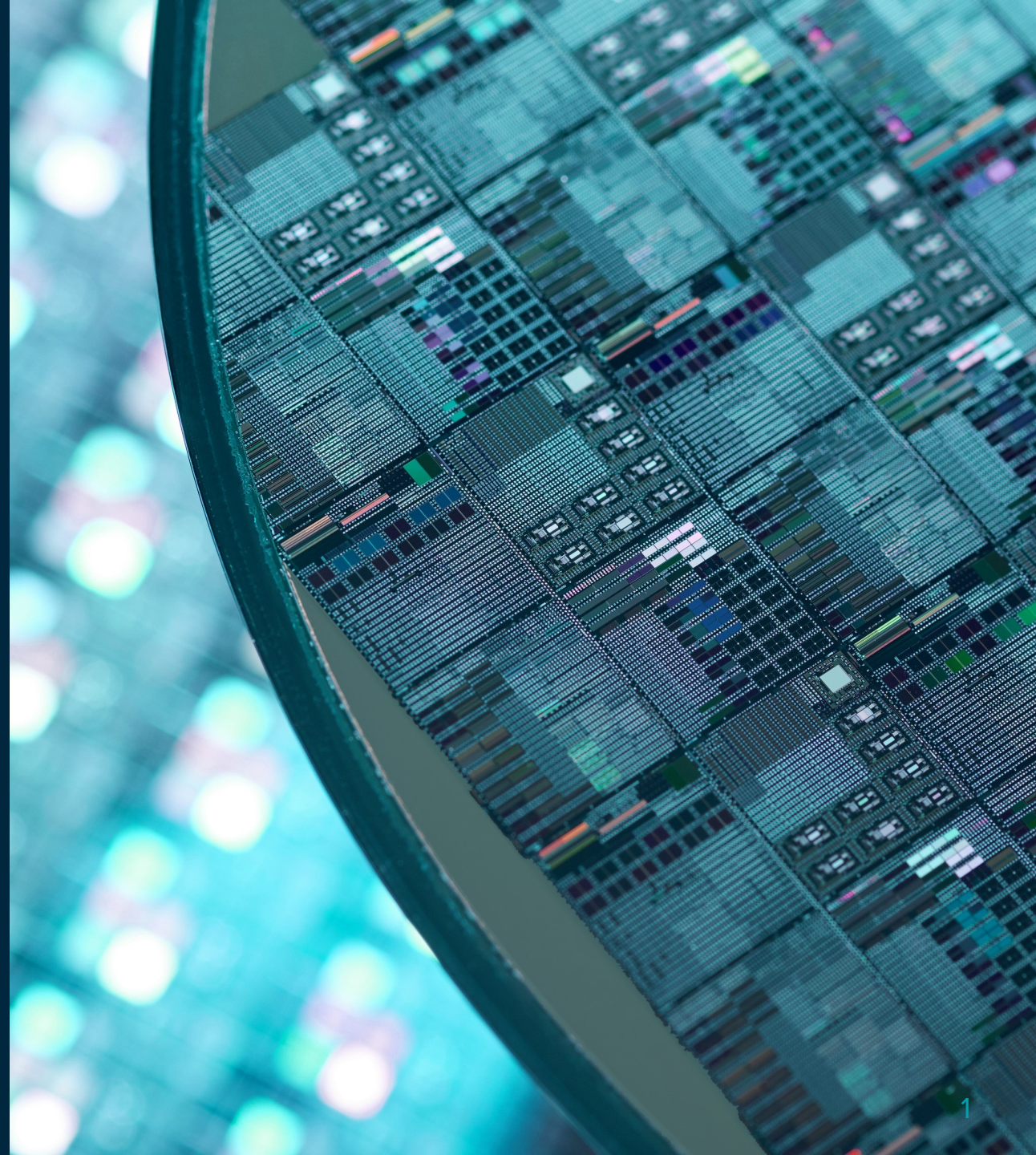




# Supplemental Financial Information

October 28, 2020



# Revenue by Geographic Region (in millions)

	<u>Q3 2020</u>	<u>Q2 2020</u>	<u>Q1 2020</u>	<u>Q4 2019</u>	<u>Q3 2019</u>
Taiwan	\$ 36.9	\$ 33.2	\$ 31.8	\$ 31.0	\$ 18.3
United States	36.3	28.1	31.9	48.9	33.7
South Korea	29.6	15.1	14.1	38.4	23.6
China	28.5	48.8	43.6	32.7	31.4
Japan	17.1	10.1	8.4	9.1	16.9
Europe	17.0	14.1	21.0	11.8	9.5
Rest of World	12.6	8.4	10.0	6.7	7.2
	<u>\$ 178.0</u>	<u>\$ 157.8</u>	<u>\$ 160.8</u>	<u>\$ 178.6</u>	<u>\$ 140.6</u>

# Revenue by Market Segment (in millions)

	<u>Q3 2020</u>	<u>Q2 2020</u>	<u>Q1 2020</u>	<u>Q4 2019</u>	<u>Q3 2019</u>
Foundry & Logic	\$ 108.4	\$ 109.3	\$ 105.8	\$ 105.1	\$ 68.4
DRAM	31.4	19.1	24.7	42.9	39.4
Flash	11.0	5.4	4.3	5.2	8.6
Systems	27.2	24.0	26.0	25.4	24.2
	<u>\$ 178.0</u>	<u>\$ 157.8</u>	<u>\$ 160.8</u>	<u>\$ 178.6</u>	<u>\$ 140.6</u>

# Customers > 10% of Total Revenue

	<u>Q3 2020</u>	<u>Q2 2020</u>	<u>Q1 2020</u>	<u>Q4 2019</u>	<u>Q3 2019</u>
Intel Corporation	25.6 %	36.1 %	36.2 %	28.4 %	23.9 %
Samsung Electronics Co., LTD.	10.6 %	*	*	14.8 %	*
Taiwan Semiconductor Manufacturing Co., LTD.	10.6 %	*	*	*	*
Micron Technology	10.1 %	*	*	*	11.9 %
SK hynix Inc.	*	*	*	*	13.5 %
	<u>56.9 %</u>	<u>36.1 %</u>	<u>36.2 %</u>	<u>43.2 %</u>	<u>49.3 %</u>

\* Customer represents less than 10% of revenue for respective period

# GAAP to Non-GAAP Reconciliation

(In thousands, except for per share amounts)

	GAAP		Adjustments				Non-GAAP	
	Three Months Ended September 26, 2020	Stock-based Compensation	Amortization of Intangibles	Amortization of Inventory Step-Up	Acquisition Related	Gain on Contingent Consideration	Three Months Ended September 26, 2020	
Revenues	\$ 177,996	\$ —	\$ —		\$ —	\$ —	\$ 177,996	
Cost of revenues	101,247	(962)	(4,985)	(510)	—	—	94,790	
Gross profit	76,749	962	4,985	510	—	—	83,206	
<b>Operating expenses:</b>								
Research and development	22,878	(1,326)	—	—	—	—	21,552	
Sales and marketing	17,353	(1,602)	(1,547)	—	—	—	14,204	
General and administrative	14,481	(1,619)	—	—	(334)	71	12,599	
Total operating expenses	54,712	(4,547)	(1,547)	—	(334)	71	48,355	
Operating profit	22,037	5,509	6,532	510	334	(71)	34,851	
Interest income	249	—	—	—	—	—	249	
Interest expense	(193)	—	—	—	—	—	(193)	
Other income (expense), net	299	—	—	—	—	—	299	
Income before income taxes	22,392	5,509	6,532	510	334	(71)	35,206	
Provision for income taxes	(499)	2,137	2,533	198	130	(28)	4,471	
Net income	\$ 22,891	\$ 3,372	\$ 3,999	\$ 312	\$ 204	\$ (43)	\$ 30,735	
<b>Net income per share:</b>								
Basic	\$ 0.30	\$ 0.04	\$ 0.05	\$ —	\$ —	\$ —	\$ 0.40	
Diluted	\$ 0.29	\$ 0.04	\$ 0.05	\$ —	\$ —	\$ —	\$ 0.39	
<b>Weighted-average number of shares</b>								
Basic	77,029	77,029	77,029	77,029	77,029	77,029	77,029	
Diluted	78,809	78,809	78,809	78,809	78,809	78,809	78,809	

The presentation provides the calculations for Non-GAAP net income and Non-GAAP net income per share. FormFactor excluded the following items from one or more of the Non-GAAP measures: stock-based compensation expense, amortization of intangibles and inventory fair value adjustment due to acquisition, acquisition related expenses and gain on contingent consideration. By publishing the Non-GAAP measures, the company's management intends to provide investors with additional information to further analyze the company's performance, core results and underlying trends. FormFactor's management evaluates results and makes operating decisions using both GAAP and Non-GAAP measures. Non-GAAP results are not prepared in accordance with GAAP, and Non-GAAP information should be considered a supplement to, and not a substitute for, financial statements prepared in accordance with GAAP.

# Non-GAAP Adjustments & EPS

(In thousands, except for per share amounts)

	Three Months Ended			Nine Months Ended	
	September 26, 2020	September 28, 2019	June 27, 2020	September 26, 2020	September 28, 2019
<b>GAAP net income</b>	\$ 22,891	\$ 8,279	\$ 20,469	\$ 59,250	\$ 20,710
Adjustments:					
Amortization of intangibles and inventory fair value adjustment due to acquisition	7,042	6,079	6,702	21,007	20,248
Stock-based compensation	5,509	6,504	5,642	16,774	17,088
Restructuring charges	—	22	—	—	457
Gain on contingent consideration	(71)	—	(3,700)	(3,771)	—
Acquisition related expenses	334	247	—	369	247
Income tax effect of non-GAAP adjustments	(4,970)	(3,812)	(3,265)	(10,994)	(10,137)
<b>Non-GAAP net income</b>	<u>\$ 30,735</u>	<u>\$ 17,319</u>	<u>\$ 25,848</u>	<u>\$ 82,635</u>	<u>\$ 48,613</u>
<b>Non-GAAP net income per share:</b>					
Basic	<u>\$ 0.40</u>	<u>\$ 0.23</u>	<u>\$ 0.34</u>	<u>\$ 1.08</u>	<u>\$ 0.65</u>
Diluted	<u>\$ 0.39</u>	<u>\$ 0.22</u>	<u>\$ 0.33</u>	<u>\$ 1.05</u>	<u>\$ 0.63</u>
<b>Weighted-average number of shares used in per share calculations:</b>					
Basic	<u>77,029</u>	<u>75,280</u>	<u>76,275</u>	<u>76,436</u>	<u>74,749</u>
Diluted	<u>78,809</u>	<u>77,291</u>	<u>78,861</u>	<u>78,534</u>	<u>76,763</u>

The presentation provides the calculations for Non-GAAP net income and Non-GAAP net income per share. FormFactor excluded the following items from one or more of the Non-GAAP measures: stock-based compensation expense, amortization of intangibles and inventory fair value adjustment due to acquisition, restructuring charges, gain on contingent consideration and acquisition related expenses. By publishing the Non-GAAP measures, the company's management intends to provide investors with additional information to further analyze the company's performance, core results and underlying trends. FormFactor's management evaluates results and makes operating decisions using both GAAP and Non-GAAP measures. Non-GAAP results are not prepared in accordance with GAAP, and Non-GAAP information should be considered a supplement to, and not a substitute for, financial statements prepared in accordance with GAAP.

# Gross Profit and Gross Margin by Segment (GAAP)

(In thousands, except for percentages)

	Three Months Ended							
	September 26, 2020				September 28, 2019			
	Probe Cards	Systems	Corporate and Other	Total	Probe Cards	Systems	Corporate and Other	Total
<b>Revenues</b>	\$ 150,773	\$ 27,223	\$ —	\$ 177,996	\$ 116,447	\$ 24,157	\$ —	\$ 140,604
<b>Gross profit</b>	69,641	13,565	(6,457)	76,749	48,127	13,015	(5,824)	55,318
<b>Gross margin</b>	46.2%	49.8%		43.1%	41.3%	53.9%		39.3%

	Nine Months Ended							
	September 26, 2020				September 28, 2019			
	Probe Cards	Systems	Corporate and Other	Total	Probe Cards	Systems	Corporate and Other	Total
<b>Revenues</b>	\$ 419,272	\$ 77,301	\$ —	\$ 496,573	\$ 338,187	\$ 72,648	\$ —	\$ 410,835
<b>Gross profit</b>	191,907	37,618	(19,219)	210,306	141,913	38,703	(17,425)	163,191
<b>Gross margin</b>	45.8%	48.7%		42.4%	42.0%	53.3%		39.7%