

STATEMENT OF OPERATIONS INFORMATION

	Fiscal Years			FY 2014				FY 2015				FY 2016			
	2014	2015	2016	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16
Net Revenues															
Products	\$ 136,408	\$ 154,817	\$ 185,066	\$ 44,023	\$ 40,294	\$ 19,784	\$ 32,307	\$ 42,934	\$ 41,154	\$ 37,182	\$ 33,546	\$ 39,214	\$ 47,445	\$ 49,631	\$ 48,776
Service	30,035	32,550	36,063	7,553	7,735	7,349	7,398	7,442	7,475	8,496	9,137	8,275	8,322	9,083	10,383
Total revenues	166,443	187,367	221,129	51,576	48,029	27,133	39,705	50,376	48,629	45,678	42,683	47,489	55,767	58,714	59,159
Costs of revenues															
Cost of products	69,622	79,241	85,391	21,832	19,957	10,899	16,934	21,779	20,936	19,285	17,241	18,079	21,736	22,810	22,766
Cost of service	18,276	16,433	20,160	4,921	4,487	4,130	4,738	4,586	3,972	3,706	4,169	4,484	5,164	5,066	5,446
Subtotal cost of revenues	87,898	95,674	105,551	26,753	24,444	15,029	21,672	26,365	24,908	22,991	21,410	22,563	26,900	27,876	28,212
Non-GAAP gross profit	78,545	91,693	115,578	24,823	23,585	12,104	18,033	24,011	23,722	22,687	21,273	24,926	28,867	30,838	30,947
Amortization of intangible assets included in cost of product revenues	2,723	2,026	1,454	674	677	688	684	632	457	468	469	435	442	434	143
Total cost of revenues	90,621	97,700	107,005	27,427	25,121	15,717	22,356	26,997	25,365	23,459	21,879	22,998	27,342	28,310	28,355
Gross profit	75,822	89,667	114,124	24,149	22,908	11,416	17,349	23,379	23,265	22,219	20,804	24,491	28,425	30,404	30,804
Operating expenses															
Research and development	33,776	32,701	31,443	8,314	9,373	8,037	8,052	8,159	8,157	8,579	7,806	8,068	7,511	7,868	7,996
Selling	27,033	28,055	30,181	7,373	6,681	6,389	6,590	7,116	7,029	6,760	7,150	7,249	7,823	7,495	7,614
General and administrative	23,980	22,444	23,381	6,338	6,001	5,781	5,860	5,767	5,544	5,590	5,543	5,420	5,755	5,975	6,231
Non-GAAP operating expenses	84,789	83,200	85,005	22,025	22,055	20,207	20,502	21,042	20,730	20,929	20,499	20,737	21,089	21,338	21,841
Non-GAAP income (loss) from operations	(6,244)	8,493	30,573	2,798	1,530	(8,103)	(2,469)	2,969	2,992	1,758	774	4,189	7,778	9,500	9,106
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	-	-	-	1,715	551	58	-	-	1,322	-	-	-	-
Total operating expenses	87,475	84,694	85,029	22,133	22,162	22,025	21,155	21,138	20,755	20,955	21,846	20,761	21,089	21,338	21,841
Income (loss) from operations	(11,653)	4,973	29,095	2,016	746	(10,609)	(3,806)	2,241	2,510	1,264	(1,042)	3,730	7,336	9,066	8,963
Other income (expense)	32	595	40	166	(170)	(134)	170	632	(348)	267	44	117	(449)	149	223
Non-GAAP income (loss) before income taxes	(6,211)	9,088	30,589	2,964	1,360	(8,236)	(2,299)	3,601	2,644	2,025	818	4,282	7,329	9,649	9,329
Income (loss) before income taxes	(11,621)	5,568	29,135	2,182	576	(10,743)	(3,636)	2,873	2,162	1,531	(998)	3,847	6,887	9,215	9,186
Provision (benefit) for income taxes	19,497	2,663	(14,900)	587	(12)	17,919	1,003	317	817	713	816	380	856	1,332	(17,468)
Net income (loss)	\$ (31,118)	\$ 2,905	\$ 44,036	\$ 1,595	\$ 588	\$ (28,662)	\$ (4,639)	\$ 2,556	\$ 1,345	\$ 818	\$ (1,814)	\$ 3,467	\$ 6,031	\$ 7,883	\$ 26,654
Valuation allowance on deferred tax assets	21,141	-	-	-	-	21,141	-	-	-	-	-	-	-	-	-
Income Tax impact of change of valuation allowance on deferred tax assets	-	-	(18,443)	-	-	-	-	-	-	-	-	-	-	-	(18,443)
Adj. to tax provision: discrete tax items and tax effect of non-GAAP adjustments	(1,743)	-	-	(282)	(281)	(877)	(303)	-	-	-	-	-	-	-	-
Non-GAAP net income (loss)	\$ (5,705)	\$ 6,425	\$ 27,071	\$ 2,095	\$ 1,091	\$ (5,892)	\$ (2,999)	\$ 3,284	\$ 1,827	\$ 1,312	\$ 2	\$ 3,926	\$ 6,473	\$ 8,317	\$ 8,354
Earnings per share															
Basic	\$ (1.30)	\$ 0.12	\$ 1.79	\$ 0.07	\$ 0.02	\$ (1.19)	\$ (0.19)	\$ 0.11	\$ 0.06	\$ 0.03	\$ (0.07)	\$ 0.14	\$ 0.25	\$ 0.32	\$ 1.07
Diluted	\$ (1.30)	\$ 0.12	\$ 1.75	\$ 0.07	\$ 0.02	\$ (1.19)	\$ (0.19)	\$ 0.11	\$ 0.06	\$ 0.03	\$ (0.07)	\$ 0.14	\$ 0.24	\$ 0.31	\$ 1.04
Non-GAAP EPS	\$ (0.24)	\$ 0.26	\$ 1.08	\$ 0.09	\$ 0.05	\$ (0.24)	\$ (0.12)	\$ 0.14	\$ 0.08	\$ 0.05	\$ 0.00	\$ 0.16	\$ 0.26	\$ 0.33	\$ 0.33
Shares used in EPS calculation															
Basic	23,958	24,058	24,655	23,711	23,939	24,132	24,048	23,866	24,020	24,145	24,203	24,308	24,524	24,826	24,949
Diluted	23,958	24,375	25,153	24,159	24,220	24,132	24,048	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	82.0%	82.6%	83.7%	85.4%	83.9%	72.9%	81.4%	85.2%	84.6%	81.4%	78.6%	82.6%	85.1%	84.5%	82.4%
Service revenue	18.0%	17.4%	16.3%	14.6%	16.1%	27.1%	18.6%	14.8%	15.4%	18.6%	21.4%	17.4%	14.9%	15.5%	17.6%
Product Gross Margin (non-GAAP)	49.0%	48.8%	53.9%	50.4%	50.5%	44.9%	47.6%	49.3%	49.1%	48.1%	48.6%	53.9%	54.2%	54.0%	53.3%
Service Gross Margin	39.2%	49.5%	44.1%	34.9%	42.0%	43.8%	36.0%	38.4%	46.9%	56.4%	54.4%	45.8%	37.9%	44.2%	47.5%
Amortization of intangibles included in cost of revenues	1.6%	1.1%	0.7%	1.3%	1.4%	2.5%	1.7%	1.3%	0.9%	1.0%	1.1%	0.9%	0.8%	0.7%	0.2%
Non-GAAP Gross Margin	47.2%	48.9%	52.3%	48.1%	49.1%	44.6%	45.4%	47.7%	48.8%	49.7%	49.8%	52.5%	51.8%	52.5%	52.3%
GAAP Gross Margin	45.6%	47.9%	51.6%	46.8%	47.7%	42.1%	43.7%	46.4%	47.8%	48.6%	48.7%	51.6%	51.0%	51.8%	52.1%
Non-GAAP Operating Expenses	50.9%	44.4%	38.4%	42.7%	45.9%	74.5%	51.6%	41.8%	42.6%	45.8%	48.0%	43.7%	37.8%	36.3%	36.9%
GAAP Operating Expenses	52.6%	45.2%	38.5%	42.9%	46.1%	81.2%	53.3%	42.0%	42.7%	45.9%	51.2%	43.7%	37.8%	36.3%	36.9%
Non-GAAP Operating Income	-3.8%	4.6%	13.8%	5.4%	3.2%	-29.9%	-6.2%	5.9%	6.1%	3.8%	1.8%	8.8%	13.9%	16.1%	15.4%
GAAP Operating Income	-7.0%	2.7%	13.2%	3.9%	1.6%	-39.1%	-9.6%	4.4%	5.2%	2.8%	-2.4%	7.9%	13.2%	15.4%	15.2%
Non-GAAP income (loss) before income taxes	-3.7%	4.8%	13.8%	5.7%	2.8%	-30.4%	-5.8%	7.1%	5.4%	4.4%	1.9%	9.1%	13.1%	16.4%	15.8%
GAAP income (loss) before income taxes	-7.0%	3.0%	13.2%	4.2%	1.2%	-39.6%	-9.2%	5.7%	4.4%	3.3%	-2.3%	8.1%	12.3%	15.7%	15.5%
Non-GAAP Net Income	-3.4%	3.4%	12.2%	4.1%	2.3%	-21.7%	-7.6%	6.5%	3.8%	2.9%	0.0%	8.3%	11.6%	14.2%	14.1%
GAAP Net Income	-18.7%	1.6%	19.9%	3.1%	1.2%	-105.6%	-11.7%	5.1%	2.8%	1.8%	-4.3%	7.3%	10.8%	13.4%	45.1%

	Fiscal Years			FY 2014				FY 2015				FY 2016			
	2014	2015	2016	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16
Cash Flow Metrics															
Cash Flow from Operations	\$ (635)	\$ 1,571	\$ 45,685	\$ (4,692)	\$ (2,176)	\$ (2,679)	\$ 8,912	\$ (5,874)	\$ (1,283)	\$ 9,505	\$ (777)	\$ 499	\$ 12,721	\$ 20,881	\$ 11,584
Capital Expenditures	\$ (5,792)	\$ (1,846)	\$ (3,999)	\$ (2,193)	\$ (230)	\$ (377)	\$ (2,992)	\$ (502)	\$ (541)	\$ (322)	\$ (481)	\$ (610)	\$ (1,918)	\$ (821)	\$ (650)
Free Cash Flow	\$ (6,427)	\$ (275)	\$ 41,686	\$ (6,885)	\$ (2,406)	\$ (3,056)	\$ 5,920	\$ (6,376)	\$ (1,824)	\$ 9,183	\$ (1,258)	\$ (111)	\$ 10,803	\$ 20,060	\$ 10,934
Stock-Based Compensation Expense	\$ 6,752	\$ 6,248	\$ 7,666	\$ 1,634	\$ 1,776	\$ 1,705	\$ 1,637	\$ 1,571	\$ 1,411	\$ 1,682	\$ 1,584	\$ 1,689	\$ 1,743	\$ 2,000	\$ 2,234
Depreciation and Amortization	\$ 9,775	\$ 9,075	\$ 8,295	\$ 2,429	\$ 2,385	\$ 2,482	\$ 2,475	\$ 2,324	\$ 2,231	\$ 2,271	\$ 2,249	\$ 2,176	\$ 2,129	\$ 2,135	\$ 1,855
Balance Sheet Metrics															
Cash, cash equivalents and marketable securities	\$ 83,962	\$ 83,085	\$ 129,961	\$ 88,037	\$ 87,361	\$ 84,373	\$ 83,962	\$ 77,049	\$ 74,789	\$ 84,626	\$ 83,085	\$ 83,344	\$ 95,984	\$ 118,527	\$ 129,961
A/R	\$ 26,121	\$ 37,832	\$ 39,457	\$ 32,417	\$ 33,458	\$ 26,061	\$ 26,121	\$ 39,072	\$ 44,441	\$ 37,573	\$ 37,832	\$ 44,482	\$ 54,099	\$ 41,182	\$ 39,457
Inventories	\$ 37,017	\$ 50,605	\$ 41,293	\$ 40,104	\$ 38,111	\$ 36,263	\$ 37,017	\$ 38,236	\$ 43,113	\$ 49,941	\$ 50,605	\$ 54,031	\$ 50,705	\$ 43,676	\$ 41,293
A/P	\$ 10,199	\$ 11,675	\$ 11,342	\$ 7,409	\$ 6,982	\$ 5,948	\$ 10,199	\$ 11,913	\$ 13,358	\$ 15,882	\$ 11,675	\$ 13,212	\$ 11,004	\$ 8,562	\$ 11,342
Working capital	\$ 119,644	\$ 132,903	\$ 174,353	\$ 147,645	\$ 151,515	\$ 130,215	\$ 119,644	\$ 125,497	\$ 127,982	\$ 132,679	\$ 132,903	\$ 140,423	\$ 150,468	\$ 163,316	\$ 174,353
Long-term debt, including current portion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tangible book value	\$ 164,749	\$ 176,046	\$ 234,421	\$ 194,266	\$ 198,937	\$ 173,644	\$ 164,749	\$ 169,122	\$ 171,988	\$ 175,718	\$ 176,046	\$ 182,729	\$ 193,331	\$ 206,423	\$ 234,421
Cash per share	\$ 3.49	\$ 3.43	\$ 5.18	\$ 3.69	\$ 3.64	\$ 3.49	\$ 3.49	\$ 3.21	\$ 3.11	\$ 3.50	\$ 3.43	\$ 3.42	\$ 3.89	\$ 4.76	\$ 5.18
TBV per share	\$ 6.85	\$ 7.27	\$ 9.35	\$ 8.14	\$ 8.28	\$ 7.19	\$ 6.85	\$ 7.05	\$ 7.15	\$ 7.27	\$ 7.27	\$ 7.50	\$ 7.83	\$ 8.29	\$ 9.35
Days sales outstanding (DSO)	56	80	65	57	63	86	59	70	82	74	80	84	87	63	60
Inventory turns	2.4	1.9	2.6	2.7	2.6	1.7	2.3	2.8	2.3	1.9	1.7	1.7	2.1	2.6	2.7
Shares outstanding at end of period (per share calcs)	24,048	24,224	25,070	23,877	24,029	24,157	24,048	23,974	24,059	24,177	24,224	24,372	24,692	24,898	25,070
Headcount (ending)	525	518	532	543	540	528	525	526	530	540	518	519	520	527	532

SUPPLEMENTAL REVENUE INFORMATION

Revenue segmentation by product/service															
Automated	66%	58%	58%	67%	72%	59%	64%	61%	60%	46%	49%	60%	48%	60%	62%
Integrated	10%	17%	20%	14%	6%	6%	10%	9%	13%	24%	24%	18%	33%	17%	11%
Materials Characterization	6%	7%	6%	5%	6%	7%	6%	6%	7%	10%	5%	5%	4%	8%	9%
Service	18%	17%	16%	14%	16%	28%	20%	24%	20%	20%	22%	17%	15%	15%	18%
Total revenues	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%	27%	21%	32%	18%	31%	17%	11%	15%	16%	14%	*
South Korea	25%	16%	20%	31%	17%	24%	27%	29%	15%	15%	*	18%	*	20%	34%
China	17%	*	20%	30%	20%	10%	*	*	*	15%	12%	14%	23%	27%	14%
Taiwan	12%	25%	12%	*	13%	*	20%	29%	19%	25%	27%	11%	*	11%	17%
EMEA	*	*	*	*	16%	12%	*	*	*	*	*	*	*	*	*
Japan	*	17%	12%	*	*	15%	13%	*	*	17%	36%	15%	12%	*	14%
Singapore	*	*	*	*	*	16%	*	*	21%	*	*	21%	30%	13%	*
Remainder of world	23%	22%	22%	26%	7%	2%	8%	24%	14%	11%	14%	6%	19%	16%	21%
Total revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	101%	100%
Product Revenues by end market															
DRAM	25%	19%	19%	23%	16%	34%	34%	33%	15%	22%	5%	20%	12%	23%	22%
NAND	33%	31%	51%	40%	25%	38%	28%	13%	40%	33%	43%	52%	67%	42%	43%
Total Memory	58%	51%	70%	63%	41%	72%	62%	46%	55%	55%	47%	72%	79%	65%	65%
Total Logic	12%	8%	5%	14%	20%	2%	4%	16%	4%	7%	5%	3%	8%	7%	1%
Total Foundry	20%	32%	18%	12%	32%	7%	27%	33%	29%	26%	41%	19%	10%	20%	25%
Other Devices and Substrates	10%	9%	6%	12%	7%	19%	7%	5%	12%	12%	6%	6%	3%	8%	9%
Total product revenues	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
10% Customers															
Samsung	27%	13%	*	52%	16%	*	24%	30%	*	*	*	*	*	*	15%
Intel	13%	*	18%	13%	18%	*	*	*	*	*	*	16%	24%	19%	14%
SK Hynix	12%	11%	15%	*	18%	27%	*	13%	10%	15%	*	17%	*	19%	19%
Micron	16%	16%	20%	*	*	25%	18%	*	32%	14%	10%	26%	36%	15%	*
TSMC	*	19%	10%	*	11%	*	16%	22%	17%	17%	21%	10%	*	10%	16%
Toshiba	*	10%	*	*	*	*	10%	*	*	13%	27%	12%	*	*	*
Global Foundries	*	*	*	*	15%	*	*	*	*	*	*	*	*	*	*

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

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.