

Annual Meeting of Stockholders

May 10, 2017

Poway, CA



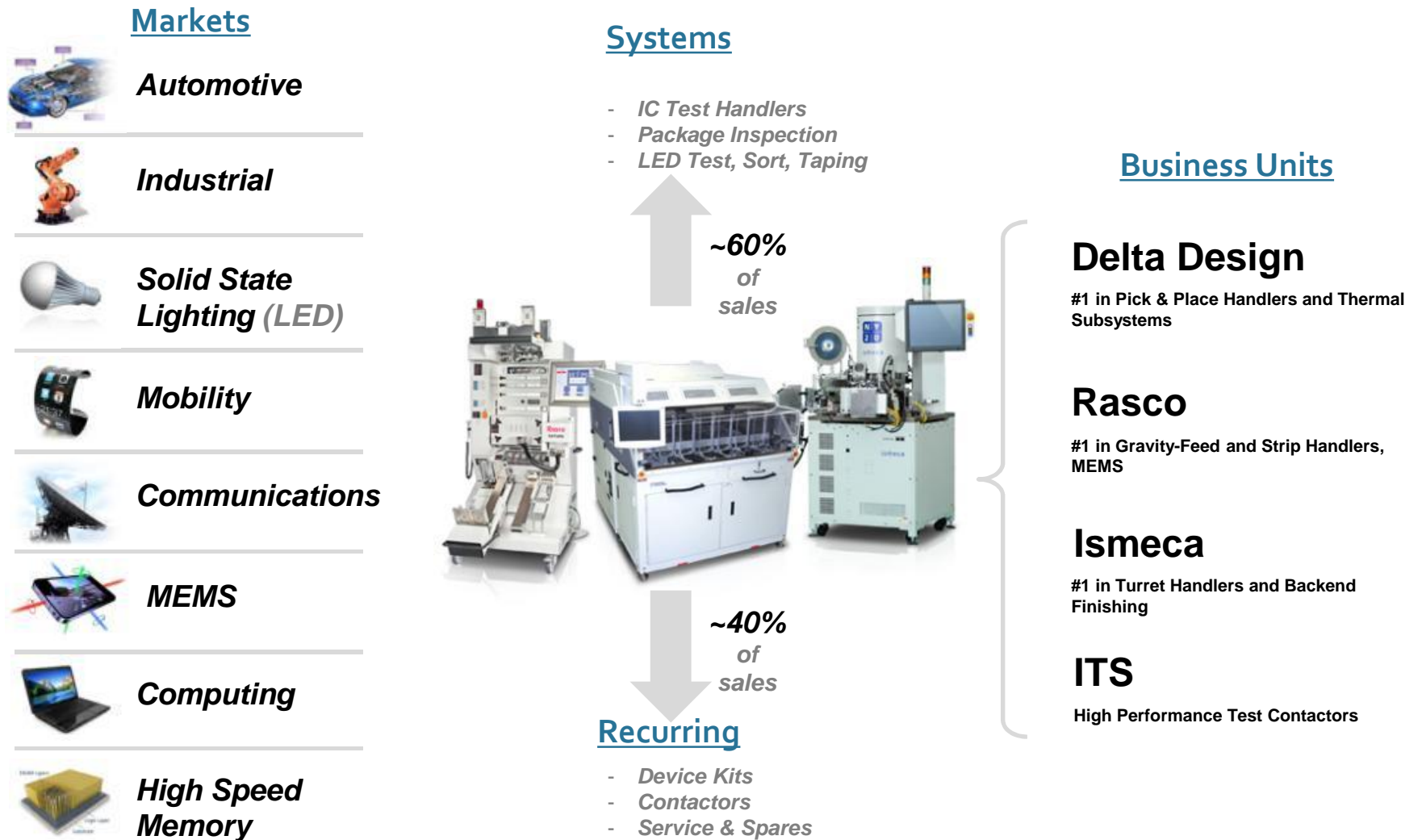
 **Cohu**

Forward Looking Statements and Regulation FD

Certain matters discussed in this presentation, including statements regarding our growth strategy, market expansion, revenue growth rate, near and mid-term financial models, orders, 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 our ability to penetrate new markets and market growth rates, 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; acquisitions; inventory, goodwill and other intangible asset write-downs; 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 presentation.

Multiple Markets – Leading Solutions

- ❑ Leader with ~44% market share in non-memory handlers



The Kita Acquisition


- ❑ **Cohu acquired Kita, a Japan-based manufacturer of spring probes for \$15 million cash and assumption of operating debt**
- ❑ **Kita's 2016 sales are approximately \$17 million**
- ❑ **Acquisition enhances shareholder value**
 - **Adds key capability to grow in the \$695M contactor market**
 - **Complementary products (spring probes) to Cohu contactor strategy**
 - **Leverage leading handler market share to expand contactor sales at key Cohu handler customers**
 - **Products meet mid-term model financial targets; accretive in 2017**
- ❑ **Transaction closed on January 4, 2017**


Kita adds key technology and manufacturing capability to Cohu in the contactor market


Extends Product Portfolio


- ❑ Kita extends Cohu portfolio for testing digital semiconductors


End Application Markets


-  **Automotive**


-  **Industrial**


-  **Solid State Lighting (LED)**

-  **Mobility**

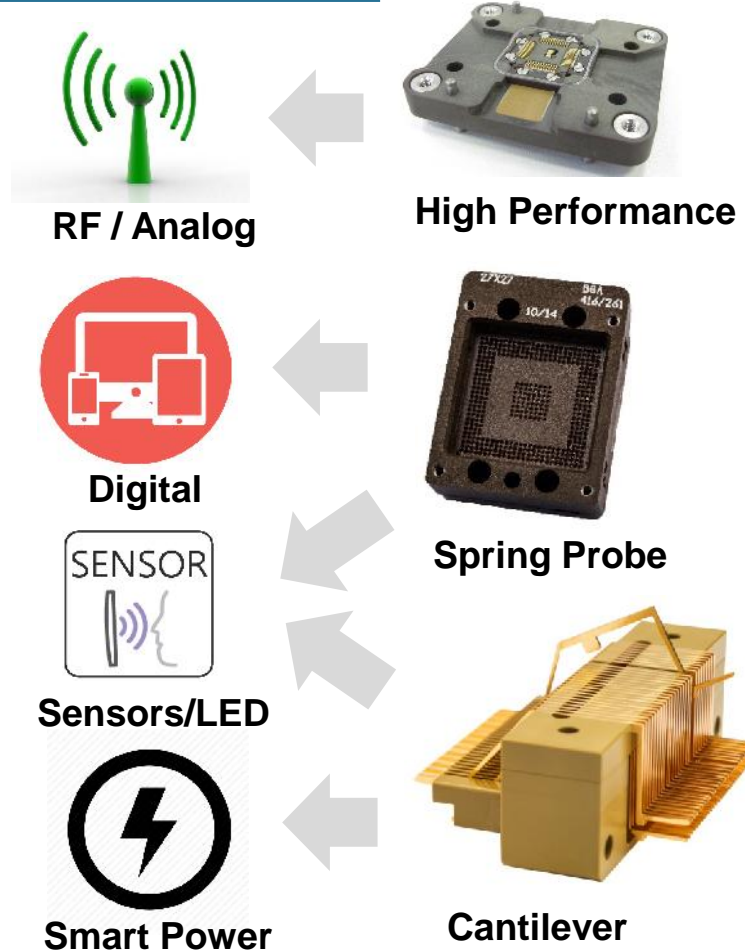
-  **Communications**

-  **MEMS**

-  **Computing**

-  **High Speed Memory**

Semiconductor Markets



ITS Products & Solutions

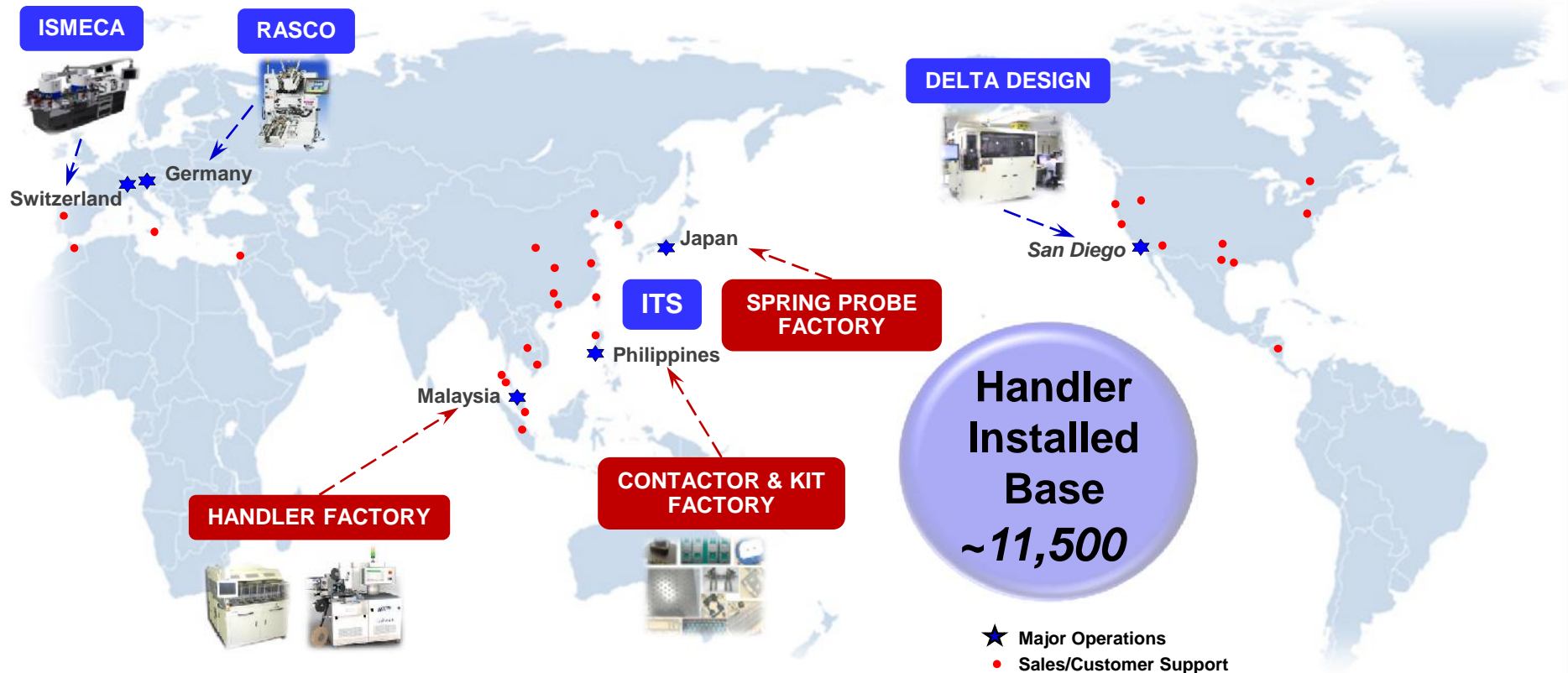
- Test Contactors
- Manual Actuators
- Handler Contactor Frames
- Contact Springs

ITS Services

- System Integration
- Thermal Optimizations
- RF Simulation

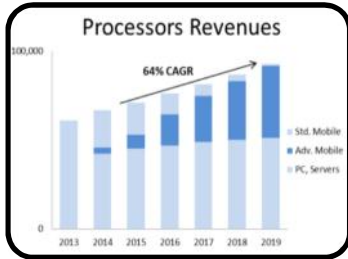
Global Operations & Customer Support

- ❑ **Largest installed base** – drives recurring business • 40% of sales
- ❑ **New Japan spring probe factory** – ready for capacity expansion
- ❑ **Global support** – a key competitive advantage



Our Growth Strategy

Mid-term Strategy



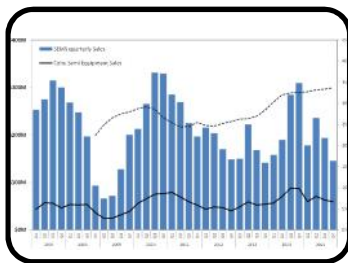
Expand Share in Core Markets

- Mobility, Automotive and LED – growing market share
- Optimizing test yield [1% yield improvement ~ 3x Handler Capex]
- Innovative technologies for growing segments – thermal, vision



Increase TAM to \$1.5B

- Expanding in ~\$695M test contactors with Kita acquisition
- Entering ~\$60M market with new WLCSP prober



Deliver Profitable Growth

- Increasing financial targets
- Investing in new markets
- Reducing product cost

	2015 Actual	2016 Actual	Mid Term Target
Revenue	\$270M	\$282M	\$400M
GM	35%	36%	42%
Adj. EBITDA	9%	10%	18%

Amounts are Non-GAAP and exclude amortization of purchased intangibles, stock based compensation expense, impairment of goodwill and other assets, inventory step-up costs, manufacturing transition and severance costs. See Appendix for reconciliation of GAAP to Non GAAP results.

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Appendix



Reconciliation of GAAP to Non-GAAP Results

(In thousands except per share amounts)

	12 Months Ending		12 Months Ending	
	Dec 26, 2015	Diluted EPS	Dec 31, 2016	Diluted EPS
Earnings Reconciliation				
Income (Loss) From Continuing Operations - GAAP	\$5,792	\$0.22	\$3,260	\$0.12
Share Based Compensation	6,755	0.25	7,143	0.25
Amortization of Purchased Intangible Assets	7,032	0.26	6,902	0.24
Manufacturing Transition and Severance Costs	970	0.04	1,498	0.05
Other Acquisition Costs	0	0.00	1,777	0.06
Impairment of Goodwill and Other Assets	273	0.01	0	0.00
Gain on Sale of Facility	(3,198)	(0.12)	0	0.00
Reduction of Indemnification Receivable	0	0.00	588	0.02
Tax Effect of Non-GAAP Adjustments	(1,961)	(0.07)	(2,408)	(0.09)
Income From Continuing Operations - Non-GAAP	<u>\$15,663</u>	<u>\$0.58</u>	<u>\$18,760</u>	<u>\$0.68</u>
Weighted Average Shares - GAAP and Non-GAAP	Diluted	26,788	Diluted	27,480
Gross Profit Reconciliation				
	12 Months Ending	% of Net	12 Months Ending	% of Net
	Dec 26, 2015	Sales	Dec 31, 2016	Sales
Net Sales	\$269,654		\$282,084	
Gross Profit - GAAP	89,038	33.0%	94,828	33.6%
Share Based Compensation	566	0.2%	398	0.1%
Amortization of Purchased Intangible Assets	5,420	2.0%	5,170	1.8%
Manufacturing Transition and Severance Costs	0	0.0%	75	0.0%
Gross Profit - Non-GAAP	<u>\$95,024</u>	<u>35.3%</u>	<u>\$100,471</u>	<u>35.6%</u>
Operating Expense Reconciliation				
	12 Months Ending	% of Net	12 Months Ending	% of Net
	Dec 26, 2015	Sales	Dec 31, 2016	Sales
Operating Expense - GAAP	\$84,302	31.3%	\$89,163	31.6%
Share Based Compensation	(6,189)	-2.3%	(6,745)	-2.4%
Amortization of Purchased Intangible Assets	(1,612)	-0.6%	(1,732)	-0.6%
Manufacturing Transition and Severance Costs	(970)	-0.4%	(1,423)	-0.5%
Other Acquisition Costs	0	0.0%	(1,777)	-0.6%
Impairment of Goodwill and Other Assets	(273)	-0.1%	0	0.0%
Reduction of Indemnification Receivable	0	0.0%	(588)	-0.2%
Operating Expense - Non-GAAP	<u>\$75,258</u>	<u>27.9%</u>	<u>\$77,486</u>	<u>27.5%</u>
Adjusted EBITDA Reconciliation				
	12 Months Ending	% of Net	12 Months Ending	% of Net
	Dec 26, 2015	Sales	Dec 31, 2016	Sales
Income (Loss) From Operations - GAAP	\$7,959	3.0%	\$5,665	2.0%
Depreciation Expense	4,240	1.6%	3,510	1.2%
Amortization of Purchased Intangible Assets	7,032	2.6%	6,902	2.4%
Share Based Compensation	6,755	2.5%	7,143	2.5%
Manufacturing Transition and Severance Costs	970	0.4%	1,498	0.5%
Other Acquisition Costs	273	0.1%	1,777	0.6%
Reduction of Indemnification Receivable	(3,198)	-1.2%	588	0.2%
Adjusted EBITDA - Non-GAAP	<u>\$24,031</u>	<u>8.9%</u>	<u>\$27,083</u>	<u>9.6%</u>