



News Release

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FORMFACTOR, INC. REPORTS 2025 FOURTH QUARTER RESULTS

*Record Revenue of \$785.0 Million in FY25 Driven by Growth in High Bandwidth Memory
Q4 Revenue, Gross Margin and Earnings per Share Exceed High End of the Outlook Range; Expect Continued Strength in
Q1 '26*

LIVERMORE, Calif. — February 4, 2026 —FormFactor, Inc. (Nasdaq: FORM) today announced its financial results for the fourth quarter of fiscal 2025 ended December 27, 2025. Quarterly revenues were \$215.2 million, an increase of 6.2% compared to \$202.7 million in the third quarter of fiscal 2025, and an increase of 13.6% from \$189.5 million in the fourth quarter of fiscal 2024. For fiscal 2025, FormFactor recorded revenues of \$785.0 million, up 2.8% from \$763.6 million in fiscal 2024.

- Exceeded the high end of the outlook range on revenue, gross margin and earnings per share
- Demonstrated 540 basis points of non-GAAP gross margin improvement in second half of 2025; expect continued expansion in Q1'26
- Another record quarter in DRAM revenue driven by the increase in non-HBM DRAM applications like DDR4 and DDR5, as anticipated
- Continued focus on capacity expansion within existing footprint expected to deliver both output increases and gross-margin expansion throughout 2026
- Strengthened leadership in co-packaged optics testing with strategic acquisition of Keystone Photonics
- Announced Analyst Day on May 11th to discuss strategy and provide an updated target financial model

“FormFactor’s fourth quarter revenue, gross margin, and earnings per share all exceeded both third quarter results and the high end of our outlook range, and we posted record revenue on both a quarterly and annual basis,” said Mike Slessor, CEO of FormFactor, Inc. “Building on that momentum, we expect to again deliver sequentially higher revenue and non-GAAP gross margin in the first quarter as we meet the challenges and opportunities of increased test intensity and higher test complexity at the intersection of advanced packaging and high-performance-compute.”

Fourth Quarter and Fiscal 2025 Highlights

On a GAAP basis, net income for the fourth quarter of fiscal 2025 was \$23.2 million, or \$0.29 per fully-diluted share, compared to net income for the third quarter of fiscal 2025 of \$15.7 million, or \$0.20 per fully-diluted share, and net income for the fourth quarter of fiscal 2024 of \$9.7 million, or \$0.12 per fully-diluted share. Net income for fiscal 2025 was \$54.4 million, or \$0.69 per fully-diluted share, compared to net income for fiscal 2024 of \$69.6 million, or \$0.89, per fully-diluted share. Gross margin for the fourth quarter of fiscal 2025 was 42.2%, compared with 39.8% in the third quarter of fiscal 2025, and 38.8% in the fourth quarter of fiscal 2024. Gross margin for fiscal 2025 was 39.3%, compared to 40.3% for fiscal 2024.

On a non-GAAP basis, net income for the fourth quarter of fiscal 2025 was \$36.6 million, or \$0.46 per fully-diluted share, compared to net income for the third quarter of fiscal 2025 of \$25.7 million, or \$0.33 per fully-diluted share, and net income for the fourth quarter of fiscal 2024 of \$21.3 million, or \$0.27 per fully-diluted share. Non-GAAP net income for fiscal 2025 was \$101.5 million, or \$1.30 per fully-diluted share, compared to net income of \$90.2 million for fiscal 2024, or \$1.15 per fully-diluted share. On a non-GAAP basis, gross margin for the fourth quarter of fiscal 2025 was 43.9%, compared with 41.0% in the third quarter of fiscal 2025, and 40.2% in the fourth quarter of fiscal 2024. Non-GAAP gross margin for fiscal 2025 was 40.8%, compared to 41.7% for fiscal 2024.

A reconciliation of GAAP to non-GAAP measures is provided in the schedules included below.

GAAP net cash provided by operating activities for the fourth quarter of fiscal 2025 was \$46.0 million, compared to \$27.0 million for the third quarter of fiscal 2025, and \$35.9 million for the fourth quarter of fiscal 2024. Free cash flow for the fourth quarter of fiscal 2025 was \$34.7 million, compared to free cash flow for the third quarter of fiscal 2025 of \$19.7 million, and free cash flow for the fourth quarter of 2024 of \$28.8 million. Free cash flow for fiscal 2025 and fiscal 2024 was \$13.6 million and \$82.8 million, respectively.

A reconciliation of GAAP to non-GAAP measures is provided in the schedules included below.

Outlook

Dr. Slessor added, “In the first quarter, we see strong demand in our served advanced packaging and high-performance-compute markets, like HBM in DRAM and network switches in Foundry & Logic. As we move through 2026, we continue to focus on driving capacity increases and gross margin expansion within our existing footprint, with additional improvement expected as we bring Farmers Branch online towards the end of 2026.”

For the first quarter ending March 29, 2026, FormFactor is providing the following outlook*:

| | GAAP | Reconciling Items** | Non-GAAP |
|------------------------------|-------------------------------|--------------------------------|-------------------------------|
| Revenue | \$225 million +/- \$5 million | — | \$225 million +/- \$5 million |
| Gross margin | 34% +/- 1.5% | \$26 million | 45% +/- 1.5% |
| Net income per diluted share | \$0.11 +/- \$0.04 | \$0.34 | \$0.45 +/- \$0.04 |

*This outlook assumes consistent foreign currency rates.

**Reconciling items are stock-based compensation, amortization of intangible assets and fixed asset fair value adjustments due to acquisitions, and restructuring charges, net of applicable income tax impacts.

We posted our revenue breakdown by geographic region, by market segment and with customers with greater than 10% of total revenue on the Investor Relations section of our website at www.formfactor.com. We will conduct a conference call at 1:25 p.m. PT, or 4:25 p.m. ET, today.

The public is invited to listen to a live webcast of FormFactor’s conference call on the Investor Relations section of our website at www.formfactor.com. A telephone replay of the conference call will be available approximately two hours after the conclusion of the call. The replay will 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, non-GAAP net income per basic and diluted share, non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income and free cash flow, that are adjusted from the nearest GAAP financial measure to exclude certain costs, expenses, gains and losses. Reconciliations of the adjustments to GAAP results for the three and twelve months ended months ended December 27, 2025, and for outlook provided before, as well as for the comparable periods of fiscal 2024, are provided below, and on the Investor Relations section of our website at www.formfactor.com. 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 Financial Measures” following the tables below.

About FormFactor:

FormFactor, Inc. (NASDAQ: FORM), is a leading provider of essential test and measurement technologies along the full semiconductor product 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 of this release, 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, including under the heading "Outlook" above, the Company's performance, the Company's business strategies, and other statements regarding the Company's business. Forward-looking statements may contain words such as "may," "might," "will," "expect," "plan," "anticipate," "forecast," "continue," and "prospect," and 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 and impacts from export control, tariffs and other trade barriers; changes in demand for the Company's products; customer-specific demand; market opportunity; anticipated industry trends; the availability, benefits, and speed of customer acceptance or implementation of new products and technologies; manufacturing, processing, and design capacity, goals, expansion, volumes, and progress; difficulties or delays in research and development; industry seasonality; risks to the Company's realization of benefits from acquisitions and investments; reliance on customers or third parties (including suppliers); changes in macro-economic environments; events affecting global and regional economic and market conditions and stability such as tariffs, military conflicts, political volatility, infectious diseases and pandemics, and similar factors, operating separately or in combination; 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. In addition, there are varying barriers to international trade, including restrictive trade and export regulations such as the US-China restrictions, dynamic tariffs, trade disputes between the U.S. and other countries, and national security developments or tensions, that may substantially restrict or condition our sales to or in certain countries, increase the cost of doing business internationally, and disrupt our supply chain. No assurances can be given that any of the events anticipated by the forward-looking statements within this press release 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)

| | Three Months Ended | | | Twelve Months Ended | |
|---|----------------------|-----------------------|----------------------|----------------------|----------------------|
| | December 27, 2025 | September 27, 2025 | December 28, 2024 | December 27, 2025 | December 28, 2024 |
| Revenues | \$ 215,163 | \$ 202,676 | \$ 189,483 | \$ 784,993 | \$ 763,599 |
| Cost of revenues | 124,399 | 122,050 | 115,903 | 476,142 | 455,676 |
| Gross profit | 90,764 | 80,626 | 73,580 | 308,851 | 307,923 |
| Operating expenses: | | | | | |
| Research and development | 30,403 | 28,686 | 30,504 | 115,682 | 121,938 |
| Selling, general and administrative | 35,167 | 32,971 | 35,226 | 133,074 | 141,786 |
| Factory start-up costs | 1,704 | 964 | — | 3,025 | — |
| Total operating expenses | 67,274 | 62,621 | 65,730 | 251,781 | 263,724 |
| Gain on sale of business | — | — | — | — | 20,581 |
| Operating income | 23,490 | 18,005 | 7,850 | 57,070 | 64,780 |
| Interest income, net | 2,184 | 1,976 | 3,472 | 10,119 | 13,693 |
| Other income, net | 874 | 444 | 617 | 2,202 | 939 |
| Income before income taxes and equity investment | 26,548 | 20,425 | 11,939 | 69,391 | 79,412 |
| Provision for income taxes | 3,620 | 5,937 | 2,234 | 13,004 | 9,798 |
| Loss (income) from equity investment | (290) | (1,168) | — | 2,026 | — |
| Net income | \$ 23,218 | \$ 15,656 | \$ 9,705 | \$ 54,361 | \$ 69,614 |
| Net income per share: | | | | | |
| Basic | \$ 0.30 | \$ 0.20 | \$ 0.13 | \$ 0.70 | \$ 0.90 |
| Diluted | \$ 0.29 | \$ 0.20 | \$ 0.12 | \$ 0.69 | \$ 0.89 |
| Weighted-average number of shares used in per share calculations: | | | | | |
| Basic | 77,581 | 77,387 | 77,267 | 77,348 | 77,340 |
| Diluted | 78,864 | 77,734 | 77,982 | 78,313 | 78,437 |

FORMFACTOR, INC.
NON-GAAP FINANCIAL MEASURE RECONCILIATIONS
(In thousands, except per share amounts)
(Unaudited)

| | Three Months Ended | | | Twelve Months Ended | |
|--|----------------------|-----------------------|----------------------|----------------------|----------------------|
| | December 27, 2025 | September 27, 2025 | December 28, 2024 | December 27, 2025 | December 28, 2024 |
| GAAP Gross Profit | \$ 90,764 | \$ 80,626 | \$ 73,580 | \$ 308,851 | \$ 307,923 |
| Adjustments: | | | | | |
| Amortization of intangibles and fixed asset fair value adjustments due to acquisitions | 483 | 490 | 555 | 2,043 | 2,216 |
| Stock-based compensation | 1,755 | 1,941 | 1,944 | 7,391 | 7,738 |
| Restructuring charges | 1,409 | 116 | 32 | 1,768 | 639 |
| Non-GAAP Gross Profit | <u>\$ 94,411</u> | <u>\$ 83,173</u> | <u>\$ 76,111</u> | <u>\$ 320,053</u> | <u>\$ 318,516</u> |
| GAAP Gross Margin | 42.2 % | 39.8 % | 38.8 % | 39.3 % | 40.3 % |
| Adjustments: | | | | | |
| Amortization of intangibles and fixed asset fair value adjustments due to acquisitions | 0.2 % | 0.2 % | 0.4 % | 0.3 % | 0.3 % |
| Stock-based compensation | 0.8 % | 0.9 % | 1.0 % | 1.0 % | 1.0 % |
| Restructuring charges | 0.7 % | 0.1 % | — % | 0.2 % | 0.1 % |
| Non-GAAP Gross Margin | <u>43.9 %</u> | <u>41.0 %</u> | <u>40.2 %</u> | <u>40.8 %</u> | <u>41.7 %</u> |
| GAAP operating expenses | \$ 67,274 | \$ 62,621 | \$ 65,730 | \$ 251,781 | \$ 263,724 |
| Adjustments: | | | | | |
| Amortization of intangibles | (52) | (191) | (191) | (625) | (764) |
| Stock-based compensation | (8,118) | (7,575) | (8,269) | (31,185) | (32,025) |
| Restructuring charges | (661) | (273) | (371) | (3,952) | (767) |
| Costs related to sale and acquisition of businesses | (956) | — | (1,689) | (1,228) | (2,391) |
| Non-GAAP operating expenses | <u>\$ 57,487</u> | <u>\$ 54,582</u> | <u>\$ 55,210</u> | <u>\$ 214,791</u> | <u>\$ 227,777</u> |
| GAAP operating income | \$ 23,490 | \$ 18,005 | \$ 7,850 | \$ 57,070 | \$ 64,780 |
| Adjustments: | | | | | |
| Amortization of intangibles and fixed asset fair value adjustments due to acquisitions | 535 | 681 | 746 | 2,668 | 2,980 |
| Stock-based compensation | 9,873 | 9,516 | 10,213 | 38,576 | 39,763 |
| Restructuring charges | 2,070 | 389 | 403 | 5,720 | 1,406 |
| Gain on sale of business, net of costs and acquisition related expenses | 956 | — | 1,689 | 1,228 | (18,190) |
| Non-GAAP operating income | <u>\$ 36,924</u> | <u>\$ 28,591</u> | <u>\$ 20,901</u> | <u>\$ 105,262</u> | <u>\$ 90,739</u> |

FORMFACTOR, INC.
NON-GAAP FINANCIAL MEASURE RECONCILIATIONS
(In thousands, except per share amounts)
(Unaudited)

| | Three Months Ended | | | Twelve Months Ended | |
|---|----------------------|-----------------------|----------------------|----------------------|----------------------|
| | December 27, 2025 | September 27, 2025 | December 28, 2024 | December 27, 2025 | December 28, 2024 |
| GAAP net income | \$ 23,218 | \$ 15,656 | \$ 9,705 | \$ 54,361 | \$ 69,614 |
| Adjustments: | | | | | |
| Amortization of intangibles and fixed asset fair value adjustments due to acquisitions | 535 | 681 | 746 | 2,668 | 2,980 |
| Stock-based compensation | 9,873 | 9,516 | 10,213 | 38,576 | 39,763 |
| Restructuring charges | 2,070 | 389 | 415 | 5,720 | 1,418 |
| Gain on sale of business and assets, net of costs, acquisition related expenses and other | 3,526 | 91 | 1,689 | 7,294 | (18,190) |
| Income tax effect of non-GAAP adjustments | (2,659) | (649) | (1,445) | (7,146) | (5,368) |
| Non-GAAP net income | <u>\$ 36,563</u> | <u>\$ 25,684</u> | <u>\$ 21,323</u> | <u>\$ 101,473</u> | <u>\$ 90,217</u> |
| GAAP net income per share: | | | | | |
| Basic | \$ 0.30 | \$ 0.20 | \$ 0.13 | \$ 0.70 | \$ 0.90 |
| Diluted | <u>\$ 0.29</u> | <u>\$ 0.20</u> | <u>\$ 0.12</u> | <u>\$ 0.69</u> | <u>\$ 0.89</u> |
| Non-GAAP net income per share: | | | | | |
| Basic | <u>\$ 0.47</u> | <u>\$ 0.33</u> | <u>\$ 0.28</u> | <u>\$ 1.31</u> | <u>\$ 1.17</u> |
| Diluted | <u>\$ 0.46</u> | <u>\$ 0.33</u> | <u>\$ 0.27</u> | <u>\$ 1.30</u> | <u>\$ 1.15</u> |
| GAAP net cash provided by operating activities | \$ 45,975 | \$ 26,991 | \$ 35,913 | \$ 115,398 | \$ 117,534 |
| Adjustments: | | | | | |
| Sale of business and acquisition related payments in working capital | — | 83 | 506 | 1,472 | 3,317 |
| Cash paid for interest | 86 | 89 | 93 | 362 | 391 |
| Capital expenditures | (11,313) | (7,505) | (7,663) | (103,658) | (38,436) |
| Free cash flow | <u>\$ 34,748</u> | <u>\$ 19,658</u> | <u>\$ 28,849</u> | <u>\$ 13,574</u> | <u>\$ 82,806</u> |
| GAAP net cash provided by (used in) investing activities | \$ (34,973) | \$ 6,718 | \$ (7,328) | \$ (191,468) | \$ (33,480) |
| GAAP net cash used in financing activities | \$ (4,073) | \$ (2,382) | \$ (18,356) | \$ (13,633) | \$ (64,612) |

FORMFACTOR, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

| | Twelve Months Ended | |
|--|----------------------|----------------------|
| | December 27, 2025 | December 28, 2024 |
| Cash flows from operating activities: | | |
| Net income | \$ 54,361 | \$ 69,614 |
| Selected adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 37,589 | 32,903 |
| Stock-based compensation expense | 38,576 | 39,763 |
| Provision for excess and obsolete inventories | 14,853 | 12,342 |
| Loss from equity investment | 2,025 | — |
| Gain on sale of business and assets | (103) | (20,581) |
| Non-cash restructuring charges | 2,119 | 428 |
| Other activity impacting operating cash flows | (34,022) | (16,935) |
| Net cash provided by operating activities | 115,398 | 117,534 |
| Cash flows from investing activities: | | |
| Acquisition of property, plant and equipment | (103,658) | (38,436) |
| Acquisition of business | (20,580) | — |
| Proceeds from sale of business and assets | 103 | 21,585 |
| Purchase of equity investment | (67,156) | — |
| Purchases of marketable securities, net | (177) | (15,129) |
| Purchase of promissory note receivable | — | (1,500) |
| Net cash used in investing activities | (191,468) | (33,480) |
| Cash flows from financing activities: | | |
| Purchase of common stock through stock repurchase program, including excise tax paid | (26,244) | (53,302) |
| Proceeds from issuances of common stock | 26,119 | 9,748 |
| Principal repayments on term loans | (1,106) | (1,075) |
| Tax withholdings related to net share settlements of equity awards | (12,402) | (19,983) |
| Net cash used in financing activities | (13,633) | (64,612) |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash | (456) | (3,509) |
| Net increase (decrease) in cash, cash equivalents and restricted cash | (90,159) | 15,933 |
| Cash, cash equivalents and restricted cash, beginning of period | 197,206 | 181,273 |
| Cash, cash equivalents and restricted cash, end of period | \$ 107,047 | \$ 197,206 |

FORMFACTOR, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

| | December 27, 2025 | September 27, 2025 | December 28, 2024 |
|---|----------------------|-----------------------|----------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 103,330 | \$ 97,678 | \$ 190,728 |
| Marketable securities | 171,842 | 168,351 | 169,295 |
| Accounts receivable, net of allowance for credit losses | 125,416 | 133,316 | 104,294 |
| Inventories, net | 110,884 | 108,830 | 101,676 |
| Restricted cash | 1,063 | 1,058 | 3,746 |
| Prepaid expenses and other current assets | 44,519 | 50,027 | 35,389 |
| Total current assets | 557,054 | 559,260 | 605,128 |
| Restricted cash | 2,654 | 2,375 | 2,732 |
| Operating lease, right-of-use-assets | 17,202 | 17,471 | 22,579 |
| Property, plant and equipment, net of accumulated depreciation | 259,068 | 257,912 | 210,230 |
| Equity investment | 64,096 | 66,441 | — |
| Goodwill | 216,029 | 200,841 | 199,171 |
| Intangibles, net | 16,302 | 8,385 | 10,355 |
| Deferred tax assets | 89,524 | 88,265 | 92,012 |
| Other assets | 2,433 | 2,042 | 4,008 |
| Total assets | \$ 1,224,362 | \$ 1,202,992 | \$ 1,146,215 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 47,436 | \$ 58,389 | \$ 62,287 |
| Accrued liabilities | 47,535 | 41,574 | 43,742 |
| Current portion of long-term debt, net of unamortized issuance costs | 1,137 | 1,129 | 1,106 |
| Deferred revenue | 20,091 | 21,623 | 15,847 |
| Operating lease liabilities | 7,662 | 7,400 | 8,363 |
| Total current liabilities | 123,861 | 130,115 | 131,345 |
| Long-term debt, less current portion, net of unamortized issuance costs | 11,071 | 11,359 | 12,208 |
| Deferred tax liabilities | 1,600 | — | — |
| Long-term operating lease liabilities | 12,488 | 13,317 | 17,550 |
| Deferred grant | 18,000 | 18,000 | 18,000 |
| Other liabilities | 21,939 | 20,586 | 19,344 |
| Total liabilities | 188,959 | 193,377 | 198,447 |
| Stockholders' equity: | | | |
| Common stock | 78 | 78 | 77 |
| Additional paid-in capital | 863,547 | 857,401 | 837,586 |
| Accumulated other comprehensive income (loss) | (3,528) | 48 | (10,840) |
| Accumulated income | 175,306 | 152,088 | 120,945 |
| Total stockholders' equity | 1,035,403 | 1,009,615 | 947,768 |
| Total liabilities and stockholders' equity | \$ 1,224,362 | \$ 1,202,992 | \$ 1,146,215 |

About our Non-GAAP Financial Measures:

We believe that the presentation of non-GAAP net income, non-GAAP net income per basic and diluted share, non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income 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, non-GAAP net income per basic and diluted share, non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, and non-GAAP operating income 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, non-GAAP net income per basic and diluted share, non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, and non-GAAP operating income 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, non-GAAP net income per basic and diluted share, non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, and non-GAAP operating income, by adjusting GAAP net income, GAAP net income per basic and diluted share, GAAP gross profit, GAAP gross margin, GAAP operating expenses, and GAAP operating income to remove the impact of certain items and the tax effect, if applicable, 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, net income per basic and diluted share, gross profit, gross margin, operating expenses, or operating income 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, non-GAAP net income per basic and diluted share, non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, and non-GAAP operating income 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 "Non-GAAP Financial Measure Reconciliations" included in this press release.

Source: FormFactor, Inc.

FORM-F