

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **October 16, 2003**

FORMFACTOR, INC.

(Exact name of Registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

000-50307

(Commission
File Number)

13-3711155

(IRS Employer
Identification No.)

2140 Research Drive, Livermore, CA

94550

(Address of principal executive offices)

(Zip Code)

(925) 294-4300

(Registrant's telephone number, including area code)

NOT APPLICABLE

(Former name or former address, if changed since last report)

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Item 7: Financial Statements and Exhibits.

(c) Exhibits.

Exhibit Number	Exhibit Title or Description
99.01	Press Release dated October 16, 2003.

Item 12: Results of Operations and Financial Condition.

On October 16, 2003, FormFactor, Inc., a Delaware corporation, issued a press release announcing, among other things, earnings for the quarter ended September 27, 2003. A copy of the press release is furnished as Exhibit 99.01 to this report. FormFactor made reference to non-GAAP financial information in this press release.

Use of Non-GAAP Financial Information

To supplement its consolidated financial statements presented in accordance with Generally Accepted Accounting Principles (GAAP) in the press release, FormFactor, Inc. used non-GAAP measures of net income per share, which were adjusted from results based on GAAP assuming FormFactor's initial public offering had already happened at the beginning of fiscal year 2002. The adjustment assumes the conversion to common stock of all redeemable convertible preferred stock, and the issuance of the common shares issued in the initial public offering. FormFactor believes the pro forma net income per share presentation represents a better basis for the comparison of its current results to results during fiscal periods occurring prior to FormFactor's initial public offering. The presentation of this additional information is not meant to be considered in isolation or as a substitute for results prepared in accordance with accounting principles generally accepted in the United States. The non-GAAP financial measures included in our press release have been reconciled to the nearest GAAP financial measure as is required under SEC rules regarding the use of non-GAAP financial measures.

SIGNATURE

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

FORMFACTOR, INC.

Date: October 16, 2003

By: /s/ Jens Meyerhoff

Jens Meyerhoff, Chief Financial Officer
and Senior Vice President of Operations

EXHIBIT INDEX

Exhibit Number	Exhibit Title or Description
99.01	Press Release dated October 16, 2003.



News Release

Contacts:

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 Chief Financial Officer and
 Senior Vice President of Operations
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FOR IMMEDIATE RELEASE

FormFactor, Inc. Announces Third Quarter Financial Results

Revenues of \$26.1 million, up 18% sequentially and up 26% year over year

LIVERMORE, CA — October 16, 2003 — FormFactor, Inc. (NASDAQ: FORM) today announced its financial results for the third quarter of fiscal year 2003, ended September 27, 2003. Quarterly revenues were \$26.1 million, up 18% from \$22.1 million in the second quarter of fiscal year 2003, and up 26% from \$20.7 million for the same period in fiscal year 2002.

Revenues for the first nine months of fiscal year 2003 were \$66.8 million, up 18% from \$56.5 million in the first nine months of fiscal year 2002.

Net income for the third quarter of fiscal year 2003 was \$2.5 million or \$0.07 per share on a fully diluted basis, compared to \$1.3 million or \$0.04 per share on a pro forma fully diluted basis for the second quarter of fiscal year 2003, and \$7.2 million or \$0.20 per share pro forma for the same period of fiscal year 2002, which included a one time tax benefit of \$0.16 per share on a pro forma fully diluted basis. Excluding such benefit, earnings per share for the third quarter of fiscal year 2003 increased by \$0.03 per share on a pro forma fully diluted basis over the third quarter of fiscal year 2002.

Net income for the first nine months of fiscal year 2003 was \$4.5 million or \$0.12 per share on a pro forma fully diluted basis, compared to \$8.8 million or \$0.24 per share pro forma for the first nine months of fiscal year 2002.

Pro forma earnings per share have been adjusted for the three months ended September 28, 2002, and June 28, 2003, and for the nine months ended September 28, 2002 and September 27, 2003, assuming the initial public offering had occurred at the beginning of fiscal year 2002 and reflect the conversion to common stock of all redeemable convertible preferred stock, and the issuance of the common shares issued in the initial public offering. The Company believes the pro forma earnings per share presentation represents a meaningful alternative basis for the comparison of its current results to results during fiscal periods occurring prior to the Company's initial public offering.

On a GAAP fully diluted basis, net income for the third quarter of fiscal year 2003 was \$0.07 per share and requires no pro forma adjustment, net income for the second quarter of fiscal year 2003 was \$0.04 per share and

\$0.24 per share for the same period of fiscal year 2002. Also on a GAAP fully diluted basis, net income for the nine month period of fiscal year 2003 was \$0.14 per share, compared to \$0.30 per share for the first nine months of fiscal year 2002.

Operating Income for the third quarter of fiscal year 2003 was 13.5% of revenues, up from 8.8% for the second quarter of fiscal year 2003, and up from 10.1% for the third quarter of fiscal year 2002.

Bookings of \$29.1 million for the third quarter of fiscal year 2003 increased 14% from \$25.5 million for the second quarter of fiscal year 2003 and were up 35% from \$21.6 million for the third quarter of fiscal year 2002.

Igor Khandros, President and CEO of FormFactor stated, "We continue the execution of our business plan as shown by ongoing design wins across all targeted market segments. Our technology roadmap alignment with our customers has and continues to enable our customers' transitions to new and more advanced process technologies and device architectures. The economic benefit of our high parallelism memory products continue to drive demand for our products in the progressing 300mm DRAM conversion."

The Company will conduct a conference call at 1:30 p.m. PDT, or 4:30 p.m. EDT, today. The public is invited to listen to a live web cast of FormFactor's conference call on the investor relations section of the Company's website at www.formfactor.com. A replay of the web cast will be available approximately two hours after the conclusion of the call. An audio replay of the conference call will also be made available approximately two hours after the conclusion of the call. The audio replay will remain available until October 20, 2003 at 10:00 p.m. PDT and can be accessed by dialing (888) 203-1112 or (719) 457-0820 and entering confirmation code 262032.

About FormFactor:

FormFactor, Inc. (Nasdaq: FORM) is an industry leader in the design, development, manufacture, sale and support of precision, high-performance advanced semiconductor wafer probe cards. The Company's products are based on its proprietary MicroSpring interconnect technology and proprietary design processes, which enable FormFactor to produce wafer probe cards for test applications that require reliability, speed, precision and signal integrity. FormFactor is headquartered in Livermore, California. For more information, visit the Company's Web site at www.formfactor.com.

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FormFactor and MicroSpring are trademarks of FormFactor, Inc. All other product, trademark, company or service names mentioned herein are the property of their respective owners.

Statements in this press release that are not strictly historical in nature are forward-looking statements within the meaning of the federal securities laws. These statements include a number of risks and uncertainties. In addition, statements regarding design wins and bookings should not be read as predictions or projections of future performance. These statements are based on current information and expectations that are inherently subject to change and involve a number of risks and uncertainties. Actual events or results might differ materially from those in any forward-looking statement due to various factors, including, but not limited to: the demand for certain semiconductor devices; the rate at which semiconductor manufacturers make the transition to 110 and 90 nanometer technology nodes; the performance and market acceptance of the Company's new products or technologies; the implementation of volume production of the Company's new products; changes in semiconductor manufacturers' test strategies, equipments or processes; and the Company's relationships with customers and companies that manufacture semiconductor test equipment. Additional information concerning factors that could cause actual events or results to differ materially from those in any forward looking statement is contained in the Company's Prospectus filed with the Securities and Exchange Commission ("SEC") on Form S-1, and subsequent SEC filings made by the Company. Copies of filings made by the Company with the SEC are available at <http://investors.formfactor.com/edgar.cfm>. The Company assumes no obligation to update the information in this press release, to revise any forward-looking statements or to update the reasons actual results could differ materially from those anticipated in forward-looking statements.

FORMFACTOR, INC.
Pro Forma vs. GAAP Results
(in thousands, except per share data)
(Unaudited)

A reconciliation of the denominator used in calculating pro forma fully diluted earnings per share is as follows:

(in thousands, except per share amounts)	Three Months Ended			Nine Months Ended	
	September 28, 2002	June 28, 2003	September 27, 2003	September 28, 2002	September 27, 2003
	(Unaudited)				
Net income	\$ 7,210	\$ 1,287	\$ 2,505	\$ 8,770	\$ 4,491
Weighted-average shares outstanding, diluted	29,575	31,170	37,905	29,287	32,932
Adjustment to reflect the IPO shares as if they had been outstanding since the beginning of 2002	6,505	5,165	—	6,510	3,782
Pro forma weighted-average shares outstanding, diluted	36,080	36,335	37,905	35,797	36,714
Net income per share diluted as reported	\$ 0.24	\$ 0.04	\$ 0.07	\$ 0.30	\$ 0.14
Net income per share diluted pro forma	\$ 0.20	\$ 0.04	\$ 0.07	\$ 0.24	\$ 0.12

FORMFACTOR, INC.
CONSOLIDATED INCOME STATEMENTS
(in thousands, except per share data)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 28, 2002	September 27, 2003	September 28, 2002	September 27, 2003
	(In thousands, except per share data)			
Revenues	\$20,729	\$26,076	\$56,527	\$66,839
Cost of revenues	10,259	13,213	28,540	34,482
Gross margin	10,470	12,863	27,987	32,357
Operating expenses:				
Research and development	3,828	3,966	10,656	11,322
Selling, general and administrative	4,265	4,980	12,429	13,471
Stock-based compensation	283	396	750	1,100
Total operating expenses	8,376	9,342	23,835	25,893
Operating income	2,094	3,521	4,152	6,464
Interest income	182	289	570	625
Interest expense	(11)	(11)	(59)	(38)
Other income (expense), net	(86)	242	(107)	193
	85	520	404	780
Income before income taxes	2,179	4,041	4,556	7,244
Provision for income taxes	5,031	(1,536)	4,214	(2,753)
Net income	\$ 7,210	\$ 2,505	\$ 8,770	\$ 4,491
Net income per share:				
Basic	\$ 1.61	\$ 0.07	\$ 1.98	\$ 0.27
Diluted	\$ 0.24	\$ 0.07	\$ 0.30	\$ 0.14
Weighted-average number of shares used in per share calculations:				
Basic	4,478	34,117	4,436	16,669
Diluted	29,575	37,905	29,287	32,932

FORMFACTOR, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands)

	December 28, 2002	September 27, 2003 (Unaudited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 26,786	\$ 95,561
Short-term investments	7,557	5,523
Accounts receivable, net of allowance for doubtful accounts of \$253 in 2002 and \$103 in 2003 (unaudited)	11,986	15,941
Inventories, net	4,230	7,558
Deferred tax assets	2,571	2,571
Prepaid expenses and other current assets	3,463	2,628
Total current assets	56,593	129,782
Restricted cash	2,835	2,550
Property and equipment, net	16,538	18,467
Deferred tax assets	1,068	1,068
Long term investments	—	17,943
Other assets	484	444
Total assets	\$ 77,518	\$170,254
LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Bank line of credit	\$ 375	\$ —
Notes payable, current portion	500	—
Accounts payable	6,712	8,766
Accrued liabilities	7,677	9,337
Deferred revenue	793	1,214
Total current liabilities	16,057	19,317
Notes payable, less current portion	625	—
Deferred revenue	672	493
Total liabilities	17,354	19,810
Redeemable convertible preferred stock, \$0.001 par value	64,895	—
Redeemable convertible preferred stock warrants	306	—
	65,201	—
Commitments and contingencies		
Stockholders' equity (deficit)		
Common stock, \$0.001 par value	5	34
Additional paid in capital	20,064	168,698
Notes receivable from stockholders	(3,447)	(1,389)
Deferred stock-based compensation, net	(12,294)	(12,007)
Accumulated other comprehensive income	—	(18)
Accumulated deficit	(9,365)	(4,874)
Total stockholders' equity (deficit)	(5,037)	150,444
Total liabilities, redeemable convertible preferred stock and stockholders' equity (deficit)	\$ 77,518	\$170,254