
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities and Exchange Act of 1934**

Date of Report (Date of earliest event reported): June 10, 2015

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
(IRS Employer
Identification No.)

12367 Crosthwaite Circle, Poway, California 92064
(Address of principal executive offices)

Registrant's telephone number, including area code: 858-848-8100

Not Applicable

Former name or former address, if changed since last report

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 CFS 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))
-
-

Item 2.01 Completion of Acquisition or Disposition of Assets.

On June 10, 2015, Cohu, Inc. (“we” or “Cohu”), announced that we entered into a Stock Purchase Agreement (the “Purchase Agreement”) with an affiliate of StoneCalibre, LLC (“StoneCalibre”) a privately funded investment firm headquartered in Century City, California, pursuant to which StoneCalibre through its affiliate acquired all of the outstanding stock of Cohu’s wholly owned subsidiary Broadcast Microwave Services, Inc. (“BMS”). BMS develops, manufactures and sells mobile microwave communications equipment to government agencies, law enforcement, public safety organizations and other commercial entities.

Under the terms of the Purchase Agreement, the total sale price is \$8.0 million, comprised of a \$5.5 million cash payment on closing plus up to \$2.5 million of contingent cash consideration in the form of an earn-out based on future BMS revenues over the two-year calendar period ending December 2017. The final purchase price is subject to a net working capital adjustment to be settled following the closing and the final valuation of the contingent consideration which may result in adjustments to the loss on sale recognized in the second quarter of 2015 that is currently estimated to be approximately \$3.0 million. In connection with the closing of the transaction, BMS entered into a twelve-month lease, subject to certain early termination rights, with Cohu that enables the business to continue to operate at its current location in Poway, California.

On June 10, 2015, Cohu issued a press release announcing the transaction. A copy of the press release is furnished herewith as Exhibit 99.2 to this Current Report on Form 8-K.

Within the press release we provided updated guidance for the second quarter of 2015 to exclude BMS. Certain of these amounts are non-GAAP financial measures which are intended to supplement amounts prepared under generally accepted accounting principles (GAAP). These non-GAAP financial measures adjust the Cohu’s forecasted results prepared under GAAP to exclude charges and the related income tax effect for share-based compensation, the amortization of acquired intangible assets, manufacturing transition costs and employee severance costs.

Non-GAAP measures are not meant as a substitute for GAAP, but are included solely for informational and comparative purposes. Management believes that this information can assist investors in evaluating Cohu’s operational trends, financial performance, cash generating capacity and Cohu’s financial performance using some of the same measures as management. However, the non-GAAP financial measures should not be regarded as a replacement for (or superior to) corresponding, similarly captioned, GAAP measures.

A reconciliation of these GAAP amounts to non-GAAP updated to exclude BMS is as follows:

Gross Margin	
Forecasted Q2 GAAP Gross Margin %	34%
Adjustment for Intangible Amortization	2%
Forecasted Q2 non-GAAP Gross Margin %	<u>36%</u>
Operating Expense (in millions)	
Forecasted Q2 GAAP Operating Expense	\$21.1
Adjustment for Share Based Compensation	(1.5)
Adjustment for Intangible Amortization	(0.4)
Adjustment for Manufacturing Transition/ Severance Costs	(0.2)
Forecasted Q2 non-GAAP Operating Expense	<u>\$19.0</u>

Item 9.01 Financial Statements and Exhibits

(b) Pro forma financial information

An unaudited pro forma condensed consolidated balance sheet as of March 28, 2015, and unaudited pro forma condensed consolidated statements of operations for the interim three-month period ended March 28, 2015 and the fiscal years ended, December 27, 2014, December 28, 2013 and for December 29, 2012 are attached hereto as Exhibit 99.1.

The accompanying unaudited pro forma condensed consolidated financial statements have been derived primarily from and should be read in conjunction with our audited consolidated financial statements as of December 27, 2014, including the notes thereto, included in Cohu’s Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) on February 24, 2015. The unaudited pro forma condensed balance sheet has been prepared as if the disposal of BMS occurred on March 28, 2015 and the unaudited pro forma condensed statements of operations have been prepared as if the disposal of BMS occurred on January 1, 2012. The unaudited pro forma condensed consolidated financial statements are based upon available information and assumptions that we believe are reasonable under the circumstances and have been prepared to illustrate the estimated effects of the sale, if the sale occurred as of and on the dates specified above.

The accompanying unaudited pro forma condensed consolidated financial statements are provided for informational purposes only and are not necessarily indicative of the consolidated financial position or results of operations of Cohu that would have been reported had the sale been completed at the dates indicated nor are they indicative of Cohu's future consolidated financial position or results of operations. Amounts reported in future financial statements filed with the SEC for the periods presented herein could differ from these pro forma condensed consolidated financial statements.

(d) Exhibits

Exhibit No. 99.1

Unaudited pro forma condensed consolidated balance sheet as of March 28, 2015 and unaudited pro forma condensed consolidated statements of operations for the interim three-month period ended March 28, 2015 and the fiscal years ended, December 27, 2014, December 28, 2013 and December 29, 2012.

Exhibit No. 99.2

Press release, dated June 10, 2015 of Cohu, Inc.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: June 12, 2015

COHU, Inc.

By: /s/ Jeffrey D. Jones

Jeffrey D. Jones, VP Finance and Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1	Unaudited pro forma condensed consolidated balance sheet as of March 28, 2015 and unaudited pro forma condensed consolidated statements of operations for the interim three-month period ended March 28, 2015 and the fiscal years ended December 27, 2014, December 28, 2013 and December 29, 2012.
99.2	Press release, dated June 10, 2015 of Cohu, Inc.

Cohu, Inc.

Unaudited Pro Forma Condensed Consolidated Financial Statements

Description of Transaction

On June 10, 2015, Cohu, Inc. (referred to as “Cohu”, “we” and “our”) announced that we entered into a Stock Purchase Agreement (the “Purchase Agreement”) with an affiliate of StoneCalibre, LLC (“StoneCalibre”), a privately funded investment firm headquartered in Century City, California, pursuant to which StoneCalibre through its affiliate acquired all of the outstanding stock of Cohu’s wholly owned subsidiary Broadcast Microwave Services, Inc. (“BMS”), herein referred to as the “Transaction”. BMS develops, manufactures and sells mobile microwave communications equipment to government agencies, law enforcement, public safety organizations and other commercial entities.

Under the terms of the Purchase Agreement, the total sale price was \$8.0 million, comprised of a \$5.5 million cash payment on closing plus up to \$2.5 million of contingent cash consideration in the form of an earn-out based on future BMS revenues over the two-year calendar period ending December 2017. The final purchase price is subject to a net working capital adjustment to be settled following the closing and the final valuation of the contingent consideration which may result in adjustments to the loss on sale recognized in the second quarter of 2015 that is currently estimated to be approximately \$3.0 million. In connection with the closing of the transaction, BMS entered into a twelve-month lease, subject to certain early termination rights, with Cohu that enables the business to continue to operate at its current location in Poway, California.

The unaudited pro forma condensed consolidated balance sheet presents our historical financial position as if the Transaction occurred on March 28, 2015, and the unaudited pro forma condensed consolidated statements of operations were prepared as if the Transaction occurred on January 1, 2012. The accompanying unaudited pro forma condensed consolidated financial statements are provided for informational purposes only and are not necessarily indicative of the consolidated financial position or results of operations of Cohu that would have been reported had the sale been completed at the dates indicated herein nor are they indicative of Cohu’s future consolidated financial position or results of operations. Amounts reported in future financial statements with the Securities and Exchange Commission (“SEC”) for the periods presented herein could differ from these pro forma condensed consolidated financial statements. Accordingly, the historical consolidated financial information has been adjusted to give effect to the impact of the consideration received in connection with the Transaction and to give effect to pro forma events that are (i) directly attributable to the Transaction, and (ii) factually supportable.

The unaudited pro forma condensed consolidated financial statements have been developed from financial information prepared in accordance with Accounting Principles Generally Accepted in the United States of America from the following sources:

Cohu’s unaudited consolidated balance sheet as of March 28, 2015 and unaudited statement of operations for the three months ended March 28, 2015 were derived from Cohu’s Quarterly Report on Form 10-Q for the interim period ended March 28, 2015 filed with the SEC on May 4, 2015.

Cohu’s audited consolidated statement of operations for the years ended December 24, 2014, December 28, 2013 and December 29, 2012 were derived from Cohu’s Annual Report on Form 10-K for the year ended December 27, 2014 filed with the SEC on February 24, 2015.

COHU, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

(in thousands, except par value)

	As of March 28, 2015			
	As Reported (a)	Adjustments Resulting from Disposal of BMS (b)	Pro Forma Adjustments	Pro Forma Cohu, Inc
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 68,609	—	4,900 (c)	\$ 73,509
Short-term investments	1,110	—	—	1,110
Accounts receivable, net	67,233	(4,670)	—	62,563
Inventories	58,371	(5,326)	—	53,045
Deferred income taxes	3,831	—	—	3,831
Other current assets	8,791	(715)	—	8,076
Total current assets	<u>207,945</u>			<u>202,134</u>
Property, plant and equipment, net	30,754	(23)	—	30,731
Goodwill	60,326	—	—	60,326
Intangible assets, net	31,036	—	—	31,036
Other assets	5,421	—	—	5,421
	<u>\$ 335,482</u>			<u>\$ 329,648</u>
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	\$ 30,477	(542)	—	\$ 29,935
Accrued compensation and benefits	13,704	(1,023)	—	12,681
Accrued warranty	4,539	(310)	—	4,229
Deferred profit	7,723	(389)	—	7,334
Income taxes payable	3,732	—	—	3,732
Other accrued liabilities	6,571	(508)	823 (d)	6,886
Total current liabilities	<u>66,746</u>			<u>64,797</u>
Accrued retirement benefits	15,277	(554)	—	14,723
Other accrued liabilities	1,193	(70)	—	1,123
Noncurrent income tax liabilities	7,125	—	—	7,125
Deferred income taxes	10,254	—	—	10,254
Total liabilities	<u>100,595</u>			<u>98,022</u>
Stockholders' equity:				
Preferred stock, \$1 par value; 1,000 shares authorized, none issued	—	—	—	—
Common stock, \$1 par value; 60,000 shares authorized, 25,908 shares issued and outstanding	25,908	—	—	25,908
Paid-in capital	98,221	—	—	98,221
Retained earnings	129,870	(7,775) (e)	4,077 (e)	126,172
Accumulated other comprehensive loss	(19,112)	437	—	(18,675)
Total stockholders' equity	<u>234,887</u>			<u>231,626</u>
	<u>\$ 335,482</u>			<u>\$ 329,648</u>

See accompanying Notes to Unaudited Pro Forma Condensed Financial Statements.

COHU, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(in thousands, except per share amounts)

	Quarter Ended March 28, 2015			
	As Reported (f)	Adjustments Resulting from Disposal of BMS	Pro Forma Adjustments	Pro Forma Cohu, Inc
Net sales	\$ 68,068	(4,621)	—	\$ 63,447
Cost and expenses:				
Cost of sales	46,309	(3,007)	—	43,302
Research and development	9,629	(1,064)	—	8,565
Selling, general and administrative	13,835	(1,476)	(63) (g)	12,296
	<u>69,773</u>			<u>64,163</u>
Loss from operations	(1,705)			(716)
Interest and other from continuing operations, net	6	—	—	6
Loss from continuing operations before taxes	(1,699)			(710)
Income tax provision	1,041	(6)	—	1,035
Loss from continuing operations	<u>\$ (2,740)</u>			<u>\$ (1,745)</u>
Loss per share from continuing operations:				
Basic	\$ (0.11)			\$ (0.07)
Diluted	\$ (0.11)			\$ (0.07)
Weighted average shares used in computing loss per share:				
Basic	25,751			25,751
Diluted	<u>25,751</u>			<u>25,751</u>

See accompanying Notes to Unaudited Pro Forma Condensed Financial Statements.

COHU, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(in thousands, except per share amounts)

	Year Ended December 27, 2014			
	As Reported (h)	Adjustments Resulting from Disposal of BMS	Pro Forma Adjustments	Pro Forma Cohu, Inc
Net sales	\$ 333,323	(16,694)	—	\$316,629
Cost and expenses:				
Cost of sales	221,088	(10,432)	—	210,656
Research and development	40,601	(4,583)	—	36,018
Selling, general and administrative	57,536	(6,709)	(273) (g)	50,554
Impairment of goodwill and other assets	5,000	(5,000)	—	—
	<u>324,225</u>			<u>297,228</u>
Income from operations	9,098			19,401
Interest and other from continuing operations, net	30	—	—	30
Income from continuing operations before taxes	9,128			19,431
Income tax provision	3,293	41	1,319 (i)	4,653
Income from continuing operations	<u>\$ 5,835</u>			<u>\$ 14,778</u>
Income per share from continuing operations:				
Basic	\$ 0.23			\$ 0.58
Diluted	\$ 0.22			\$ 0.57
Weighted average shares used in computing income per share:				
Basic	<u>25,393</u>			<u>25,393</u>
Diluted	<u>26,006</u>			<u>26,006</u>

See accompanying Notes to Unaudited Pro Forma Condensed Financial Statements.

COHU, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(in thousands, except per share amounts)

	Year Ended December 28, 2013			
	As Reported (h)	Adjustments Resulting from Disposal of BMS	Pro Forma Adjustments	Pro Forma Cohu, Inc
Net sales	\$ 231,574	(17,063)	—	\$ 214,511
Cost and expenses:				
Cost of sales	168,186	(11,075)	—	157,111
Research and development	46,452	(6,002)	—	40,450
Selling, general and administrative	54,053	(6,128)	—	47,925
	<u>268,691</u>			<u>245,486</u>
Loss from operations	(37,117)			(30,975)
Interest and other from continuing operations, net	54	—	—	54
Loss from continuing operations before taxes	(37,063)			(30,921)
Income tax benefit	(2,803)	(45)	609 (i)	(2,239)
Loss from continuing operations	<u>\$ (34,260)</u>			<u>\$ (28,682)</u>
Loss per share from continuing operations:				
Basic	\$ (1.37)			\$ (1.15)
Diluted	\$ (1.37)			\$ (1.15)
Weighted average shares used in computing loss per share:				
Basic	24,859			24,859
Diluted	<u>24,859</u>			<u>24,859</u>

See accompanying Notes to Unaudited Pro Forma Condensed Financial Statements.

COHU, INC.**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS***(in thousands, except per share amounts)*

	Year Ended December 29, 2012			
	As Reported (h)	Adjustments Resulting from Disposal of BMS	Pro Forma Adjustments	Pro Forma Cohu, Inc
Net sales	\$ 206,312	(26,863)	—	\$ 179,449
Cost and expenses:				
Cost of sales	144,590	(14,285)	—	130,305
Research and development	33,564	(5,837)	—	27,727
Selling, general and administrative	42,121	(7,588)	—	34,533
	<u>220,275</u>			<u>192,565</u>
Loss from operations	(13,963)			(13,116)
Interest and other from continuing operations, net	967	(3)	—	964
Loss from continuing operations before taxes	(12,996)			(12,152)
Income tax benefit	(874)	(22)	241	(655)
Loss from continuing operations	<u>\$ (12,122)</u>			<u>\$ (11,497)</u>
Loss per share from continuing operations:				
Basic	\$ (0.50)			\$ (0.47)
Diluted	\$ (0.50)			\$ (0.47)
Weighted average shares used in computing loss per share:				
Basic	<u>24,459</u>			<u>24,459</u>
Diluted	<u>24,459</u>			<u>24,459</u>

See accompanying Notes to Unaudited Pro Forma Condensed Financial Statements.

COHU, INC.
NOTES TO UNAUDITED PRO FORMA CONDENSED
FINANCIAL STATEMENTS

Note 1. Basis of Pro Forma Presentation

The unaudited pro forma condensed balance sheet has been prepared as if the Transaction occurred on March 28, 2015 and the unaudited pro forma condensed statements of operations have been prepared as if the Transaction occurred on January 1, 2012. The unaudited pro forma condensed consolidated financial statements are based upon available information and assumptions that we believe are reasonable under the circumstances and have been prepared to illustrate the estimated effects of the sale, if the sale occurred as of and on the dates specified above.

The accompanying unaudited pro forma condensed consolidated financial statements have been derived primarily from and should be read in conjunction with our audited consolidated financial statements for the year ended December 27, 2014, including the notes thereto, included in Cohu's Annual Report on Form 10-K filed with the SEC on February 24, 2015 and our unaudited consolidated financial statements as of March 28, 2015, including the notes thereto, included in Cohu's Quarterly Report on Form 10-Q filed with the SEC on February 24, 2015.

Note 2. Pro Forma Adjustments

The pro forma adjustments included in the unaudited pro forma condensed balance sheet are as follows:

- (a) Represents Cohu's historical unaudited condensed consolidated balance sheet as of March 28, 2015 derived from Cohu's Quarterly Report on Form 10-Q filed with the SEC on May 4, 2015.
- (b) Amounts reflect the assets to be acquired and the liabilities to be assumed by StoneCalibre in the Transaction.
- (c) Adjustment to reflect the net cash payment received from StoneCalibre as if the Transaction occurred on March 28, 2015. The final purchase price is subject to a net working capital adjustment to be settled following the closing. Target net working capital, as defined in the Purchase Agreement, is \$7.9 million.
- (d) Represents the divestiture-related costs expected to be incurred subsequent to March 28, 2015 as a result of the Transaction. These costs consist of legal and financial advisory services, success based compensation arrangements and other items.
- (e) To adjust equity for net impact of the adjustments as described herein.

The pro forma adjustments included in the unaudited pro forma condensed statements of operations are as follows:

- (f) Represents Cohu's historical unaudited condensed consolidated statement of operations for the interim three-month period ended March 28, 2015 derived from Cohu's Quarterly Report on Form 10-Q filed with the SEC on May 4, 2015.
- (g) Amounts reflect divestiture related costs incurred in the respective period by our corporate organization allocated to BMS as a result of the Transaction.
- (h) Represents Cohu's historical consolidated statement of operations for respective period presented derived from Cohu's Annual Report on Form 10-K for the years ended December 27, 2014 filed with the SEC on February 24, 2015.
- (i) The pro forma adjustments to income taxes are related to the reversal of previously recorded income tax benefits resulting from intraperiod tax allocation.



Cohu Announces Sale of Broadcast Microwave Services

POWAY, Calif.—(BUSINESS WIRE) – June 10, 2015 — Cohu, Inc. (NASDAQ: COHU) announced today that it has sold its Broadcast Microwave Services, Inc. business (“BMS”) to an affiliate of StoneCalibre, LLC (“StoneCalibre”) for \$8.0 million, comprised of a \$5.5 million cash payment, subject to a working capital adjustment, plus up to \$2.5 million of contingent cash consideration in the form of an earn-out based on future BMS revenues. BMS has entered into a twelve-month lease, subject to certain early termination rights, with Cohu that enables the business to continue to operate at its current location in Poway, California.

As a result of this transaction, financial results for BMS will be reported as discontinued operations. Cohu expects to record a Q2 pretax loss on this transaction of approximately \$3.0 million, subject to any post-closing adjustments for working capital and the earn-out valuation.

Luis A. Müller, Cohu’s President and Chief Executive Officer, stated: “StoneCalibre’s acquisition of BMS will provide further opportunities for the business and its employees. Cohu will continue to be focused and committed to growing products and services in the semiconductor manufacturing market.”

The company is updating its guidance for the second quarter of 2015 to exclude BMS as follows: Sales of approximately \$73 million and non-GAAP gross margin and operating expenses of approximately 36% and \$19 million, respectively. Müller concluded, “Our revised Q2 guidance reflects a 15% sequential increase in sales and excludes approximately \$3 million of revenue from a new 32-position wafer-turret handler that is under qualification at a major US-headquartered customer.”

Philpott Ball & Werner, LLC served as the financial advisor to Cohu on this transaction.

Forward Looking Statements:

Certain matters discussed in this release, including statements regarding expectations of the purchase price for the sale of BMS (which is based in part on meeting the earn-out requirements), business and market conditions, sales, revenues and operating results are forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those projected or forecasted. Such risks and uncertainties include, but are not limited to, risks associated with the ability of BMS to generate future revenue that is sufficient to meet the earn-out requirements, acquisitions, inventory, goodwill and other asset write-downs; our ability to convert new products under development into production on a timely basis, support product development and meet customer delivery and acceptance requirements for next generation equipment; our reliance on third-party contract manufacturers; failure to obtain customer acceptance resulting in the inability to recognize revenue and accounts receivable collection problems; customer orders may be canceled or delayed; the concentration of our revenues from a limited number of customers; intense competition in the semiconductor test handler industry; our reliance on patents and intellectual property; compliance with U.S. export regulations; and the cyclical and unpredictable nature of capital expenditures by semiconductor manufacturers. These and other risks and uncertainties are discussed more fully in Cohu’s filings with the Securities and Exchange Commission, including the most recently filed Form 10-K and Form 10-Q. Cohu assumes no obligation to update the information in this release.

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.

For press releases and other information of interest to investors, please visit Cohu’s website at www.cohu.com. Cohu assumes no obligation to update the information in this release.

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