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PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the Fluidigm First Quarter 2018 Financial Results. (Operator Instructions) As a reminder, this conference is being recorded. I would like to introduce your host for today's conference, Ms. Ana Petrovic. Ma'am, you may begin.

Ana Petrovic - *Fluidigm Corporation - Director of Corporate Development and IR*

Thank you. Good afternoon, everyone. Welcome to the Fluidigm First Quarter 2018 Earnings Conference Call.

At the close of the market today, Fluidigm released the financial results for the first quarter ended March 31, 2018. During this call, we will review our results and provide commentary on recent commercial activity, market trends and our strategic business initiatives. Presenting from Fluidigm today will be Chris Linthwaite, our President and Chief Executive Officer; and Vikram Jog, our Chief Financial Officer.

During the call and subsequent Q&A session, we will make forward-looking statements about the events and circumstances that have not yet occurred, including plans and projections for our business, future financial results and market trends and opportunities. Examples of these forward-looking statements including -- include statements regarding our business prospects and growth, anticipated sales growth for 2018, mass cytometry pipeline and anticipated timing of future orders, year-over-year growth in mass cytometry, revenues for the second quarter of 2018 and other projected financial results. These statements are subject to substantial risks and uncertainties that may cause actual events or results to differ materially from current expectations. Information on these risks and uncertainties and other information affecting our business and operating results is contained in our annual report on Form 10-K for the year ended December 31, 2017, and in our other filings with the SEC. The forward-looking statements in this call are based on information currently available to us, and Fluidigm disclaims any obligation to update these forward-looking statements except as may be required by law.

During the call, we will also present some financial information on a non-GAAP basis. Non-GAAP information is not prepared under a comprehensive set of accounting rules and should only be used to supplement an understanding of the company's operating results as reported under U.S. GAAP. We encourage you to carefully consider our results under GAAP as well as our supplemental non-GAAP information and the reconciliation between these presentations. Reconciliations between GAAP and non-GAAP operating results are presented in a table accompanying our earnings release, which can be found in the Investors section of our website.

I will now turn the call over to Chris, our President and CEO.

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

Thank you, Ana, and good afternoon, everyone, and thank you for joining for our first quarter 2018 earnings call. This is Ana's last quarterly investor call as she taking on a new role for us on the finance team. I'd like to thank her -- and I know I speak for Vikram as well, for leading our Investor Relations program these past 4 years.

Agnes Lee is our new Investor Relations leader at Fluidigm. She's here with us today. Welcome, Agnes. Agnes has a great background in finance and communications at mid-market or mid- and large-cap health care companies and life sciences, medical devices and molecular diagnostics, including ResMed and Life Technologies. We're very pleased to welcome her to the team.

Now on today's business. As detailed in our press release this morning, we made great progress in the recent quarter, continuing to take our technologies in mass cytometry and genomics to larger markets, more users and expanded applications. This is an exciting time at Fluidigm. The accomplishments of the past year have built a strong foundation for growth. Initiatives we put in place over several quarters are bearing fruit in product innovation, partnerships, increased operational efficiency and better financial discipline and cash management. What is most satisfying are the steps that take us closer to becoming a true partner for translational research with the goal of empowering health care insights of the future. We will update you on some of those steps today.

I'd like to begin with an overview of our financial results for the quarter and then discuss markets and strategy, then I'll turn the call over to Vikram, our CFO, for a more detailed financial review before offering closing remarks and taking questions.

Total revenue for the first quarter was $25.2 million, a decrease of 1% from $25.5 million in the first quarter of 2017, and 9% from $27.7 million in the fourth quarter of 2017. Our first quarter results included strong growth in genomics as well as increased revenue in consumables and service. Consumables revenue increased 23% over the prior year period. Service revenue was up 15%. Total genomics revenue increased 18% with year-over-year growth in instruments, consumables and service. Pull-through for our BioMark and EP1 systems exceeded our guidance range.

While we posted double-digit mass cytometry consumables growth in the quarter, a very small number of mass cytometry instrument orders were delayed. We expect to see those orders fulfilled in the coming months. Mass cytometry pull-through set a record and exceeded our guidance, which we increased just recently for 2018 during our last call 3 months ago. The overall results for the quarter were in line with our expectations and reflect operating leverage and improvements in gross margin.

I'd like to note at a few things about mass cytometry's Q1 performance. Revenue in the first quarter of 2017 benefited from a spike in Imaging Mass Cytometry instrument deliveries, which was driven by a fulfillment of backlog from year-end 2016. Specifically, we enabled 11 early-adopting customers with first-in-class Imaging Mass Cytometry modules. Our mass cytometry pipeline is strong, reflecting increasing customer interest and adoption of the technology in translational research. We're extremely optimistic about the health of the mass cytometry business and the fundamental growth drivers. In addition to the mass cytometry consumables growth and record pull-through that exceeded guidance that I mentioned earlier, European consumables revenue for mass cytometry customers in a single quarter exceeded the $1 million mark for the first time.

Looking forward, we expect our new immune monitoring panel to support further growth in the translational research space. The Maxpar Human Immune Monitoring Panel Kit, the first of its kind, was launched in early Q2. It enables comprehensive immune cell profiling in cancer and immune-mediated diseases. The Maxpar kit is designed for use with the Helios system. This proven mass cytometry workflow makes a significant step forward in high-parameter immune profiling. Customer response has been a strong.

One of the brightest signals of rising demand from customers is evidence that our mass cytometry installed base is becoming capacity-constrained. We are hearing from large-volume mass cytometry customers interested in acquiring new systems as the increasing volume of work exceeds their current capacity. For example, I recently met with a customer who told me of an 8- to 10-week backlog of studies due to the fact that they are operating at full capacity. That particular customer is running mass cytometry studies almost 24/7. For all of these reasons, we are unwavering in our expectations for the growth of this business.

Let's turn to a discussion of our revenue performance in geographic regions. Asia Pacific was again a bright spot for growth. Year-over-year revenues in the first quarter were up 19% in Asia Pacific powered by strong performance in Japan and China. Leading the region was China, where revenue increased more than 50% from the year ago period. Our partnership with Ascendas Genomics was a significant contributor to that growth.

Year-over-year revenues in the first quarter were up 11% in Europe. European consumables and service revenue were both up more than 30% in the quarter. While there was a positive impact on the genomics side from a significant Ag-Bio restocking order that we mentioned last quarter, mass cytometry consumables and services -- or service were a significant growth driver in Europe. We are also seeing an increase in multiyear, multi-system mass cytometry service agreement in Europe.

Revenue in the U.S. declined 15% from the first quarter of 2017. We expected headwinds in the year-over-year comparison given the Q1 2017 spike in Imaging Mass Cytometry instrument sales. Americas execution was not flawless, but we like the direction it is headed overall. We are confident of improved results for the balance of 2018 now that our full Americas commercial capability is reestablished. The market feels healthy, but access to funding is competitive.

Now to a discussion of progress in market development. We market our instruments and consumables to leading academic institutions, clinical research laboratories and pharma and Ag-Bio companies worldwide. Mass cytometry is perhaps our most interesting market development story. We are pursuing multiple tactics to grow this business. Expanding market coverage, identifying funding sources and nurturing a base of thought-leading researchers' work amplifies our products' unique value proposition.

Mass cytometry researchers have become a highly engaged community of customers, and this was abundantly evident at 2 recent events. Our seventh Annual Mass Cytometry Summit in Prague last week drew more than 200 participants, including top researchers, in a discussion of the latest scientific findings, technology applications, data analysis methods and the insights of the researchers using Imaging Mass Cytometry. Various researchers showcase transitional studies in areas ranging from cancer immunotherapy to preterm birth to immune phenotyping and neurology. At the American Association for Cancer Research Annual Meeting in Chicago, 35 presentations and posters highlighted Fluidigm's technologies. Customers and prospects had many questions with the mass cytometry thought leaders in attendance, which included top MD, PhDs and pathologists in the fields of immunology and cancer immunotherapy.

We are working to support this growing network of researchers who actively communicate the promise of mass cytometry. Our sales funnel continues to widen based on demand from the -- within the U.S. network of NCI-designated cancer centers. Our instruments can be found in 29 of these centers or their associated translational research institutions. We also target comparable centers across Europe. We've had considerable success expanding our presence with multiple system placements. For example, we have fixed active mass cytometry instruments at a single compressive cancer center. We also see researchers with the -- within the NCI cancer center system upgrading their technology. In the first quarter, 2 NCI centers upgraded their mass cytometry instruments with newer systems.

Peer-reviewed, published research studies based on mass cytometry are growing in number as well as in significance, and they are being published in the most prestigious journals. We are excited and proud to support this body of work. There are more than 440 studies based on mass cytometry, an increase of 10% since the beginning of the year.

Research enabled by our imaging technology is becoming an increasingly large portion of the overall body of research. We believe the Hyperion Imaging System, launched in October of 2017, is the future of tissue imaging. Already, in the first 2 months of 2018, we've seen 5 new research publications based on Imaging Mass Cytometry and others are in the works.

Some of the most exciting new mass cytometry research demonstrates the unique power of the technology to identify potential biomarkers of cancer treatment, response or prognosis. In a paper published in Nature Medicine in March, researchers at Stanford used mass cytometry to develop a technique that may be able to diagnose whether children with acute lymphoblastic leukemia will relapse after treatment. This technique could help identify those patients that need a different approach to treatment and perhaps offer insights for drug involvement.

In another recent Stanford-led study in Cell Reports, researchers using mass cytometry performed high-parameter analysis of more than 800,000 ovarian cancer cells from 17 newly diagnosed patients. It was determined that certain cell types recur across newly diagnosed tumors, and the

greater frequency of these cells correlates with the higher risk of early relapse. This knowledge could signal when rapid, more aggressive treatment is required.

In a multi-omic study conducted in Singapore, mass cytometry and next-generation sequencing were used to gather to analyze the immune landscapes of tumor-infiltrating leukocytes, tissues and peripheral blood cells before and after radioembolization therapy. Potential biomarkers associated with a positive clinical response were identified and a predictive model built to identify sustained responders prior to treatment.

The common thread in these studies and others is that they were possible only through deep, high-parameter analysis of cells and tissue. We are a leader in this space, and we believe our technology offers a unique value proposition.

I'll now turn the call over to Vikram, our CFO, for a further review of our financial results.

Vikram Jog - *Fluidigm Corporation - CFO & Principal Accounting Officer*

Thanks, Chris, and good afternoon, everyone.

Total revenue of $25.2 million in Q1 2018, declined 1% year-over-year. Favorable foreign exchange rates contributed about 3 percentage points to the year-over-year revenue change in the quarter.

Genomics revenue, comprising instruments, consumables and service, grew 18% year-over-year and 10% sequentially in the first quarter. Higher revenue from applied market customers drove the year-over-year growth. Consumables revenue grew sequentially for the third consecutive quarter. In addition, BioMark and EP1 pull-through significantly exceeded the high end of our annual pull-through guidance for the second consecutive quarter. As a reminder, we increased our BioMark and EP1 annual consumables pull-through guidance range for 2018 to $38,000 to $42,000, from $33,000 to $38,000 in the prior year.

Before we turn to mass cytometry, I would like to note that we anticipate quarterly variations in genomics sales in line with purchasing patterns of some of our high-throughput customers. For example, one of our high pull-through customers purchased over $1 million in consumables in the quarter, which translates to several multiples of our average annual pull-through.

Mass cytometry revenue, comprising instruments, consumables and service, declined 23% or $2.7 million in the first quarter, driven by lower instrument revenue. As you may recall, in Q1 2017, we enabled 11 early-adopting customers with Imaging Mass Cytometry modules. Consumables and service revenue delivered solid year-over-year and sequential growth in the first quarter, and consumables pull-through tracked above the high end of our 2018 guidance. You'll recall that last quarter, we raised our mass cytometry annual consumables pull-through guidance range to $60,000 to $65,000, from $50,000 to $60,000 in 2017. Importantly, we expect year-over-year growth across mass cytometry instruments, consumables and service revenues in 2018. Rounding out our pull-through performance in the quarter, C1 pull-through tracked within our projected range, while Access Array and Juno pull-through tracked slightly below our projected range.

From a regional perspective, in the first quarter, we recorded revenue growth of 11% in Europe and 19% in Asia Pacific year-over-year, driven primarily by increased revenue from genomics. Favorable foreign currency rates contributed 8 percentage points to the year-over-year revenue growth in Europe. Revenue from Japan and China grew over 45% and 50%, respectively, year-over-year in the quarter, driven by increased revenue from mass cytometry and genomics products. In the United States, revenue declined 15%, mainly due to lower sales from mass cytometry and single-cell genomics.

Turning to expenses. We continue to execute on our strategic initiatives to improve financial discipline and operational efficiency while investing in our growth initiatives. In the first quarter, product margins expanded year-over-year and sequentially, and operating expenses also declined year-over-year, coming in below our guidance range for the quarter.

GAAP product margin of 50.1% was up 100 basis points year-over-year and up 201 basis points sequentially in the first quarter. The year-over-year and sequential increases in product margins was primarily due to lower genomics unit product costs for both instruments and consumables from

higher production volumes, partially offset by fixed amortization expenses over lower revenue. Non-GAAP product margin of 67.2% in the first quarter was up 80 basis points year-over-year and up 380 basis points sequentially. Non-GAAP product margin excludes the effects of amortization of developed technology, depreciation and amortization and stock-based compensation expense.

Operating expenses in the first quarter decreased $5 million year-over-year or 16% to $26.1 million on a GAAP basis and decreased $4.1 million year-over-year or 15% to $23.6 million on a non-GAAP basis due to lower SG&A expenses and, to a lesser extent, lower R&D expenses, reflecting the ongoing benefit of cost control initiatives implemented in early 2017.

GAAP net loss for the first quarter was $13.2 million, compared to $17.2 million for the same period last year and $10.5 million in Q4 2017. The non-GAAP net loss for the first quarter was $6.3 million, compared to $9.6 million for the year ago period and $3 million in Q4. As a reminder, Q4 2017 net loss included a favorable $3 million litigation settlement recorded as an offset to SG&A expenses. Reconciliation tables between our GAAP and non-GAAP measures are provided at the end of our earnings press release that we issued earlier today.

Moving on now to cash flow and the balance sheet. Accounts receivable increased to $16.3 million at the end of the first quarter from $15 million at the end of Q4. DSO increased to 58 days in the first quarter compared with 49 days in Q4 2017, driven by timing of collections.

Cash, cash equivalents and short-term investments were $47.3 million at the end of the first quarter, compared to $63.1 million at the end of 2017. Total cash outflow in the first quarter was $15.8 million, including annual incentive compensation payments of approximately $6 million and our half yearly interest payment of $2.8 million. This compares to a cash inflow of $800,000 in the fourth quarter of 2017, including a $3 million receipt under litigation settlement. Collections in Q1 were slower than anticipated by approximately $2 million, which were collected in April.

In March 2018, we exchanged $150 million principal value of our unsecured convertible notes for new unsecured convertible notes with a later initial put date and new conversion features, including a reduced conversion price and an issuer conversion option, leaving approximately $51 million principal value of the original notes outstanding. The initial conversion price of the new notes is approximately $7.88, compared with $55.94 for the original notes. And the initial put date of the new notes is February 6, 2023, compared with February 6, 2021, for the original notes. We may trigger conversion of the notes if our stock trades at $8.67, which is a 10% premium over the initial conversion price for 20 days out of any 30-day period. As a result of the exchange, the total carrying value for our convertible debt was reduced from $195 million to $164 million. While the annual cash coupon rate of 2.75% is unchanged, we will incur noncash premium accretion and noncash debt discount and issuance cost amortization expense through the first holder put date in February 2023. Such accretion and amortization expense in 2018 is estimated to be approximately $2.6 million per quarter for the remaining 3 quarters of the year. For additional detail on the terms of the new notes, please refer to our Form 10-K on the terms.

Moving on now to guidance for the second quarter of 2018. Total revenue is projected to be between $25 million and $28 million, which includes a favorable foreign exchange impact of approximately 2.5% at the midpoint of the range. GAAP operating expenses are projected to be $27 million to $28 million. Non-GAAP operating expenses are projected to be $24.5 million to $25.5 million, excluding stock-based compensation of approximately $1.5 million and depreciation and amortization expense of approximately $1 million. Total cash outflow is projected to be between $6 million and $7 million, including $2.8 million of offering cost related to the convertible debt exchange.

And with that, I will turn the call back to Chris for closing remarks.

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

Thanks, Vikram. Before we conclude the call, I would also like to welcome another new member of the Fluidigm team. Brad Kreger is our Senior Vice President of Global Operations. Brad comes to us from Thermo Fisher Scientific. He now leads our manufacturing, supply chain and demand planning on a global basis. Brad brings experience in life sciences tools across proteomics and genomics, across instruments and reagents. He has successfully navigated both regulated and nonregulated business environments. The role is key to successful execution of some of our most critical goals as an organization, and we're delighted to have this talented industry veteran join us at Fluidigm.

In closing, I want to leave you with a few thoughts about growth in 2018. In our high-throughput genomics business, we will continue to execute on our content strategy and target high-value accounts. We'll build on this quarter's great performance that span instruments, consumables and service. In mass cytometry, we see demand signals from the market that are undeniable, which makes us extremely optimistic about the health and fundamental growth drivers. We see increasing customer interest in adoption of mass cytometry and translational research, which will be further fueled by our immune monitoring panel. Mass cytometry pull-through set a record in Q1 and exceeded our guidance. In 2018, we see strategic placements in multiple customer segments, emphasizing NCI-designated cancer centers in the U.S. and comparable centers in Europe as well as pharma. Large-volume mass cytometry customers will need to acquire new systems as the increasing volume of work exceeds current capacity. Our pipeline is strong, reflecting increasing adoption of the technology in translational research. Strength of our pipeline bodes well for growth in the balance of 2018.

I personally would like to thank the over 500 employees who have been working to transform Fluidigm. The foundation we created over the past year has produced a stronger, more strategically focused company that looks to the future. We believe that future is one in which our instruments and systems become indispensable tools for health care decision-making.

With that, I'd like to open the line for questions.

QUESTIONS AND ANSWERS

Operator

Operator Instructions) And our first question comes from the line of Doug Schenkel from Cowen.

Doug Schenkel - *Cowen and Company, LLC, Research Division - MD & Senior Research Analyst*

I want to start just quickly by discussing performance by geography. U.S. revenue declined, I believe, by about 15% year-over-year. Presumably, this is where the comparison was most affected by the impact of fulfilling a lot of the early Hyperion orders in the first quarter of last year. Normalized for that, was U.S. growth as you expected?

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

Doug, I got Vikram -- and Chris here, obviously. So first off, I think your thesis is generally correct. I think the other headwind for us, in addition to the instrument placements or bolus for mass cytometry, was single-cell genomics. There's another one that we had a significant headwind in the prior period. Do you feel -- and the second part?

Doug Schenkel - *Cowen and Company, LLC, Research Division - MD & Senior Research Analyst*

Okay, yes.

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

So I think -- otherwise, I think the Americas performed exactly as we anticipated.

Doug Schenkel - *Cowen and Company, LLC, Research Division - MD & Senior Research Analyst*

Okay. That's great. And then another -- I guess the only other geography question I'll ask. What was growth in Europe excluding FX?

Vikram Jog - *Fluidigm Corporation - CFO & Principal Accounting Officer*

3%.

Doug Schenkel - *Cowen and Company, LLC, Research Division - MD & Senior Research Analyst*

3%, okay. Now pivoting to the model and expectations, based on your commentary, I think we can triangulate to a mass cytometry placement number of around 5 this quarter. I believe you've been around 10 in the last 3 quarters. Based on that run rate and your commentary on timing dynamics that depressed placements in the first quarter, is it reasonable to assume that you're going to return to run rate levels and then we can just add in catch-up placements that didn't happen in Q1 into our Q2 model?

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

I think you know we don't generally comment on individual instrument placement numbers, but I think your general thinking is correct. I think that we're -- you heard from me. I mean, I think we're unwavering in our -- a belief we can see in the data. Our pipeline has probably never been bigger. And we just feel really good about the way this year is going to play out for us. I think that, as you know, in this instrument business with relatively high ASP instrument placements, you can have periodicity in that cycle, and first quarter is typically one of the weaker quarters, margins for placements; so no wavering of our commitment. I'm really pleased with our funnel and it's not just in the Americas. It's worldwide. Keep reinforcing the same message you heard overall on the call. We're seeing significant capacity constraints by big -- by large users who already have multi-systems that need additional capacity. We have a really healthy funnel that's also broadening our customer base. So we think we're really, really optimistic about how the course of the year is going to play out. I couldn't really comment on specific instrument placements from quarter to quarter.

Doug Schenkel - *Cowen and Company, LLC, Research Division - MD & Senior Research Analyst*

Yes, I understand, Chris, and that's helpful. I mean, whether you want to comment more or not, the only reason I asked is just updates. We're trying to figure out if from here, we should just assume to -- a return, at least a trend and recognize that there were some timing dynamics in Q1. And based on your answer, it sounds like that's the case.

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

Yes. I mean, I'd like to -- I think we should break out of this range also. I mean, I'm bullish from one perspective on the fact that the increasing demand should get us out of the trading range over time.

Vikram Jog - *Fluidigm Corporation - CFO & Principal Accounting Officer*

I think it might be helpful to add some additional color to the Q1 performance just in terms of -- just to add some perspective. You're talking about maybe 1 or 2 units that were lower than we had expected from an instrument placement standpoint. I mean, when we evaluate our pipeline and provide our own internal forecast and the guidance, we always take into account the stage of funding of each of the opportunities. And based on that, we've given -- we gave our guidance for Q1 albeit -- and then our expression of confidence for the rest of the year also takes into account the progression of that pipeline and our increasing level of confidence and conviction of the stage in the progression of the funding behind each of those opportunities. And that's really the backdrop of the confidence that we have expressed for the rest of the year.

Doug Schenkel - *Cowen and Company, LLC, Research Division - MD & Senior Research Analyst*

Okay, got it, super helpful. And maybe just one last quick one for you, Vikram. You commented on bulk consumable orders benefiting -- I believe it was BioMark, EP1 pull-through per box in the quarter. Was there any similar bulk order dynamic for mass cytometry or -- well, I guess that's the question. Was there any similar bulk order dynamic from mass cytometry? It doesn't sound like that's the case. I just want to make sure.

Vikram Jog - *Fluidigm Corporation - CFO & Principal Accounting Officer*

No, no. We haven't -- no. We have not experienced that in this quarter.

Operator

And our next question comes from the line of Bill Quirk from Piper Jaffray.

William Robert Quirk - *Piper Jaffray Companies, Research Division - MD and Senior Research Analyst*

Certainly, good luck to Ana. And Agnes, it will be nice to be working with you again. First question from you guys is just thinking -- I guess going back to the bulk order in genomics, is there any -- do you have any sense as to what the use rate of that was? In other words, it sounds like we should kind of expect some choppy numbers around consumables, but I'm just trying to get a sense as to -- do you have any indication as to how much of that was used up? Might they come back again, et cetera?

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

Let me give a little bit of color. I think it's beyond one customer alone. We have multiple, large customers that came in the period. We've called out the one who's a multi-quarter order, and it was significantly large. That customer -- actually, it's one of the things we keep probing, just looking at -- some of it was to build buffer inventory for them and safety stock. And so their real-time consumption from month to month is not always evident to us. So it's not clear exactly what mix of those reagents they'll pull down, and so therefore -- or the period -- the periods in which they'll increase or start replacing or putting in new orders exactly how to progress. That's why we kind of put a little bit of uncertainty or asterisk around it. But from the best of our knowledge, they continue to be very pleased with the technology that they're underlying demand is going to continue to increase and they're putting in a buffer safety stock because they (inaudible) down their levels to low over a multi-quarter time period. And then we have other customers in that mix. And we're very bullish on the genomics business, too. I mean, we've -- now is our second quarter in a row of sequential consumables expansion, double-digit growth in consumables. And the growth has been outside of just the stocking orders. So we -- this was a stated part of our strategy when I first came on 6 quarters ago, 5 quarters ago. And so we're going to look to drive the underlying demand of the genomics business just as much as this large stocking order that we discussed in prior quarter.

William Robert Quirk - *Piper Jaffray Companies, Research Division - MD and Senior Research Analyst*

Okay, that's helpful color, Chris. And then -- and maybe this question is related to the first, but just thinking about the revenue range that you gave for guidance for 2Q, I guess it struck me as maybe a little broader than I otherwise would have thought. Chris, given some of your comments about some mass cytometry orders closing here in the coming months -- I think it was what you said. So maybe just give us a little feel here. I'm assuming it's timing, but I would appreciate any additional color.

Vikram Jog - *Fluidigm Corporation - CFO & Principal Accounting Officer*

So Bill, are you referring to the amplitude, the $3 million range?

William Robert Quirk - *Piper Jaffray Companies, Research Division - MD and Senior Research Analyst*

Yes, that's correct, Vikram. Yes, that's correct.

Vikram Jog - *Fluidigm Corporation - CFO & Principal Accounting Officer*

So we started that around, I think, Q4 last year, and it really reflects the high-ASP Hyperion system that we launched around that time. All it takes is one instrument slipping even a week at the end of the quarter. So it just reflects some caution on our part and doesn't dilute in any respect the confidence that I expressed just a few minutes ago on the strength of the pipeline, but we're just trying to give ourselves room or a break, even a single instrument just slipping.

William Robert Quirk - *Piper Jaffray Companies, Research Division - MD and Senior Research Analyst*

Okay, fair enough, Vikram. And then last one is kind of a bigger picture, kind of competitive dynamic question. We certainly noticed, going back a couple of conferences, that your success within mass cytometry has not gone unnoticed. We've seen a couple of, I would call them, almost derivative sort of announcements by some of your competitors. And so I'm just curious, Chris, kind of how you're thinking about the competitive dynamic. Are you seeing any effects on -- of this on deal time or anything to that effect?

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

Bill, I think -- I'm glad you asked the question. I think, first off, to me, it validates everything we've been saying for some period of time about how this is going to be a big thing. And I think this -- we're just now beginning to see the beginning of the beginning with regard to tissue and the power of multiparameter analysis on the imaging side -- tissue imaging side. But just looking at -- underlying on the suspension or solution based side, proteomics side, I think this is just the beginning. I think it's great that we're having other people see the opportunity that we see. I think our value proposition is very strong and unique. And I think that it's validating our overall market perspective over a multiyear time frame that we're in the right market. And the market [effect] and the world is going to come to us with some of the unique strength that we deploy. And so it'd be incumbent upon us to keep getting better, and that's what you've seen from us. We've moved on from the capabilities of just doing 20 or 25 or 30. And now we're pushing headroom up into the 40s and panel sizes even north of 40. We're adding a new prepackaged consumables that we think -- things like the Human Immune Monitoring Panel -- or Maxpar Human Immune Monitoring Panel, which we think is a great, first of its kind prepackaged solution that we think will help broaden the addressable market for us. And we're matching that with a software that's purpose-built to help interpret this highly complex, multiparameter data set. And so we think we're moving forward. And as others are interested in the market, that's just going to validate the interest. As you did astutely pointed out, I think it's fair to say that as more choices come into the market that people will do their diligence that could have an impact on the decision cycle. I might only be speculating.

Operator

And at this time, I'm showing no further questions. I'd like to turn the call back over to Ana Petrovic for any closing remarks.

Ana Petrovic - *Fluidigm Corporation - Director of Corporate Development and IR*

We'd like to thank everyone for attending our call. A replay of this call will be available on the Investors section of our website. This concludes the call, and we look forward to the next update following the close of the second quarter of 2018. Good afternoon, everyone.

Operator

Ladies and gentlemen, thank you for your participation in today's conference. This does conclude the program, and you may all disconnect. Everyone, have a great day.