nanometrics

Supplemental Financial Information (Unaudited)

STATEMENT OF OPERATIONS INFORMATION

	Fiscal Years				FY 2014			
	2014	2015	2016	2017	Q1'14	Q2'14	Q3'14	Q4'14
Net Revenues								
Products	$ 136,408	$ 154,817	$ 185,066	$ 214,877	$ 44,023	$ 40,294	$ 19,784	$ 32,307
Service	30,035	32,550	36,063	43,744	7,553	7,735	7,349	7,398
Total revenues	**166,443**	**187,367**	**221,129**	**258,621**	**51,576**	**48,029**	**27,133**	**39,705**
Costs of revenues								
Cost of products	69,622	$ 79,241	$ 85,391	$ 100,683	21,832	19,957	10,899	16,934
Cost of service	18,276	16,433	20,160	20,627	4,921	4,487	4,130	4,738
Subtotal cost of revenues	**87,898**	**$ 95,674**	**$ 105,551**	**$ 121,310**	**26,753**	**24,444**	**15,029**	**21,672**
Non-GAAP gross profit	**78,545**	**91,693**	**115,578**	**137,311**	**24,823**	**23,585**	**12,104**	**18,033**
Severance included in cost of revenues	-	-	-	404	-	-	-	-
Amortization of intangible assets included in cost of product revenues	2,723	2,026	1,454	206	674	677	688	684
Total cost of revenues	**90,621**	**97,700**	**107,005**	**121,920**	**27,427**	**25,121**	**15,717**	**22,356**
Gross profit	**75,822**	**89,667**	**114,124**	**136,701**	**24,149**	**22,908**	**11,416**	**17,349**
Operating expenses								
Research and development	33,776	32,701	31,443	36,494	8,314	9,373	8,037	8,052
Selling	27,033	28,055	30,181	30,491	7,373	6,681	6,389	6,590
General and administrative	23,980	22,444	23,381	25,710	6,338	6,001	5,781	5,860
Non-GAAP operating expenses	**84,789**	**83,200**	**85,005**	**92,695**	**22,025**	**22,055**	**20,207**	**20,502**
Non-GAAP income (loss) from operations	**(6,244)**	**8,493**	**30,573**	**44,616**	**2,798**	**1,530**	**(8,103)**	**(2,469)**
Amortization of intangible assets included in operating expenses	420	114	24	-	108	107	103	102
Restructuring	2,266	1,380	-	509	-	-	1,715	551
Severance Costs	-	-	-	336				
Executive transition & search costs	-	-	-	355	-	-	-	-
Total operating expenses	**87,475**	**84,694**	**85,029**	**93,895**	**22,133**	**22,162**	**22,025**	**21,155**
Income (loss) from operations	**(11,653)**	**4,973**	**29,095**	**42,806**	**2,016**	**746**	**(10,609)**	**(3,806)**
Other income (expense)	32	595	40	492	166	(170)	(134)	170
Non-GAAP income (loss) before income taxes	**(6,211)**	**9,088**	**30,589**	**45,108**	**2,964**	**1,360**	**(8,236)**	**(2,299)**
Income (loss) before income taxes	**(11,621)**	**5,568**	**29,135**	**43,298**	**2,182**	**576**	**(10,743)**	**(3,636)**
Provision (benefit) for income taxes	19,497	2,663	(14,900)	13,096	587	(12)	17,919	1,003
Net income (loss)	**$ (31,118)**	**$ 2,905**	**$ 44,036**	**$ 30,202**	**$ 1,595**	**$ 588**	**$ (28,662)**	**$ (4,639)**
Valuation allowance on deferred tax assets and other adjustments	21,141	-	(18,443)	-	-	-	-	-
Tax Reform		-	-	2,569				
Adj. to tax provision: discrete tax items and tax effect of non-GAAP adjustments	(1,743)	-	-	(2,772)	(282)	(281)	(877)	303
Non-GAAP net income (loss)	**$ (5,705)**	**$ 6,425**	**$ 27,071**	**$ 31,809**	**$ 2,095**	**$ 1,091**	**$ (5,892)**	**$ (2,999)**
Earnings per share								
Basic	$ (1.30)	$ 0.12	$ 1.79	$ 1.19	$ 0.07	$ 0.02	$ (1.19)	$ (0.19)
Diluted	$ (1.30)	$ 0.12	$ 1.75	$ 1.17	$ 0.07	$ 0.02	$ (1.19)	$ (0.19)
Non-GAAP EPS	**$ (0.24)**	**$ 0.26**	**$ 1.08**	**$ 1.23**	**$ 0.09**	**$ 0.05**	**$ (0.24)**	**$ (0.12)**
Shares used in EPS calculation								
Basic	23,958	24,058	24,655	25,334	23,711	23,939	24,132	24,048
Diluted	23,958	24,375	25,153	25,919	24,159	24,220	24,132	24,048
Income Statement Metrics As a % of Revenue								
Product revenue	82.0%	82.6%	83.7%	83.1%	85.4%	83.9%	72.9%	81.4%
Service revenue	18.0%	17.4%	16.3%	16.9%	14.6%	16.1%	27.1%	18.6%
Product Gross Margin (non-GAAP)	49.0%	48.8%	53.9%	53.1%	50.4%	50.5%	44.9%	47.6%
Service Gross Margin (non-GAAP)	39.2%	49.5%	44.1%	52.8%	34.9%	42.0%	43.8%	36.0%
Other Costs Included in GAAP Cost of Revenues	1.6%	1.1%	0.7%	0.2%	1.3%	1.4%	2.5%	1.7%
Non-GAAP Gross Margin	47.2%	48.9%	52.3%	53.1%	48.1%	49.1%	44.6%	45.4%
GAAP Gross Margin	45.6%	47.9%	51.6%	52.9%	46.8%	47.7%	42.1%	43.7%
Non-GAAP Operating Expenses	50.9%	44.4%	38.4%	35.8%	42.7%	45.9%	74.5%	51.6%
GAAP Operating Expenses	52.6%	45.2%	38.5%	36.3%	42.9%	46.1%	81.2%	53.3%
Non-GAAP Operating Income	-3.8%	4.6%	13.8%	17.3%	5.4%	3.2%	-29.9%	-6.2%
GAAP Operating Income	-7.0%	2.7%	13.2%	16.6%	3.9%	1.6%	-39.1%	-9.6%
Non-GAAP income (loss) before income taxes	-3.7%	4.8%	13.8%	17.4%	5.7%	2.8%	-30.4%	-5.8%
GAAP income (loss) before income taxes	-7.0%	3.0%	13.2%	16.7%	4.2%	1.2%	-39.6%	-9.2%
Non-GAAP Net Income	-3.4%	3.4%	12.2%	12.3%	4.1%	2.3%	-21.7%	-7.6%
GAAP Net Income	-18.7%	1.6%	19.9%	11.7%	3.1%	1.2%	-105.6%	-11.7%

	FY 2015				FY 2016			
	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16
Net Revenues								
Products	$ 42,934	$ 41,154	$ 37,182	$ 33,546	$ 39,214	$ 47,445	$ 49,631	$ 48,776
Service	7,442	7,475	8,496	9,137	8,275	8,322	9,083	10,383
Total revenues	**50,376**	**48,629**	**45,678**	**42,683**	**47,489**	**55,767**	**58,714**	**59,159**
Costs of revenues								
Cost of products	21,779	20,936	19,285	17,241	18,079	21,736	22,810	22,766
Cost of service	4,586	3,972	3,706	4,169	4,484	5,164	5,066	5,446
Subtotal cost of revenues	**26,365**	**24,908**	**22,991**	**21,410**	**22,563**	**26,900**	**27,876**	**28,212**
Non-GAAP gross profit	**24,011**	**23,722**	**22,687**	**21,273**	**24,926**	**28,867**	**30,838**	**30,947**
Severance included in cost of revenues	-	-	-	-	-	-	-	-
Amortization of intangible assets included in cost of product revenues	632	457	468	469	435	442	434	143
Total cost of revenues	**26,997**	**25,365**	**23,459**	**21,879**	**22,998**	**27,342**	**28,310**	**28,355**
Gross profit	**23,379**	**23,265**	**22,219**	**20,804**	**24,491**	**28,425**	**30,404**	**30,804**
Operating expenses								
Research and development	8,159	8,157	8,579	7,806	8,068	7,511	7,868	7,996
Selling	7,116	7,029	6,760	7,150	7,249	7,823	7,495	7,614
General and administrative	5,767	5,544	5,590	5,543	5,420	5,755	5,975	6,231
Non-GAAP operating expenses	**21,042**	**20,730**	**20,929**	**20,499**	**20,737**	**21,089**	**21,338**	**21,841**
Non-GAAP income (loss) from operations	**2,969**	**2,992**	**1,758**	**774**	**4,189**	**7,778**	**9,500**	**9,106**
Amortization of intangible assets included in operating expenses	38	25	26	25	24	-	-	-
Restructuring	58	-	-	1,322	-	-	-	-
Severance Costs	-	-	-	-	-	-	-	-
Executive transition & search costs	-	-	-	-	-	-	-	-
Total operating expenses	**21,138**	**20,755**	**20,955**	**21,846**	**20,761**	**21,089**	**21,338**	**21,841**
Income (loss) from operations	**2,241**	**2,510**	**1,264**	**(1,042)**	**3,730**	**7,336**	**9,066**	**8,963**
Other income (expense)	632	(348)	267	44	117	(449)	149	223
Non-GAAP income (loss) before income taxes	**3,601**	**2,644**	**2,025**	**818**	**4,282**	**7,329**	**9,649**	**9,329**
Income (loss) before income taxes	**2,873**	**2,162**	**1,531**	**(998)**	**3,847**	**6,887**	**9,215**	**9,186**
Provision (benefit) for income taxes	317	817	713	816	380	856	1,332	(17,468)
Net income (loss)	**$ 2,556**	**$ 1,345**	**$ 818**	**$ (1,814)**	**$ 3,467**	**$ 6,031**	**$ 7,883**	**$ 26,654**
Valuation allowance on deferred tax assets and other adjustments	-	-	-	-	-	-	-	(18,443)
Tax Reform	-	-	-	-	-	-	-	-
Adj. to tax provision: discrete tax items and tax effect of non-GAAP adjustments	-	-	-	-	-	-	-	-
Non-GAAP net income (loss)	**$ 3,284**	**$ 1,827**	**$ 1,312**	**$ 2**	**$ 3,926**	**$ 6,473**	**$ 8,317**	**$ 8,354**
Earnings per share								
Basic	$ 0.11	$ 0.06	$ 0.03	$ (0.07)	$ 0.14	$ 0.25	$ 0.32	$ 1.07
Diluted	$ 0.11	$ 0.06	$ 0.03	$ (0.07)	$ 0.14	$ 0.24	$ 0.31	$ 1.04
Non-GAAP EPS	**$ 0.14**	**$ 0.08**	**$ 0.05**	**$ 0.00**	**$ 0.16**	**$ 0.26**	**$ 0.33**	**$ 0.33**
Shares used in EPS calculation								
Basic	23,866	24,020	24,145	24,203	24,308	24,524	24,826	24,949
Diluted	24,257	24,285	24,352	24,446	24,597	24,927	25,282	25,514
Income Statement Metrics As a % of Revenue								
Product revenue	85.2%	84.6%	81.4%	78.6%	82.6%	85.1%	84.5%	82.4%
Service revenue	14.8%	15.4%	18.6%	21.4%	17.4%	14.9%	15.5%	17.6%
Product Gross Margin (non-GAAP)	49.3%	49.1%	48.1%	48.6%	53.9%	54.2%	54.0%	53.3%
Service Gross Margin (non-GAAP)	38.4%	46.9%	56.4%	54.4%	45.8%	37.9%	44.2%	47.5%
Other Costs Included in GAAP Cost of Revenues	1.3%	0.9%	1.0%	1.1%	0.9%	0.8%	0.7%	0.2%
Non-GAAP Gross Margin	47.7%	48.8%	49.7%	49.8%	52.5%	51.8%	52.5%	52.3%
GAAP Gross Margin	46.4%	47.8%	48.6%	48.7%	51.6%	51.0%	51.8%	52.1%
Non-GAAP Operating Expenses	41.8%	42.6%	45.8%	48.0%	43.7%	37.8%	36.3%	36.9%
GAAP Operating Expenses	42.0%	42.7%	45.9%	51.2%	43.7%	37.8%	36.3%	36.9%
Non-GAAP Operating Income	5.9%	6.1%	3.8%	1.8%	8.8%	13.9%	16.2%	15.4%
GAAP Operating Income	4.4%	5.2%	2.8%	-2.4%	7.9%	13.2%	15.4%	15.2%
Non-GAAP income (loss) before income taxes	7.1%	5.4%	4.4%	1.9%	9.1%	13.1%	16.4%	15.8%
GAAP income (loss) before income taxes	5.7%	4.4%	3.3%	-2.3%	8.1%	12.3%	15.7%	15.5%
Non-GAAP Net Income	6.5%	3.8%	2.9%	0.0%	8.3%	11.6%	14.2%	14.1%
GAAP Net Income	5.1%	2.8%	1.8%	-4.3%	7.3%	10.8%	13.4%	45.1%

	FY 2017				FY 2018	
	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18
Net Revenues						
Products	$ 48,175	$ 53,576	$ 45,571	$ 67,555	71,019	$ 76,704
Service	11,139	10,851	11,104	10,650	11,294	11,900
Total revenues	**59,314**	**64,427**	**56,675**	**78,205**	**82,313**	**88,604**
Costs of revenues						
Cost of products	25,401	25,337	21,276	28,669	28,593	31,235
Cost of service	5,278	5,364	4,549	5,436	6,154	6,422
Subtotal cost of revenues	**30,679**	**30,701**	**25,825**	**34,105**	**34,747**	**37,657**
Non-GAAP gross profit	**28,635**	**33,726**	**30,850**	**44,100**	**47,566**	**50,947**
Severance included in cost of revenues	136	53	138	77	-	21
Amortization of intangible assets included in cost of product revenues	52	52	52	50	35	35
Total cost of revenues	**30,867**	**30,806**	**26,015**	**34,232**	**34,782**	**37,713**
Gross profit	**28,447**	**33,621**	**30,660**	**43,973**	**47,531**	**50,891**
Operating expenses						
Research and development	8,600	9,089	8,825	9,980	10,202	12,483
Selling	7,884	7,169	7,553	7,885	9,024	9,975
General and administrative	6,307	6,361	6,605	6,437	7,319	7,074
Non-GAAP operating expenses	**22,791**	**22,619**	**22,983**	**24,302**	**26,545**	**29,532**
Non-GAAP income (loss) from operations	**5,844**	**11,107**	**7,867**	**19,798**	**21,021**	**21,415**
Amortization of intangible assets included in operating expenses	-	-	-	-	-	-
Restructuring	-	-	-	509	-	-
Severance Costs	148	120	68	-	-	339
Executive transition & search costs	-	230	125	-	422	236
Total operating expenses	**22,939**	**22,969**	**23,176**	**24,811**	**26,967**	**30,107**
Income (loss) from operations	**5,508**	**10,652**	**7,484**	**19,162**	**20,564**	**20,784**
Other income (expense)	(42)	258	36	240	259	(214)
Non-GAAP income (loss) before income taxes	**5,802**	**11,365**	**7,903**	**20,038**	**21,280**	**21,201**
Income (loss) before income taxes	**5,466**	**10,910**	**7,520**	**19,402**	**20,823**	**20,570**
Provision (benefit) for income taxes	114	2,622	1,756	8,604	4,442	2,895
Net income (loss)	**$ 5,352**	**$ 8,288**	**$ 5,764**	**$ 10,798**	**16,381**	**$ 17,675**
Valuation allowance on deferred tax assets and other adjustments	-	-	-	-	-	-
Tax Reform	-	-	-	2,569	-	-
Adj. to tax provision: discrete tax items and tax effect of non-GAAP adjustments	(901)	(948)	(491)	(432)	(344)	(912)
Non-GAAP net income (loss)	**$ 4,787**	**$ 7,795**	**$ 5,656**	**$ 13,571**	**16,494**	**$ 17,394**
Earnings per share						
Basic	$ 0.21	$ 0.33	$ 0.23	$ 0.43	$ 0.68	$ 0.68
Diluted	$ 0.21	$ 0.32	$ 0.22	$ 0.42	$ 0.67	$ 0.67
Non-GAAP EPS	**$ 0.19**	**$ 0.30**	**$ 0.22**	**$ 0.53**	**$ 0.67**	**$ 0.71**
Shares used in EPS calculation						
Basic	25,133	25,307	25,494	25,378	24,063	23,953
Diluted	25,833	25,906	25,932	25,819	24,483	24,442
Income Statement Metrics As a % of Revenue						
Product revenue	81.2%	83.2%	80.4%	86.4%	86.3%	86.6%
Service revenue	18.8%	16.8%	19.6%	13.6%	13.7%	13.4%
Product Gross Margin (non-GAAP)	47.3%	52.7%	53.3%	57.6%	59.7%	59.3%
Service Gross Margin (non-GAAP)	52.6%	50.6%	59.0%	49.0%	45.5%	46.0%
Other Costs Included in GAAP Cost of Revenues	0.3%	0.2%	0.3%	0.2%	0.0%	0.1%
Non-GAAP Gross Margin	48.3%	52.4%	54.4%	56.4%	57.8%	57.5%
GAAP Gross Margin	48.0%	52.2%	54.1%	56.2%	57.7%	57.4%
Non-GAAP Operating Expenses	38.4%	35.1%	40.6%	31.1%	32.2%	33.3%
GAAP Operating Expenses	38.7%	35.7%	40.9%	31.7%	32.8%	34.0%
Non-GAAP Operating Income	9.9%	17.2%	13.9%	25.3%	25.6%	24.2%
GAAP Operating Income	9.3%	16.5%	13.2%	24.5%	25.0%	23.5%
Non-GAAP income (loss) before income taxes	9.8%	17.6%	13.9%	25.6%	25.9%	23.9%
GAAP income (loss) before income taxes	9.2%	16.9%	13.3%	24.8%	25.3%	23.2%
Non-GAAP Net Income	8.1%	12.1%	10.0%	17.4%	20.0%	19.6%
GAAP Net Income	9.0%	12.9%	10.2%	13.8%	19.9%	19.9%

	Fiscal Years				FY 2014				FY 2015			
	2014	2015	2016	2017	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15
Cash Flow Metrics												
Cash Flow from Operations	$ (635)	$ 1,571	$ 45,685	$ 20,603	$ (4,692)	$ (2,176)	$ (2,679)	$ 8,912	$ (5,874)	$ (1,283)	$ 9,505	$ (777)
Capital Expenditures	$ (5,792)	$ (1,846)	$ (3,999)	$ (5,204)	$ (2,193)	$ (230)	$ (377)	$ (2,992)	$ (502)	$ (541)	$ (322)	$ (481)
Free Cash Flow	**$ (6,427)**	**$ (275)**	**$ 41,686**	**$ 15,399**	**$ (6,885)**	**$ (2,406)**	**$ (3,056)**	**$ 5,920**	**$ (6,376)**	**$ (1,824)**	**$ 9,183**	**$ (1,258)**
Stock-Based Compensation Expense	$ 6,752	$ 6,248	$ 7,666	$ 8,819	$ 1,634	$ 1,776	$ 1,705	$ 1,637	$ 1,571	$ 1,411	$ 1,682	$ 1,584
Depreciation and Amortization	$ 9,775	$ 9,075	$ 8,295	$ 6,920	$ 2,429	$ 2,385	$ 2,482	$ 2,475	$ 2,324	$ 2,231	$ 2,271	$ 2,249
Depreciation only	$ 6,631	$ 6,935	$ 6,817	$ 6,714	$ 1,648	$ 1,601	$ 1,691	$ 1,690	$ 1,653	$ 1,749	$ 1,776	$ 1,755
Adjusted EBITDA (1)	**$ 7,139**	**$ 21,676**	**$ 45,057**	**$ 60,149**	**$ 6,080**	**$ 4,907**	**$ (4,707)**	**$ 857**	**$ 6,193**	**$ 6,152**	**$ 5,216**	**$ 4,113**
as a % of Revenue	4%	12%	20%	23%	12%	10%	-17%	2%	12%	13%	11%	10%
Balance Sheet Metrics												
Cash, cash equivalents and marketable securities	$ 83,962	$ 83,085	$ 129,961	$ 117,029	$ 88,037	$ 87,361	$ 84,373	$ 83,962	$ 77,049	$ 74,789	$ 84,626	$ 83,085
A/R	$ 26,121	$ 37,832	$ 39,457	$ 62,458	$ 32,417	$ 33,458	$ 26,061	$ 26,121	$ 39,072	$ 44,441	$ 37,573	$ 37,832
Inventories	$ 37,017	$ 50,605	$ 41,293	$ 54,394	$ 40,104	$ 38,111	$ 36,263	$ 37,017	$ 38,236	$ 43,113	$ 49,941	$ 50,605
A/P	$ 10,199	$ 11,675	$ 11,342	$ 13,858	$ 7,409	$ 6,982	$ 5,948	$ 10,199	$ 11,913	$ 13,358	$ 15,882	$ 11,675
Working capital	$ 119,644	$ 132,903	$ 174,353	$ 196,019	$ 147,645	$ 151,515	$ 130,215	$ 119,644	$ 125,497	$ 127,982	$ 132,679	$ 132,903
Tangible book value	$ 164,749	$ 176,046	$ 234,421	$ 249,945	$ 194,266	$ 198,937	$ 173,644	$ 164,749	$ 169,122	$ 171,988	$ 175,718	$ 176,046
Cash per share	$ 3.49	$ 3.43	$ 5.18	$ 4.75	$ 3.69	$ 3.64	$ 3.49	$ 3.49	$ 3.21	$ 3.11	$ 3.50	$ 3.43
TBV per share	$ 6.85	$ 7.27	$ 9.35	$ 10.15	$ 8.14	$ 8.28	$ 7.19	$ 6.85	$ 7.05	$ 7.15	$ 7.27	$ 7.27
Days sales outstanding (DSO)	56	72	72	67	57	63	86	59	70	82	74	80
Inventory turns	2.4	2.2	2.2	2.4	2.7	2.6	1.7	2.3	2.8	2.3	1.8	1.7
Shares outstanding at end of period (per share calcs)	*24,048*	*24,224*	*25,070*	*24,629*	*23,877*	*24,029*	*24,157*	*24,048*	*23,974*	*24,059*	*24,177*	*24,224*
Headcount (ending)	**525**	**518**	**532**	**592**	**543**	**540**	**528**	**525**	**526**	**530**	**540**	**518**
									SUPPLEMENTAL REVENUE INFORMATION			
Revenue segmentation by product/service												
Products	82%	83%	84%	83%	85%	84%	72%	80%	76%	80%	80%	78%
Service	18%	17%	16%	17%	14%	16%	28%	20%	24%	20%	20%	22%
Total Revenues	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Revenue segmentation by geography												
North America	23%	20%	14%	13%	13%	27%	21%	32%	18%	31%	17%	11%
South Korea	25%	16%	20%	36%	31%	17%	24%	27%	29%	15%	15%	*
China	17%	*	20%	12%	30%	20%	10%	*	*	*	15%	12%
Taiwan	12%	25%	12%	*	*	13%	*	20%	29%	19%	25%	27%
EMEA	*	*	*	*	*	16%	12%	*	*	*	*	*
Japan	*	17%	12%	16%	*	*	15%	13%	*	*	17%	36%
Singapore	*	*	*	*	*	*	16%	*	*	21%	*	*
Remainder of world	23%	22%	22%	23%	26%	7%	2%	8%	24%	14%	11%	14%
Total Revenues	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**99%**
Product Revenues by end market												
DRAM	25%	19%	19%	14%	23%	16%	34%	34%	33%	15%	22%	5%
NAND	33%	31%	51%	51%	40%	25%	38%	28%	13%	40%	33%	43%
Total Memory	**58%**	**51%**	**70%**	**65%**	**63%**	**41%**	**72%**	**62%**	**46%**	**55%**	**55%**	**47%**
Total Foundry/IDM/Other	**42%**	**49%**	**30%**	**35%**	**37%**	**59%**	**28%**	**38%**	**54%**	**45%**	**45%**	**53%**
Total Product Revenues	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
10% Customers												
Samsung	27%	13%	*	26%	52%	16%	*	24%	30%	*	*	*
Intel	13%	*	18%	11%	13%	18%	*	*	*	*	*	*
SK Hynix	12%	11%	15%	13%	*	18%	27%	*	13%	10%	15%	*
Micron	10%	16%	20%	12%	*	*	25%	18%	*	32%	14%	10%
Toshiba	*	10%	*	*	*	*	*	10%	*	*	13%	27%
TSMC	*	19%	10%	*	*	11%	*	16%	22%	17%	17%	21%
YMTC	*	*	*	*	*	*	*	*	*	*	*	*

	FY 2016				FY 2017				FY 2018	
	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18
Cash Flow Metrics										
Cash Flow from Operations	$ 499	$ 12,721	$ 20,881	$ 11,584	$ 3,075	$ 7,183	$ 5,126	$ 5,219	$ 32,714	$ 26,257
Capital Expenditures	$ (610)	$ (1,918)	$ (821)	$ (650)	$ (47)	$ (1,489)	$ (806)	$ (2,862)	$ (1,319)	$ (442)
Free Cash Flow	**$ (111)**	**$ 10,803**	**$ 20,060**	**$ 10,934**	**$ 3,028**	**$ 5,694**	**$ 4,320**	**$ 2,357**	**$ 31,395**	**$ 25,815**
Stock-Based Compensation Expense	$ 1,689	$ 1,743	$ 2,000	$ 2,234	$ 2,164	$ 2,163	$ 2,447	$ 2,044	$ 2,338	$ 2,679
Depreciation and Amortization	$ 2,176	$ 2,129	$ 2,135	$ 1,855	$ 1,854	$ 1,698	$ 1,667	$ 1,701	$ 1,724	$ 1,603
Depreciation only	$ 1,717	$ 1,687	$ 1,701	$ 1,712	$ 1,802	$ 1,646	$ 1,615	$ 1,651	$ 1,689	$ 1,568
Adjusted EBITDA (1)	**$ 7,595**	**$ 11,209**	**$ 13,201**	**$ 13,052**	**$ 9,810**	**$ 14,916**	**$ 11,929**	**$ 23,493**	**$ 25,048**	**$ 25,662**
as a % of Revenue	16%	20%	22%	22%	17%	23%	21%	30%	30%	29%
Balance Sheet Metrics										
Cash, cash equivalents and marketable securities	$ 83,344	$ 95,984	$ 118,527	$ 129,961	$ 132,096	$ 135,693	$ 140,356	$ 117,029	$ 123,887	$ 148,702
A/R	$ 44,482	$ 54,099	$ 41,182	$ 39,457	$ 48,419	$ 46,966	$ 41,261	$ 62,458	$ 59,034	$ 54,623
Inventories	$ 54,031	$ 50,705	$ 43,676	$ 41,293	$ 44,824	$ 50,536	$ 58,341	$ 54,394	$ 54,603	$ 56,093
A/P	$ 13,212	$ 11,004	$ 8,562	$ 11,342	$ 18,614	$ 14,926	$ 17,180	$ 13,858	$ 18,492	$ 18,976
Working capital	$ 140,423	$ 150,468	$ 163,316	$ 174,353	$ 183,752	$ 196,871	$ 205,805	$ 196,019	$ 196,554	$ 216,232
Tangible book value	$ 182,729	$ 193,331	$ 206,423	$ 234,421	$ 244,325	$ 255,062	$ 262,128	$ 249,945	$ 246,945	$ 263,737
Cash per share	$ 3.42	$ 3.89	$ 4.76	$ 5.18	$ 5.24	$ 5.33	$ 5.49	$ 4.75	$ 5.19	$ 6.18
TBV per share	$ 7.50	$ 7.83	$ 8.29	$ 9.35	$ 9.68	$ 10.01	$ 10.25	$ 10.15	$ 10.34	$ 10.96
Days sales outstanding (DSO)	84	87	63	60	73	66	66	72	65	55
Inventory turns	1.7	2.1	2.6	2.7	2.7	2.4	1.8	2.5	2.5	2.7
Shares outstanding at end of period (per share calcs)	*24,372*	*24,692*	*24,898*	*25,070*	*25,228*	*25,474*	*25,567*	*24,629*	*23,891*	*24,066*
Headcount (ending)	**519**	**520**	**527**	**532**	**534**	**559**	**570**	**592**	**593**	**629**
Revenue segmentation by product/service										
Products	83%	85%	85%	82%	81%	83%	81%	86%	86%	86%
Service	17%	15%	15%	18%	19%	17%	20%	14%	14%	13%
Total Revenues	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Revenue segmentation by geography										
North America	15%	16%	14%	*	23%	13%	11%	*	*	*
South Korea	18%	*	20%	34%	31%	49%	39%	28%	46%	35%
China	14%	23%	27%	14%	11%	11%	*	16%	*	32%
Taiwan	11%	*	11%	17%	20%	*	*	*	*	*
EMEA	*	*	*	*	*	*	*	*	*	*
Japan	15%	12%	*	14%	*	14%	*	31%	16%	17%
Singapore	21%	30%	13%	*	*	*	17%	12%	15%	*
Remainder of world	6%	19%	16%	21%	15%	12%	32%	13%	23%	16%
Total Revenues	**100%**	**100%**	**101%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Product Revenues by end market										
DRAM	20%	12%	23%	22%	13%	21%	15%	9%	39%	33%
NAND	52%	67%	42%	43%	40%	52%	36%	67%	50%	57%
Total Memory	**72%**	**79%**	**65%**	**65%**	**53%**	**73%**	**50%**	**76%**	**89%**	**90%**
Total Foundry/IDM/Other	**28%**	**21%**	**35%**	**35%**	**47%**	**27%**	**49%**	**24%**	**11%**	**10%**
Total Product Revenues	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
10% Customers										
Samsung	*	*	*	15%	22%	30%	32%	22%	●	●
Intel	16%	24%	19%	14%	16%	*	14%	*	*	●
SK Hynix	17%	*	19%	19%	14%	23%	*	*	●	*
Micron	26%	36%	15%	*	*	*	19%	15%	●	*
Toshiba	12%	*	*	*	*	*	*	*	●	●
TSMC	10%	*	10%	16%	17%	*	*	*	*	*
YMTC	*	*	*	*	*	*	*	*	*	●

** Comprised less than 10% of revenues or otherwise not broken out separately*

(1) Adjusted EBITDA is defined as non-GAAP operating income plus depreciation and stock-based compensation expense.

NOTE: Beginning in Q1 2016, sales of upgrades are now included in Product Revenues, instead of Service Revenues. All prior periods presented herein have been revised to include upgrade sales in Product Revenue, and the cost of upgrade sales in Cost of Product Revenue.

Percentages may not add up to 100%, as they are rounded to the nearest percent.

NOTE: Q1 2018 Revenue segmentation by geography has been adjusted to reflect the correct distribution by geography