POWER PROBE CARD

- Leading Silicon Carbide IDM⁽¹⁾ selected Cohu's cStrider probe card for high-power wafer test
- Efficient heat dissipation extends lifetime at high current density
- Multisite pressure control technology⁽²⁾ enables high-voltage testing
- Scalable design enables up to 32 site parallel testing delivering lower cost-of-test
- Modular horizontal MEMS probes are field-repairable enhancing operational efficiency

1000A - 2.5kV

High Power Capability

up to 32 sites

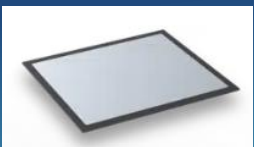
Test Parallelism

up to 200°C

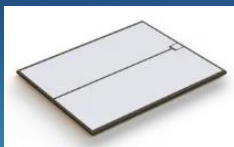
Test Temperature



cStrider Probe Card



Power SiC Diodes



Power SiC MOSFET



Power GaN HEMT

**cStrider High-Power Probe Card
delivers higher yield at lower cost-of-test**

1) *IDM – Integrated Device Manufacturer*

2) *Patent pending*

The background 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, blue, and green tones.

Q2'24 FINANCIALS AND Q3'24 GUIDANCE

Q2'24 NON-GAAP RESULTS

	Q1'24 Actual	Q2'24 Guidance ⁽²⁾	Q2'24 Actual
Revenue	\$107.6M	\$105M +/- \$6M	\$104.7M
Gross Margin ⁽¹⁾	46.0%	~ 45%	45.1%
Operating Expenses ⁽¹⁾	\$50.2M	~ \$48.5M	\$46.9M
Non-GAAP EPS ⁽¹⁾	\$0.01		(\$0.01)
Adjusted EBITDA ⁽¹⁾	2.6%	~ 2%	3.8%

- Q2 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 47 million

(1) Non-GAAP, see Appendix for Q1'24, Q2'24 GAAP to non-GAAP reconciliations and for notes regarding use of forward-looking non-GAAP figures

(2) Guidance as provided on May 2, 2024 press release and earnings conference call

MID-TERM TARGET MODEL ⁽³⁾

\$1 billion

Revenue

\$4.00

EPS ⁽¹⁾

	Q2'24 Actuals	FY2023 Actuals	Target Model ⁽³⁾
Revenue	\$104.7M	\$636.3M	\$1 billion
Gross Margin ⁽¹⁾	45.1%	47.9%	50%
Operating Expenses ⁽¹⁾	44.8%	31.7%	25%
Non-GAAP EPS ⁽¹⁾	(\$0.01)	\$1.62	\$4.00
Adjusted EBITDA ⁽¹⁾	3.8%	17.9%	26%
Free Cash Flow ⁽²⁾	(\$0.9M)	\$85.4M	\$180M

- Resilient recurring revenue supports gross margin through the trough of the cycle
- Reduced operating costs lowers breakeven point for revenue and cash flow

⁽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.

BALANCE SHEET

	Q1'24	Q2'24
Cash and Investments ⁽¹⁾	\$271M	\$262M
Accounts Receivable	\$116M	\$103M
Total Debt	\$11M	\$10M
Capital Additions	\$3.3M	\$2.0M
Cash Flow From Operations	(\$14.0M)	\$1.1M

- Cash position supports inorganic growth and share purchase program
- CapEx target of ~ \$20M / year
- \$8.2M of cash in Q2 used for repurchase of 267K shares of Common Stock
- Positive Q2 cash flow from operations at trough revenue

⁽¹⁾ Net cash per share Q1'24 = \$5.47; Q2'24 = \$5.37; See Appendix for GAAP to non-GAAP reconciliations.

Q3'24 OUTLOOK

	Q2'24 Actual	Q3'24 Guidance
Revenue ⁽¹⁾	\$104.7M	\$95M +/- \$5M
Gross Margin ⁽¹⁾	45.1%	~ 45%
Operating Expenses ⁽¹⁾	\$46.9M	~ \$46M
Adjusted EBITDA ⁽¹⁾	3.8%	~ 1%

- Q3 revenue reflects continued soft 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 ~ \$1.8M Q3 tax provision due to pretax income in foreign jurisdictions combined with no tax benefit from a projected U.S. loss

(1) See Appendix for Q2'24 GAAP to non-GAAP reconciliations. The Q3'24 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.

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

<u>Earnings Reconciliation</u>	<u>3 Months Ending</u>		<u>3 Months Ending</u>		<u>12 Months Ending</u>	
	<u>Mar 30,</u>	<u>Diluted</u>	<u>Jun 29,</u>	<u>Diluted</u>	<u>Dec 30,</u>	<u>Diluted</u>
	<u>2024</u>	<u>EPS</u>	<u>2024</u>	<u>EPS</u>	<u>2023</u>	<u>EPS</u>
Net income (loss) - GAAP	\$ (14,635)	\$ (0.31)	\$ (15,769)	\$ (0.34)	\$ 28,156	\$ 0.59
Share based compensation	4,628	0.10	5,583	0.12	17,237	0.36
Amortization of purchased intangible assets	9,795	0.21	9,748	0.21	36,355	0.76
Restructuring costs related to inventory in COS	(4)	0.00	(12)	0.00	(62)	(0.00)
Restructuring costs	9	0.00	13	0.00	2,421	0.05
Manufacturing transition and severance costs	1,654	0.03	1,242	0.03	1,054	0.02
Impairment charge	966	0.02	0	0.00	0	0.00
Other acquisition costs	174	0.00	1	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	(1,999)	(0.04)	(1,400)	(0.03)	(10,054)	(0.21)
Net income - Non-GAAP	<u>\$600</u>	<u>\$ 0.01</u>	<u>(\$582)</u>	<u>\$ (0.01)</u>	<u>\$77,886</u>	<u>\$ 1.62</u>
Weighted Average Shares - GAAP	Diluted	47,134	Diluted	46,965	Diluted	48,025
Weighted Average Shares - Non-GAAP	Diluted	47,606	Diluted	46,965	Diluted	48,025
Income tax provision - GAAP	\$ (1,700)		\$ 1,286		\$ 17,660	
Tax effect of Non-GAAP adjustments ⁽¹⁾	1,999		1,400		10,054	
Income tax provision - Non-GAAP	<u>\$ 299</u>		<u>\$ 2,686</u>		<u>\$ 26,683</u>	
Effective tax rate - GAAP	10.4%		-8.9%		38.5%	
Effective tax rate - Non-GAAP	33.3%		127.7%		26.2%	

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

<u>Gross Profit Reconciliation</u>	<u>3 Months Ending</u>		<u>3 Months Ending</u>		<u>3 Months Ending</u>		<u>12 Months Ending</u>	
	<u>Jul 1, 2023</u>	<u>% of Net Sales</u>	<u>Mar 30, 2024</u>	<u>% of Net Sales</u>	<u>Jun 29, 2024</u>	<u>% of Net Sales</u>	<u>Dec 30, 2023</u>	<u>% of Net Sales</u>
Net Sales	\$168,921		\$107,614		\$104,701		\$ 636,322	
Gross Profit - GAAP	80,345	47.6%	49,249	45.8%	46,922	44.8%	302,868	47.6%
Share based compensation	216	0.1%	227	0.2%	262	0.3%	845	0.1%
Restructuring costs related to inventory in COS	(13)	0.0%	(4)	0.0%	(12)	0.0%	(62)	0.0%
Manufacturing transition and severance costs	0	0.0%	0	0.0%	2	0.0%	25	0.0%
Inventory step-up	149	0.1%	0	0.0%	0	0.0%	1,141	0.2%
Gross Profit - Non-GAAP	<u>\$80,697</u>	<u>47.8%</u>	<u>\$49,472</u>	<u>46.0%</u>	<u>\$47,174</u>	<u>45.1%</u>	<u>\$304,817</u>	<u>47.9%</u>

GAAP TO NON-GAAP RECONCILIATION

<u>Operating Expense Reconciliation</u>	<u>3 Months Ending</u>		<u>3 Months Ending</u>		<u>12 Months Ending</u>	
	<u>Mar 30,</u>	<u>% of Net</u>	<u>Jun 29,</u>	<u>% of Net</u>	<u>Dec 30,</u>	<u>% of Net</u>
	<u>2024</u>	<u>Sales</u>	<u>2024</u>	<u>Sales</u>	<u>2023</u>	<u>Sales</u>
Operating Expense - GAAP	\$ 67,222	62.5%	\$ 63,221	60.4%	\$ 259,596	40.8%
Share based compensation	(4,401)	-4.1%	(5,321)	-5.1%	(16,392)	-2.6%
Amortization of purchased intangible assets	(9,795)	-9.1%	(9,748)	-9.3%	(36,355)	-5.7%
Restructuring costs	(9)	0.0%	(13)	0.0%	(2,421)	-0.4%
Manufacturing transition and severance costs	(1,654)	-1.5%	(1,240)	-1.2%	(1,029)	-0.2%
Impairment charge	(966)	-0.9%	0	0.0%	0	0.0%
PP&E step-up included in SG&A	(12)	0.0%	(12)	0.0%	(67)	0.0%
Other acquisition costs	(174)	-0.2%	(1)	0.0%	(1,571)	-0.2%
Operating Expense - Non-GAAP	<u>\$ 50,211</u>	<u>46.7%</u>	<u>\$ 46,886</u>	<u>44.8%</u>	<u>\$ 201,761</u>	<u>31.7%</u>

<u>Adjusted EBITDA Reconciliation</u>	<u>3 Months Ending</u>		<u>3 Months Ending</u>		<u>3 Months Ending</u>		<u>12 Months Ending</u>	
	<u>Jul 1,</u>	<u>% of Net</u>	<u>Mar 30,</u>	<u>% of Net</u>	<u>Jun 29,</u>	<u>% of Net</u>	<u>Dec 30,</u>	<u>% of Net</u>
	<u>2023</u>	<u>Sales</u>	<u>2024</u>	<u>Sales</u>	<u>2024</u>	<u>Sales</u>	<u>2023</u>	<u>Sales</u>
Net income (loss) - GAAP	\$ 10,584	6.3%	\$ (14,635)	-13.6%	\$ (15,769)	-15.1%	\$ 28,156	4.4%
Income tax provision	6,435	3.8%	(1,700)	-1.6%	1,286	1.2%	17,660	2.8%
Interest expense	727	0.4%	289	0.3%	144	0.1%	3,382	0.5%
Interest income	(2,732)	-1.6%	(2,709)	-2.5%	(2,333)	-2.2%	(11,504)	-1.8%
Amortization of purchased intangible assets	9,006	5.3%	9,795	9.1%	9,748	9.3%	36,355	5.7%
Depreciation	3,361	2.0%	3,429	3.2%	3,413	3.3%	13,389	2.1%
Amortization of cloud-based software implementation costs	700	0.4%	709	0.7%	709	0.7%	2,800	0.4%
Loss on extinguishment of debt	0	0.0%	241	0.2%	0	0.0%	369	0.1%
Other Non-GAAP Adjustments	5,312	3.1%	7,427	6.9%	6,827	6.5%	23,362	3.7%
Adjusted EBITDA	<u>\$ 33,393</u>	<u>19.8%</u>	<u>\$ 2,846</u>	<u>2.6%</u>	<u>\$ 4,025</u>	<u>3.8%</u>	<u>\$ 113,969</u>	<u>17.9%</u>

GAAP TO NON-GAAP RECONCILIATION

<u>Free Cash Flow</u>	<u>3 Months Ending Jun 29, 2024</u>	<u>12 Months Ending Dec 30, 2023</u>
Cash flow from operations - GAAP	\$ 1,096	\$ 101,470
Capital expenditures	(2,015)	(16,053)
Free cash flow - Non-GAAP	<u>\$ (919)</u>	<u>\$ 85,417</u>
Cash flow from operations as a percentage of net sales - GAAP	0.7%	15.9%
Free cash flow as a percentage of net sales - Non-GAAP	-0.6%	13.4%

<u>Net Cash per Share</u>	<u>3 Months Ending Mar 30, 2024</u>	<u>3 Months Ending Jun 29, 2024</u>
Cash and investments	\$ 271,322	\$ 262,397
Less: total debt	(10,827)	(9,970)
Net cash	<u>\$ 260,495</u>	<u>\$ 252,427</u>
Weighted Average Shares - Diluted	47,606	46,965
Net Cash per Share	\$ 5.47	\$ 5.37