

Revenue by Geographic Region (in millions)

	<u>Q1 2019</u>	<u>Q4 2018</u>	<u>Q1 2018</u>
United States	\$ 34.3	\$ 28.0	\$ 32.9
South Korea	26.7	29.3	15.0
Taiwan	22.4	29.7	27.7
China	21.8	28.9	12.3
Japan	10.4	7.9	13.7
Europe	9.5	9.5	11.5
Rest of World	7.1	7.6	5.2
	<u>\$ 132.2</u>	<u>\$ 140.9</u>	<u>\$ 118.3</u>

Revenue by Market Segment (in millions)

	<u>Q1 2019</u>	<u>Q4 2018</u>	<u>Q1 2018</u>
Foundry & Logic	\$ 71.6	\$ 76.7	\$ 58.4
DRAM	28.9	29.6	30.3
Flash	7.6	9.9	6.2
Systems	24.1	24.7	23.4
	<u>\$ 132.2</u>	<u>\$ 140.9</u>	<u>\$ 118.3</u>

Customers > 10% of Total Revenue

	<u>Q1 2019</u>	<u>Q4 2018</u>	<u>Q1 2018</u>
Intel Corporation	21.3%	21.9%	14.0%
Samsung Electronics Co., LTD.	13.8%	13.8%	*
Taiwan Semiconductor Manufacturing Co., LTD.	*	10.9%	*
SK Hynix Inc.	*	*	10.1%
TOTAL	<u>35.1%</u>	<u>46.6%</u>	<u>24.1%</u>

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

Revenue, Gross Profit and Gross Margin by Segment

(In thousands, except for percentages)

	Three Months Ended							
	March 30, 2019				March 31, 2018			
	Probe Cards	Systems	Corporate and Other	Total	Probe Cards	Systems	Corporate and Other	Total
Revenues	\$ 108,103	\$ 24,110	\$ -	\$ 132,213	\$ 94,928	\$ 23,362	\$ -	\$ 118,290
Gross profit	45,294	13,016	(5,789)	52,521	40,071	11,135	(6,077)	45,129
Gross margin	41.9%	54.0%		39.7%	42.2%	47.7%		38.2%

GAAP to Non-GAAP Reconciliation

(In thousands, except for per share amounts)

	Three Months Ended	
	March 30, 2019	March 31, 2018
GAAP net income	\$ 5,483	2,125
Adjustments to reconcile GAAP net income to Non-GAAP net income:		
Amortization of intangibles	7,090	7,194
Stock-based compensation	5,295	3,756
Restructuring and impairment charges, net	209	-
Income tax effect of non-GAAP adjustments	<u>(2,882)</u>	<u>(425)</u>
Non-GAAP net income	<u>\$ 15,195</u>	<u>\$ 12,650</u>
Non-GAAP net income per share:		
Basic	<u>\$ 0.20</u>	<u>\$ 0.17</u>
Diluted	<u>\$ 0.20</u>	<u>\$ 0.17</u>
Weighted-average number of shares used in per share calculations:		
Basic	<u>74,362</u>	<u>72,826</u>
Diluted	<u>76,009</u>	<u>74,342</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, proceeds from sales of intellectual property, benefit from U.S. tax reform, valuation allowance release, 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 March 30, 2019	Stock-based Compensation	Amortization of Intangibles	Restructuring & Impairment	3-Months Ended March 30, 2019
Revenues	\$ 132,213	\$ -	\$ -	\$ -	\$ 132,213
Cost of revenues	79,692	(950)	(4,719)	(120)	73,903
Gross profit	52,521	950	4,719	120	58,310
Operating expenses:					
Research and development	19,723	(1,519)	-	-	18,204
Sales and marketing	15,520	(1,521)	(2,371)	-	11,628
General and administrative	9,664	(1,305)	-	(89)	8,270
Total operating expenses	44,907	(4,345)	(2,371)	(89)	38,102
Operating profit	7,614	5,295	7,090	209	20,208
Interest income	580	-	-	-	580
Interest expense	(595)	-	-	-	(595)
Other income (expense), net	(84)	-	-	-	(84)
Income before income taxes	7,515	5,295	7,090	209	20,109
Provision for income taxes	2,032	1,212	1,622	48	4,914
Net income	\$ 5,483	\$ 4,083	\$ 5,468	\$ 161	\$ 15,195
Net income per share:					
Basic	\$ 0.07	\$ 0.05	\$ 0.07	\$ 0.00	\$ 0.20
Diluted	\$ 0.07	\$ 0.05	\$ 0.07	\$ 0.00	\$ 0.20
Weighted-average number of shares					
Basic	74,362	74,362	74,362	74,362	74,362
Diluted	76,009	76,009	76,009	76,009	76,009

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 & impairment, and valuation allowance release. 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.