

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

May 16, 2022

Cohu, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-04298
(Commission
File Number)

95-1934119
(I.R.S. Employer
Identification No.)

12367 Crosthwaite Circle,
Poway, California
(Address of principal executive
offices)

92064

(Zip Code)

Registrant's telephone number, including area code:

858-848-8100

Not Applicable

Former name or former address, if changed since last report

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common Stock, \$1.00 par value

Trading Symbol(s)
COHU

Name of each exchange on which registered
The NASDAQ Stock Market LLC

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure

Cohu, Inc. (“Cohu”) a global leader in back-end semiconductor equipment and services, is hosting a Virtual Analyst and Investor Conference on Monday, May 16, 2022, at 10:00 a.m. Pacific Time/1:00 p.m. Eastern Time.

The investor presentation and Q&A session will be led by Luis A. Müller, Chief Executive Officer and Jeffrey D. Jones, Chief Financial Officer, with additional comments from the Company’s management team. The event will last approximately 90 minutes and interested investors can access the event and accompanying presentation on the investor relations section of the Company’s website, www.cohu.com.

The information furnished pursuant to this Item 7.01, including Exhibit 99.1 furnished herewith, will not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor will it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

The information furnished pursuant to this Item 7.01, including Exhibit 99.1 furnished herewith, contains “forward-looking statements” within the meaning of the safe harbor provisions of the federal securities laws. They should be read in conjunction with the “Cautionary Statement Regarding Forward-Looking Statements” disclosure contained in the Virtual Analyst and Investor Conference Presentation, the risk factors included in the Company’s periodic reports filed with the SEC, and the other public announcements that the Company may make, by press release or otherwise, from time to time.

Item 9.01 Financial Statements and Exhibits.

The exhibit listed below is being furnished with this Current Report on Form 8-K.

(d) Exhibit

Exhibit No.	Description
99.1	May 16, 2022, Cohu Virtual Analyst and Investor Conference Presentation
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

COHU ANALYST & INVESTOR CONFERENCE

May 16, 2022



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 all Serviceable Addressable Market (SAM) estimates, share and growth over time, market segments CAGRs and growth drivers for each business, 3-year target Plan or "Target Model" financial goals, target revenue CAGRs by business, market position in business verticals and changes over time, end-market growth estimates, savings from higher yield, Q2'22 financial guidance and any FY'22 forecasts, any references to product plans, roadmaps, developments and schedules, increases in test intensity, power and IoT nodes, expanding into probe card market, product lower cost, higher yield, throughput, productivity or life, PdM TAM and growth, Di-Core plans, gross margin expansion, business segment revenue split at Target Model, revenue growth to \$1 Bil, investment thesis, any future Term Loan B principal reduction, the amount, timing or manner of any share repurchases 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: Political and economic instability and adverse impacts resulting from the military incursion into Ukraine by Russia, the ongoing global COVID-19 pandemic and its impact on our operations and the operations of our key suppliers, customers and other business partners; 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 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, any failure to perform or unexpected downtime experienced by our sole contract manufacturer for certain semiconductor automated test equipment; any failure of critical suppliers to deliver sufficient quantities of parts in a timely and cost-effective manner; we may not be able to increase prices to fully offset inflationary pressures on costs, such as raw and packaging materials, components and subassemblies, labor and distribution costs, the semiconductor industry we serve is seasonal, cyclical, volatile and unpredictable; the semiconductor equipment industry is 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, inherent uncertainty of backlog wherein customers may delay shipments or cancel orders, 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 contractor, test handler and automated test equipment suppliers, we are exposed to the risks of operating in certain foreign locations from where Cohu manufactures certain products, and supports our sales and services to the global semiconductor industry; increasingly restrictive trade and export regulations may materially harm or limit Cohu's business and ability to sell its products, the remaining indebtedness in connection with our financing of the Xcerra acquisition may have an adverse impact on Cohu's liquidity, access to capital and business flexibility; we are exposed to other risks associated with additional potential acquisitions, investments and divestitures such as integration difficulties, disruption to our core business, dilution of stockholder value, and diversion of management attention; 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, we have experienced significant volatility in our stock price, there may be changes in, and uncertainty with respect to, legislation, regulation and governmental policy in the United States; and impacts in the event of a cybersecurity breach.

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.



AGENDA



Jeff Jones, Senior VP & CFO
Welcome



Yves Hirschy, VP & General Manager
Inspection & Metrology



Luis Müller, President & CEO
Raising the Bar, Delivering Growth



Chris Bohrson, Senior VP
Global Customer Group



Ian Lawee, SVP & General Manager
Semiconductor Test



Jeff Jones, Senior VP & CFO
Delivering Profitability and Shareholder Value



Devin Sheridan, VP & General Manager
Test Interface

Q&A



RAISING THE BAR DELIVERING RESULTS



Luis Müller
President & CEO

MAJOR THEMES FOR TODAY

- Cohu is a technology-driven company committed to solving our customers' most complex test and inspection challenges
- Broad product portfolio delivering value to customers in key secular growth markets
- Committed to profitable growth and capital allocation that drives shareholder value



COHU AT A GLANCE



\$887M

FY21 Revenue ⁽¹⁾

\$380M

Cash & Investments ⁽¹⁾

~ 26%

5-year Revenue CAGR ⁽¹⁾

\$3.20

FY21 Non-GAAP EPS ⁽²⁾

Our long-term vision is to move up the technology value chain

~ 23,500

Equipment Installed Base

⁽¹⁾ For the period ending December 25, 2021, revenue includes \$26.8M of PCB Test business divested June 2021
⁽²⁾ See Appendix for GAAP to non-GAAP reconciliation



SOLVING CUSTOMERS' MOST COMPLEX CHALLENGES



High performance product portfolio at lower cost-of-ownership



Diverse customers and applications expanding addressable market



Increasing semiconductor complexity and package integration



Innovative solutions delivering higher yield & productivity



Scalable model that optimizes profitability and Plan ⁽⁴⁾ that delivers growth and drives shareholder value

Strong market position in each business vertical

~ **20% share** in \$4.4 billion addressable market ⁽¹⁾

Opportunities in 5G connectivity, artificial intelligence, advanced packaging, industrial IoT ⁽²⁾, automotive ADAS ⁽³⁾ and electrification, consumer wearables

Broad IP portfolio and strong global support enabling customers' production ramps and productivity goals

Revenue ⁽⁴⁾
\$1 billion
Gross Margin ⁽⁴⁾
49%
Operating Income ⁽⁴⁾
25%

⁽¹⁾ Cohu SAM: Serviceable Addressable Market are company estimates for 2021

⁽²⁾ Internet of Things

⁽³⁾ Advanced Driver Assistance Systems

⁽⁴⁾ Plan references a 3-year target starting from FY21. Gross Margin and Op Income are Non-GAAP, see Appendix for notes regarding use of forward-looking non-GAAP figures



MARKET AND TECHNOLOGY LEADERSHIP

Strong position in each business vertical



Semiconductor Test ⁽¹⁾

High fidelity measurement instruments
Compact, low-power systems → Scalability



Test Interface



Services ⁽²⁾

Global footprint
Data analytics



Inspection &
Metrology

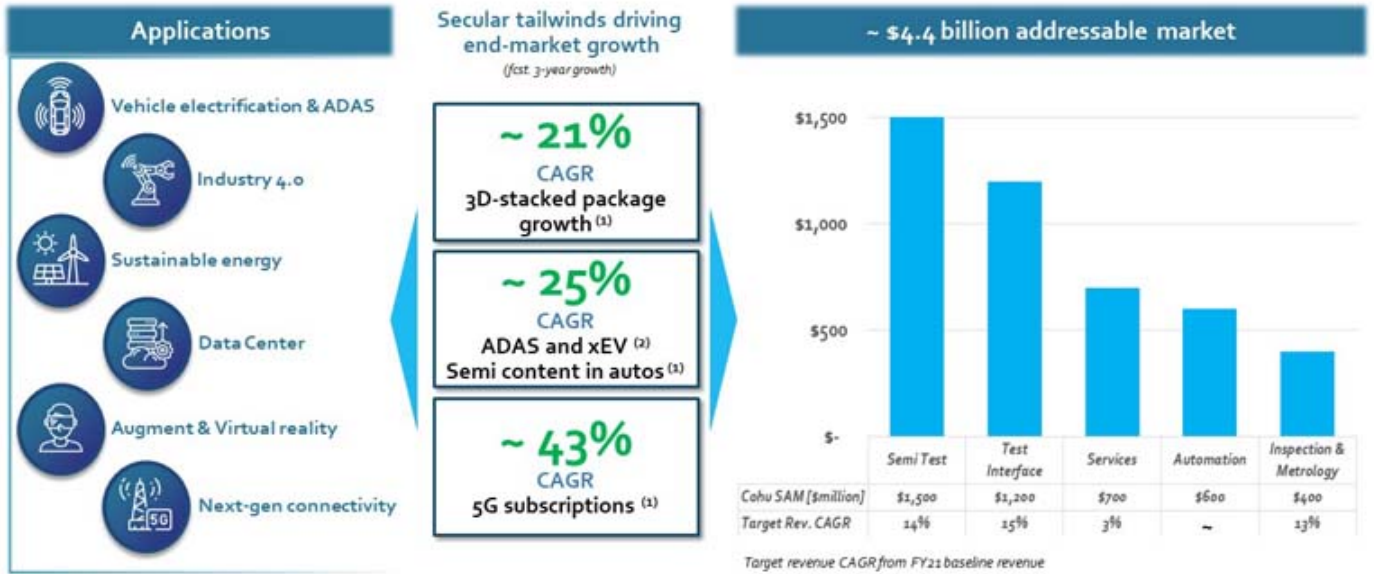
Thermal and Vision Inspection
Technologies enabling higher yield



Automation ⁽³⁾

⁽¹⁾ Leading supplier of RF Front-End test equipment, company estimates
⁽²⁾ Service business of Cohu systems
⁽³⁾ Automation includes test handlers

DRIVING GROWTH IN SELECT END-MARKETS



(1) Source: Gartner (December 2021), Yole Développement (2020), selected Wall Street research
 (2) Electric Vehicles
 (3) Cohu SAM, Serviceable Addressable Market are company estimates for 2021
 (4) 3-year target revenue CAGR starting FY21 per business segment



WHY WE ARE WINNING

1% higher yield equates to

~ \$5 billion

customer value ⁽¹⁾

Delivering higher yield at lower cost-of-ownership

Solutions approach
faster time-to-yield



Precision instruments
higher accuracy & yield



Faster ramps
satisfying demand



Advanced vision
higher inspection yield



Global support
greater productivity



Active thermal
higher test yield

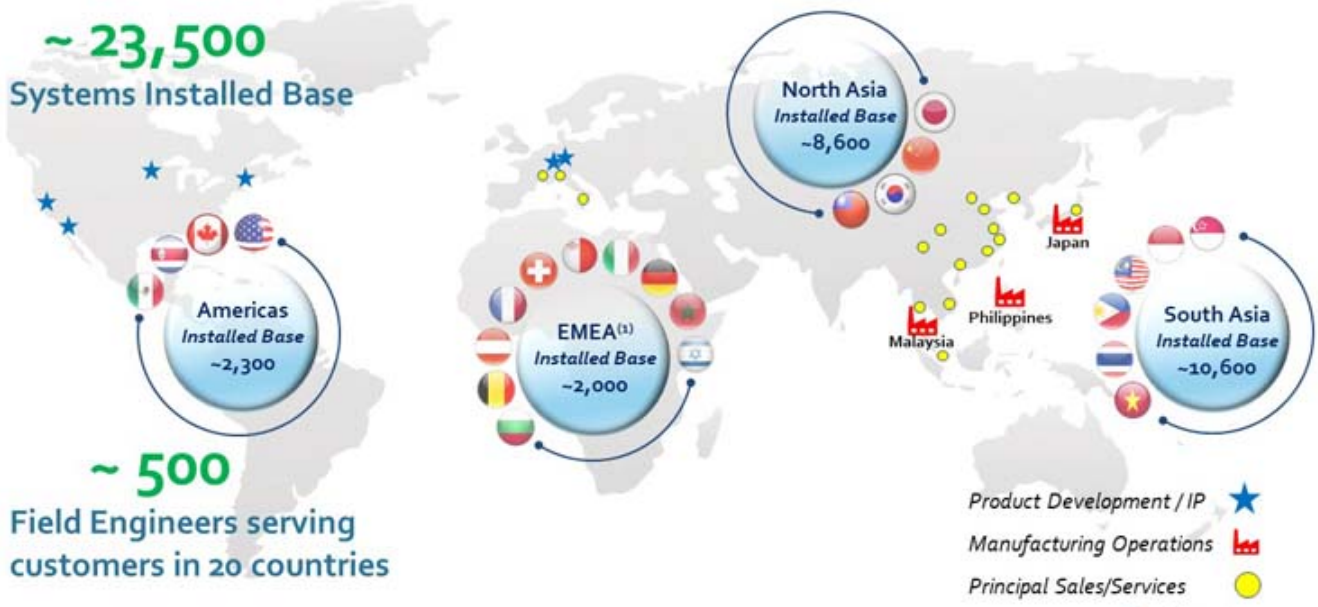


⁽¹⁾ Semiconductor Industry Association (SIA): global semiconductor industry sales totaled \$556 billion in 2021

SUPPORTING CUSTOMERS GLOBALLY

~ 23,500
Systems Installed Base

~ 500
Field Engineers serving
customers in 20 countries



(1) EMEA – Europe, Middle East and Africa



COMMITMENT TO GROWTH

Making investments to grow revenue and profitability

Organic

~ \$414M⁽²⁾

R&D over last 7 years

Inorganic



(1) e. 1H22 refers to estimated first half 2022 results based on Q1'22 actuals and mid-point of Q2'22 guidance
 (2) Amounts are Non-GAAP, see Appendix for GAAP to Non-GAAP reconciliations, and for notes regarding use of forward-looking non-GAAP figures



TARGET MODEL

Revenue ⁽¹⁾

\$1B

Gross Margin ⁽¹⁾

49%

Operating Income ⁽¹⁾

25%

STRATEGY

Expand Semiconductor Test in high-growth markets beyond RF ⁽²⁾ Front-end ICs ⁽³⁾ with scalable, precision instrumentation

Accelerate Interface product sales in test cells and high-end RF probe card market

Expand Services business with data analytics to optimize equipment productivity

Deliver high-end Inspection & Metrology to key growth applications: 5G, AI ⁽⁴⁾, advanced packaging

⁽¹⁾ 3-year target from FY21 – FY24. Gross Margin and Op Income are Non-GAAP, see Appendix for notes regarding use of forward-looking non-GAAP figures

⁽²⁾ Radio Frequency

⁽³⁾ Integrated Circuits

⁽⁴⁾ Artificial Intelligence



| SEMICONDUCTOR TEST



Ian Lawee
SVP & General Manager

MAJOR THEMES FOR TODAY

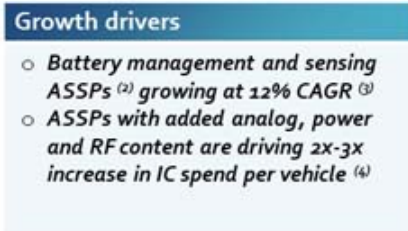
- Increasing test intensity with complex device applications
- Differentiated platform aligned with secular market trends
- Winning new customers, expanding SAM and delivering growth beyond RF

INCREASING TEST INTENSITY DRIVING GROWTH



Focused applications

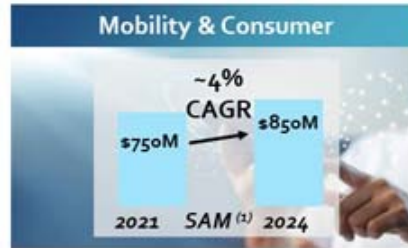
- Automotive xEV and ADAS



(1) Company estimates

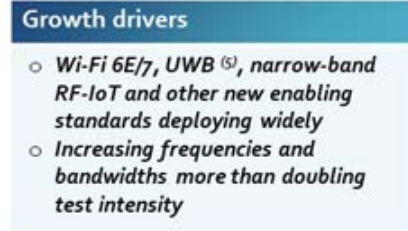
(2) Application Specific Standard Product

(3) IC Insights, 2022: IC unit growth projection 2021 to 2024



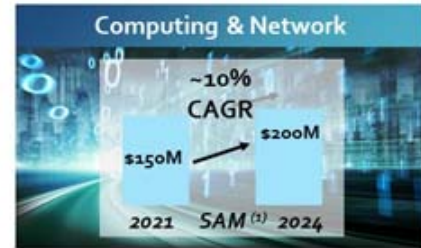
Focused applications

- Internet of Things
- 5G sub-6 GHz and mmWave



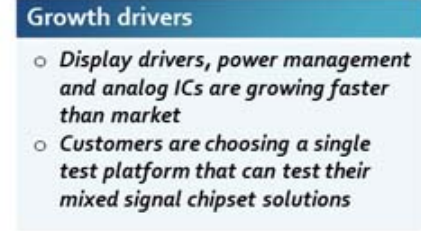
(4) Analog Devices Investor Presentation, April 2022

(5) Ultra-wideband



Focused applications

- Data Centers, Computing & Network Infrastructure



GROWING BEYOND RF-FEM (1)

30%
2-year order
CAGR

Diversification

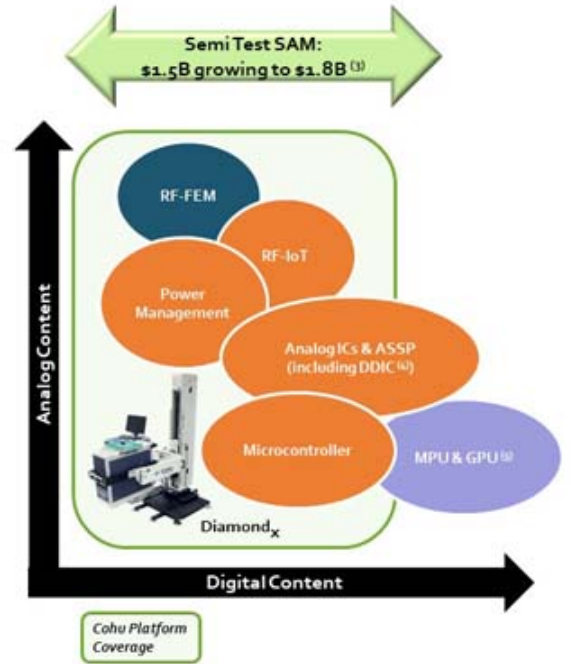


Diamond_x market penetration

- Doubled install base in the last 3 years
- Expanding SAM in data storage analog, power management, automotive analog and RF-IoT
- Extending RF leadership in Front-End Module, RF-IoT, Ultra-wideband and Wi-Fi devices
- Design-wins at leading display driver IC customers

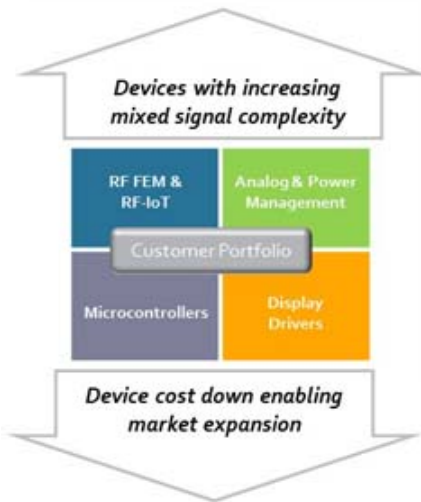
(1) RF Front-End Modules
 (2) Trailing twelve months product orders Q1 of each year
 (3) Company estimates for Diamond, 2021 to 2024 Semi Test SAM

(4) Display Driver ICs
 (5) Microprocessors and Graphic Processors



SCALABLE TEST SOLUTIONS ON DIAMOND_x

Cost-Performance Challenge



(1) Based upon customer provided benchmarking data

Platform Advantages

Best-in-Class Throughput

Event-Link architecture suited for efficient multisite mixed signal test

Air-Cooled Universal

Platform scalable from 5-slots suitable for low pin-count devices to 40-slots enabling >300 multisite test parallelism

Calibration to Device Pin

The only company positioned to solve technical and yield challenges through integrated tester-interface-handler solutions

Design-Wins ⁽¹⁾

RF-IoT (Ultra-wideband)

Low digital speed devices with high RF content benefiting from cost-performance optimized multisite instruments

up to **4X**

Higher Output

Power Management for Computing

Universal platform addressing high-power requirements, a more flexible alternative to dedicated solutions

up to **6X**

Competitors' Maximum Voltage

 **Cohu**

EXPANDING ANALOG CONTENT

Increasing complexity with electrification, consumer wearables, mobility, industrial automation and data centers



10%+
Annual increase in
test intensity ⁽¹⁾

~ \$650M
Cohu Addressable Market ⁽²⁾

Serving 10 of Top 15
Analog Leaders



Extending instrumentation to enable lower cost-of-test for high volume analog ASSP – battery management, DDIC, ADAS sensors, data storage

⁽¹⁾ Cohu estimates based on EV BMS Channel/ASSPs increase per year
⁽²⁾ Company estimates



EVER-INCREASING POWER DEMAND

Rapidly changing power distribution systems for data centers, xEVs and the power grid are creating new test requirements



4X – 33X
Voltage increase in data centers and xEVs

~ \$275M
Cohu Addressable Market ⁽¹⁾

Serving 5 of Top 14 Power Mgmt. Leaders



New power instruments are expanding voltage range at higher channel densities

(1) Company estimates



INTEGRATING IoT DEVICE PORTFOLIOS

Large IoT deployment integrating several technologies (RF, MCU ⁽¹⁾, Power) in cost-sensitive applications



~ 20B

Low power IoT nodes,
doubling by 2025 ⁽²⁾

~ \$280M

Cohu Addressable Market ⁽³⁾

Serving 6 of Top 14
IoT Leaders



Customers selecting Diamond_x to test the entire signal chain spanning power, RF and MCU without spending on unneeded platform overhead

⁽¹⁾ Microcontrollers

⁽²⁾ Silicon Labs Investor Presentation, March 2022

⁽³⁾ Company estimates

SEMI TEST

Cohu SAM ⁽¹⁾ CAGR



Target Revenue CAGR

~ 14%

(1) Company estimates

STRATEGY

Expanding addressable market by ~ \$300M aligned with secular market trends and increasing test intensity

Delivering best-in-class throughput for a focused range of mixed signal devices

Extending leadership in multi-market IoT applications with a universal platform and lower cost-of-test for the entire signal chain



| INTERFACE SOLUTIONS



Devin Sheridan
VP & General Manager

MAJOR THEMES FOR TODAY

- Increasing test intensity is driving growth in core markets
- Strength in power and thermal technologies enabling value-add solutions for xEV and ADAS applications
- Expertise in mmWave RF and high-speed digital applied to deliver leading cost-of-test for 5G, Data Center and AI markets
- Expanding addressable market with RF probe cards

INCREASING TEST INTENSITY



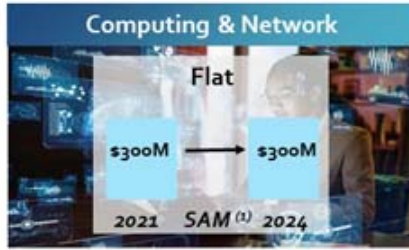
Focused applications

- Automotive xEV and ADAS

- Growth drivers**
- SiC higher efficiency offers >3.5x higher power density vs Si ⁽²⁾, driving high current applications
 - Advanced packaging in KGD ⁽³⁾
 - ADAS processor power (>50 W) challenging temperature control during test

⁽¹⁾ Company estimates

⁽²⁾ Wolfspeed power density (KW/L) comparative values for Silicon Carbide (SiC) vs. Silicon (Si)



Focused applications

- Data Center & AI

- Growth drivers**
- Input/Output bandwidth doubling every three years, increasing demand for higher frequency solutions
 - Adoption of heterogeneous packaging increasing power and thermal requirements

⁽³⁾ Known Good Die

⁽⁴⁾ Wafer-Level Chip Scale Package



Focused applications

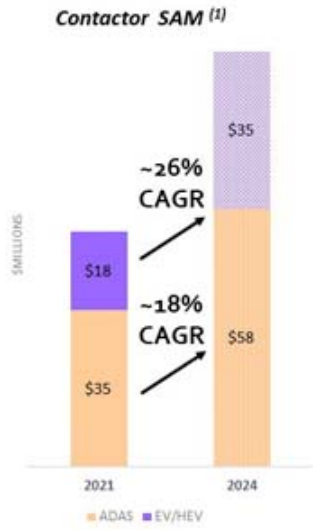
- mmWave 5G

- Growth drivers**
- Expanding applications at higher frequencies (up to 60 GHz), demanding performance at low cost
 - Opportunities for WLCSP ⁽⁴⁾ probe technology testing at functional performance speeds



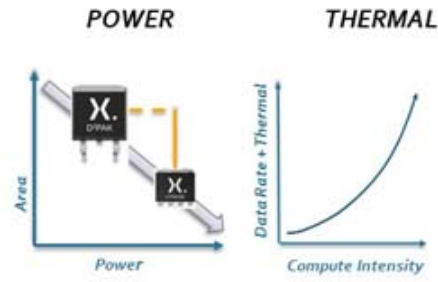
LEADERSHIP IN AUTOMOTIVE TEST SOLUTIONS

Accelerated Growth Segment



(1) Company estimates

Technical Drivers



Customers



Product Leadership

High Current Contactor



Unique pin architecture and heat dissipation structure delivers ~30% higher current capacity

~ 2X Life Increase **~ 50%** Lower Cost

Thermal Contactor



Smart sensors for improved temperature accuracy when combined with Cohu test handlers

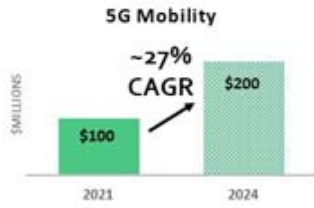
Higher Yield
with Thermal Accuracy



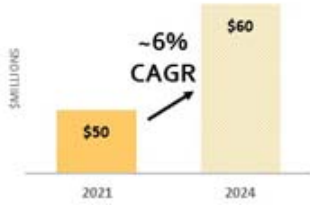
SOLUTIONS IN HIGH-PERFORMANCE APPLICATIONS

Accelerated Growth Segment

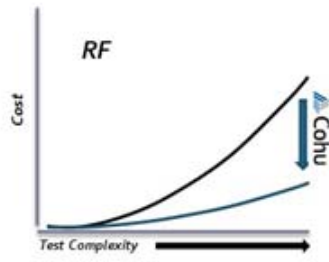
Contactors SAM ⁽¹⁾



Data Center



Technical Drivers



Customers



Product Leadership

Coaxial Contactor



High isolation for PAM4 ⁽²⁾
Improved isolation delivering higher signal integrity

2X
Better Isolation

mmWave Contactor



RF optimized to 60 GHz
~ 70% increase in performance over standard pins

~ 50%
Lower Cost-of-Ownership

⁽¹⁾ Company estimates
⁽²⁾ Pulse-amplitude Modulation



EXPANDING IN RF PROBE CARD



- 60 GHz Performance**
- o Multisite test at mmWave performance
 - o Direct attach technology



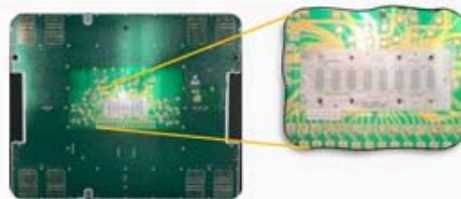
- Time to Yield**
- o Turnkey solution simplifies implementation



- Cost of Test**
- o Field replaceable probe technology
 - o Integration with Cohu's Diamond_x semi tester enables calibration to the device



- Production Ramp**
- o First time right quality with automated RF verification and full mechanical testing



	Cohu		Vertical	Membrane
mmWave frequencies	✓	✗	✓	✓
mmWave multisite	✓	✗	✗	✗
>1A current	✓	✓	✗	✗
Field repair	✓	✓	✗	✗
Cost	✓	✓	✗	✗

Expanding addressable market by \$300M ⁽¹⁾
 Addressing 5G mobility and ADAS radar sensor markets

(1) Company estimates



TEST INTERFACE

Cohu SAM ⁽¹⁾ CAGR



Target Revenue CAGR

~ 15%

(1) Company estimates

STRATEGY

Accelerate growth in automotive with high-power and advanced thermal contactors for vehicle electrification and ADAS

Focusing on selected applications in 5G and computing with high-performance, cost-efficient interface solutions

Expand addressable market with probe cards for functional speed RF test





Yves Hirschy
VP & General Manager

MAJOR THEMES FOR TODAY

- Capitalizing on the growth of system-in-package
- Providing integrated test and scan solutions for high-power
- Aligning to "beyond Moore" opportunities with advanced packaging technology

BEYOND MOORE EVOLUTION DRIVING VALUE UPSTREAM



Focused applications

- Wafer-Level Chip Scale and module inspection

Growth drivers

- Mobility 5G devices in small form-factor packages
- System-in-package integration driving higher demand on quality to ensure production yield



Focused applications

- Silicon Carbide Known Good Die test and inspection

Growth drivers

- Automotive xEV requiring higher volume of reliable electronics
- High-power efficiency enabled by new SiC technology



Focused applications





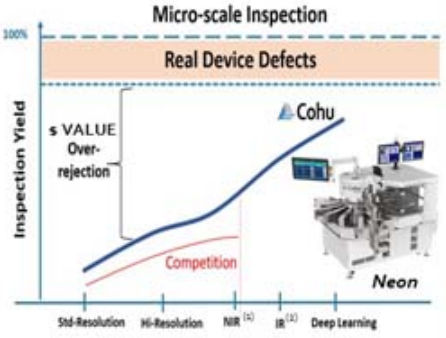


- Advanced packages 2.5 / 3D inspection and metrology

Growth drivers

- Automotive ADAS processors are life-critical systems requiring the ultimate inspection quality
- High-performance computing driving more 2.5 / 3D stacking

(A) Company estimates






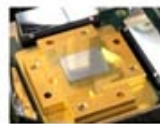

NEON INSPECTION MAXIMIZES YIELD

Customer Challenges	Cohu Solution	Value to Customer
<p>Small form-factor WLCSP devices with sub-millimeter size and exposed structure</p> 	 <p>Infrared (IR) NV-Core technology enabling micro-scale defect detection below the device surface</p>	<p>up to 5%</p> <p>Higher Inspection Yield</p>
<p>Integrated modules with higher pad density, smaller pad size and pitch</p> 	 <p>Artificial Intelligence algorithms enabling pattern recognition and precise defect classification</p>	
<p>Bringing tighter inspection requirements and need for higher yield</p>	 <p>Optimized for small form-factor processing at high-speed and yield</p>  <p>Automation compatible solutions supporting Industry 4.0 requirements</p>	

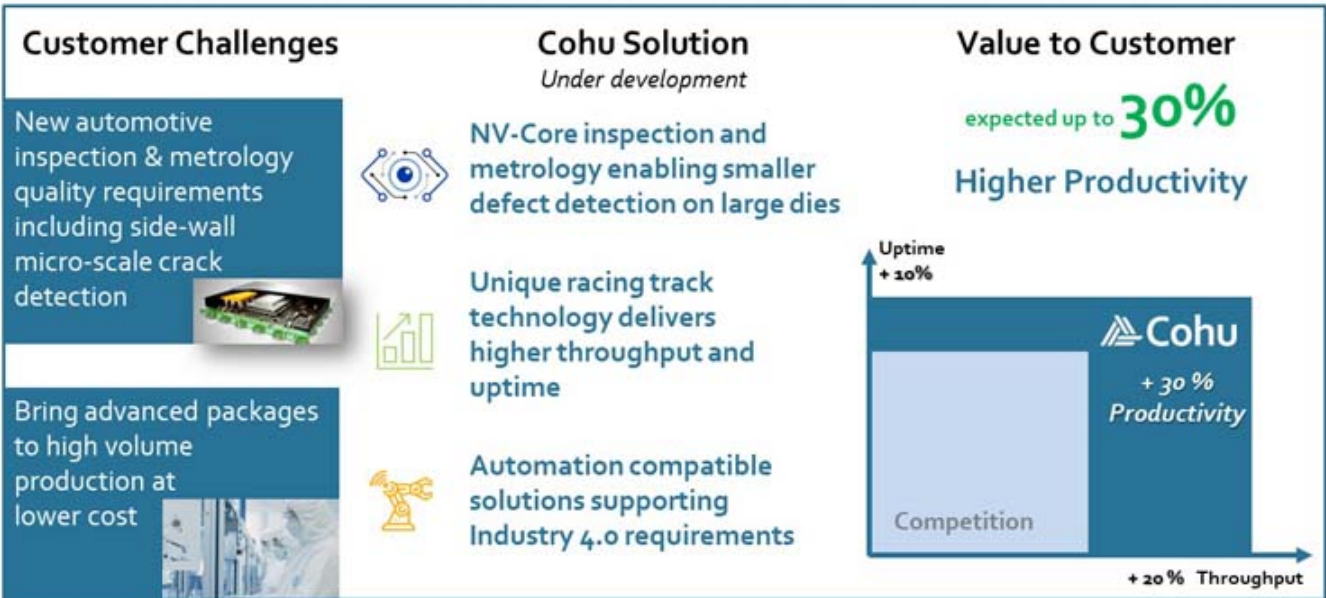
(1) Near infrared
 (2) Infrared



TRUE KNOWN GOOD DIE FOR MODULE INTEGRATION

Customer Challenges	Cohu Solution	Value to Customer
<p>Power module yield losses linked to multiple die integration</p> 	<p>Proven high-power testing of 50 μm thin bare die with controlled contactor insertion assisted by NV-Core vision</p> 	<p>up to 7%</p> <p>Higher Yield</p> <div data-bbox="1045 380 1428 548"> <p>Good Die Yield: 99.7% ⇒ Power Module 93% (0.997²⁴)</p> <p>X24 ⇒  ~\$200</p> </div>
<p>Test thinner SiC dies at higher power levels with full device integrity</p> 	<p>100% die traceability from wafer to tape-pocket</p>  	<div data-bbox="1045 571 1428 739"> <p>Known Good Die Yield: 100% ⇒ Power Module 100%</p> <p>X24 ⇒  ~\$200</p> </div>

NEXT GENERATION HIGH-PERFORMANCE SOLUTION



Note: Product under development, expected market release 1H'23

 **Cohu**

INSPECTION & METROLOGY

Cohu SAM ⁽¹⁾ CAGR



Target Revenue CAGR

~ 13%

(1) Company estimates including addressable market expansion

STRATEGY

Serve growing system-in-package applications in high-end mobility

Develop leadership position in high-power Known Good Die for automotive xEV

Expand addressable market in high-performance digital inspection and metrology





Chris Bohrson
Senior VP

MAJOR THEMES FOR TODAY

- Delivering customer value with increased uptime of the growing Cohu equipment installed-base worldwide
- Mining installed-base data analytics for opportunities to minimize equipment downtime and maximize output

MAXIMIZING EQUIPMENT UPTIME AND OUTPUT



Focused applications

- Drive above market growth rate in spares by increased focus on customers' maintenance programs
- Grow board repair, including premium services, to support expanding semiconductor tester fleet

Growth drivers

- Constrained floor space in customer back-end operations placing a premium on equipment uptime and output
- Cost optimization for max. output per \$ CAPEX investment
- Stable revenue at 50%+ gross margin

(1) Company estimates



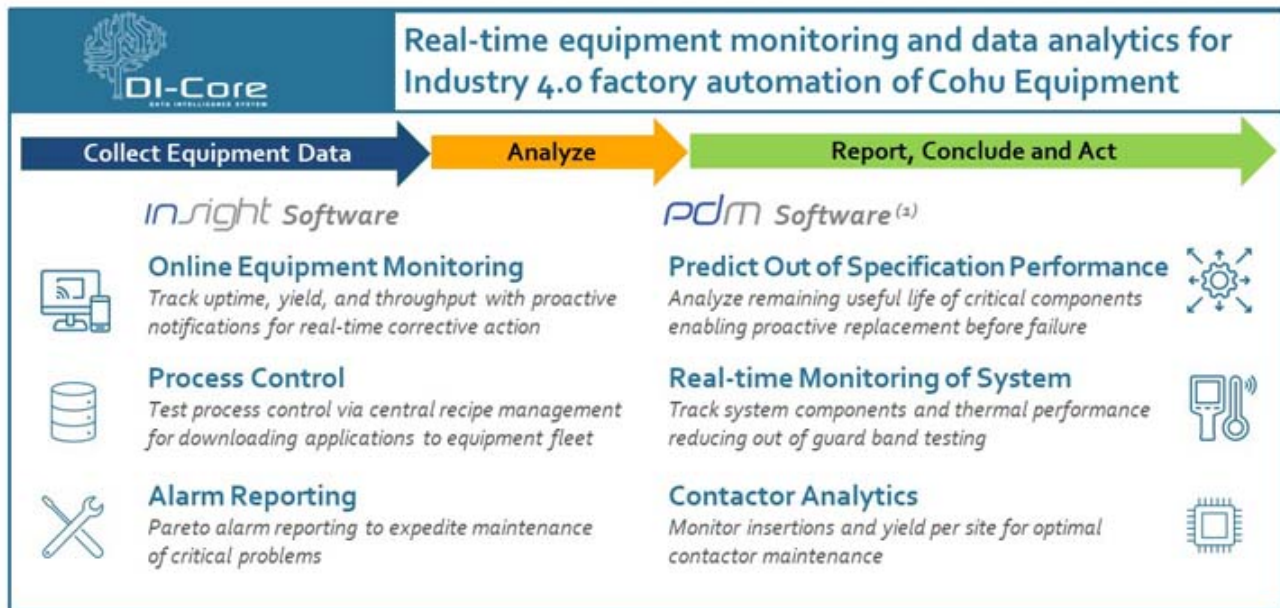
Focused applications

- Grow data analytics software to maximize uptime on large and growing fleet of Cohu systems
- Launch predictive maintenance enabling proactive service to minimize downtime and increase output

Growth drivers

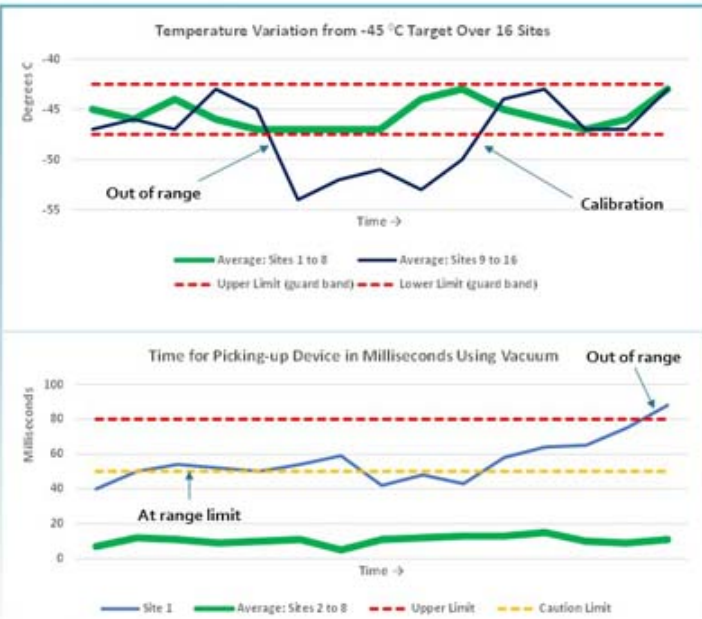
- Real-time equipment diagnostics aligned to Industry 4.0
- AI algorithms enabling proactive service to minimize downtime and maximize output
- Subscription model stable revenue at 90%+ gross margin

DATA INTELLIGENCE SYSTEMS INCREASING OUTPUT



(2) PdM (Predictive Maintenance) software launching Q3'22

DI-CORE DATA INTELLIGENCE MAXIMIZES OUTPUT



(1) Company estimates based on Beta site data
 (2) Failure can be a jam resulting in unplanned downtime, or more often, disabling of site resulting in reduced output

Thermal Performance Out of Guard Band

Real-time monitoring of thermal performance

When testing temperature goes out of guard band, in this case below the lower limit, early detection enables real-time calibration

~4%

Increase in Productivity ⁽¹⁾

Degradation of Component Performance

Real-time monitoring of device pick-up time

Monitoring device pick-up excursions to specification enables proactive service prior to failure ⁽²⁾

~3%

Increase in Productivity ⁽¹⁾



LARGE OPPORTUNITY IN DATA ANALYTICS

Predictive Maintenance Manufacturing Industry

2021 TAM ⁽¹⁾: \$1.5B
CAGR ⁽¹⁾: ~21%

Predictive Maintenance Software

2021 TAM ⁽¹⁾: \$1.0B
CAGR ⁽¹⁾: ~20%

Cohu Data Analytics SAM ⁽²⁾: \$25M

~12%
CAGR ⁽²⁾

- Predictive maintenance (PdM) increases productivity by minimizing downtime and increasing production output per machine
- PdM functionality for the manufacturing industry includes software, maintenance and repair services, and sensing systems
- PdM software accesses big data to gain insight about the operating environment in the factory and other factors that influence machine operation
- Large industrial opportunity beyond the boundaries of Cohu installed-base of equipment

(1) Research and Markets, February 2022
(2) Company estimates

SERVICES

Cohu SAM ⁽¹⁾ CAGR



Target Revenue CAGR

~ 3%

STRATEGY

High-margin value in servicing a growing fleet of Cohu equipment

DI-Core data analytics software provides significant value to large equipment installed-base ⁽²⁾

Large long-term expansion opportunities

⁽¹⁾ Company estimates

⁽²⁾ 2023 roadmap functionality for DI-Core, including analytics based on temperature measurements from Cohu's thermal contactors



DELIVERING PROFITABILITY AND SHAREHOLDER VALUE



Jeff Jones
Senior VP & CFO

MAJOR THEMES FOR TODAY

- Positioned to deliver on expanded target financial model
- Increasing profitability with growth in higher margin markets, low-cost manufacturing and disciplined Opex spending
- Driving growth in more stable recurring revenue from consumables and Service based products
- Capital allocation strategy to drive long-term growth and shareholder value

RAISING THE BAR

Increased Target
Model ⁽³⁾ to

\$1 billion

Revenue

\$4.00

EPS ⁽¹⁾

	FY2021 Actuals	Target Model ⁽³⁾
Revenue	\$887M	\$1 billion
Gross Margin ⁽¹⁾	44%	49%
Operating Expenses ⁽¹⁾	23%	24%
Non-GAAP EPS ⁽¹⁾	\$3.20	\$4.00
Adjusted EBITDA ⁽²⁾	22%	26%
Free Cash Flow ⁽²⁾	\$86M	\$180M

⁽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⁾ 3-year target model (FY21 - FY24) introduced December 14, 2021



CREATING SHAREHOLDER VALUE



Revenue Growth

Secular tailwinds driving end-market semiconductor growth

Accelerating customer wins and expanding SAM with high performing, differentiated products



Increasing Profits

Gross margin expansion

Disciplined cost management

High operating leverage



Capital Allocation

Funding organic growth through R&D investments and factory expansion

Potential M&A to expand SAM and accelerate time to financial targets

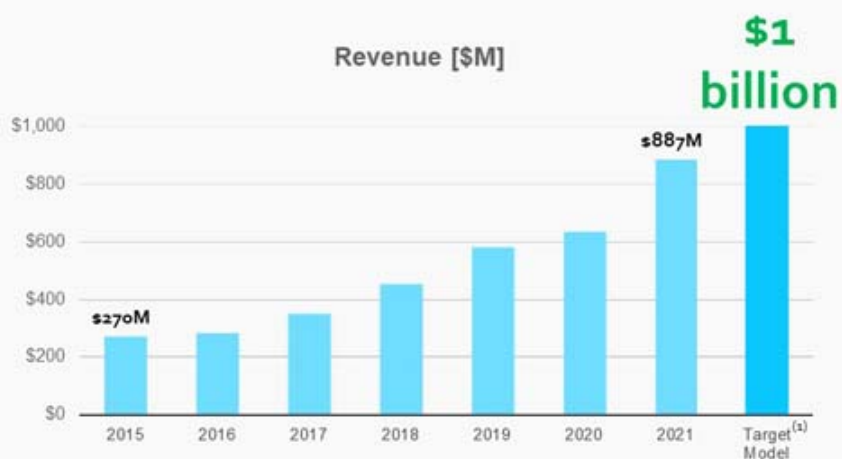
Share repurchase to reduce dilution

Steady debt reduction

REVENUE GROWTH

3-Year Target ⁽¹⁾
Revenue CAGR

~ 7%



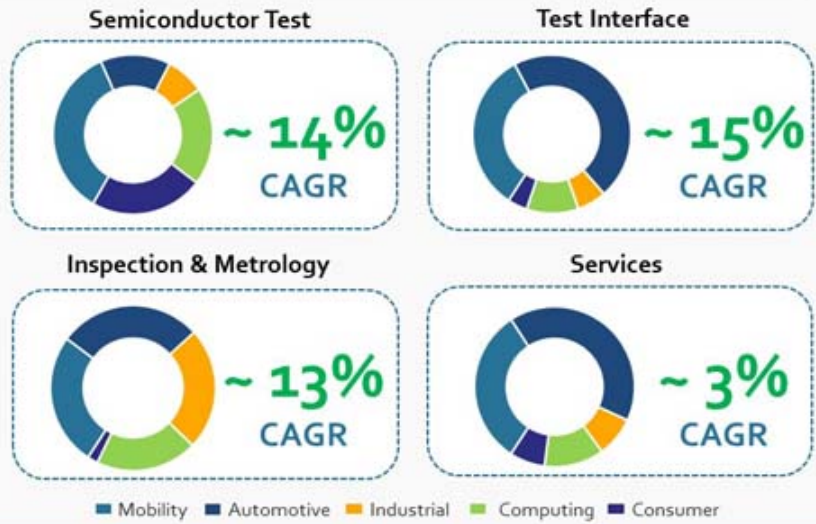
Winning new customers and expanding SAM in growing markets
Substantial revenue stream from recurring ⁽²⁾ with attractive profit profile

⁽¹⁾ 3-year target from FY21 – FY24

⁽²⁾ Recurring includes revenue from Interface and Service-related products

REVENUE GROWTH TO \$1 BILLION

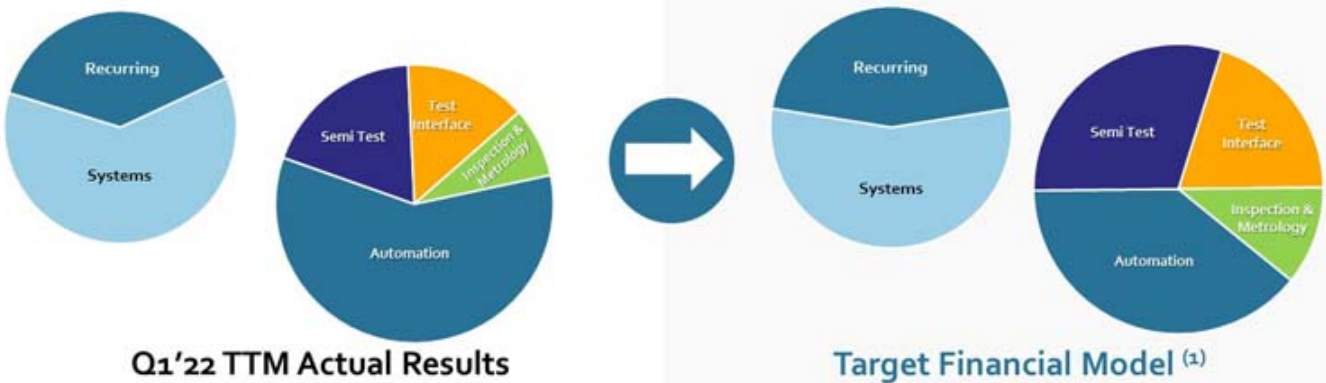
Increasing Revenue in Key Secular Growth Markets ⁽¹⁾



Leveraging market position & leading-edge products to drive revenue in high-growth applications incl. display drivers, ADAS, xEV, RF test and inspection

⁽¹⁾ 3-year (FY21 – FY24) targeted annual revenue growth and CAGR

REVENUE DISTRIBUTION AT TARGET FINANCIAL MODEL



Improved through-cycle profitability with large recurring business
Gross margin expansion from growth in premium product sales

(1) 3-year target from FY21 - FY24



TRACK RECORD OF MARGIN EXPANSION

Achieved
+10 Points
 of Gross Margin ⁽¹⁾
 Expansion




1H22 revenue mix progressing to target model and expanding gross margin
Increasing insourced manufacturing and efficiencies improves gross margin

⁽¹⁾ All Gross Margin amounts are Non-GAAP, see Appendix for GAAP to Non-GAAP reconciliations, and notes regarding use of forward-looking non-GAAP figures
⁽²⁾ Reflects Q1'22 actual results plus the mid-point of the Company's Q2'22 guidance as provided on April 28, 2022
⁽³⁾ Prior year's gross margin targets



EFFECTIVE CAPITAL ALLOCATION STRATEGY

 R&D Investment ⁽¹⁾	 Dividend	 Share Repurchase	 Debt	 Capital Expenditures
Funding organic growth \$414M invested from FY15 – FY21	\$41M returned to shareholders FY15 – FY20	\$70M authorized Repurchased 550K shares through April 2022	Repaid \$265M of term loan B debt <1x gross leverage ⁽²⁾	Capex light –\$70M from FY15 – FY21 Expanding in-house manufacturing, global IT and R&D tools

(1) Amounts are Non-GAAP. See Appendix for GAAP to Non-GAAP reconciliations, and notes regarding use of forward-looking non-GAAP figures

(2) Total debt divided by Adjusted EBITDA for last 12 months ending March 26, 2022; Non-GAAP figure – see Appendix for GAAP to Non-GAAP reconciliations

INVESTMENT THESIS

<p>\$1 Billion Revenue</p>	<p>49% Gross Margin ⁽¹⁾</p>	<p>25% Operating Income ⁽¹⁾</p>	<p>18% Annual Free Cash Flow ⁽²⁾</p>
<p>~ 7% ⁽³⁾ Target 3-Year Revenue CAGR</p>	<p>+500 bps ⁽³⁾ Premium product sales and stable recurring revenue</p>	<p>+400 bps ⁽³⁾ Cost discipline driving strong operating leverage</p>	<p>~ \$180M ⁽³⁾ Driven by significant margin expansion and earnings growth</p>
<p><i>Products aligned with secular growth markets</i></p>	<p><i>Expanding Asia contactor insourcing operations</i></p>	<p><i>R&D investments to drive differentiated products and new customer acquisition</i></p>	<p><i>Effective capital allocation delivering shareholder value</i></p>

⁽¹⁾ Non-GAAP forward-looking figures; See Appendix for notes regarding use of forward-looking non-GAAP figures

⁽²⁾ Reflects cash from operating activities minus capital expenditures

⁽³⁾ 3-year (FY21 – FY24) growth targets



Q&A



Luis Müller
President & CEO



Yves Hirschy
VP & General Manager, Inspection & Metrology



Jeff Jones
Senior VP & CFO



Chris Bohrsen
Senior VP, Global Customer Group



Ian Lawee
SVP & General Manager, Semiconductor Test

Q&A



Devin Sheridan
VP & General Manager, Test Interface



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 this Appendix and should be considered together with the Condensed Consolidated Statements of Operations.

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.

Use of Forward-Looking Non-GAAP Information:

This presentation includes non-GAAP forward looking figures that 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 non-GAAP forward looking figures to GAAP is not provided. Where a non-GAAP figure includes historical data and forward-looking estimates, we have reconciled the historical data, but for the foregoing reasons have not reconciled the forward-looking estimates.



GAAP to NON-GAAP RECONCILIATION

Gross Profit Reconciliation	12 Months Ending Dec 26, 2015		12 Months Ending Dec 31, 2016		12 Months Ending Dec 30, 2017		12 Months Ending Dec 29, 2018		12 Months Ending Dec 28, 2019		12 Months Ending Dec 26, 2020		12 Months Ending Dec 25, 2021		3 Months Ending Mar 26, 2022	
	% of Net Sales	% of Net Sales	% of Net Sales	% of Net Sales	% of Net Sales	% of Net Sales	% of Net Sales	% of Net Sales	% of Net Sales	% of Net Sales	% of Net Sales	% of Net Sales	% of Net Sales	% of Net Sales		
Net Sales	\$269,654		\$282,084		\$352,704		\$451,768		\$583,329		\$636,007		\$887,214		\$197,757	
Gross Profit - GAAP	89,038	33.0%	94,828	33.6%	143,407	40.7%	159,308	35.3%	229,829	39.4%	271,782	42.7%	386,961	43.6%	91,156	46.1%
Share Based Compensation	566	0.2%	398	0.1%	423	0.1%	546	0.1%	736	0.1%	899	0.1%	828	0.1%	145	0.1%
Amortization of purchased intangible assets	5,420	2.0%	5,170	1.8%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Restructuring costs related to inventory in COS	0	0.0%	0	0.0%	0	0.0%	19,053	4.2%	2,729	0.5%	3,731	0.6%	(558)	-0.1%	(175)	-0.1%
Manufacturing transition and severance costs	0	0.0%	75	0.0%	0	0.0%	0	0.0%	1,211	0.2%	26	0.0%	(7)	0.0%	0	0.0%
Amortization of inventory step-up	0	0.0%	0	0.0%	1,404	0.0%	14,782	0.0%	6,038	0.0%	0	0.0%	0	0.0%	0	0.0%
Gross Profit - Non-GAAP	\$95,024	35.2%	\$100,471	35.6%	\$145,234	41.2%	\$193,689	42.9%	\$240,543	41.2%	\$276,432	43.5%	\$387,224	43.6%	\$91,126	46.1%

Operating Income Reconciliation	12 Months Ending Dec 26, 2015		12 Months Ending Dec 31, 2016		12 Months Ending Dec 30, 2017		12 Months Ending Dec 29, 2018		12 Months Ending Dec 28, 2019		12 Months Ending Dec 26, 2020		12 Months Ending Dec 25, 2021	
	Income (Loss) From Operations - GAAP basis	\$ 7,959	\$ 5,665	\$ 37,725	\$ (29,781)	\$ (52,328)	\$ 3,260	\$ 201,518						
Share based compensation	6,755	7,143	7,007	10,053	14,148	14,234	13,792							
Amortization of purchased intangible assets	7,032	6,902	4,208	17,197	39,590	38,746	35,414							
Restructuring costs related to inventory in COS	0	0	0	19,053	2,729	3,731	(558)							
Restructuring costs	0	0	0	19,084	13,484	7,623	1,833							
Manufacturing transition and severance costs	970	1,498	502	595	2,594	808	(9)							
Impairment charge	273	0	0	0	0	11,249	100							
Adjustment to contingent consideration	0	0	1,423	657	0	0	0							
Other acquisition costs	0	1,777	370	9,811	432	0	0							
(Gain) loss on sale of PCB Test Business	0	0	0	0	0	0	(70,815)							
Gain on sale of facility	(3,198)	0	0	0	0	(4,495)	0							
Amortization of inventory step-up	0	0	1,404	14,782	6,038	0	0							
PP&E step-up	0	0	0	1,257	4,014	874	435							
Reduction of indemnification receivable	0	588	1,172	879	1,202	111	75							
Payroll taxes due to accelerated vesting of share-based awards	0	0	0	0	0	263	300							
Income From Operations - Non-GAAP	\$ 19,791	\$ 23,573	\$ 53,811	\$ 63,587	\$ 31,903	\$ 76,404	\$ 182,085							



GAAP to Non-GAAP RECONCILIATION

	12 Months Ending	
	Dec 25, 2021	Dec 25, 2020
Earnings Reconciliation		
Income From Continuing Operations - GAAP	\$187,523	\$ 3.48
Share based compensation	13,792	0.28
Amortization of purchased intangible assets	35,424	0.73
Restructuring costs related to inventory in COGS	(588)	(0.01)
Restructuring costs	1,833	0.04
Manufacturing transition and severance costs	(78)	0.00
Impairment charge	300	0.00
PP&E step-up	403	0.01
Gain on sale of PCB Test business	(70,815)	(1.46)
Reduction of indemnification receivable	75	0.00
Payroll taxes due to accelerated vesting of share-based awards	300	0.01
Tax effect of non-GAAP adjustments	7,394	0.15
Income From Continuing Operations - Non-GAAP	<u>\$255,088</u>	<u>\$ 3.20</u>
Weighted Average Shares - GAAP	Basic	47,409
Weighted Average Shares - Non-GAAP	Diluted	48,480
Adjusted EBITDA Reconciliation		
Net income (loss) - GAAP basis	\$187,523	18.8%
Income tax provision	25,028	2.8%
Interest expense	8,413	0.7%
Interest income	(238)	0.0%
Amortization of purchased intangible assets	35,424	4.0%
Depreciation	13,533	1.5%
Amortization of cloud-based software implementation costs	1,664	0.2%
Loss on extinguishment of debt	3,411	0.4%
Other Non-GAAP Adjustments	(15,282)	-6.2%
Adjusted EBITDA	<u>\$285,858</u>	<u>22.2%</u>
Operating Expense Reconciliation		
Operating Expense - GAAP	\$256,258	28.8%
Share based compensation	(12,964)	-1.5%
Amortization of purchased intangible assets	(35,424)	-4.0%
Restructuring costs	(1,833)	-0.2%
Manufacturing transition and severance costs	78	0.0%
Impairment charge	(300)	0.0%
PP&E step-up	(403)	-0.1%
Reduction of indemnification receivable	(75)	0.0%
Payroll taxes due to accelerated vesting of share-based awards	(300)	0.0%
Operating Expense - Non-GAAP	<u>\$205,139</u>	<u>23.0%</u>

	Cumulative	
	Dec 25, 2015 - Dec 25, 2021	
Research & Development Reconciliation⁽¹⁾		
Research & Development - GAAP ⁽¹⁾	\$	429,380
Share Based Compensation		(14,411)
Restructuring included in R&D		(273)
Manufacturing transition and severance costs		(1,056)
Research & Development - Non-GAAP	<u>\$</u>	<u>413,640</u>

(1) From continuing operations

(2) Total includes R&D costs of our PCB Test Business totaling \$7,698

	12 Months Ending	
	Dec 25, 2021	Mar 26, 2022
Adjusted EBITDA Reconciliation		
Net income (loss) - GAAP Basis	\$	161,287
Income tax provision		27,738
Interest expense		4,819
Interest income		(300)
Amortization of purchased intangible assets		34,705
Depreciation		12,963
Amortization of cloud-based software implementation costs		1,752
Loss on extinguishment of debt		1,794
Other non-GAAP adjustments		(57,005)
Adjusted EBITDA	<u>\$</u>	<u>187,713</u>
Total debt	\$	109,633
Leverage Ratio		0.6

