



Investor Presentation

May 2022



Forward-Looking Statements; Non-GAAP Financial Measures

This presentation contains forward-looking statements within the meaning of the U.S. Securities Exchange Act of 1934 and the Securities Act of 1933. The forward-looking statements include statements concerning, among other things, our future business model and strategies, our financial model and structure, market and market share growth, industry trends, customer demand and growth opportunities. In some instances, you can identify these statements by forward-looking words, such as "may," "might," "will," "could," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "intend" and "continue," the negative or plural of these words and other comparable terminology. The target financial model described in this presentation is intended to aid in the evaluation of long-term potential, and is not guidance or a statement of forecasted performance in a specific future period. The forward-looking statements are only predictions based on our current expectations and our projections about future events. All information and forward-looking statements included in this presentation and the related discussions are based upon information available to us as of May 25, 2022. You should not place undue reliance on these forward-looking statements. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from those expressed or implied by these statements, including risks related to technology and market trends; the benefits of acquisitions and investments; macroeconomic conditions; uncertainties related to the COVID-19 pandemic and the impacts of our responses to it; the interpretation and impacts of changes in export controls and other trade barriers; our success in executing our business strategies and other risks discussed in the section titled "Risk Factors" and elsewhere in our Annual Report on Form 10-K for the year ended December 25, 2021 and in our other filings with the U.S. Securities and Exchange Commission copies of which may be obtained by visiting the Investor Relations section of our website at <http://investors.formfactor.com> or at www.sec.gov.

This presentation and related discussions contain non-GAAP measures relating to our financial performance. These measures may be different from non-GAAP financial measures used by other companies. The presentation of this financial information is not intended to be considered in isolation of, or as a substitute for, financial information prepared and presented in accordance with generally accepted accounting principles. You can find the reconciliation of non-GAAP financial measures to the most directly comparable U.S. GAAP measures in the Supplemental Information contained in this presentation.

FormFactor At a Glance

TTM Revenue*
\$780M



Advanced Probe Cards
for Chip Production



115,000,000+
MEMS PROBES/YEAR

Engineering Systems



10,000+
INSTALLED PROBERS

Global Manufacturing, Design
and Customer Service Presence



~ **2,300**
PEOPLE



Recognized by
Industry Leaders**

Intel

TSMC

Micron

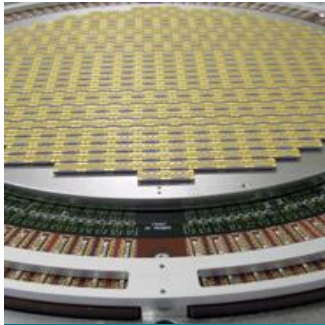
SK hynix

Samsung

*As of 4/27/22

** Customers that have accounted for >10% of revenue for one or more quarters since Q1 FY18

Compelling Investment Thesis



Market leader in large and growing semiconductor test and measurement sector



Benefits from powerful secular trends:

- Exponential growth in semiconductor content, increased 5G and data center spending
- Adoption of advanced packaging to counter slowdown in Moore's Law



Technology leadership enables customers' most critical roadmap advancements, from R&D through Production



Profitable financial model with earnings growth and strong cash flow



Active execution of acquisition strategy increases scale and diversification

Recent Results (non-GAAP)

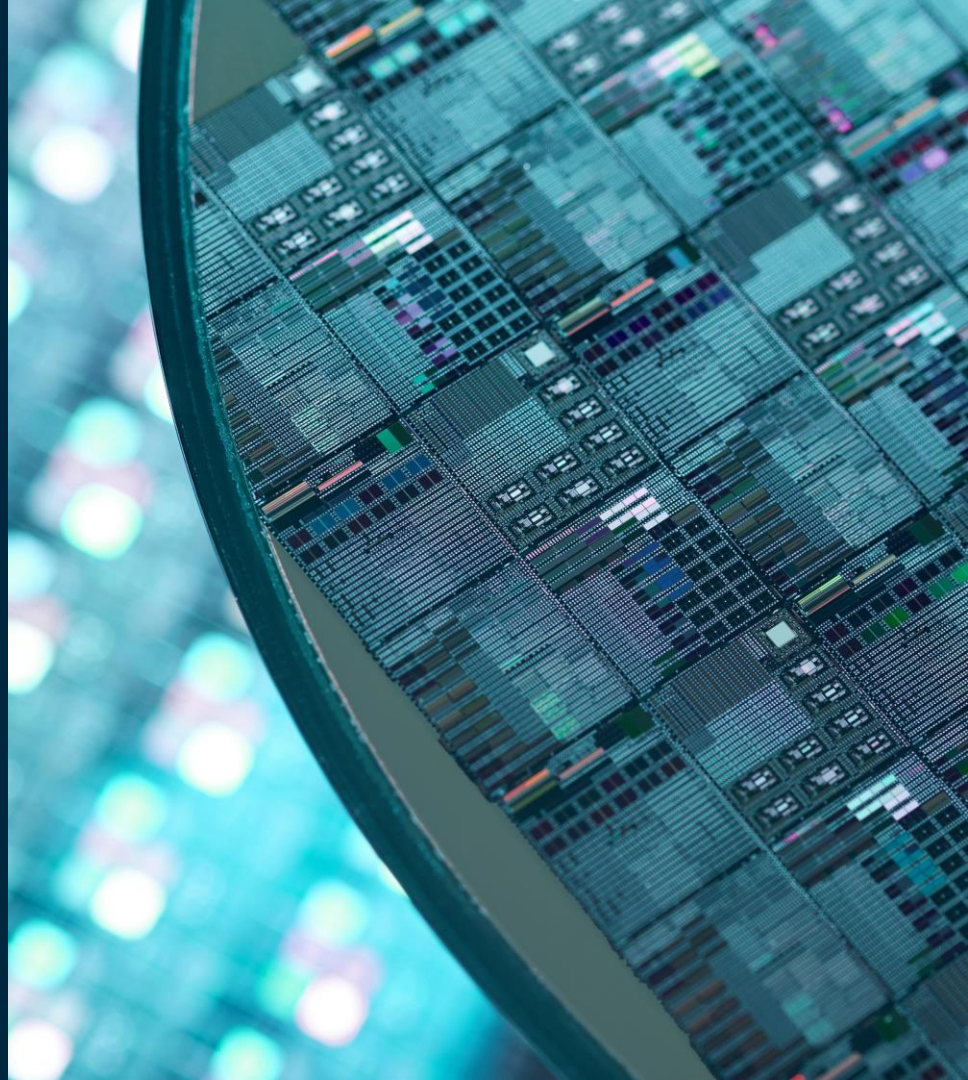
	Revenue	Gross Margin	Diluted EPS	Free Cash Flow
Q4'21 ACTUAL	\$205.0M	44.3%	\$0.44	\$23.9M
Q1'22 ACTUAL	\$197.2M	49.0%	\$0.49	\$28.7M
Q2'22 OUTLOOK	\$203M +/- \$6M	47% +/- 1.5%	\$0.43 +/- \$0.04	

Q1'22 and Q2'22 Themes:

- Q1 results driven by sustained demand for Foundry and Logic slightly offset by reduced DRAM demand
- Q2 outlook - expect the strong momentum to continue with sequential increase mainly in Foundry & Logic



Supplemental Information



FY 2021 GAAP to Non-GAAP Reconciliation

	GAAP	Adjustments					Non-GAAP
	Twelve Months Ended December 25, 2021	Stock-based Compensation	Amortization of Intangibles	Amortization of Acquisition Fair Value Adjustments	Restructuring	Other Adjustments	Twelve Months Ended December 25, 2021
Revenues	769,674	-	-	260	-	-	769,934
Cost of revenues	446,907	(5,200)	(12,269)	(2,266)	(3,205)	-	423,967
Gross profit	322,767	5,200	12,269	2,526	3,205	-	345,967
							44.9 %
Operating expenses:							
Research and development	100,937	(7,583)	-	-	(869)	-	92,485
Sales and marketing	75,798	(8,535)	(6,478)	-	(50)	-	60,735
General and administrative	47,994	(8,066)	-	-	-	(114)	39,814
Total operating expenses	224,729	(24,184)	(6,478)	-	(919)	(114)	193,034
Operating profit	98,038	29,384	18,747	2,526	4,124	114	152,933
Interest income	569	-	-	-	-	-	569
Interest expense	(602)	-	-	-	-	-	(602)
Other income (expense), net	495	-	-	-	-	-	495
Income before income taxes	98,500	29,384	18,747	2,526	4,124	114	153,395
Provision for income taxes	14,576	7,123	4,544	612	1,000	28	27,883
Net income	83,924	22,261	14,203	1,914	3,124	86	125,512
Net income per share:							
Basic	\$1.08	\$0.29	\$0.18	\$0.02	\$0.04	\$-	\$1.61
Diluted	\$1.06	\$0.28	\$0.18	\$0.02	\$0.04	\$-	\$1.59
Weighted-average number of shares							
Basic	77,787	77,787	77,787	77,787	77,787	77,787	77,787
Diluted	79,133	79,133	79,133	79,133	79,133	79,133	79,133

Free Cash Flow Reconciliation

Free Cash Flow Trend (in thousands)

	2017	2018	2019	2020	2021
Net cash provided by (used in operating activities)	\$ 86,323	\$ 68,700	\$ 121,048	\$ 169,256	\$ 139,364
Add: Cash paid for interest	3,836	3,113	1,405	867	643
Add: Cash paid for acquisition related expenses	-	-	213	509	209
Capital expenditures	(17,756)	(19,869)	(20,847)	(55,865)	(66,496)
Free cash flow	\$ 72,403	\$ 51,944	\$ 101,819	\$ 114,767	\$ 73,720

About Non-GAAP Financial Measures

We believe that the presentation of non-GAAP earnings per fully-diluted share, free cash flow and other non-GAAP measures in this presentation provides supplemental information that is important to understanding financial and business trends and other factors relating to our financial condition and results of operations. These non-GAAP measures 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 operating income (loss), non-GAAP earnings per fully-diluted share and other non-GAAP measures 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 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 operating income (loss) and non-GAAP fully-diluted earnings per share by adjusting GAAP operating income (loss) and GAAP earnings per fully-diluted share to remove the impact of certain items and the tax effect of those adjustments. These and other 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, operating income (loss) or earnings per fully-diluted share and other measures 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 these non-GAAP adjustments, and exclusion of these items should not be construed as an inference that these costs are unusual, infrequent or non-recurring.

For more information on non-GAAP measures and adjustments, please see the Supplemental Information in this presentation and available at <http://investors.formfactor.com> for reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures.