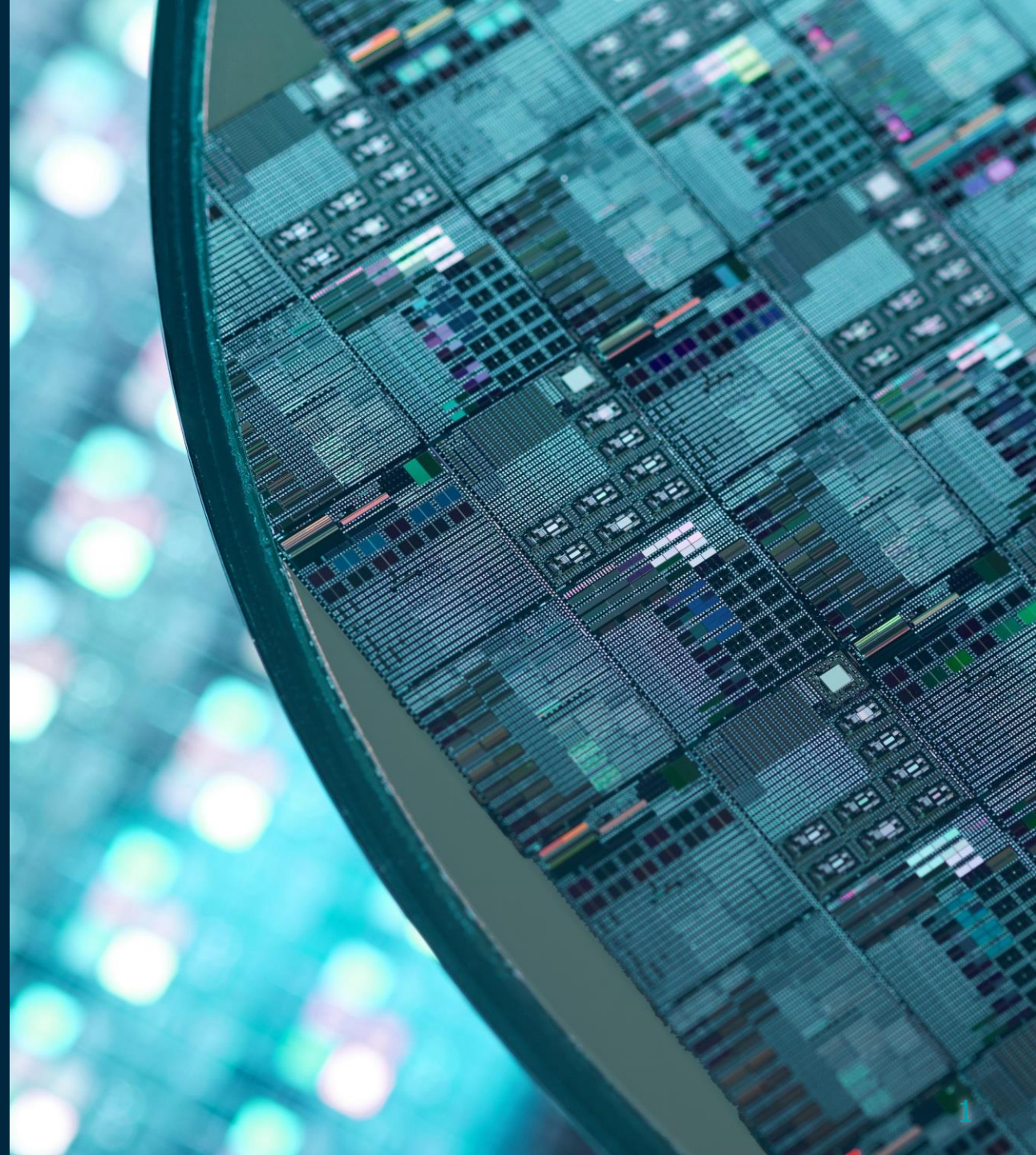




# Supplemental Financial Information

February 5, 2020



# Revenue by Region (in millions)

	<u>Q4 2019</u>	<u>Q3 2019</u>	<u>Q2 2019</u>	<u>Q1 2019</u>	<u>Q4 2018</u>
United States	\$ 48.9	\$ 33.7	\$ 38.4	\$ 34.3	\$ 28.0
South Korea	38.4	23.6	28.2	26.7	29.3
China	32.7	31.4	20.4	21.8	28.9
Japan	9.1	16.9	16.1	10.4	7.9
Taiwan	31.0	18.3	14.9	22.4	29.7
Europe	11.8	9.5	10.6	9.5	9.5
Rest of World	6.7	7.2	9.4	7.1	7.6
	<u>\$ 178.6</u>	<u>\$ 140.6</u>	<u>\$ 138.0</u>	<u>\$ 132.2</u>	<u>\$ 140.9</u>

# Revenue by Market (in millions)

	<u>Q4 2019</u>	<u>Q3 2019</u>	<u>Q2 2019</u>	<u>Q1 2019</u>	<u>Q4 2018</u>	<u>2019</u>	<u>2018</u>	<u>2019 v 2018</u>	
Foundry & Logic	\$ 105.1	\$ 68.4	\$ 73.4	\$ 71.6	\$ 76.7	\$ 318.5	\$ 258.5	\$60.0	23%
DRAM	42.9	39.4	36.0	28.9	29.6	147.3	135.3	12.0	9%
Flash	5.2	8.6	4.2	7.6	9.9	25.6	40.5	(14.9)	-37%
Systems	25.4	24.2	24.4	24.1	24.7	98.1	95.4	2.7	3%
	<u>\$ 178.6</u>	<u>\$ 140.6</u>	<u>\$ 138.0</u>	<u>\$ 132.2</u>	<u>\$ 140.9</u>	<u>\$ 589.5</u>	<u>\$ 529.7</u>	<u>\$59.8</u>	<u>11%</u>

# Customers > 10% of Total Revenue

	<u>Q4 2019</u>	<u>Q3 2019</u>	<u>Q2 2019</u>	<u>Q1 2019</u>	<u>Q4 2018</u>	<u>2019</u>	<u>2018</u>
Intel Corporation	28.4%	23.9%	26.1%	21.3%	21.9%	25.3%	19.0%
Samsung Electronics Co.	14.8%	*	11.1%	13.8%	13.8%	11.5%	*
SK Hynix Inc.	*	13.5%	*	*	*	*	*
Micron Technology	*	11.9%	10.1%	*	*	*	*
TSMC	*	*	*	*	10.9%	*	*
<b>TOTAL</b>	<u>43.2%</u>	<u>49.3%</u>	<u>47.3%</u>	<u>35.1%</u>	<u>46.6%</u>	<u>36.8%</u>	<u>19.0%</u>

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

# Gross Profit and Gross Margin by Segment (GAAP)

(In thousands, except for percentages)

	Fiscal Year Ended							
	December 28, 2019				December 29, 2018			
	Probe Cards	Systems	Corporate and Other	Total	Probe Cards	Systems	Corporate and Other	Total
<b>Revenues</b>	\$ 491,363	\$ 98,101	\$ -	\$ 589,464	\$ 434,269	\$ 95,406	\$ -	\$ 529,675
<b>Gross profit</b>	211,382	50,927	(24,813)	237,496	187,320	47,074	(24,055)	210,339
<b>Gross margin</b>	43.0%	51.9%	- %	40.3%	43.1%	49.3%	- %	39.7%

# Non-GAAP Adjustments & EPS

(In thousands, except for per share amounts)

	Three Months Ended		Twelve Months Ended	
	December 28 2019	December 29 2018	December 28 2019	December 29 2018
GAAP net income	\$ 18,636	85,100	\$ 39,346	104,036
Adjustments to reconcile GAAP net income to Non-GAAP net income:				
Amortization of intangibles	7,424	7,497	27,672	29,373
Amortization of inventory step-up	465	-	465	-
Stock-based compensation	6,088	5,406	23,176	17,827
Restructuring charges	24	160	481	160.00
Acquisition related expenses	213	-	460	-
Valuation allowance release	-	(75,803)	-	(75,803.00)
Income tax effect of non-GAAP adjustments	(893)	1,088	(11,030)	555
Non-GAAP net income	<u>\$ 31,957</u>	<u>\$ 23,448</u>	<u>\$ 80,570</u>	<u>\$ 76,148</u>
Non-GAAP net income per share:				
Basic	<u>\$ 0.42</u>	<u>\$ 0.32</u>	<u>\$ 1.07</u>	<u>\$ 1.04</u>
Diluted	<u>\$ 0.41</u>	<u>\$ 0.31</u>	<u>\$ 1.04</u>	<u>\$ 1.01</u>
Weighted-average number of shares used in per share calculations:				
Basic	<u>75,731</u>	<u>74,108</u>	<u>74,994</u>	<u>73,482</u>
Diluted	<u>78,055</u>	<u>75,416</u>	<u>77,286</u>	<u>75,182</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 restructuring 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.



# Gross Profit and Gross Margin by Segment

(In thousands, except for per share amounts)

	GAAP	Adjustments					Non-GAAP
	3-Months Ended December 28, 2019	Stock-based Compensation	Amortization of Intangibles	Amortization of Inventory Step-Up	Restructuring Charges	Acquisition-Related Expenses	3-Months Ended December 28, 2019
Revenues	\$ 178,629	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 178,629
Cost of revenues	104,324	(1,024)	(5,899)	(465)	-	-	96,936
Gross profit	74,305	1,024	5,899	465	-	-	81,693
<b>Operating expenses:</b>							
Research and development	21,606	(1,537)	-	-	-	-	20,069
Sales and marketing	17,107	(1,822)	(1,525)	-	-	-	13,760
General and administrative	11,874	(1,705)	-	-	(24)	(213)	9,932
Total operating expenses	50,587	(5,064)	(1,525)	-	(24)	(213)	43,761
Operating profit	23,718	6,088	7,424	465	24	213	37,932
Interest income	726	-	-	-	-	-	726
Interest expense	(376)	-	-	-	-	-	(376)
Other income (expense), net	379	-	-	-	-	-	379
Income before income taxes	24,447	6,088	7,424	465	24	213	38,661
Provision for income taxes	5,811	382	467	29	2	13	6,704
Net income	\$ 18,636	\$ 5,706	\$ 6,957	\$ 436	\$ 22	\$ 200	\$ 31,957
<b>Net income per share:</b>							
Basic	\$ 0.25	\$ 0.08	\$ 0.09	\$ 0.01	\$ 0.00	\$ 0.00	\$ 0.42
Diluted	\$ 0.24	\$ 0.07	\$ 0.09	\$ 0.01	\$ 0.00	\$ 0.00	\$ 0.41
<b>Weighted-average number of shares</b>							
Basic	75,731	75,731	75,731	75,731	75,731	75,731	75,731
Diluted	78,055	78,055	78,055	78,055	78,055	78,055	78,055

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, restructuring charges and acquisition costs. 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.