



Supplemental Financial Information

August 1, 2018



Revenue by Geographic Region (in millions)

	<u>Q2 2018</u>	<u>Q1 2018</u>	<u>Q2 2017</u>
United States	\$ 33.8	\$ 32.9	\$ 50.5
South Korea	26.1	15.4	22.7
Taiwan	29.7	27.6	29.8
Japan	13.5	13.7	10.6
Asia Pacific*	21.3	16.7	20.4
Europe	9.5	11.5	9.4
Rest of World	1.6	0.5	0.6
	<u>\$ 135.5</u>	<u>\$ 118.3</u>	<u>\$ 144.0</u>

*Asia Pacific includes all countries in the region except Taiwan, Japan and South Korea, which are disclosed separately.

Revenue by Market Segment (in millions)

	<u>Q2 2018</u>	<u>Q1 2018</u>	<u>Q2 2017</u>
Foundry & Logic	\$ 62.1	\$ 58.4	\$ 88.7
DRAM	38.1	30.3	31.5
Flash	11.4	6.2	1.4
Systems	23.9	23.4	22.4
	<u>\$ 135.5</u>	<u>\$ 118.3</u>	<u>\$ 144.0</u>

GAAP to Non-GAAP Reconciliation

(In thousands, except for per share amounts)

	Three Months Ended		Six Months Ended	
	June 30 2018	July 1, 2017	June 30 2018	July 1, 2017
GAAP net income	\$ 9,123	17,577	\$ 11,248	22,762
Adjustments to reconcile GAAP net income to Non-GAAP net income:				
Amortization of intangibles	7,170	7,934	14,364	16,474
Stock-based compensation	4,128	3,390	7,884	6,692
Restructuring and impairment charges, net	-	44	-	313
Acquisition and integration related expenses	-	419	-	1,007
Contingencies	-	-	-	(206)
Income tax effect of non-GAAP adjustments	3	(130)	(422)	(557)
Non-GAAP net income	<u>\$ 20,424</u>	<u>\$ 29,234</u>	<u>\$ 33,074</u>	<u>\$ 46,485</u>
Non-GAAP net income per share:				
Basic	<u>\$ 0.28</u>	<u>\$ 0.40</u>	<u>\$ 0.45</u>	<u>\$ 0.65</u>
Diluted	<u>\$ 0.27</u>	<u>\$ 0.40</u>	<u>\$ 0.44</u>	<u>\$ 0.64</u>
Weighted-average number of shares used in per share calculations:				
Basic	<u>73,157</u>	<u>72,200</u>	<u>72,991</u>	<u>71,821</u>
Diluted	<u>74,533</u>	<u>73,539</u>	<u>74,427</u>	<u>73,185</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, acquisition and integration costs, amortization of intangibles, contingencies, and restructuring and impairment charges. 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.

GAAP to Non-GAAP Reconciliation

(In thousands, except for per share amounts)

	GAAP	Adjustments		Non-GAAP
	3-Months Ended June 30, 2018	Stock-based Compensation	Amortization of Intangibles	3-Months Ended June 30, 2018
Revenues	\$ 135,509	\$ -	\$ -	\$ 135,509
Cost of revenues	79,291	(813)	(5,138)	73,340
Gross profit	56,218	813	5,138	62,169
Operating expenses:				
Research and development	19,675	(1,256)	-	18,419
Sales and marketing	15,841	(1,067)	(2,032)	12,742
General and administrative	9,391	(992)	-	8,399
Total operating expenses	44,907	(3,315)	(2,032)	39,560
Operating profit	11,311	4,128	7,170	22,609
Interest income	326	-	-	326
Interest expense	(910)	-	-	(910)
Other income (expense), net	50	-	-	50
Income before income taxes	10,777	4,128	7,170	22,075
Provision for income taxes	1,654	(1)	(2)	1,651
Net income	\$ 9,123	\$ 4,129	\$ 7,172	\$ 20,424
Net income per share:				
Basic	\$ 0.12	\$ 0.06	\$ 0.10	\$ 0.28
Diluted	\$ 0.12	\$ 0.06	\$ 0.10	\$ 0.27
Weighted-average number of shares				
Basic	73,157	73,157	73,157	73,157
Diluted	74,533	74,533	74,533	74,533

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 and amortization of intangibles. 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.