

STATEMENT OF OPERATIONS INFORMATION

	Fiscal Years				FY 2014				FY 2015				FY 2016				FY 2017				FY 2018	
	2014	2015	2016	2017	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	
Net Revenues																						
Products	\$ 136,408	\$ 154,817	\$ 185,066	\$ 214,877	\$ 44,023	\$ 40,294	\$ 19,784	\$ 32,307	\$ 42,934	\$ 41,154	\$ 37,182	\$ 33,546	\$ 39,214	\$ 47,445	\$ 49,631	\$ 48,776	\$ 48,175	\$ 53,576	\$ 45,571	\$ 67,555	\$ 71,019	
Service	30,035	32,550	36,063	43,744	7,553	7,735	7,349	7,398	7,442	7,475	8,498	9,137	8,275	8,322	9,083	10,383	11,139	10,851	11,104	10,650	11,294	
Total revenues	166,443	187,367	221,129	258,621	51,576	48,029	27,133	39,705	50,376	48,629	45,678	42,683	47,489	55,767	58,714	59,159	59,314	64,427	56,675	78,205	82,313	
Costs of revenues																						
Cost of products	69,622	79,241	85,391	100,683	21,832	19,957	10,899	16,934	21,779	20,936	19,285	17,241	18,079	21,736	22,810	22,766	25,401	25,337	21,276	28,669	28,593	
Cost of service	18,276	16,433	20,160	20,627	4,921	4,487	4,130	4,738	4,586	3,972	3,706	4,169	4,484	5,164	5,066	5,446	5,278	5,364	4,549	5,436	6,154	
Subtotal cost of revenues	87,898	95,674	105,551	121,310	26,753	24,444	15,029	21,672	26,365	24,908	22,991	21,410	22,563	26,900	27,876	28,212	30,679	30,701	25,825	34,105	34,747	
Non-GAAP gross profit	78,545	91,693	115,578	137,311	24,823	23,585	12,104	18,033	24,011	23,722	22,687	21,273	24,926	28,867	30,838	30,947	28,635	33,726	30,850	44,100	47,566	
Severance included in cost of revenues	-	-	-	404	-	-	-	-	-	-	-	-	-	-	-	-	136	53	138	77	-	
Amortization of intangible assets included in cost of product revenues	2,723	2,026	1,454	206	674	677	688	684	632	457	468	469	435	442	434	143	52	52	52	50	35	
Total cost of revenues	90,621	97,700	107,005	121,920	27,427	25,121	15,717	22,356	26,997	25,365	23,459	21,879	22,998	27,342	28,310	28,355	30,867	30,806	26,015	34,232	34,782	
Gross profit	75,822	89,667	114,124	136,701	24,149	22,908	11,416	17,349	23,379	23,265	22,219	20,804	24,491	28,425	30,404	30,804	28,447	33,621	30,660	43,973	47,531	
Operating expenses																						
Research and development	33,776	32,701	31,443	36,494	8,314	9,373	8,037	8,052	8,159	8,157	8,579	7,806	8,068	7,511	7,868	7,996	8,600	9,089	8,825	9,980	10,202	
Selling	27,033	28,055	30,181	30,491	7,373	6,681	6,389	6,590	7,116	7,029	6,760	7,150	7,249	7,823	7,495	7,614	7,884	7,169	7,553	7,885	9,024	
General and administrative	23,980	22,444	23,381	25,710	6,338	5,001	5,781	5,860	5,767	5,544	5,590	5,543	5,420	5,755	5,975	6,231	6,307	6,361	6,605	6,437	7,319	
Non-GAAP operating expenses	84,789	83,200	85,005	92,995	22,025	22,055	20,207	20,502	21,042	20,730	20,929	20,499	20,737	21,089	21,338	21,911	22,791	22,619	22,983	24,302	26,545	
Non-GAAP income (loss) from operations	(6,244)	8,493	30,373	44,616	2,798	1,530	(8,103)	(2,469)	2,969	2,992	1,758	774	4,189	7,778	9,500	9,106	5,844	11,107	7,867	13,600	21,021	
Amortization of intangible assets included in operating expenses	420	114	24	-	108	107	103	102	38	25	26	25	24	-	-	-	-	-	-	-	-	
Restructuring	2,266	1,380	-	509	-	-	1,715	551	58	-	-	1,322	-	-	-	-	-	-	-	509	-	
Severance Costs	-	-	-	336	-	-	-	-	-	-	-	-	-	-	-	-	148	120	68	-	-	
Executive transition & search costs	-	-	-	355	-	-	-	-	-	-	-	-	-	-	-	-	230	125	-	-	422	
Total operating expenses	87,475	84,694	85,029	93,895	22,133	22,162	22,025	21,155	21,138	20,755	20,955	21,846	20,761	21,089	21,338	21,841	22,939	22,968	23,176	24,811	26,967	
Income (loss) from operations	(11,653)	4,973	29,095	42,806	2,016	746	(10,609)	(3,806)	2,241	2,510	1,264	(1,042)	3,730	7,336	9,066	8,963	5,508	10,652	7,484	19,162	20,564	
Other income (expense)	32	595	40	492	166	(170)	(134)	170	632	(348)	267	44	117	(449)	149	223	(42)	258	36	240	259	
Non-GAAP income (loss) before income taxes	(6,211)	9,068	30,589	45,108	2,964	1,360	(8,236)	(2,299)	3,601	2,644	2,025	818	4,282	7,329	9,649	9,329	5,802	11,265	7,903	20,038	21,280	
Income (loss) before income taxes	(11,621)	5,568	29,135	43,298	2,182	576	(10,743)	(3,636)	2,873	2,162	1,531	(998)	3,847	6,887	9,215	9,186	5,466	10,910	7,520	19,402	20,823	
Provision (benefit) for income taxes	19,497	2,663	(14,900)	13,906	587	(12)	17,919	1,003	317	817	713	816	380	856	1,332	(17,468)	114	2,622	1,756	8,604	4,442	
Net income (loss)	(31,118)	2,905	44,036	30,202	1,595	588	(28,662)	(4,639)	2,556	1,345	818	(1,814)	3,467	6,031	7,883	26,654	5,352	8,288	5,764	10,798	16,381	
Valuation allowance on deferred tax assets and other adjustments	-	-	(18,443)	-	-	-	-	-	-	-	-	-	-	-	-	(18,443)	-	-	-	-	-	
Tax Reform	-	-	-	2,569	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,569	-	
Adj. to tax provision: discrete tax items and tax effect of non-GAAP adjustments	(1,743)	-	-	(2,772)	(282)	(281)	(877)	303	-	-	-	-	-	-	-	-	(901)	(948)	(491)	(432)	(344)	
Non-GAAP net income (loss)	(5,705)	6,425	27,071	31,809	2,095	1,091	(5,892)	(2,999)	3,284	1,827	1,312	2	3,926	6,473	8,317	8,354	4,787	7,795	5,656	13,571	16,494	
Earnings per share																						
Basic	\$ (1.30)	\$ 0.12	\$ 1.79	\$ 1.19	\$ 0.07	\$ 0.02	\$ (1.19)	\$ (0.19)	\$ 0.11	\$ 0.06	\$ 0.03	\$ (0.07)	\$ 0.14	\$ 0.25	\$ 0.32	\$ 1.07	\$ 0.21	\$ 0.33	\$ 0.23	\$ 0.43	\$ 0.68	
Diluted	\$ (1.30)	\$ 0.12	\$ 1.75	\$ 1.17	\$ 0.07	\$ 0.02	\$ (1.19)	\$ (0.19)	\$ 0.11	\$ 0.06	\$ 0.03	\$ (0.07)	\$ 0.14	\$ 0.24	\$ 0.31	\$ 1.04	\$ 0.21	\$ 0.32	\$ 0.22	\$ 0.42	\$ 0.67	
Non-GAAP EPS	(0.24)	0.26	1.08	1.23	0.09	0.05	(0.24)	(0.12)	0.14	0.08	0.05	0.00	0.16	0.26	0.33	0.33	0.19	0.30	0.22	0.53	0.67	
Shares used in EPS calculation																						
Basic	23,958	24,058	24,655	25,334	23,711	23,939	24,132	24,048	23,866	24,020	24,145	24,203	24,308	24,524	24,826	24,949	25,133	25,307	25,494	25,378	24,063	
Diluted	23,958	24,375	25,153	25,919	24,159	24,220	24,132	24,048	24,257	24,285	24,352	24,446	24,597	24,927	25,282	25,514	25,833	25,906	25,932	25,819	24,483	
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%	85.2%	84.6%	81.4%	78.6%	82.6%	85.1%	84.5%	82.4%	81.2%	83.2%	80.4%	86.4%	86.3%	
Service revenue	18.0%	17.4%	16.3%	16.9%	14.6%	16.1%	27.1%	18.6%	14.8%	15.4%	18.6%	21.4%	17.4%	14.9%	15.5%	17.6%	18.8%	16.8%	19.6%	13.6%	13.7%	
Product Gross Margin (non-GAAP)	49.0%	48.8%	53.9%	53.1%	50.4%	50.5%	44.9%	47.6%	49.3%	49.1%	48.1%	48.6%	53.9%	54.2%	54.0%	53.3%	47.3%	52.7%	53.3%	57.6%	59.7%	
Service Gross Margin (non-GAAP)	39.2%	49.5%	44.1%	52.8%	34.9%	42.0%	43.8%	36.0%	38.4%	46.9%	56.4%	54.4%	45.8%	37.9%	44.2%	47.5%	52.6%	50.6%	59.0%	49.0%	45.5%	
Other Costs Included in GAAP Cost of Revenues	1.6%	1.1%	0.7%	0.2%	1.3%	1.4%	2.5%	1.7%	1.3%	0.9%	1.0%	1.1%	0.9%	0.8%	0.7%	0.2%	0.3%	0.2%	0.3%	0.2%	0.0%	
Non-GAAP Gross Margin	47.2%	48.9%	52.3%	53.1%	48.1%	49.1%	44.6%	45.4%	47.7%	48.8%	49.7%	49.8%	52.5%	51.8%	52.5%	52.3%	48.3%	52.4%	54.4%	56.4%	57.8%	
GAAP Gross Margin	45.6%	47.9%	51.6%	52.9%	46.8%	47.7%	42.1%	43.7%	46.4%	47.8%	48.6%	48.7%	51.6%	51.0%	51.8%	52.1%	48.0%	52.2%				

	Fiscal Years				FY 2014				FY 2015				FY 2016				FY 2017				FY 2018	
	2014	2015	2016	2017	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	
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)	\$ 499	\$ 12,721	\$ 20,891	\$ 11,584	\$ 3,075	\$ 7,183	\$ 5,126	\$ 5,219	\$ 32,714	
Capital Expenditures	\$ (5,792)	\$ (1,846)	\$ (3,999)	\$ (5,204)	\$ (2,193)	\$ (230)	\$ (377)	\$ (2,992)	\$ (502)	\$ (541)	\$ (322)	\$ (481)	\$ (610)	\$ (1,918)	\$ (821)	\$ (650)	\$ (47)	\$ (1,489)	\$ (806)	\$ (2,822)	\$ (1,319)	
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)	\$ (111)	\$ 10,803	\$ 20,060	\$ 10,934	\$ 3,028	\$ 5,693	\$ 4,320	\$ 2,357	\$ 31,395	
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	\$ 1,689	\$ 1,743	\$ 2,000	\$ 2,234	\$ 2,164	\$ 2,163	\$ 2,447	\$ 2,044	\$ 2,338	
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	\$ 2,176	\$ 2,129	\$ 2,135	\$ 1,855	\$ 1,854	\$ 1,698	\$ 1,667	\$ 1,701	\$ 1,724	
Adjusted EBITDA (1) as a % of Revenue	\$ 7,139 4%	\$ 21,676 12%	\$ 45,057 20%	\$ 60,149 23%	\$ 6,080 12%	\$ 4,907 10%	\$ (4,707) -17%	\$ 857 2%	\$ 6,193 12%	\$ 6,152 13%	\$ 5,216 11%	\$ 4,113 10%	\$ 7,595 16%	\$ 11,209 20%	\$ 13,201 22%	\$ 13,052 22%	\$ 9,810 17%	\$ 14,916 23%	\$ 11,929 21%	\$ 23,493 30%	\$ 25,048 30%	
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	\$ 83,344	\$ 95,984	\$ 118,527	\$ 129,961	\$ 132,096	\$ 135,693	\$ 140,356	\$ 117,029	\$ 123,887	
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	\$ 44,482	\$ 54,099	\$ 41,182	\$ 39,457	\$ 48,419	\$ 46,966	\$ 41,261	\$ 62,458	\$ 59,034	
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	\$ 54,031	\$ 50,705	\$ 43,676	\$ 41,293	\$ 44,824	\$ 50,536	\$ 58,341	\$ 54,394	\$ 54,603	
A/P	\$ 10,199	\$ 11,675	\$ 11,342	\$ 13,858	\$ 7,409	\$ 6,362	\$ 5,948	\$ 10,199	\$ 11,913	\$ 13,358	\$ 15,882	\$ 11,675	\$ 13,212	\$ 11,004	\$ 8,562	\$ 11,342	\$ 18,514	\$ 14,926	\$ 17,160	\$ 13,858	\$ 16,492	
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	\$ 140,423	\$ 150,468	\$ 163,316	\$ 174,353	\$ 183,752	\$ 196,019	\$ 205,805	\$ 196,019	\$ 196,554	
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	\$ 182,729	\$ 193,331	\$ 206,423	\$ 234,421	\$ 244,325	\$ 255,062	\$ 262,128	\$ 249,945	\$ 246,945	
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	\$ 3.42	\$ 3.89	\$ 4.76	\$ 5.18	\$ 5.24	\$ 5.33	\$ 5.49	\$ 4.75	\$ 5.19	
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	\$ 7.50	\$ 7.83	\$ 8.29	\$ 9.35	\$ 9.68	\$ 10.01	\$ 10.25	\$ 10.15	\$ 10.34	
Days sales outstanding (DSO)	56	72	72	67	57	63	86	59	70	82	74	80	84	87	83	60	73	66	66	72	65	
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	1.7	2.1	2.6	2.7	2.7	2.4	1.8	2.5	2.5	
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	24,372	24,692	24,898	25,070	25,228	25,474	25,567	24,629	23,891	
Headcount (ending)	525	518	532	592	543	540	528	525	526	530	540	518	519	520	527	532	534	559	570	592	593	
SUPPLEMENTAL REVENUE INFORMATION																						
Revenue segmentation by product/service																						
Products	82%	83%	84%	83%	85%	84%	72%	80%	76%	80%	80%	78%	83%	85%	85%	82%	81%	83%	81%	86%	86%	
Service	18%	17%	16%	17%	14%	16%	28%	20%	24%	20%	20%	22%	17%	15%	15%	18%	19%	17%	20%	14%	14%	
Total Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	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%	15%	16%	14%	*	23%	13%	11%	*	*	
South Korea	25%	16%	20%	36%	31%	17%	24%	27%	29%	15%	15%	*	18%	*	20%	34%	31%	49%	39%	28%	46%	
China	17%	*	20%	12%	30%	20%	10%	*	*	15%	12%	*	14%	23%	27%	14%	11%	11%	*	16%	23%	
Taiwan	12%	25%	12%	*	*	13%	10%	20%	29%	19%	25%	27%	11%	*	11%	17%	20%	*	*	*	*	
EMEA	*	*	*	*	*	16%	12%	*	*	*	*	*	*	*	*	*	*	*	*	*	*	
Japan	*	17%	12%	16%	*	*	15%	13%	*	*	17%	36%	15%	12%	*	14%	*	14%	*	31%	16%	
Singapore	*	*	*	*	*	*	16%	13%	*	21%	*	*	21%	30%	13%	*	*	*	17%	12%	*	
Remainder of world	23%	22%	22%	23%	26%	7%	2%	8%	24%	14%	11%	14%	6%	19%	16%	21%	15%	12%	32%	13%	14%	
Total Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	101%	100%	100%	100%	100%	100%	100%	
Product Revenues by end market																						
DRAM	25%	19%	19%	14%	23%	16%	34%	34%	33%	15%	22%	5%	20%	12%	23%	22%	13%	21%	15%	9%	39%	
NAND	33%	31%	31%	51%	40%	25%	36%	28%	13%	40%	33%	43%	52%	43%	67%	43%	40%	52%	36%	67%	50%	
Total Memory	58%	51%	50%	65%	63%	41%	72%	62%	46%	55%	55%	47%	72%	79%	65%	65%	53%	73%	50%	76%	89%	
Total Foundry/IDM/Other	42%	49%	50%	35%	37%	59%	28%	38%	54%	45%	45%	53%	28%	21%	35%	35%	47%	27%	49%	24%	11%	
Total Product Revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
10% Customers																						
Samsung	27%	13%	*	26%	52%	16%	*	24%	30%	*	*	*	*	*	*	15%	22%	30%	32%	22%	●	
Intel	13%	*	18%	11%	13%	18%	*	*	*	*	*	*	*	*	*	15%	14%	16%	14%	*	*	
SK Hynix	12%	11%	15%	13%	*	18%	*	*	13%	10%	15%	*	17%	*	19%	19%	14%	23%	*	*	*	
Micron	10%	16%	20%	12%	*	*	25%	18%	*	32%	14%	10%	25%	36%	15%	*	*	*	19%	15%	●	
Toshiba	*	10%	11%	*	*	*	*	10%	*	*	13%	27%	*	*	*	*	*	10%	*	24%	●	
TSMC	*	19%	10%	*	*	11%	*	16%	22%	17%	17%	21%	10%	*	10%	16%	17%	*	*	*	*	

* 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.