

#### **News Release**

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#### FormFactor, Inc. Reports Fourth Quarter and Full Year 2018 Results

Company Delivers Strong Q4 Results, Expects Modest Decrease in Q1 Revenue

**LIVERMORE, Calif.** — **February 6, 2019** —FormFactor, Inc. (Nasdaq: FORM) today announced its financial results for the fourth quarter of fiscal 2018 ended December 29, 2018. Quarterly revenues were \$140.9 million, up 4.4% from \$135.0 million reported in the third quarter of fiscal 2018, and up 6.8% from \$131.9 million in the fourth quarter of fiscal 2017. For fiscal 2018, FormFactor posted revenues of \$529.7 million, down 3.4% from \$548.4 million in fiscal 2017, and achieved the following:

- Delivered the strongest financial performance of the year in the fourth quarter
- Demonstrated resilient business model in a challenging industry environment
- Strengthened key customer relationships with world's top logic, memory and foundry manufacturers as three 10% customers in Q4

"Our Q4'18 results demonstrated the strength and leadership we have in our served markets," said Mike Slessor, CEO of FormFactor, Inc. "Despite a very dynamic industry environment and several customer node transition delays, we delivered solid financial and operational results by capitalizing on our broad and diverse opportunity set in advanced probe cards and engineering systems."

### **Fourth Quarter Highlights**

On a GAAP basis, net income for the fourth quarter of fiscal 2018 was \$85.1 million, or \$1.13 per fully-diluted share, compared to net income for the third quarter of fiscal 2018 of \$7.7 million, or \$0.10 per fully-diluted share, and net income for the fourth quarter of fiscal 2017 of \$5.6 million, or \$0.07 per fully-diluted share. Net income for fiscal 2018 was \$104.0 million or \$1.38 per fully-diluted share, compared to net income of \$40.9 million, or \$0.55 per fully-diluted share for fiscal 2017. GAAP net income includes a release of \$75.8 million dollars of the valuation allowance which was previously recorded against the majority of our deferred tax assets.

On a non-GAAP basis, net income for the fourth quarter of fiscal 2018 was \$23.4 million, or \$0.31 per fully-diluted share, compared to net income for the third quarter of fiscal 2018 of \$19.6 million, or \$0.26 per fully-diluted share, and net income for the fourth quarter of fiscal 2017 of \$18.0 million, or \$0.24 per fully-diluted share. A reconciliation of GAAP to non-GAAP net income and net income per share is provided in the schedules included below. On a non-GAAP basis, net income for fiscal 2018 was \$76.1 million, or \$1.01 per fully-diluted share, compared to net income of \$89.5 million, or \$1.21 per fully-diluted share for fiscal 2017.

Free cash flow for the fourth quarter of fiscal 2018 was \$15.8 million, compared to free cash flow for the third quarter of 2018 of \$13.0 million, and free cash flow for the fourth quarter of fiscal 2017 of \$23.5 million. Free cash flow for fiscal 2018 was \$51.9 million, compared to free cash flow of \$72.4 million for fiscal 2017. A reconciliation of net cash provided by operating activities to free cash flow generation is provided in the schedules included below.

### **Outlook**

"With all major customers innovating on existing nodes and utilizing existing capacity, the design-specific consumable nature of our products is significant, and we are continuing to experience solid new-design flow in the beginning of 2019. Along with the rest of the industry, our visibility is very limited at present, however, we expect these general trends to continue through the balance of this quarter," concluded Dr. Slessor.

For the first quarter ending on March 30, 2019, FormFactor is providing the following outlook including the impact of deferred tax expenses:

	GAAP	Reconciling Items <sup>2</sup>	Non-GAAP <sup>1</sup>
Revenue	\$127 million to \$135 million	_	\$127 million to \$135 million
Gross Margin	37% to 40%	\$6 million	41% to 44%
Net income per diluted share	\$0.02 to \$0.08	\$0.13	\$0.15 to \$0.21

<sup>&</sup>lt;sup>1</sup>Inclusion of deferred tax expenses reduces Q1 outlook for non-GAAP diluted earnings per share by approximately 4 cents.

We have posted our revenue breakdown by region and market segment on the Investor Relations section of our website at www.formfactor.com. We will conduct a conference call at 1:30 p.m. PST, or 4:30 p.m. EST, today.

The public is invited to listen to a live webcast of FormFactor's conference call on the Investor Relations section of our web site at www.formfactor.com. A telephone replay of the conference call will be available approximately two hours after the conclusion of the call. The telephone replay will be available by telephone through February 8, 2019, 7:30 p.m. Pacific Time, and can be accessed by dialing (855) 859-2056 (domestic) or (404) 537-3406 (international) and entering confirmation code 6384939. Additionally, the replay will also be available on the Investor Relations section of our website, www.formfactor.com.

### Use of Non-GAAP Financial Information:

To supplement our condensed consolidated financial results prepared under generally accepted accounting principles, or GAAP, we disclose certain non-GAAP measures of non-GAAP net income and non-GAAP earnings per fully-diluted share that are adjusted from the nearest GAAP financial measure to exclude certain costs, expenses and gains. Reconciliations of the adjustments to GAAP results for the three and twelve months ended December 29, 2018, as well as for the comparable periods of fiscal 2017, are provided below. Information regarding the ways in which management uses non-GAAP financial information to evaluate its business, management's reasons for using this non-GAAP financial information, and limitations associated with the use of non-GAAP financial information, is included under "About our Non-GAAP Net Income and Adjustments" following the tables below.

#### About FormFactor:

FormFactor, Inc. (NASDAQ:FORM), is a leading provider of essential test and measurement technologies along the full IC life cycle - from characterization, modeling, reliability, and design de-bug, to qualification and production test. Semiconductor companies rely upon FormFactor's products and services to accelerate profitability by optimizing device performance and advancing yield knowledge. The Company serves customers through its network of facilities in Asia, Europe, and North America. For more information, visit the Company's website at www.formfactor.com.

### Forward-looking Statements:

This press release contains forward-looking statements within the meaning of the "safe harbor" provisions of the federal securities laws, including with respect to the Company's future financial and operating results, and the Company's plans, strategies and objectives for future operations. These statements are based on management's current expectations and beliefs as of the date

<sup>&</sup>lt;sup>2</sup>Reconciling items are stock-based compensation and amortization of intangibles.

hereof, and are subject to a number of risks and uncertainties, many of which are beyond the Company's control, that could cause actual results to differ materially from those described in the forward-looking statements. These forward-looking statements include, but are not limited, to statements regarding future financial and operating results, customer demand, conditions in the semiconductor industry, and growth opportunities, progress towards the Company's long-term financial model, and other statements regarding the Company's business. Forward-looking statements may contain words such as "may," "might," "will," "expect," "plan," "anticipate," and "continue," the negative or plural of these words and similar expressions, and include the assumptions that underlie such statements. The following factors, among others, could cause actual results to differ materially from those described in the forward-looking statements: changes in demand for the Company's products; the timing of customers transitions to new technologies; the Company's ability to capitalize on market and customer opportunities; industry seasonality; risks to the Company's ability to realize operational efficiencies; changes in the market, macro-economic environments; failure of the Company to realize the anticipated benefits of acquisitions; and other factors, including those set forth in the Company's most current annual report on Form 10-K, quarterly reports on Form 10-Q and other filings by the Company with the U.S. Securities and Exchange Commission. No assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what impact they will have on the results of operations or financial condition of the Company. Unless required by law, the Company is under no obligation (and expressly disclaims any such obligation) to update or revise its forward-looking statements whether as a result of new information, future events, or otherwise.

### FORMFACTOR, INC. CONDENSED CONSOLIDATED STATEMENTS OF INCOME

### (In thousands, except per share amounts) (Unaudited)

	<b>Three Months Ended</b>			Fiscal Year Ended				
			ecember 30, 2017				December 30, 2017	
Revenues	\$	140,887	\$	131,901	\$	529,675	\$	548,441
Cost of revenues		84,865		83,272		319,336		332,844
Gross profit		56,022		48,629		210,339		215,597
Operating expenses:								
Research and development		18,398		18,513		74,976		73,807
Selling, general and administrative		25,668		24,238		99,094		94,679
Restructuring charges		160		481		160		810
Total operating expenses		44,226		43,232		174,230		169,296
Operating income		11,796		5,397		36,109		46,301
Interest income		404		264		1,356		548
Interest expense		(660)		(1,045)		(3,314)		(4,491)
Other income (expense), net		117		(170)		(224)		(152)
Income before income taxes		11,657		4,446		33,927		42,206
Provision (benefit) for income taxes		(73,443)		(1,142)		(70,109)		1,293
Net income	\$	85,100	\$	5,588	\$	104,036	\$	40,913
Net income per share:								
Basic	\$	1.15	\$	0.08	\$	1.42	\$	0.57
Diluted	\$	1.13	\$	0.07	\$	1.38	\$	0.55
Weighted-average number of shares used in per share calculations:								
Basic		74,108		72,846		73,482		72,292
Diluted		75,416		74,756		75,182		74,239
							_	

### FORMFACTOR, INC. RECONCILIATION OF NON-GAAP NET INCOME

## (In thousands, except per share amounts) (Unaudited)

	Three Months Ended			Fiscal Year Ended				
	De	ecember 29, 2018	Dec	eember 30, 2017	December 29, 2018		De	cember 30, 2017
GAAP net income	\$	85,100	\$	5,588	\$	104,036	\$	40,913
Adjustments to reconcile GAAP net income to Non-GAAP net income:								
Stock-based compensation		5,406		4,952		17,827		16,230
Restructuring charges, net		160		481		160		810
Acquisition and integration related expenses		_		782		_		2,520
Amortization of intangibles		7,497		7,515		29,373		31,509
Income tax valuation allowance release		(75,803)		_		(75,803)		_
Contingencies		_		_		_		(206)
Proceeds from sale of intellectual property		_		_		_		(400)
Benefit from U.S. tax reform		_		715		_		715
Income tax effect of non-GAAP adjustments		1,088		(2,053)		555		(2,624)
Non-GAAP net income	\$	23,448	\$	17,980	\$	76,148	\$	89,467
Non-GAAP net income per share:								
Basic	\$	0.32	\$	0.25	\$	1.04	\$	1.24
Diluted	\$	0.31	\$	0.24	\$	1.01	\$	1.21
Weighted-average number of shares used in per share calculations:								
Basic		74,108		72,846		73,482		72,292
Diluted		75,416		74,756		75,182		74,239

# FORMFACTOR, INC. RECONCILIATION OF GAAP GROSS MARGIN TO NON-GAAP GROSS MARGIN (Dollars in thousands)

(Unaudited)

Three	Mon	ths	En	ded

		Decembe	r 29, 2018		Decembe	r 30, 2017				
		ross Profit	Gross Margin	Gı	ross Profit	Gross Margin				
GAAP Gross Profit/Margin	\$	56,022	39.8%	\$ 48,629		\$ 48,629		39.8% \$ 48,62		36.9 %
Adjustments:										
Amortization of intangibles		5,112	3.6%		5,473	4.1 %				
Stock-based compensation		960	0.7%		1,000	0.7 %				
Acquisition and integration related expenses		_	%		68	0.1 %				
Non-GAAP Gross Profit/Margin	\$	62,094	44.1%	\$	55,170	41.8 %				

### Fiscal Year Ended

		Decembe	r 29, 2018		December	30, 2017		
	G	Fross Profit	Gross Margin	G	ross Profit	Gross Margin		
GAAP Gross Profit/Margin	\$	210,339	39.7%	\$	215,597	39.3 %		
Adjustments:								
Amortization of intangibles		20,530	3.9%		23,370	4.3 %		
Stock-based compensation		3,525	0.7%		3,539	0.6 %		
Acquisition and integration related expenses		_	%		74	— %		
Contingencies			—%		(30)	%		
Non-GAAP Gross Profit/Margin	\$	234,394	44.3%	\$	242,550	44.2 %		

## FORMFACTOR, INC. RECONCILIATION OF CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOW (In thousands)

(Unaudited)

		<b>Three Months Ended</b>				Fiscal Ye	ear Ended		
	Dec	cember 29, 2018	December 30, 2017		December 29, 2018		December 30, 2017		
Net cash provided from operating activities	\$	22,562	\$	26,455	\$	68,700	\$	86,323	
Adjustments									
Cash paid for interest		814		863		3,113		3,836	
Capital expenditures		(7,543)		(3,838)		(19,869)		(17,756)	
		(6,729)		(2,975)		(16,756)		(13,920)	
Free cash flow	\$	15,833	\$	23,480	\$	51,944	\$	72,403	

### FORMFACTOR, INC. CONDENSED CONSOLIDATED BALANCE SHEETS

### (In thousands) (Unaudited)

Current assets:   Card and cash equivalents   \$ 98,47   \$ 91,184     Marketable securities   \$ 95,33   \$ 81,515     Marketable securities   \$ 95,33   \$ 81,515     Marketable securities   \$ 95,33   \$ 81,515     Inventories, net   \$ 77,706   \$ 67,884     Restricted cash   \$ 49   \$ 372     Restricted cash   \$ 11,206   \$ 2,242     Prepaid expenses and other current assets   \$ 13,669   \$ 13,669     Total current assets   \$ 13,669   \$ 13,669     Restricted cash   \$ 12,25   \$ 1,170     Propenjal expenses and other current assets   \$ 33,885   \$ 1,875     Restricted cash   \$ 12,25   \$ 1,170     Propenjal expenses and other current assets   \$ 33,885   \$ 1,875     Restricted cash   \$ 12,25   \$ 1,170     Propenjal expenses and other current assets   \$ 33,885   \$ 1,875     Restricted cash   \$ 12,25   \$ 1,170     Propenjal expenses and other current assets   \$ 33,885   \$ 1,875     Restricted cash   \$ 12,25   \$ 1,170     Propenjal expenses and other current assets   \$ 13,669   \$ 1,255   \$ 1,170     Propenjal expenses and other current assets   \$ 18,214   \$ 18,992     Restricted cash   \$ 18,214   \$ 1,992     Restricted cash		D	ecember 29, 2018	]	December 30, 2017
Cash and cash equivalents         \$ 98,472         \$ 91,184           Marketable securities         50,531         48,988           Accounts receivable, net         95,333         81,515           Inventories, net         77,706         67,848           Restricted cash         12,60         2,242           Prepaid expenses and other current assets         13,609         13,005           Total current assets         337,820         10,005           Restricted cash         337,820         40,754           Restricted cash         13,205         10,705           Frepaid expenses and other current assets         337,820         10,705           Total current assets         337,820         40,754           Goodwill         18,921         40,754           Intangibles, net         67,644         97,848           Deferred tax assets         77,301         3,133           Ottal assets         9,822         2,259           Total assets         9,840         2,259           Accurent flabilities         27,731         3,313           Current portion of term loan, net of unamortized issuance cost of \$160 and \$307         29,840         8,324           Current portion of term loan, net of unamortized issuance cost of \$20 and \$	ASSETS				
Marketable securities         50,531         48,088           Accounts receivable, net         95,333         81,515           Inventories, net         77,706         67,848           Restricted cash         1,260         2,242           Refundable income taxes         1,260         2,242           Prepaid expenses and other current assets         13,699         13,705           Total current assets         337,820         305,854           Restricted cash         1,225         1,170           Restricted cash         1,225         1,170           Goodwill         1,89,214         189,204           Integral tax assets         77,301         3,133           Other assets         968         2,259           Total assets         968         2,259           Total assets         968         2,259           Total assets         968         2,259           Accrued liabilities         27,731         3,369           Accrued liabilities         27,731         3,369           Accrued liabilities         1,254         4,978           Deferred revenue         1,254         3,79           Total current liabilities         1,255         3,37	Current assets:				
Accounts receivable, net         95,331         81,516           Inventories, net         77,706         67,848           Restricted cash         849         372           Refundable income taxes         13,669         13,076           Prepaid expenses and other current assets         337,820         305,854           Restricted cash         1,225         1,170           Property, plant and equipment, net         67,640         189,214           Goodwill         189,214         189,920           Intangibles, net         67,640         97,484           Defered tax assets         77,301         3,133           Other assets         9,78,222         6,657,40           Total assets         9,78,222         8,657,40           Total sexes         9,78,222         8,657,40           Accounts payable         40,000         8,35,046           Accrued liabilities         27,731         33,694           Current portion of term loan, net of unamortized issuance cost of \$160 and \$\$307         29,840         18,413           Current portion of term loan, net of unamortized issuance cost of \$29 and \$\$27         3,497         8,216           Total current liabilities         3,235         3,79           Total current liabilities	Cash and cash equivalents	\$	98,472	\$	91,184
Restricted cash Restricted	Marketable securities		50,531		48,988
Restricted cash         849         372           Retundable income taxes         1,260         2,248           Prepaid expenses and other current assets         13,666         13,705           Total current assets         373,820         305,854           Restricted cash         1,225         1,170           Opportry, plant and equipment, net         54,054         46,754           Goodwill         189,11         189,200           Intangibles, net         67,640         97,482           Deferred tax assets         73,01         3,133           Other assets         96         2,259           Total assets         40,00         8         2,259           Total assets         5         72,222         8         64,574           Accounts passable         4         40,00         \$         33,694           Accounts payable         \$40,00         \$         35,046           Account fabilities         27,731         33,694           Deferred revenue         4,941         49,782           Total current liabilities         3,021         49,782           Total current liabilities         3,21         5,169           Deferred are trand other liabilities         3,2	Accounts receivable, net		95,333		81,515
Refundable income taxes         1,260         2,242           Prepaid expenses and other current assets         337,80         305,854           Restricted cash         1,250         1,170           Property, plant and equipment, net         1,825         1,70           Goodwill         1,821         46,754           Deferred tax assets         77,30         3,13           Other assets         78,80         2,259           Total assets         78,80         2,50           Total sasets         78,80         2,50           Total sasets         2,78,22         5,646,574           LABILITIES AND STOCKHOLDERS' EQUITY         2,732         3,646,574           Current liabilities         2,731         3,369           Accrued liabilities         27,731         33,694           Current portion of term loan, net of unamortized issuance cost of \$100 and \$307         29,840         18,443           Deferred revenue         4,941         4,978           Total current liabilities         31,215         3,737           Deferred tax liabilities         3,81         3,50           Exerced tax liabilities         3,81         3,60           Total liabilities         3,81         3,50	Inventories, net		77,706		67,848
Prepaid expenses and other current assets         13,69         13,70s           Total current assets         337,820         305,854           Restricted cash         1,225         1,170           Property, plant and equipment, net         54,054         46,764           Goodwill         189,24         189,920           Intangibles, net         67,64         97,484           Deferred tax assets         77,301         3,133           Other assets         968         2,259           Total assets         49,68         2,259           Total assets         49,68         2,259           Accounts payable         \$40,000         \$35,046           Accrued liabilities         27,731         33,694           Chefered revenue         49,41         49,49           Deferred revenue         49,41         49,78           Total current liabilities         23,53         3,37           Tem loan, less current portion, net of unamortized issuance cost of \$29 and \$272         34,91         87,22           Deferred tax liabilities         3,49         3,49         18,43           Total current liabilities         3,81         3,50           Total current liabilities         3,81         3,50	Restricted cash		849		372
Total current assets         337,820         305,854           Restricted cash         1,225         1,170           Property, plant and equipment, net         54,054         46,754           Goodwill         189,214         89,920           Intangibles, net         67,640         97,848           Deferred tax assets         77,301         3,133           Other assets         968         2,259           Total assets         968         2,259           Total assets         49,000         \$ 646,574           LLABILATIES AND STOCKHOLDERS' EQUITY         27,721         33,694           Accrued liabilities         27,731         33,694           Accrued liabilities         27,731         33,694           Current portion of term loan, net of unamortized issuance cost of \$160 and \$307         29,840         18,443           Deferred revenue         4,971         87,282           Total current liabilities         2,355         3,379           Deferred tax liabilities         2,355         3,379           Deferred ent and other liabilities         8,214         5,169           Total liabilities         4,971         87,282           Deferred rent and other liabilities         8,214         5,169	Refundable income taxes		1,260		2,242
Restricted cash         1,225         1,170           Property, plant and equipment, net         54,054         46,754           Godwill         189,214         189,207           Intangibles, net         67,604         97,484           Deferred tax assets         77,301         3,133           Other assets         968         2,259           Total assets         978,222         \$ 646,574           LABILITIES AND STOCKHOLDERS' EQUITY         840,000         \$ 35,046           Accounts payable         440,001         \$ 33,694           Accrued liabilities         29,844         84,843           Current portion of term loan, net of unamortized issuance cost of \$160 and \$307         29,844         84,941           Current liabilities         102,518         92,161           Term loan, less current portion, net of unamortized issuance cost of \$29 and \$272         34,971         87,228           Deferred tax liabilities         2,355         3,379           Total current liabilities         148,05         187,937           Total liabilities         2,355         3,79           Total liabilities         148,05         187,937           Total liabilities         5         187,937           Total liabilities	Prepaid expenses and other current assets		13,669		13,705
Property, plant and equipment, net         54,054         46,754           Goodwill         189,214         189,202           Intangibles, net         67,640         97,484           Deferred tax assets         77,301         3,133           Other assets         968         2,255           Total assets         978,222         6,645,74           LABILITIES AND STOCKHOLDERS' EQUITY         2         4,675           Current liabilities         27,731         33,694           Accounts payable         \$40,006         \$35,046           Accought fiabilities         27,731         33,694           Current portion of term loan, net of unamortized issuance cost of \$160 and \$307         29,840         18,435           Deferred revenue         4,978         4,978           Total current liabilities         102,518         92,161           Term loan, less current portion, net of unamortized issuance cost of \$29 and \$272         34,971         87,228           Deferred are aliabilities         2,355         3,379           Total liabilities         148,058         187,937           Stockholders' equity:         2         2           Preferred stock, \$0,001 par value:         3         4           10,000,000 shares authorized;	Total current assets		337,820		305,854
Goodwill         189,214         189,204           Intangibles, net         67,640         97,484           Deferred tax assets         77,301         3,133           Other assets         968         2,259           Total assets         728,222         646,574           LIABILITIES AND STOCKHOLDERS' EQUITY         87,28,222         646,574           Current liabilities         27,731         33,694           Accounts payable         40,006         \$35,046           Accrued liabilities         27,731         33,694           Current portion of term loan, net of unamortized issuance cost of \$160 and \$307         29,840         18,443           Deferred revenue         4,941         4,978           Total current liabilities         102,518         92,161           Term loan, less current portion, net of unamortized issuance cost of \$29 and \$272         34,971         87,282           Deferred tax liabilities         2,355         3,379           Deferred pent and other liabilities         18,214         5,169           Total liabilities         148,058         187,937           Stockholders' equity:           Preferred total, \$0,001 par value:           10,000,000 shares authorized; 74,139,712 and 72,532,176 shares issued and	Restricted cash		1,225		1,170
Intangibles, net         67,640         97,484           Deferred tax assets         77,301         3,133           Other assets         968         2,259           Total assets         728,222         646,574           LIABILITIES AND STOCKHOLDERS' EQUITY           Current liabilities         27,731         35,046           Accounts payable         40,006         \$ 35,046           Accrued liabilities         27,731         33,694           Current portion of term loan, net of unamortized issuance cost of \$160 and \$307         29,840         18,443           Deferred revenue         4,941         4,978           Total current liabilities         102,518         92,161           Term loan, less current portion, net of unamortized issuance cost of \$29 and \$272         34,971         87,228           Deferred tax liabilities         2,355         3,379           Deferred rent and other liabilities         8,214         5,169           Total liabilities         148,058         187,937           Stockholders' equity:	Property, plant and equipment, net		54,054		46,754
Deferred tax assets         77,301         3,133           Other assets         968         2,259           Total assets         728,222         646,574           LIABILITIES AND STOCKHOLDERS' EQUITY           Current liabilities         40,000         \$ 35,046           Accounts payable         \$40,000         \$ 35,046           Accrued liabilities         27,731         33,694           Current portion of term loan, net of unamortized issuance cost of \$160 and \$307         29,840         18,443           Deferred revenue         4,941         4,978           Total current liabilities         102,518         92,161           Term loan, less current portion, net of unamortized issuance cost of \$29 and \$272         34,971         87,228           Deferred tax liabilities         2,355         3,379           Deferred rent and other liabilities         4,941         5,169           Total liabilities         148,058         187,937           Stockholders' equity:           Preferred stock, \$0,001 par value:         2         5           10,000,000 shares authorized; no shares issued and outstanding         5         7           Common stock, \$0,001 par value:         5         7           25,0000,000 shares authori	Goodwill		189,214		189,920
Other assets         968         2,259           Total assets         \$ 728,222         \$ 646,574           LIABILITIES AND STOCKHOLDERS' EQUITY         Current liabilities:           Accounts payable         \$ 40,006         \$ 35,046           Accrued liabilities         27,731         33,694           Current portion of term loan, net of unamortized issuance cost of \$160 and \$307         29,840         18,443           Deferred revenue         4,941         4,978           Total current liabilities         102,518         92,161           Term loan, less current portion, net of unamortized issuance cost of \$29 and \$272         34,971         87,228           Deferred rext and other liabilities         2,355         3,379           Deferred rent and other liabilities         8,214         5,169           Total liabilities         148,058         187,937           Stockholders' equity:         Term loan, less current portion, net of unamortized issuance cost of \$29 and \$272         34,971         87,922           Deferred rent and other liabilities         148,058         187,937           Stockholders' equity:         Term loan, less current portion, net of unamortized stock, \$0,001 par value:         Term loan, less current portion, net of unamortized stock, \$0,001 par value:         Term loan, less current portion, net of unamortized stock, \$0	Intangibles, net		67,640		97,484
Total assets         \$ 728,222         646,574           LIABILITIES AND STOCKHOLDERS' EQUITY         \$ 40,006         \$ 35,046           Accounts payable         \$ 40,006         \$ 35,046           Accrued liabilities         27,731         33,694           Current portion of term loan, net of unamortized issuance cost of \$160 and \$307         29,840         18,443           Deferred revenue         4,941         4,978           Total current liabilities         102,518         92,161           Term loan, less current portion, net of unamortized issuance cost of \$29 and \$272         34,971         87,228           Deferred tax liabilities         2,355         3,379           Deferred rent and other liabilities         8,214         5,169           Total liabilities         148,058         187,937           Stockholders' equity:         ***         ***           Preferred stock, \$0.001 par value:         ***         ***           10,000,000 shares authorized; no shares issued and outstanding         75         73           Additional paid-in capital         862,897         843,116           Accumulated other comprehensive income         780         3,021           Accumulated deficit         (283,588)         (387,573           Total stockholders' equity	Deferred tax assets		77,301		3,133
LIABILITIES AND STOCKHOLDERS' EQUITY           Current liabilities:           Accounts payable         \$ 40,006         \$ 35,046           Accrued liabilities         27,731         33,694           Current portion of term loan, net of unamortized issuance cost of \$160 and \$307         29,840         18,443           Deferred revenue         4,941         4,978           Total current liabilities         102,518         92,161           Term loan, less current portion, net of unamortized issuance cost of \$29 and \$272         34,971         87,228           Deferred tax liabilities         2,355         3,379           Deferred rent and other liabilities         8,214         5,169           Total liabilities         148,058         187,937           Stockholders' equity:           Preferred stock, \$0.001 par value:           10,000,000 shares authorized; no shares issued and outstanding         — —         —           Common stock, \$0.001 par value:         50,000,000 shares authorized; 74,139,712 and 72,532,176 shares issued and outstanding         75         73           Additional paid-in capital         862,897         843,116           Accumulated other comprehensive income         780         3,021           Accumulated deficit         (283,588)	Other assets		968		2,259
Current liabilities:         40,006         \$ 35,046           Accounts payable         \$ 40,006         \$ 35,046           Accrued liabilities         27,731         33,694           Current portion of term loan, net of unamortized issuance cost of \$160 and \$307         29,840         18,443           Deferred revenue         4,941         4,978           Total current liabilities         102,518         92,161           Term loan, less current portion, net of unamortized issuance cost of \$29 and \$272         34,971         87,228           Deferred tax liabilities         2,355         3,379           Deferred rent and other liabilities         8,214         5,169           Total liabilities         148,058         187,937           Stockholders' equity:           Preferred stock, \$0.001 par value:         -         -           10,000,000 shares authorized; no shares issued and outstanding         -         -           Common stock, \$0.001 par value:         250,000,000 shares authorized; 74,139,712 and 72,532,176 shares issued and outstanding         75         73           Additional paid-in capital         862,897         843,116           Accumulated other comprehensive income         780         3,021           Accumulated deficit         (283,588)         (387,573)	Total assets	\$	728,222	\$	646,574
Accrued liabilities         27,731         33,694           Current portion of term loan, net of unamortized issuance cost of \$160 and \$307         29,840         18,443           Deferred revenue         4,941         4,978           Total current liabilities         102,518         92,161           Term loan, less current portion, net of unamortized issuance cost of \$29 and \$272         34,971         87,228           Deferred tax liabilities         2,355         3,379           Deferred rent and other liabilities         8,214         5,169           Total liabilities         148,058         187,937           Stockholders' equity:           Preferred stock, \$0.001 par value:         -         -           10,000,000 shares authorized; no shares issued and outstanding         -         -           Common stock, \$0.001 par value:         250,000,000 shares authorized; 74,139,712 and 72,532,176 shares issued and outstanding         75         73           Additional paid-in capital         862,897         843,116           Accumulated other comprehensive income         780         3,021           Accumulated deficit         (283,588)         (387,573)           Total stockholders' equity         580,164         458,637				-	
Current portion of term loan, net of unamortized issuance cost of \$160 and \$307         29,840         18,443           Deferred revenue         4,941         4,978           Total current liabilities         102,518         92,161           Term loan, less current portion, net of unamortized issuance cost of \$29 and \$272         34,971         87,228           Deferred tax liabilities         2,355         3,379           Deferred rent and other liabilities         8,214         5,169           Total liabilities         148,058         187,937           Stockholders' equity:           Preferred stock, \$0.001 par value:         -         -           10,000,000 shares authorized; no shares issued and outstanding         -         -           Common stock, \$0.001 par value:         250,000,000 shares authorized; 74,139,712 and 72,532,176 shares issued and outstanding         75         73           Additional paid-in capital         862,897         843,116           Accumulated other comprehensive income         780         3,021           Accumulated deficit         (283,588)         (387,573)           Total stockholders' equity         580,164         458,637	Accounts payable	\$	40,006	\$	35,046
Deferred revenue         4,941         4,978           Total current liabilities         102,518         92,161           Term loan, less current portion, net of unamortized issuance cost of \$29 and \$272         34,971         87,228           Deferred tax liabilities         2,355         3,379           Deferred rent and other liabilities         8,214         5,169           Total liabilities         148,058         187,937           Stockholders' equity:           Preferred stock, \$0.001 par value:         —         —           10,000,000 shares authorized; no shares issued and outstanding         —         —           Common stock, \$0.001 par value:         250,000,000 shares authorized; 74,139,712 and 72,532,176 shares issued and outstanding         75         73           Additional paid-in capital         862,897         843,116           Accumulated other comprehensive income         780         3,021           Accumulated deficit         (283,588)         (387,573)           Total stockholders' equity         580,164         458,637	Accrued liabilities		27,731		33,694
Total current liabilities         102,518         92,161           Term loan, less current portion, net of unamortized issuance cost of \$29 and \$272         34,971         87,228           Deferred tax liabilities         2,355         3,379           Deferred rent and other liabilities         8,214         5,169           Total liabilities         148,058         187,937           Stockholders' equity:         Preferred stock, \$0.001 par value:         —           10,000,000 shares authorized; no shares issued and outstanding         —         —           Common stock, \$0.001 par value:         250,000,000 shares authorized; 74,139,712 and 72,532,176 shares issued and outstanding         75         73           Additional paid-in capital         862,897         843,116           Accumulated other comprehensive income         780         3,021           Accumulated deficit         (283,588)         (387,573)           Total stockholders' equity         580,164         458,637	Current portion of term loan, net of unamortized issuance cost of \$160 and \$307		29,840		18,443
Term loan, less current portion, net of unamortized issuance cost of \$29 and \$272       34,971       87,228         Deferred tax liabilities       2,355       3,379         Deferred rent and other liabilities       8,214       5,169         Total liabilities       148,058       187,937         Stockholders' equity:         Preferred stock, \$0.001 par value:       —       —         Common stock, \$0.001 par value:       —       —         250,000,000 shares authorized; 74,139,712 and 72,532,176 shares issued and outstanding       75       73         Additional paid-in capital       862,897       843,116         Accumulated other comprehensive income       780       3,021         Accumulated deficit       (283,588)       (387,573)         Total stockholders' equity       580,164       458,637	Deferred revenue		4,941		4,978
Term loan, less current portion, net of unamortized issuance cost of \$29 and \$272       34,971       87,228         Deferred tax liabilities       2,355       3,379         Deferred rent and other liabilities       8,214       5,169         Total liabilities       148,058       187,937         Stockholders' equity:         Preferred stock, \$0.001 par value:       —       —         Common stock, \$0.001 par value:       —       —         250,000,000 shares authorized; 74,139,712 and 72,532,176 shares issued and outstanding       75       73         Additional paid-in capital       862,897       843,116         Accumulated other comprehensive income       780       3,021         Accumulated deficit       (283,588)       (387,573)         Total stockholders' equity       580,164       458,637	Total current liabilities		102,518		92,161
Deferred rent and other liabilities         8,214         5,169           Total liabilities         148,058         187,937           Stockholders' equity:         Preferred stock, \$0.001 par value:           10,000,000 shares authorized; no shares issued and outstanding         —         —           Common stock, \$0.001 par value:         250,000,000 shares authorized; 74,139,712 and 72,532,176 shares issued and outstanding         75         73           Additional paid-in capital         862,897         843,116           Accumulated other comprehensive income         780         3,021           Accumulated deficit         (283,588)         (387,573)           Total stockholders' equity         580,164         458,637	Term loan, less current portion, net of unamortized issuance cost of \$29 and \$272				87,228
Total liabilities       148,058       187,937         Stockholders' equity:       Preferred stock, \$0.001 par value:         10,000,000 shares authorized; no shares issued and outstanding       — —         Common stock, \$0.001 par value:       250,000,000 shares authorized; 74,139,712 and 72,532,176 shares issued and outstanding       75       73         Additional paid-in capital       862,897       843,116         Accumulated other comprehensive income       780       3,021         Accumulated deficit       (283,588)       (387,573)         Total stockholders' equity       580,164       458,637	Deferred tax liabilities		2,355		3,379
Stockholders' equity:  Preferred stock, \$0.001 par value:  10,000,000 shares authorized; no shares issued and outstanding  Common stock, \$0.001 par value:  250,000,000 shares authorized; 74,139,712 and 72,532,176 shares issued and outstanding  Additional paid-in capital  Accumulated other comprehensive income  Accumulated deficit  Casa,588)  Total stockholders' equity  Stockholders' equity  Stockholders' equity	Deferred rent and other liabilities		8,214		5,169
Preferred stock, \$0.001 par value: 10,000,000 shares authorized; no shares issued and outstanding  Common stock, \$0.001 par value: 250,000,000 shares authorized; 74,139,712 and 72,532,176 shares issued and outstanding  Additional paid-in capital  Accumulated other comprehensive income  Accumulated deficit  Total stockholders' equity  Preferred stock, \$0.001 par value:	Total liabilities		148,058		187,937
10,000,000 shares authorized; no shares issued and outstanding       —       —         Common stock, \$0.001 par value:       —       75       73         250,000,000 shares authorized; 74,139,712 and 72,532,176 shares issued and outstanding       75       73         Additional paid-in capital       862,897       843,116         Accumulated other comprehensive income       780       3,021         Accumulated deficit       (283,588)       (387,573)         Total stockholders' equity       580,164       458,637	Stockholders' equity:				
Common stock, \$0.001 par value:       250,000,000 shares authorized; 74,139,712 and 72,532,176 shares issued and outstanding       75       73         Additional paid-in capital       862,897       843,116         Accumulated other comprehensive income       780       3,021         Accumulated deficit       (283,588)       (387,573)         Total stockholders' equity       580,164       458,637	Preferred stock, \$0.001 par value:				
250,000,000 shares authorized; 74,139,712 and 72,532,176 shares issued and outstanding       75       73         Additional paid-in capital       862,897       843,116         Accumulated other comprehensive income       780       3,021         Accumulated deficit       (283,588)       (387,573)         Total stockholders' equity       580,164       458,637	10,000,000 shares authorized; no shares issued and outstanding		_		
Additional paid-in capital       862,897       843,116         Accumulated other comprehensive income       780       3,021         Accumulated deficit       (283,588)       (387,573)         Total stockholders' equity       580,164       458,637	Common stock, \$0.001 par value:				
Accumulated other comprehensive income         780         3,021           Accumulated deficit         (283,588)         (387,573)           Total stockholders' equity         580,164         458,637	250,000,000 shares authorized; 74,139,712 and 72,532,176 shares issued and outstanding		75		73
Accumulated deficit         (283,588)         (387,573)           Total stockholders' equity         580,164         458,637	Additional paid-in capital		862,897		843,116
Total stockholders' equity 580,164 458,637	Accumulated other comprehensive income		780		3,021
· ·	Accumulated deficit		(283,588)		(387,573)
	Total stockholders' equity		580,164		458,637
	Total liabilities and stockholders' equity	\$	728,222	\$	646,574

### About our Non-GAAP Net Income (loss) and Adjustments:

We believe that the presentation of non-GAAP net income, non-GAAP earnings per fully-diluted share and free cash flow provides supplemental information that is important to understanding financial and business trends and other factors relating to our financial condition and results of operations. Non-GAAP net income and non-GAAP earnings per fully-diluted share are among the primary indicators used by management as a basis for planning and forecasting future periods, and by management and our board of directors to determine whether our operating performance has met certain targets and thresholds. Management uses non-GAAP net income and non-GAAP earnings per fully-diluted share when evaluating operating performance because it believes that the exclusion of the items indicated herein, for which the amounts or timing may vary significantly depending upon our activities and other factors, facilitates comparability of our operating performance from period to period. We use free cash flow to conduct and evaluate our business as an additional way of viewing our liquidity that, when viewed with our GAAP results, provides a more complete understanding of factors and trends affecting our cash flows. Many investors also prefer to track free cash flow, as opposed to only GAAP earnings. Free cash flow has limitations due to the fact that it does not represent the residual cash flow available for discretionary expenditures, and therefore it is important to view free cash flow as a complement to our entire consolidated statements of cash flows. We have chosen to provide this non-GAAP information to investors so they can analyze our operating results closer to the way that management does, and use this information in their assessment of our business and the valuation of our company. We compute non-GAAP net income and non-GAAP fully-diluted earnings per share by adjusting GAAP net income and GAAP earnings per fully-diluted share to remove the impact of certain items and the tax effect of those adjustments. These non-GAAP measures are not in accordance with, or an alternative to, GAAP and may be materially different from other non-GAAP measures, including similarly titled non-GAAP measures used by other companies. The presentation of this additional information should not be considered in isolation from, as a substitute for, or superior to, net income or earnings per fully-diluted share prepared in accordance with GAAP. Non-GAAP financial measures have limitations in that they do not reflect certain items that may have a material impact upon our reported financial results. We may expect to continue to incur expenses of a nature similar to the non-GAAP adjustments described above, and exclusion of these items from our non-GAAP net income and non-GAAP earnings per fully-diluted share should not be construed as an inference that these costs are unusual, infrequent or non-recurring. For more information on the non-GAAP adjustments, please see the table captioned "Reconciliation of non-GAAP Net Income" and "Reconciliation of Cash Provided By Operating Activities to Free Cash Flow" included in this press release.

Source: FormFactor, Inc.

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