

# Web Slides

May 3, 2017

# Revenue By Geographic Region (millions)

	<u>Q1 2017</u>	<u>Q4 2016</u>	<u>Q1 2016</u>
Asia Pacific	\$ 45.6	\$ 32.2	\$ 16.2
North America	40.5	39.5	17.6
South Korea	18.7	21.5	8.9
Europe	8.7	13.1	7.8
Japan	15.2	16.9	3.1
Rest of World	<u>0.1 M</u>	<u>0.7 M</u>	<u>0.0</u>
	<u>\$ 128.8</u>	<u>\$ 123.9</u>	<u>\$ 53.6</u>

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

*Q1 2017 and Q4 2016 include the financial results from our Cascade Microtech, Inc. acquisition completed on June 24, 2016.*

# Revenue by Market Segment (millions)

	<u>Q1 2017</u>	<u>Q4 2016</u>	<u>Q1 2016</u>
Foundry & Logic	\$ 74.3	\$ 68.5	\$ 36.1
DRAM	29.0	24.1	16.3
Flash	3.2	6.0	1.2
Systems	<u>22.3</u>	<u>25.3</u>	<u>0.0</u>
	<u>\$ 128.8</u>	<u>\$ 123.9</u>	<u>\$ 53.6</u>

# Q1 2017 GAAP to Non-GAAP Reconciliation

(In thousands, except for per share amounts)

	Three Months Ended	
	Apr 1, 2017	Mar 26, 2016
GAAP net income (loss)	\$ 5,185	\$ (13,800)
Stock-based compensation	3,302	2,734
Restructuring and impairment charges, net	269	-
Acquisition and integration related expenses	588	2,001
Amortization of intangibles	8,540	2,770
Contingencies	(206)	-
Income tax effect of non-GAAP adjustments	(427)	
Non-GAAP net income (loss)	<u>\$ 17,251</u>	<u>\$ (6,295)</u>
Non-GAAP net income (loss) per share:		
Basic	<u>\$ 0.24</u>	<u>\$ (0.11)</u>
Diluted	<u>\$ 0.24</u>	<u>\$ (0.11)</u>
Weighted-average number of shares used in per share calculations:		
Basic	<u>71,423</u>	<u>58,431</u>
Diluted	<u>72,922</u>	<u>58,431</u>

The presentation provides the calculations for Non-GAAP net loss and Non-GAAP net loss 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.

# Q1 2017 GAAP to Non-GAAP Reconciliation

(In thousands, except for per share amounts)

	GAAP	Adjustments					Non-GAAP
	Fiscal Quarter Ended Apr 1, 2017	Stock-based Compensation	Restructuring & Impairment	Amortization of Intangibles	Acquisition & Integration	Contingency	Fiscal Quarter Ended Apr 1, 2017
Revenues	\$ 128,829	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,829
Cost of revenues	81,258	(854)	-	(6,515)	-	30	73,919
Gross profit	47,571	854	-	6,515	-	(30)	54,910
Operating expenses:							
Research and development	17,414	(1,082)	-	-	-	-	16,332
Sales and marketing	14,345	(581)	-	(2,025)	(117)	91	11,713
General and administrative	8,484	(785)	-	-	(471)	85	7,313
Restructuring and impairment charges, net	269	-	(269)	-	-	-	-
Total operating expenses	40,512	(2,448)	(269)	(2,025)	(588)	176	35,358
Operating profit (loss)	7,059	3,302	269	8,540	588	(206)	19,552
Other income (expense), net	(1,507)	-	-	-	-	-	(1,507)
Gain (loss) before income taxes	5,552	3,302	269	8,540	588	(206)	18,045
(Benefit from) provision for income taxes	367	113	9	292	20	(7)	794
Net profit (loss)	\$ 5,185	\$ 3,189	\$ 260	\$ 8,248	\$ 568	\$ (199)	\$ 17,251
Net profit (loss) per share:							
Basic	\$ 0.07	\$ 0.04	\$ 0.00	\$ 0.12	\$ 0.01	\$ (0.00)	\$ 0.24
Diluted	\$ 0.07	\$ 0.04	\$ 0.00	\$ 0.11	\$ 0.01	\$ (0.00)	\$ 0.24
Weighted-average number of shares							
Basic	71,423	71,423	71,423	71,423	71,423	71,423	71,423
Diluted	72,922	72,922	72,922	72,922	72,922	72,922	72,922

The presentation provides the calculations for Non-GAAP net loss and Non-GAAP net loss 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.