

Revenue by Geographic Region (in millions)

	<u>Q1 2018</u>	<u>Q4 2017</u>	<u>Q1 2017</u>
United States	\$ 32.9	\$ 39.2	\$ 39.8
South Korea	15.4	18.5	18.7
Taiwan	27.6	29.7	19.6
Japan	13.7	9.5	15.2
Asia Pacific*	16.7	20.8	26.0
Europe	11.5	13.6	8.8
Rest of World	0.5	0.6	0.7
	<u>\$ 118.3</u>	<u>\$ 131.9</u>	<u>\$ 128.8</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>Q1 2018</u>	<u>Q4 2017</u>	<u>Q1 2017</u>
Foundry & Logic	\$ 58.4	\$ 68.7	\$ 74.3
DRAM	30.3	31.9	29.0
Flash	6.2	6.6	3.2
Systems	23.4	24.7	22.3
	<u>\$ 118.3</u>	<u>\$ 131.9</u>	<u>\$ 128.8</u>

GAAP to Non-GAAP Reconciliation

(In thousands, except for per share amounts)

	Three Months Ended	
	March 31, 2018	April 1, 2017
GAAP net income	\$ 2,125	5,185
Adjustments to reconcile GAAP net income to Non-GAAP net income:		
Amortization of intangibles	7,194	8,540
Stock-based compensation	3,756	3,302
Restructuring and impairment charges, net	-	269
Acquisition and integration related expenses	-	588
Contingencies	-	(206)
Income tax effect of non-GAAP adjustments	(477)	(427)
Non-GAAP net income	<u>\$ 12,598</u>	<u>\$ 17,251</u>
Non-GAAP net income per share:		
Basic	<u>\$ 0.17</u>	<u>\$ 0.24</u>
Diluted	<u>\$ 0.17</u>	<u>\$ 0.24</u>
Weighted-average number of shares used in per share calculations:		
Basic	<u>72,826</u>	<u>71,423</u>
Diluted	<u>74,342</u>	<u>72,116</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
	Quarter Ended March 31, 2018	Stock-based Compensation	Amortization of Intangibles	Quarter Ended March 31, 2018
Revenues	\$ 118,290	\$ -	\$ -	\$ 118,290
Cost of revenues	73,161	(920)	(5,157)	67,084
Gross profit	45,129	920	5,157	51,206
Operating expenses:				
Research and development	18,046	(1,302)	-	16,744
Sales and marketing	14,410	(1,026)	(2,037)	11,347
General and administrative	9,039	(508)	-	8,531
Total operating expenses	41,495	(2,836)	(2,037)	36,622
Operating profit (loss)	3,634	3,756	7,194	14,584
Interest expense, net	(710)	-	-	(710)
Other income (expense), net	(512)	-	-	(512)
Income before income taxes	2,412	3,756	7,194	13,362
Provision for income taxes	287	146	279	712
Net income	\$ 2,125	\$ 3,610	\$ 6,915	\$ 12,650
Net income per share:				
Basic	\$ 0.03	\$ 0.05	\$ 0.09	\$ 0.17
Diluted	\$ 0.03	\$ 0.05	\$ 0.09	\$ 0.17
Weighted-average number of shares				
Basic	72,826	72,826	72,826	72,826
Diluted	74,342	74,342	74,342	74,342

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