UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): **August 6, 2026**

PDF SOLUTIONS, INC.

(Exact name of registrant as specified in its charter)

000-31311
(Commission File Number)

Delaware	25-1701361
(State or Other Jurisdiction of Incorporation)	(I.R.S. Employer Identification No.)

2858 De La Cruz Boulevard
Santa Clara, CA 95050
(Address of principal executive offices, with zip code)

(408) 280-7900
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.00015 par value	PDFS	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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Item 2.02. Results of Operations and Financial Condition.

On August 6, 2026, PDF Solutions, Inc. (the "Company") issued a press release regarding its financial results and certain other information related to the second quarter ended June 30, 2026. The Company also posted on the Investors section of its website (www.pdf.com) a management report with regard to the second quarter ended June 30, 2026. Copies of the press release and management report are attached to this report as Exhibits 99.1 and 99.2, respectively. Information on the website is not, and will not be deemed, a part of this report or incorporated into any other filings the Company makes with the Securities and Exchange Commission.

The information in this Item 2.02, including Exhibits 99.1 and 99.2, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities under that Section, and shall not be deemed incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release dated August 6, 2026, regarding financial results and certain other information related to the second quarter ended June 30, 2026.
99.2	Management Report by PDF Solutions, Inc. as of June 30, 2026.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PDF SOLUTIONS, INC. (Registrant)

By: /s/ Adnan Raza
Adnan Raza
EVP, Finance, and Chief Financial Officer (principal financial and accounting officer)

Dated: August 6, 2026

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News Release

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PDF Solutions® Reports Second Quarter 2026 Financial Results

Santa Clara, CA, August 6, 2026 – PDF Solutions, Inc. (Nasdaq: PDFS), a leading provider of comprehensive data solutions for the semiconductor and electronics ecosystem, today announced financial results for its second quarter ended June 30, 2026.

Financial Highlights of Second Quarter 2026

- **Quarterly total revenues of $61.5 million, up 19% over last year's comparable quarter**
- **GAAP gross margin of 69% and non-GAAP gross margin of 73%**
- **GAAP operating margin of 8% and non-GAAP operating margin of 22%**
- **GAAP diluted earnings per share (EPS) of $0.10 and non-GAAP diluted EPS of $0.27**
- **Ending backlog of $270.7 million**

Total revenues for the second quarter of 2026 were $61.5 million, compared to $60.1 million for the first quarter of 2026 and $51.7 million for the second quarter of 2025.

GAAP gross margin for the second quarter of 2026 was 69%, compared to 72% for the first quarter of 2026 and 71% for the second quarter of 2025. Non-GAAP gross margin for the second quarter of 2026 was 73%, compared to 76% for the first quarter of 2026 and 76% for the second quarter of 2025.

GAAP operating margin for the second quarter of 2026 was 8%, compared to 10% for the first quarter of 2026 and 2% for the second quarter of 2025. Non-GAAP operating margin for the second quarter of 2026 was 22%, compared to 25% for the first quarter of 2026 and 19% for the second quarter of 2025.

GAAP net income for the second quarter of 2026 was $4.3 million, or $0.10 per diluted share, compared to net income of $4.8 million, or $0.12 per diluted share, for the first quarter of 2026, and net income of $1.1 million, or $0.03 per diluted share, for the second quarter of 2025. Non-GAAP net income for the second quarter of 2026 was $11.4 million, or $0.27 per diluted share, compared to non-GAAP net income of $12.6 million, or $0.31 per diluted share, for the first quarter of 2026, and non-GAAP net income of $7.3 million, or $0.19 per diluted share, for the second quarter of 2025.

Ending backlog for the second quarter of 2026 was $270.7 million, compared to $246.4 for the first quarter of 2026 and $232.6 for the second quarter of 2025.

Financial Outlook

"In the second quarter of 2026, PDF Solutions continued on its growth trajectory, enabled by a broad product and services portfolio developed and curated to address the evolving needs of the semiconductor manufacturing industry," said John Kibarian, CEO and President of the Company. He continued, "In the quarter, we had major customer wins for our secureWISE system, for our DirectScan system, and for our Exensio product and services. We significantly increased backlog in the quarter, which we expect to add to revenue for a number of years. Taking into account these positive factors, we reaffirm our 20% annual revenue growth target for 2026."

Conference Call

As previously announced, PDF Solutions will discuss these results on a live conference call beginning at 2:00 p.m. Pacific Time / 5:00 p.m. Eastern Time today. To participate on the live call, analysts and investors should pre-register at: https://register-conf.media-server.com/register/BIed4111b6aacf4d2e83be3b8b0e0f63aa. We encourage participants to dial into the call ten minutes ahead of the scheduled time. The teleconference will also be webcast simultaneously on the Company's website at https://ir.pdf.com/webcasts. A replay of the conference call webcast will be available after the call on the Company's investor relations website. A copy of this press release, including the disclosure and reconciliation of certain non-GAAP financial measures to the comparable GAAP measures, which non-GAAP measures may be used periodically by PDF Solutions' management when discussing financial results with investors and analysts, will also be available on PDF Solutions' website at http://www.pdf.com/press-releases on and following the date of this release.

Second Quarter 2026 Financial Commentary Available Online

A Management Report reviewing the Company's second quarter 2026 financial results will be furnished to the Securities and Exchange Commission on Form 8-K and published on the Company's website at http://ir.pdf.com/financial-reports. Analysts and investors are encouraged to review this commentary prior to participating in the conference call.

Information Regarding Use of Non-GAAP Financial Measures

In addition to providing results that are determined in accordance with accounting principles generally accepted in the United States of America ("GAAP"), PDF Solutions also provides certain non-GAAP financial measures. Non-GAAP gross profit and margin exclude stock-based compensation expense and the amortization of acquired technology under costs of revenues. Non-GAAP net income excludes stock-based compensation expense, amortization of acquired intangible assets, amortization of debt issuance costs and the effects of certain non-recurring items, such as expenses for certain legal proceedings, acquisition-related and integration costs, and their related income tax effects, as applicable, as well as adjustments for the valuation allowance for deferred tax assets and reconciling items. Non-GAAP financial measures are used by management internally to measure the Company's profitability and performance. PDF Solutions' management believes that these non-GAAP measures provide useful supplemental information to investors regarding the Company's ongoing operations in light of the fact that none of these categories of expense and income has a current effect on the future uses of cash (with the exception of expenses related to certain legal proceedings and acquisition-related and integration costs) nor do they impact the generation of current or future revenues. These non-GAAP results should not be considered an alternative to, or a substitute for, GAAP financial information, and may differ from similarly titled non-GAAP measures used by other companies. In particular, these non-GAAP financial measures are not a substitute for GAAP measures of income or loss as a measure of performance, or to cash flows from operating, investing and financing activities as a measure of liquidity. Since management uses these non-GAAP financial measures internally to measure profitability and performance, PDF Solutions has included these non-GAAP measures to give investors an opportunity to see the Company's financial results as viewed by management. A reconciliation of the comparable GAAP financial measures to the non-GAAP financial measures is provided at the end of the Company's unaudited condensed consolidated financial statements presented below.

About PDF Solutions

PDF Solutions (Nasdaq: PDFS) provides comprehensive data solutions designed to empower organizations across the semiconductor and electronics industry ecosystems to improve the yield and quality of their products and operational efficiency for increased profitability. The Company's products and services are used by Fortune 500 companies across the semiconductor ecosystem to achieve smart manufacturing goals by connecting and controlling equipment, collecting data generated during manufacturing and test operations, and performing advanced analytics and machine learning to enable profitable, high-volume manufacturing.

Founded in 1991, PDF Solutions is headquartered in Santa Clara, California, with operations across North America, Europe, and Asia. The Company (directly or through one or more subsidiaries) is an active member of SEMI, INEMI, TPCA, IPC, the OPC Foundation, and DMDII. For the latest news and information about PDF Solutions or to find office locations, visit https://www.pdf.com/.

Forward-Looking Statements

This press release and the planned conference call include forward-looking statements regarding the Company's future expected business performance and financial results, including expectations about total revenue growth for 2026 and backlog contributions to future revenue, progress towards long-term model target margins, portfolio strength and momentum and other statements identified by words such as "could," "expects," "intends," "may," "plans," "potential," "should," "will," "would," or similar expressions and the negatives of those terms, that are subject to future events and circumstances. Other than statements of historical fact, all statements contained in this press release and the planned conference call are forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from those expressed in these forward-looking statements. Risks and uncertainties that could cause results to differ materially include risks associated with: the effectiveness of the Company's business and technology strategies; current semiconductor industry trends and competition; rates of adoption of the Company's solutions by new and existing customers; project milestones or delays and performance criteria achieved; cost and schedule of new product development and investments in research and development; the continuing impact of macroeconomic conditions, including inflation, changing interest rates and tariffs, energy prices, the evolving trade regulatory environment and geopolitical tensions, armed conflicts, government shutdowns, and other trends impacting the semiconductor industry, the Company's customers, operations, and supply and demand for its products; supply chain disruptions; changes in laws and regulations, including recent tax and data privacy laws and regulations, or the interpretation or enforcement thereof; the success of the Company's strategic growth opportunities and partnerships; recent and future acquisitions, strategic alliances and relationships and the Company's ability to successfully integrate acquired businesses and technologies; whether the Company can successfully convert backlog into revenue; customers' production volumes under contracts that provide Gainshare; the sufficiency of the Company's cash resources and anticipated funds from operations; the Company's ability to obtain additional financing if needed and its ability to use support and updates for certain open-source software; and other risks and uncertainties discussed in PDF Solutions' periodic public filings with the Securities and Exchange Commission, including, without limitation, its Annual Report on Form 10-K for the year ended December 31, 2025, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K and any amendments to such reports. All forward-looking statements made in this press release and the conference call are made as of the date hereof, and PDF Solutions does not assume any obligation to update such statements nor the reasons why actual results could differ materially from those projected in such statements.

PDF SOLUTIONS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(In thousands)

	June 30, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 114,883	$ 42,220
Accounts receivable, net	90,579	82,938
Prepaid expenses and other current assets	47,147	38,735
Total current assets	252,609	163,893
Property and equipment, net	94,520	81,609
Operating lease right-of-use assets, net	4,166	4,778
Goodwill	94,986	95,005
Intangible assets, net	48,056	52,194
Deferred tax assets, net	125	69
Other non-current assets	24,717	21,149
Total assets	$ 519,179	$ 418,697
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 12,387	$ 17,076
Accrued compensation and related benefits	26,866	22,437
Accrued and other current liabilities	8,822	8,719
Operating lease liabilities – current portion	2,089	1,982
Deferred revenues – current portion	20,254	19,441
Current portion of long-term debt, net	2,862	2,236
Total current liabilities	73,280	71,891
Long-term income taxes	4,580	4,273
Operating lease liabilities – non-current portion	2,949	3,838
Long-term debt, net	63,655	64,763
Other non-current liabilities	2,220	2,910
Total liabilities	146,684	147,675
Stockholders' equity:		
Common stock and additional paid-in capital	630,341	533,509
Treasury stock, at cost	(169,904)	(165,808)
Accumulated deficit	(85,566)	(94,628)
Accumulated other comprehensive loss	(2,376)	(2,051)
Total stockholders' equity	372,495	271,022
Total liabilities and stockholders' equity	$ 519,179	$ 418,697

PDF SOLUTIONS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(In thousands, except per share amounts)

	Three Months Ended			Six Months Ended	
	June 30, 2026	**March 31, 2026**	**June 30, 2025**	**June 30, 2026**	**June 30, 2025**
Revenues (1):					
Platform	$ 49,130	$ 50,936	$ 43,200	$ 100,066	$ 80,521
Volume-based	12,399	9,194	8,528	21,593	18,985
Total revenues	61,529	60,130	51,728	121,659	99,506
Costs and Expenses:					
Costs of revenues	19,107	16,938	14,886	36,045	27,841
Research and development	17,316	18,328	14,913	35,644	29,541
Selling, general, and administrative	18,984	17,492	19,744	36,476	43,116
Amortization of acquired intangible assets	1,058	1,059	1,068	2,117	1,446
Income (loss) from operations	5,064	6,313	1,117	11,377	(2,438)
Interest expense	(1,106)	(1,089)	(1,242)	(2,195)	(1,553)
Interest income and other, net	666	592	196	1,258	1,066
Income (loss) before income tax benefit (expense)	4,624	5,816	71	10,440	(2,925)
Income tax benefit (expense)	(353)	(1,025)	1,075	(1,378)	1,039
Net income (loss)	$ 4,271	$ 4,791	$ 1,146	$ 9,062	$ (1,886)
Net income (loss) per share:					
Basic	$ 0.10	$ 0.12	$ 0.03	$ 0.22	$ (0.05)
Diluted	$ 0.10	$ 0.12	$ 0.03	$ 0.22	$ (0.05)
Weighted average common shares used to calculate net income (loss) per share:					
Basic	40,932	39,857	39,148	40,397	39,118
Diluted	41,776	40,377	39,260	41,079	39,118

(1) In the fourth quarter of 2025, the Company updated its presentation of revenue categories. The Company now presents revenue in the following categories: Platform and Volume-based. Platform revenue is derived from the following primary offerings: licenses for software (other than Cimetrix runtime licenses) and related software maintenance and technical support services; SaaS; engineering services; fixed fees associated with CV systems; and licenses and purchase contracts for DirectScan systems. Volume-based revenue is derived from Cimetrix runtime licenses, secureWISE data, and Gainshare. Prior periods Condensed Consolidated Statements of Operations have been reclassified to conform to the new revenue presentation. The change in presentation of revenue does not change the Company's total revenues or costs of revenues.

PDF SOLUTIONS, INC.
RECONCILIATION OF GAAP GROSS PROFIT AND MARGIN TO NON-GAAP GROSS PROFIT AND MARGIN (UNAUDITED)
(In thousands)

	Three Months Ended			Six Months Ended	
	June 30, 2026	March 31, 2026	June 30, 2025	June 30, 2026	June 30, 2025
GAAP					
Total revenues	$ 61,529	$ 60,130	$ 51,728	$ 121,659	$ 99,506
Costs of revenues	19,107	16,938	14,886	36,045	27,841
GAAP gross profit	$ 42,422	$ 43,192	$ 36,842	$ 85,614	$ 71,665
GAAP gross margin	69%	72%	71%	70%	72%
Non-GAAP					
GAAP gross profit	$ 42,422	$ 43,192	$ 36,842	$ 85,614	$ 71,665
Adjustments to reconcile GAAP to non-GAAP gross profit:					
Stock-based compensation expense	1,258	1,279	1,257	2,537	2,599
Amortization of acquired technology under costs of revenues	998	998	998	1,996	1,676
Non-GAAP gross profit	$ 44,678	$ 45,469	$ 39,097	$ 90,147	$ 75,940
Non-GAAP gross margin	73%	76%	76%	74%	76%

RECONCILIATION OF GAAP INCOME (LOSS) FROM OPERATIONS AND OPERATING MARGIN TO NON-GAAP INCOME FROM OPERATIONS AND OPERATING MARGIN (UNAUDITED)
(In thousands)

	Three Months Ended			Six Months Ended	
	June 30, 2026	March 31, 2026	June 30, 2025	June 30, 2026	June 30, 2025
GAAP income (loss) from operations	$ 5,064	$ 6,313	$ 1,117	$ 11,377	$ (2,438)
GAAP operating margin	8%	10%	2%	9%	(2)%
Adjustments to reconcile GAAP to non-GAAP income (loss) from operations:					
Stock-based compensation expense	5,998	6,396	6,199	12,394	12,795
Amortization of acquired intangible assets	2,056	2,057	2,066	4,113	3,122
Expenses for certain legal proceedings (1)	501	210	112	711	227
Acquisition-related and integration costs	30	8	159	38	4,504
Non-GAAP income from operations	$ 13,649	$ 14,984	$ 9,653	$ 28,633	$ 18,210
Non-GAAP operating margin	22%	25%	19%	24%	18%

(1) Represents legal costs and expenses related to a certain arbitration proceeding, which are expected to continue until this matter is fully resolved.

PDF SOLUTIONS, INC.
RECONCILIATION OF GAAP NET INCOME (LOSS) TO NON-GAAP NET INCOME (UNAUDITED)
(In thousands, except per share amounts)

	Three Months Ended			Six Months Ended	
	June 30, 2026	March 31, 2026	June 30, 2025	June 30, 2026	June 30, 2025
GAAP net income (loss)	$ 4,271	$ 4,791	$ 1,146	$ 9,062	$ (1,886)
Adjustments to reconcile GAAP net income (loss) to non-GAAP net income:					
Stock-based compensation expense	5,998	6,396	6,199	12,394	12,795
Amortization of acquired intangible assets	2,056	2,057	2,066	4,113	3,122
Expenses for certain legal proceedings (1)	501	210	112	711	227
Acquisition-related and integration costs	30	8	159	38	4,504
Recovery from previously written-off property and equipment	—	—	(663)	—	(663)
Amortization of debt issuance costs	60	65	71	125	76
Tax impact of valuation allowance for deferred tax assets and reconciling items (2)	(1,544)	(878)	(1,789)	(2,422)	(2,759)
Non-GAAP net income	$ 11,372	$ 12,649	$ 7,301	$ 24,021	$ 15,416
GAAP net income (loss) per diluted share	$ 0.10	$ 0.12	$ 0.03	$ 0.22	$ (0.05)
Non-GAAP net income per diluted share	$ 0.27	$ 0.31	$ 0.19	$ 0.58	$ 0.39
Weighted average common shares used in GAAP net income (loss) per diluted share calculation	41,776	40,377	39,260	41,079	39,118
Weighted average common shares used in non-GAAP net income per diluted share calculation	41,776	40,377	39,260	41,079	39,273

(1) Represents legal costs and expenses related to a certain arbitration proceeding, which are expected to continue until this matter is fully resolved.

(2) The difference between the GAAP and non-GAAP income tax provisions is primarily due to the valuation allowance on a GAAP basis and non-GAAP adjustments. For example, on a GAAP basis, the Company does not receive a deferred tax benefit for foreign tax credits or research and development credits after the valuation allowance. The Company's non-GAAP tax rate and resulting non-GAAP tax expense is not calculated with a full U.S. federal or state valuation allowance due to the Company's cumulative non-GAAP income and management's conclusion that it is more likely than not to utilize its net deferred tax assets (DTAs). Each reporting period, management evaluates the need for a valuation allowance and may place a valuation allowance against its U.S. net DTAs on a non-GAAP basis if it concludes it is more likely than not that it will not be able to utilize some or all of its U.S. DTAs on a non-GAAP basis.

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Q2 2026

Management Report

August 6, 2026

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Q2 2026 Non-GAAP Results

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- Reconciliation of GAAP to Non-GAAP Spending by Function

Related Information

The following commentary is provided by management and should be referenced in conjunction with PDF Solutions' Second Quarter 2026 financial results press release available on its Investor Relations website at http://www.pdf.com/financial-news. These remarks represent management's current views of the Company's financial and operational performance and are provided to give investors and analysts further insight into its performance in advance of the earnings call webcast. The Company disclaims any duty to update this information for future events.

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PDF Solutions Reports Second Quarter 2026 Results

Q2 2026 Key Metrics

Total Revenues: $61.5M

GAAP Gross Margin: 69%

Non-GAAP Gross Margin: 73%

GAAP Operating Margin: 8%

Non-GAAP Operating Margin: 22%

GAAP Diluted EPS: $0.10

Non-GAAP Diluted EPS: $0.27

Operating Cash Flow: $16.4M

Cash Used for Capital Expenditures: $14.1M

Secondary Offering in May 2026

- Shares issued: 1.9M shares
- Proceeds (net of underwriting discounts and commissions of $3.9M): $81.8M

FINANCIAL RESULTS SUMMARY

- Total revenues of $61.5M was up 2% over Q1 2026, and up 19% over Q2 2025
- Q2 2026 Platform revenue of $49.1M was down 4% over Q1 2026, and up 14% over Q2 2025
- Q2 2026 Volume-based revenue of $12.4M was up 35% over Q1 2026, and up 45% over Q2 2025
- Q2 2026 Recurring revenue was 80%, Q1 2026 was 89%, and Q2 2025 was 89%
- Q2 2026 Upfront revenue was 20%, Q1 2026 was 11%, and Q2 2025 was 11%

Key Financial & Operating Metrics

Quarterly

(in thousands, except outstanding shares, which are in millions, and percentages)

	Q2'26	Q1'26	Q4'25	Q3'25	Q2'25
Revenues	$61,529	$60,130	$62,403	$57,115	$51,728
GAAP Gross Margin	69%	72%	73%	72%	71%
Non-GAAP Gross Margin	73%	76%	77%	76%	76%
GAAP Operating Margin	8%	10%	6%	8%	2%
Non-GAAP Operating Margin	22%	25%	24%	23%	19%
Outstanding Debt, net	$66,517	$66,452	$66,999	$67,558	$68,117
Operating Cash Flow	$16,401	$1,674	$17,341	$3,287	$(5,215)
Cash Used for Capital Expenditures (CAPEX)	$14,082	$10,500	$9,791	$6,325	$8,526
$ Shares Repurchased	$—	$—	$—	$244	$—
Weighted Average Common Shares Outstanding	40.9	39.9	39.5	39.5	39.1
Effective Tax Rate	8%	18%	102%	63%	(1,514)%

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Key Financial & Operating Metrics

Year to Date

(in thousands, except outstanding shares, which are in millions, and percentages)

	Six Months Ended June 30,		
	2026	2025	2024
Revenues	$121,659	$99,506	$82,971
GAAP Gross Margin	70%	72%	69%
Non-GAAP Gross Margin	74%	76%	73%
GAAP Operating Margin	9%	(2)%	(2)%
Non-GAAP Operating Margin	24%	18%	14%
Outstanding Debt, net	$66,517	$68,117	$—
Operating Cash Flow	$18,075	$3,425	$(1,178)
Cash Used for CAPEX	$24,582	$16,729	$7,343
$ Shares Repurchased	$—	$—	$6,899
Weighted Average Common Shares Outstanding	40.4	39.1	38.5
Effective Tax Rate	13%	36%	11%

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Revenue by Geographic Area

Quarterly

(Dollars in thousands)

	Q2'26	Q1'26	Q4'25	Q3'25	Q2'25
United States	$34,036	$24,507	$36,439	$30,143	$19,954
% of Total	55%	41%	58%	53%	39%
Japan	$6,563	$8,679	$8,156	$10,091	$9,304
% of Total	11%	14%	13%	18%	18%
China	$8,723	$8,514	$7,866	$5,842	$12,190
% of Total	14%	14%	12%	10%	23%
Rest of the world	$12,207	$18,430	$9,942	$11,039	$10,280
% of Total	20%	31%	17%	19%	20%
Total revenues	**$61,529**	**$60,130**	**$62,403**	**$57,115**	**$51,728**

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Revenue by Geographic Area

Year to Date

(Dollars in thousands)

	Six Months Ended June 30,		
	2026	**2025**	**2024**
United States	$58,543	$38,182	$36,956
% of Total	48%	38%	45%
Japan	$15,242	$21,040	$19,220
% of Total	13%	21%	23%
China	$17,237	$20,233	$11,853
% of Total	14%	20%	14%
Rest of the world	$30,637	$20,051	$14,942
% of Total	25%	21%	18%
Total revenues	**$121,659**	**$99,506**	**$82,971**

GAAP / Non-GAAP Presentation

In addition to providing results that are determined in accordance with accounting principles generally accepted in the United States of America ("GAAP"), the Company also provides certain non-GAAP financial measures. Non-GAAP gross profit and margin exclude stock-based compensation expense and the amortization of acquired technology under costs of revenues. Non-GAAP net income excludes stock-based compensation expense, amortization of acquired intangible assets, amortization of debt issuance costs, and the effects of certain non-recurring items, such as expenses for certain legal proceedings, acquisition-related and integration costs, recovery from previously written-off property and equipment, and their related income tax effects, as applicable, as well as adjustments for the valuation allowance for deferred tax assets and reconciling items. Non-GAAP financial measures are used by management internally to measure the Company's profitability and performance. PDF Solutions' management believes that these non-GAAP measures provide useful supplemental information to investors regarding the Company's ongoing operations in light of the fact that none of these categories of expense and income has a current effect on the future uses of cash (with the exception of expenses related to a certain legal proceedings and acquisition-related and integration costs) nor do they impact the generation of current or future revenues. These non-GAAP results should not be considered an alternative to, or a substitute for, GAAP financial information, and may differ from similarly titled non-GAAP measures used by other companies. In particular, these non-GAAP financial measures are not a substitute for GAAP measures of income or loss as a measure of performance, or to cash flows from operating, investing and financing activities as a measure of liquidity. Since management uses these non-GAAP financial measures internally to measure profitability and performance, PDF Solutions has included these non-GAAP measures to give investors an opportunity to see the Company's financial results as viewed by management. A reconciliation of the comparable GAAP financial measures to the non-GAAP financial measures is included herein.

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Reconciliation of GAAP Net Income (Loss) to Non-GAAP Net Income

Quarterly

(in thousands, except for per share amounts)

	Q2'26	Q1'26	Q4'25	Q3'25	Q2'25
GAAP net income (loss)	$4,271	$4,791	$(48)	$1,294	$1,146
Adjustments to reconcile GAAP net income (loss) to non-GAAP net income:					
Stock-based compensation expense	5,998	6,396	6,866	6,264	6,199
Amortization of acquired intangible assets	2,056	2,057	2,066	2,067	2,066
Expenses for certain legal proceedings (1)	501	210	2,574	170	112
Acquisition-related and integration costs	30	8	2	22	159
Recovery from previously written-off property and equipment	—	—	—	—	(663)
Amortization of debt issuance costs	60	65	55	54	71
Tax impact of valuation allowance for deferred tax assets and reconciling items (2)	(1,544)	(878)	495	(66)	(1,789)
Non-GAAP net income	$11,372	$12,649	$12,010	$9,805	$7,301
GAAP net income (loss) per diluted share	$0.10	$0.12	$(0.00)	$0.03	$0.03
Non-GAAP net income per diluted share	$0.27	$0.31	$0.30	$0.25	$0.19
Weighted average common shares used in GAAP net income (loss) per diluted share calculation	41,776	40,377	39,524	39,619	39,260
Weighted average common shares used in Non-GAAP net income per diluted share calculation	41,776	40,377	39,911	39,619	39,260

(1) Represents legal costs and expenses related to a certain arbitration proceeding, which are expected to continue until this matter is fully resolved.

(2) The difference between the GAAP and non-GAAP income tax provisions is primarily due to the valuation allowance on a GAAP basis and non-GAAP adjustments. For example, on a GAAP basis, the Company does not receive a deferred tax benefit for foreign tax credits or research and development credits after the valuation allowance. The Company's non-GAAP tax rate and resulting non-GAAP tax expense is not calculated with a full U.S. federal or state valuation allowance due to the Company's cumulative non-GAAP income and management's conclusion that it is more likely than not to utilize its net deferred tax assets (DTAs). Each reporting period, management evaluates the need for a valuation allowance and may place a valuation allowance against its U.S. net DTAs on a non-GAAP basis if it concludes it is more likely than not that it will not be able to utilize some or all of its U.S. DTAs on a non-GAAP basis.

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Reconciliation of GAAP Net Income (Loss) to Non-GAAP Net Income

Year to Date

(in thousands, except for per share amounts)

	Six Months Ended June 30,		
	2026	2025	2024
GAAP net income (loss)	$9,062	$(1,886)	$1,312
Adjustments to reconcile GAAP net income (loss) to non-GAAP net income:			
Stock-based compensation expense	12,394	12,795	11,810
Amortization of acquired intangible assets	4,113	3,122	1,686
Expenses for certain legal proceedings (1)	711	227	—
Acquisition-related and integration costs	38	4,504	—
Recovery from previously written-off property and equipment	—	(663)	—
Amortization of debt issuance costs	125	76	—
Tax impact of valuation allowance for deferred tax assets and reconciling items (2)	(2,422)	(2,759)	(1,972)
Non-GAAP net income	$24,021	$15,416	$12,836
GAAP net income (loss) per diluted share	$0.22	$(0.05)	$0.03
Non-GAAP net income per diluted share	$0.58	$0.39	$0.33
Weighted average common shares used in GAAP net income (loss) per diluted share calculation	41,079	39,118	38,989
Weighted average common shares used in Non-GAAP net income per diluted share calculation	41,079	39,273	38,989

(1) Represents legal costs and expenses related to a certain arbitration proceeding, which are expected to continue until this matter is fully resolved.

(2) The difference between the GAAP and non-GAAP income tax provisions is primarily due to the valuation allowance on a GAAP basis and non-GAAP adjustments. For example, on a GAAP basis, the Company does not receive a deferred tax benefit for foreign tax credits or research and development credits after the valuation allowance. The Company's non-GAAP tax rate and resulting non-GAAP tax expense is not calculated with a full U.S. federal or state valuation allowance due to the Company's cumulative non-GAAP income and management's conclusion that it is more likely than not to utilize its net deferred tax assets (DTAs). Each reporting period, management evaluates the need for a valuation allowance and may place a valuation allowance against its U.S. net DTAs on a non-GAAP basis if it concludes it is more likely than not that it will not be able to utilize some or all of its U.S. DTAs on a non-GAAP basis.

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Reconciliation of GAAP to Non-GAAP Spending by Function

Quarterly

(in thousands)

	Q2'26	Q1'26	Q4'25	Q3'25	Q2'25
Cost of Revenue - GAAP	**$19,107**	**$16,938**	**$16,942**	**$15,840**	**$14,886**
Adjustments to reconcile GAAP Cost of Revenue to Non-GAAP Cost of Revenue:					
Stock-based compensation expense	(1,258)	(1,279)	(1,379)	(1,274)	(1,257)
Amortization of acquired technology	(998)	(998)	(998)	(998)	(998)
Cost of Revenue - Non-GAAP	**$16,851**	**$14,661**	**$14,565**	**$13,568**	**$12,631**
Research & Development - GAAP	**$17,316**	**$18,328**	**$19,258**	**$15,435**	**$14,913**
Adjustments to reconcile GAAP R&D to Non-GAAP R&D:					
Stock-based compensation expense	(2,169)	(2,392)	(2,586)	(2,204)	(2,251)
Research & Development - Non-GAAP	**$15,147**	**$15,936**	**$16,672**	**$13,231**	**$12,662**
Selling, General, & Administrative - GAAP	**$18,984**	**$17,492**	**$21,676**	**$19,944**	**$19,744**
Adjustment to reconcile GAAP SG&A to Non-GAAP SG&A:					
Stock-based compensation expense	(2,571)	(2,725)	(2,901)	(2,786)	(2,691)
Expenses for certain legal proceedings (1)	(501)	(210)	(2,574)	(170)	(112)
Acquisition-related and integration costs	(30)	(8)	(2)	(22)	(159)
Selling, General, & Administrative - Non-GAAP	**$15,882**	**$14,549**	**$16,199**	**$16,966**	**$16,782**

(1) Represents legal costs and expenses related to a certain arbitration proceeding, which are expected to continue until this matter is fully resolved.

Reconciliation of GAAP to Non-GAAP Spending by Function

Year to Date

(in thousands)

	Six Months Ended June 30,		
	2026	2025	2024
Cost of Revenue - GAAP	**$36,045**	**$27,841**	**$25,759**
Adjustments to reconcile GAAP Cost of Revenue to Non-GAAP Cost of Revenue:			
Stock-based compensation expense	(2,537)	(2,599)	(2,385)
Amortization of acquired technology	(1,996)	(1,676)	(1,168)
Cost of Revenue - Non-GAAP	**$31,512**	**$23,566**	**$22,206**
Research & Development - GAAP	**$35,644**	**$29,541**	**$25,633**
Adjustments to reconcile GAAP R&D to Non-GAAP R&D:			
Stock-based compensation expense	(4,561)	(4,670)	(4,265)
Research & Development - Non-GAAP	**$31,083**	**$24,871**	**$21,368**
Selling, General, & Administrative - GAAP	**$36,476**	**$43,116**	**$32,757**
Adjustment to reconcile GAAP SG&A to Non-GAAP SG&A:			
Stock-based compensation expense	(5,296)	(5,526)	(5,160)
Expenses for certain legal proceedings (1)	(711)	(227)	—
Acquisition-related and integration costs	(38)	(4,504)	—
Selling, General, & Administrative - Non-GAAP	**$30,431**	**$32,859**	**$27,597**

(1) Represents legal costs and expenses related to a certain arbitration proceeding, which are expected to continue until this matter is fully resolved.