



Cohu Provides Business Update for the Fourth Quarter Ending December 26, 2020

December 1, 2020

POWAY, Calif.--(BUSINESS WIRE)--Dec. 1, 2020-- Cohu, Inc. (NASDAQ: COHU), a global leader in back-end semiconductor equipment and services, today provided a business update and an upward revision to its fiscal fourth quarter 2020 guidance:

- Forecasting record orders in fourth quarter, driven by RF tester share gains and accelerating automotive segment demand.
- Expecting fourth quarter revenue of \$195 to \$200 million, a 31% sequential increase at mid-point over third quarter.
- Strong momentum is projected to continue, with first quarter 2021 revenue expected to be approximately 5% higher than our updated fourth quarter guidance.
- The company further reduced its term loan B debt associated with the financing of the Xcerra acquisition in October 2018 by \$20.9 million fourth quarter-to-date.

Luis Müller, President and Chief Executive Officer of Cohu, commented, "We are encouraged by our fourth quarter order momentum, continued ramp of our RF test solutions, accelerating automotive segment demand, and our drive to further improve operational efficiencies. With these business trends and our team's outstanding execution, we are well positioned for growth in 2021."

About Cohu:

Cohu is a leading supplier of semiconductor test and inspection handlers, micro-electro mechanical system (MEMS) test modules, test contactors and thermal sub-systems used by global semiconductor manufacturers and test subcontractors.

Forward-Looking Statements:

Certain statements contained in this release and accompanying materials may be considered forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, including statements regarding record orders expected in fourth quarter, RF tester share gains and ramp of RF test solutions, accelerating automotive segment demand, updated guidance for fourth quarter revenue of \$195 to \$200 million, strong momentum being expected to continue with first quarter 2021 revenue expected to be approximately 5% higher than the updated fourth quarter guidance, drive to further improve operational efficiencies, Cohu being well positioned for growth in 2021, 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.

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, financial condition and results of operations, and COVID-19 could re-surge at any time and our business could be abruptly impacted again to an even greater extent; Other significant risks associated with the Xcerra acquisition, integration and synergies including the failure to achieve the expected benefits of the acquisition, and mandatory ongoing impairment evaluation of goodwill and other intangibles whereby Cohu could be required to write off some or all of this goodwill and other intangibles; Continued availability of capital and financing and additional rating agency downgrade actions, and limited market access given our high debt levels; Our Credit Agreement contains various representations and negative covenants that limit our business flexibility; Changes to or replacement of LIBOR may adversely affect interest rates; Adverse investor reaction to the recently suspended cash dividend; Other 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; Lost productivity, project delays and internal control risks due to ongoing employee "work from home" programs; 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; Market demand and adoption of our new products; Customer orders may be canceled or delayed; Design-wins may or may not result in future orders or sales; 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 and ongoing tax examinations; Geopolitical issues, trade wars and Huawei/HiSilicon export restrictions (including new restrictions effective in May and August 2020); Retention of key staff; Other health epidemics or natural disasters; ERP system implementation issues particularly as Cohu recently launched a new ERP system in first quarter 2020 and plans a broader rollout in 2020; The seasonal, volatile and unpredictable nature of capital expenditures by semiconductor manufacturers particularly in light of weakened demand in 2019 followed by the COVID-19 global pandemic in 2020; and Rapid

technological change.

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.

View source version on [businesswire.com](https://www.businesswire.com/news/home/20201201005202/en/): <https://www.businesswire.com/news/home/20201201005202/en/>

Jeffrey D. Jones – Investor Relations (858) 848-8106

Source: Cohu, Inc.