



# Revenue by Geographic Region (in millions)

	<u>Q4 2018</u>	<u>Q3 2018</u>	<u>Q4 2017</u>
United States	\$ 28.0	\$ 40.1	\$ 39.2
South Korea	29.3	20.9	18.5
Taiwan	29.7	19.8	29.7
China	28.9	22.1	13.2
Japan	7.9	14.7	9.5
Asia Pacific	6.7	7.2	7.6
Europe	9.5	9.1	13.6
Rest of World	0.9	1.1	0.6
	<u>\$ 140.9</u>	<u>\$ 135.0</u>	<u>\$ 131.9</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>Q4 2018</u>	<u>Q3 2018</u>	<u>Q4 2017</u>
Foundry & Logic	\$ 76.7	\$ 61.2	\$ 68.7
DRAM	29.6	37.4	31.9
Flash	9.9	13.0	6.6
Systems	24.7	23.4	24.7
	<u>\$ 140.9</u>	<u>\$ 135.0</u>	<u>\$ 131.9</u>

# Customers > 10% of Total Revenue

	<u>Q4 2018</u>	<u>Q3 2018</u>	<u>Q4 2017</u>
Intel Corporation	21.9%	24.4%	21.0%
Samsung Electronics Co., LTD.	13.8%	*	*
Taiwan Semiconductor Manufacturing Co., LTD.	10.9%	*	*
Micron Technology, Inc.	*	12.0%	13.1%
<b>TOTAL</b>	<u>46.6%</u>	<u>36.4%</u>	<u>34.1%</u>

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

# GAAP to Non-GAAP Reconciliation

(In thousands, except for per share amounts)

	Three Months Ended		Twelve Months Ended	
	December 29, 2018	December 30, 2017	December 29, 2018	December 30, 2017
GAAP net income	\$ 85,100	5,588	\$ 104,036	40,913
Adjustments to reconcile GAAP net income to Non-GAAP net income:				
Amortization of intangibles	7,497	7,515	29,373	31,509
Stock-based compensation	5,406	4,952	17,827	16,230
Restructuring and impairment charges, net	160	481	160	810
Acquisition and integration related expenses	-	782	-	2,520
Contingencies	-	-	-	(206)
Proceeds from sale of intellectual property	-	-	-	(400)
Benefit from U.S. tax reform	-	715	-	715
Valuation allowance release	(75,803)	-	(75,803)	-
Income tax effect of non-GAAP adjustments	1,088	(2,053)	555	(2,624)
Non-GAAP net income	<u>\$ 23,448</u>	<u>\$ 17,980</u>	<u>\$ 76,148</u>	<u>\$ 89,467</u>
Non-GAAP net income per share:				
Basic	<u>\$ 0.32</u>	<u>\$ 0.25</u>	<u>\$ 1.04</u>	<u>\$ 1.24</u>
Diluted	<u>\$ 0.31</u>	<u>\$ 0.24</u>	<u>\$ 1.01</u>	<u>\$ 1.21</u>
Weighted-average number of shares used in per share calculations:				
Basic	<u>74,108</u>	<u>72,846</u>	<u>73,482</u>	<u>72,292</u>
Diluted	<u>75,416</u>	<u>74,756</u>	<u>75,182</u>	<u>74,239</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 December, 2018	Stock-based Compensation	Restructuring & Impairment	Amortization of Intangibles	Valuation Allowance Release	3-Months Ended December, 2018
Revenues	\$ 140,887	\$ -	\$ -	\$ -	\$ -	\$ 140,887
Cost of revenues	84,865	(960)	-	(5,112)	-	78,793
Gross profit	56,022	960	-	5,112	-	62,094
Operating expenses:						
Research and development	18,398	(1,528)	-	-	-	16,870
Sales and marketing	15,557	(1,559)	-	(2,385)	-	11,613
General and administrative	10,111	(1,359)	-	-	-	8,752
Restructuring and impairment charges, net	160	-	(160)	-	-	-
Total operating expenses	44,226	(4,446)	(160)	(2,385)	-	37,235
Operating profit	11,796	5,406	160	7,497	-	24,859
Interest income	404	-	-	-	-	404
Interest expense	(660)	-	-	-	-	(660)
Other income (expense), net	117	-	-	-	-	117
Income before income taxes	11,657	5,406	160	7,497	-	24,720
Provision for income taxes	(73,443)	(450)	(13)	(624)	75,803	1,272
Net income	\$ 85,100	\$ 5,856	\$ 173	\$ 8,121	\$ (75,803)	\$ 23,448
Net income per share:						
Basic	\$ 1.15	\$ 0.08	\$ 0.00	\$ 0.11	\$ (1.02)	\$ 0.32
Diluted	\$ 1.13	\$ 0.08	\$ 0.00	\$ 0.11	\$ (1.01)	\$ 0.31
Weighted-average number of shares						
Basic	74,108	74,108	74,108	74,108	74,108	74,108
Diluted	75,416	75,416	75,416	75,416	75,416	75,416

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.