



# Investor Presentation

April 2025



# Forward-Looking Statements; Non-GAAP Financial Measures

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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 April 30, 2025. 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 28, 2024 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](http://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\*  
**\$766M**



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



~ 2,200  
PEOPLE



Recognized by  
Industry Leaders \*\*

Intel

TSMC

Micron

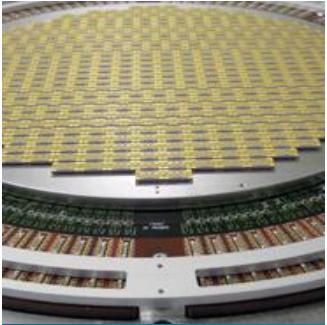
SK hynix

Samsung

\*As of 04/30/25

\*\* 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

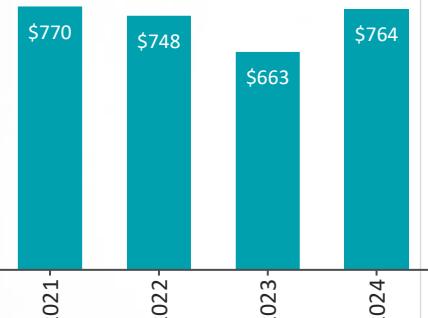


Active execution of acquisition strategy increases scale and diversification

# Proven Track Record

## Revenue

\$ IN MILLIONS



## Non-GAAP Gross Margin

44.9%

42.3%

40.7%

41.7%

2021

2022

2023

2024

## Non-GAAP EPS\*

\$1.59

\$1.25

\$0.73

\$1.15

2021

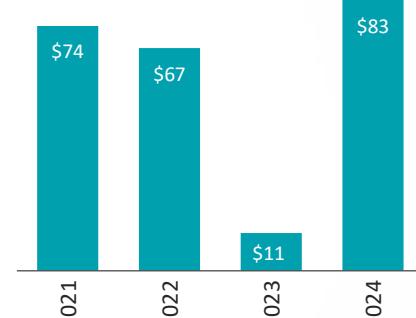
2022

2023

2024

## Free Cash Flow

\$ IN MILLIONS



Expanding Market Share Leadership

Benefits From Scale and Operational Execution

Significant Operating Leverage

Cash Generative Business Model

See Supplemental Information for reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures.

\*All references to EPS are on a diluted basis.

Sources: Historical information, company SEC filings and press releases.

# Recognized Industry Leader



2014 • 2015 • 2016

2017 • 2018 • 2019

2020 • 2021 • 2022

2023



## FormFactor Named One of THE BEST Suppliers in the Semiconductor Industry for Tenth Consecutive Year

LIVERMORE, Calif., May 17, 2023 (GLOBE NEWSWIRE) — FormFactor, Inc. (NASDAQ: FORM), a leading semiconductor test and measurement supplier, announced that it has again been named a top performer in TechInsights' customer satisfaction survey earning five stars in three categories:

10 BEST Focused Suppliers of Chip Making Equipment,  
THE BEST Suppliers of Test Equipment, and  
THE BEST Suppliers of Test Subsystems.

In this survey, worldwide semiconductor manufacturing companies rate their vendors for supplier performance, customer service, and product performance. The results mark ten years running that FormFactor has been selected in THE BEST Suppliers of Test Subsystems which includes manufacturers of probe cards, test sockets, and device interface boards. FormFactor again ranked number one in the '10 BEST Focused Suppliers of Chip Making Equipment' category.

"Customers give FormFactor high rankings for technical leadership and field engineering support," said G. Dan Hutcheson, Vice Chair, TechInsights. "In multiple categories, FormFactor consistently rates as a Five Star supplier."

Trusted by leading semiconductor designers and foundries

# FormFactor Earns Intel's 2024 EPIC Distinguished Supplier Award



## FormFactor Earns Intel's 2024 EPIC Distinguished Supplier Award

LIVERMORE, CA – (Globe Newswire – March 28, 2024) – FormFactor is proud to announce that it has earned Intel's EPIC Distinguished Supplier Award. Through its dedication to Excellence, Partnership, Inclusion, and Continuous (EPIC) quality improvement, FormFactor has achieved a level of performance that consistently exceeds Intel's expectations.

"As one of the 27 Distinguished Supplier Award recipients in 2024, FormFactor stands out among suppliers in Intel's trusted supply chain," said Keyvan Esfarjani, chief global operations officer at Intel. "Through their relentless drive to improve, they have achieved a level of performance that consistently exceeds Intel's expectations and serves as a benchmark across the ecosystem."

The Intel EPIC Distinguished Supplier Award recognizes a consistent level of strong performance across all performance criteria. Of the thousands of Intel suppliers around the world, only a few hundred qualify to participate in the EPIC Supplier Program. The EPIC Distinguished Award is the second-highest honor a supplier can achieve. In 2024, only 27 suppliers in the Intel supply chain network earned this award.

To qualify for an Intel EPIC Distinguished Supplier Award, suppliers must exceed expectations, meet aggressive performance goals, and score 80 percent or higher in performance assessments throughout the year. Suppliers must also meet 80 percent or more of their improvement plan deliverables and demonstrate formidable quality and business systems.

FormFactor is one of twenty-seven Distinguished Supplier Award recipients in all of Intel's global supply chain

# FormFactor Receives SK hynix Best Partner Award



## FormFactor Receives SK hynix Best Partner Award

**LIVERMORE, Calif., Nov. 18, 2024 (GLOBE NEWSWIRE)** -- FormFactor, Inc. (NASDAQ: FORM), a leading supplier of electrical test and measurement solutions for the semiconductor industry, announced today that it has been recognized as an outstanding partner by SK hynix, a global leader in DRAM and Flash memory manufacturing. The award honors FormFactor for its significant contributions to SK hynix's growth and competitive strength, driven by technological innovations in probe cards for advanced package test.

As a trusted supplier, FormFactor provides SK hynix with advanced wafer probe cards for high-bandwidth memory (HBM) testing, high-throughput one-touchdown DRAM testing, and engineering probe systems designed for extreme environments, all of which play a key role in supporting the development of next-generation semiconductor devices.

"We are honored to receive the SK hynix Best Partner Award," said FormFactor CEO Mike Slessor. "Our longstanding partnership with SK hynix is built on a shared commitment to advancing semiconductor technology. From labs to production fabs, we've collaborated to deliver high-speed, high-parallelism probe technologies that meet the highest standards of quality and reliability. This recognition reflects our dedication to driving mutual growth through innovation and exceptional performance. We look forward to further strengthening our partnership and supporting SK hynix's continued leadership in semiconductor technology."

Furthermore, partnerships like this propel technological advancements forward. By continuously collaborating on subsequent devices, including the latest high-bandwidth memory innovations such as HBM4, FormFactor continues to push the boundaries of what is possible in semiconductor testing. These collaborative efforts ensure that cutting-edge technology remains at the forefront, driving progress and fostering a cycle of continuous improvement.

The SK hynix awards are presented annually to a select group of suppliers who demonstrate exceptional performance and make meaningful contributions to SK hynix's development and manufacturing goals. FormFactor's recognition underscores its critical role in enhancing SK hynix's testing capabilities and driving innovation in the semiconductor industry.

**FormFactor Recognized for Supplier Excellence in Advanced Semiconductor Test Solutions**

# How FormFactor Wins



# FormFactor Occupies a Unique Place in Semiconductor Industry

## Front-End: Wafer Fabrication Equipment



Industry: \$95 Billion

- 6% CAGR
- Highly cyclical, tied to capital spending
- Highly consolidated

## Wafer Test & Measurement



Industry: \$2.75 Billion  
Advanced Probe Cards: \$2.25B; Engineering Systems: \$0.5B

- 8% CAGR for Advanced Probe Cards, device-specific consumables
- 3% CAGR for Engineering Systems, driven by R&D budgets
- Demand driven by design releases on both new and existing nodes
- Moderate cyclicity
- Consolidated industry

## Back-End: Wafer Assembly and Final Test



Industry: \$3.5 Billion

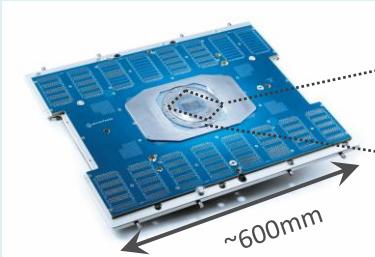
- 7% CAGR
- Highly cyclical, tied to capital spending
- Highly fragmented

Customers' shorter product cycles and faster times-to-market amplify secular growth in silicon devices

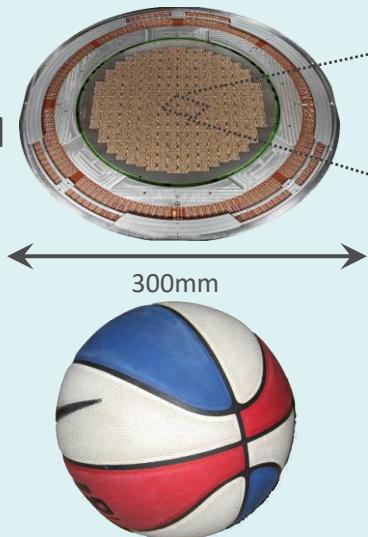
Sources: 2024 Data. All market size and growth rates are TechInsights estimates, except for Engineering Systems which are company estimates.

# Probe Cards are the Design-Specific Interface that Connects the ATE to the Wafer

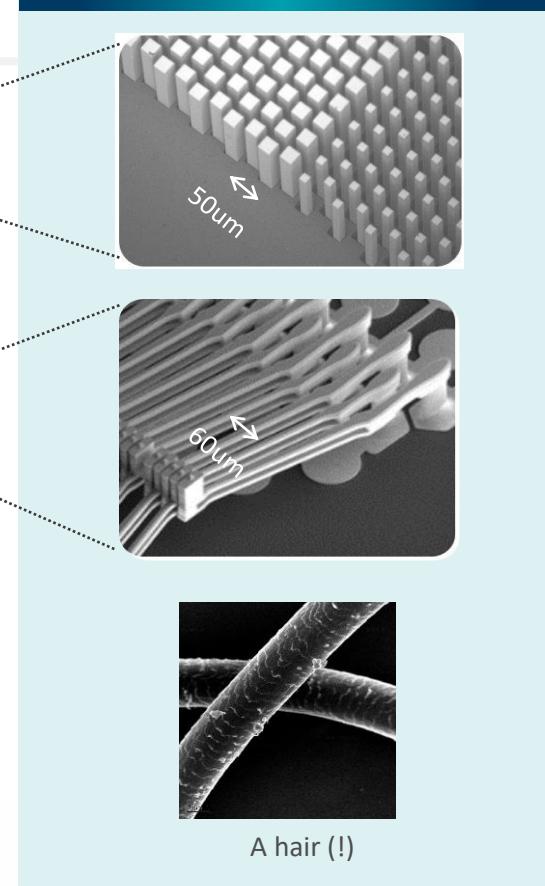
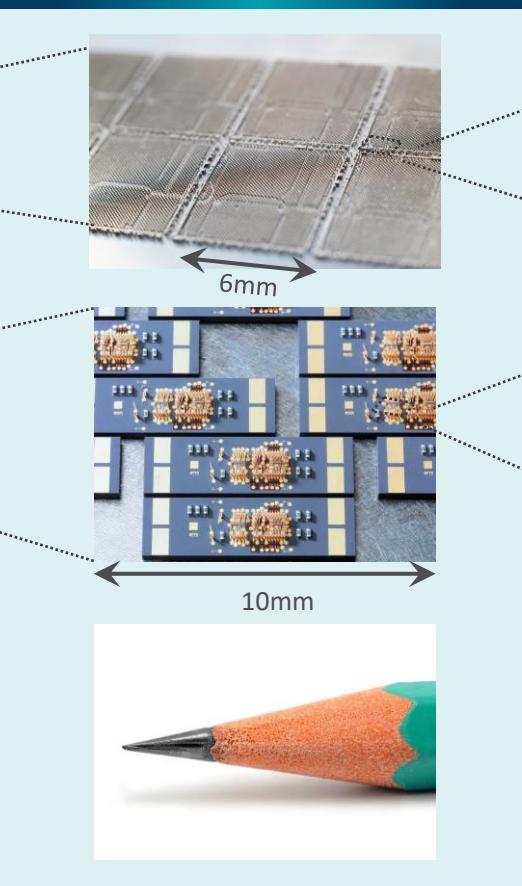
F&L



DRAM



11



# Customers Value, FormFactor Benefits From “Lab to Fab” Capabilities

**Customers benefit from accelerated path from concept to volume production**

- Saves time and effort, improves yields, shortens time-to-market

## FormFactor Engages Customers Throughout Their Product Life Cycle



R&D/Engineering



High Volume Engineering/  
Niche Production

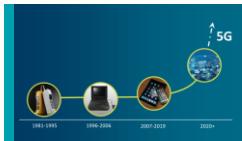


Full Production

**FormFactor’s unique visibility to emerging trends, e.g. Silicon Photonics, Quantum Computing, Cryogenics, Micro LED, ensures focused R&D spend**

# FormFactor Benefits from Two Industry Dynamics

## Secular Growth in the Semiconductor Industry



Exponential Growth in Semiconductor Use



Increased Infrastructure and Enterprise Spending

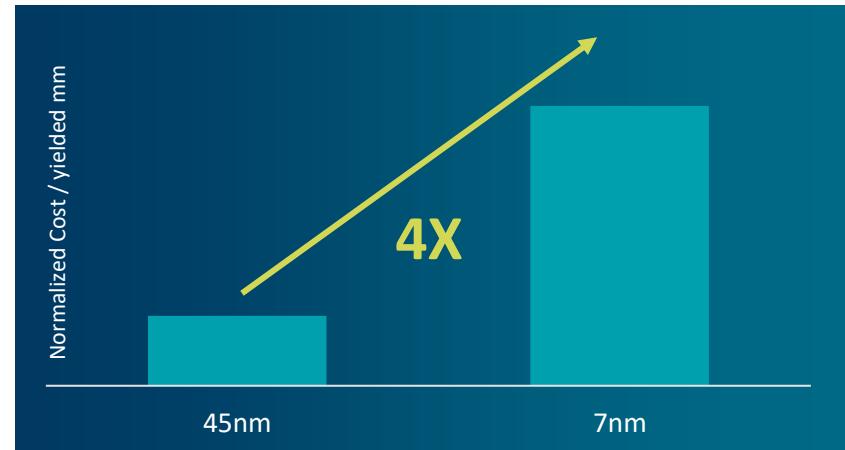


5G Applications in Mobility and Automotive



Build out of artificial intelligence infrastructure

## Slowing of Moore's Law: Node shrinks no longer provide cost reduction



Source: Su (AMD), IEDM 2017.

# Exponential Growth in Silicon Devices Will Be Accelerated by AI



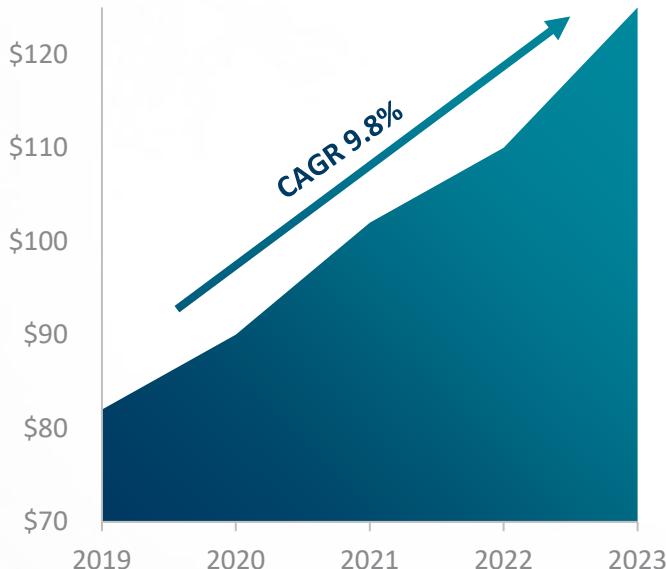
## Key Factors for AI Success

- Test complexity
- Test intensity
- Dependable supplier
- Customer intimacy

# Infrastructure Spending and 5G Adoption Are Spurring Semiconductor and Probe Card Use

## Data Center Capital Spending Forecast<sup>1</sup>

IN BILLIONS



Source:

1. Omdia

2. Cisco "Annual Internet Report"

3. Lear Corporation, IHS Automotive for industry production.

## 5G Will Drive Increased Content in Mobility and Automotive Applications



10% ▶

Connected  
Devices  
2018-2023  
CAGR

≈30B

Connected devices by 2023

Category	Percentage
M2M	50%
Smartphones	23%
TVs	11%
Other (tablets, PCs, etc.)	16%

## Trends Driving Semiconductor Content and Sensor Growth

Autonomous  
≈ \$50B

2035 Market Size

Electrification  
≈ \$44B

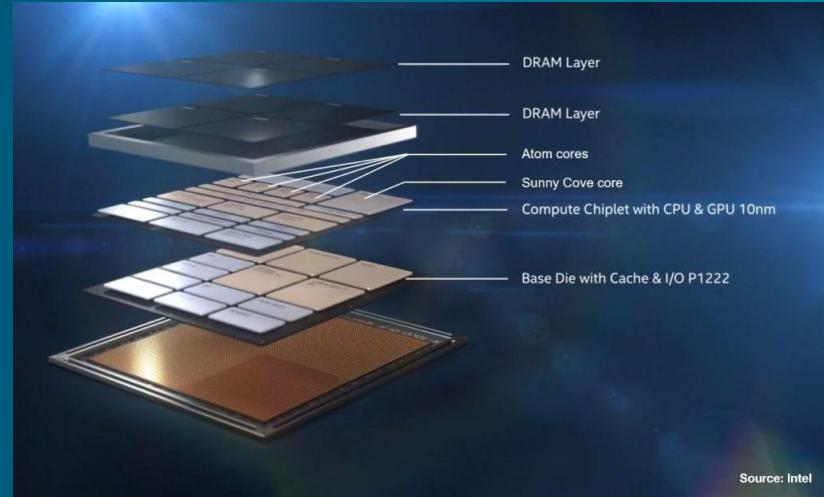
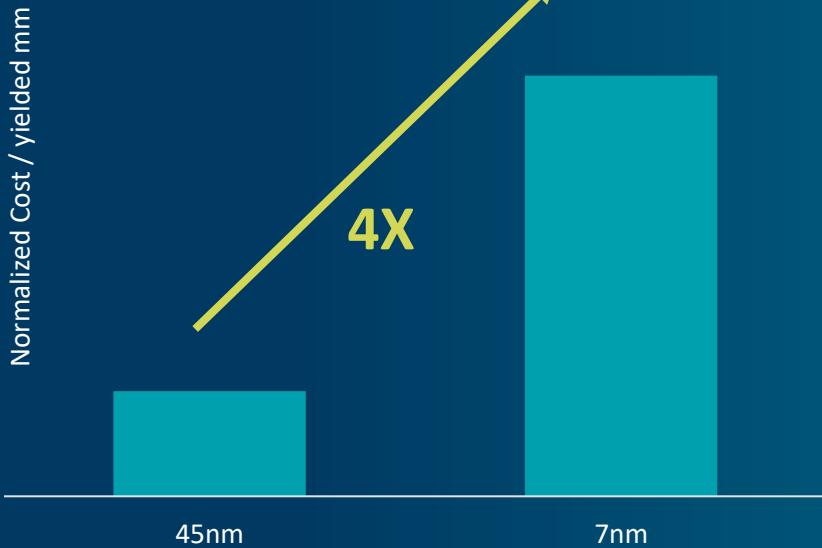
2027 Market Size

Connectivity  
≈ \$9B

2027 Market Size

# Advanced Packaging Addresses Scaling Challenges As Moore's Law Slows

Node shrinks no longer provide cost reduction



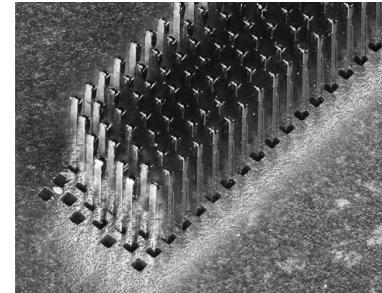
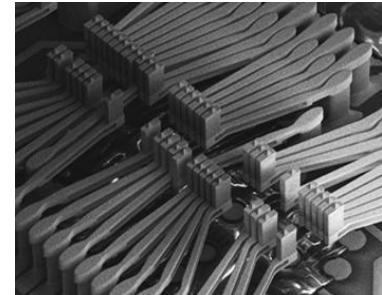
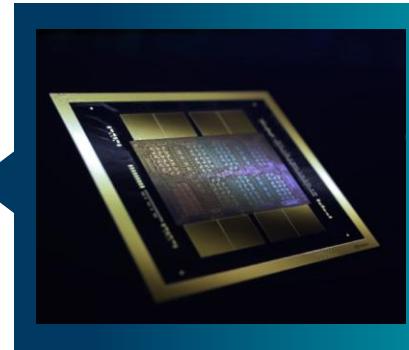
Advanced Packaging improves product-level performance, power and density

Source: Su (AMD), IEDM 2017.

Note: Cost per yielded mm<sup>2</sup> for a 250 mm<sup>2</sup> die.

# Probe Cards are Critical to Advanced Packaging

		Cost of the Advanced Packaging Solution	
		Low	High
TEST INTENSITY	Low	Some	LOTS!
	High	Little	Some



Test intensity, and therefore probe card demand, increases as advanced packaging becomes widespread

# Probe is Moving Into the Spotlight

Investment in probe has been outpacing overall industry growth in recent years



- Over the past 16 years, investment in probe cards (along with many other types of equipment & consumables) has tripled
- Driven by overall semiconductor growth
- Also driven by increased test intensity to avoid assembling bad chips/chiplets
- Especially important with advanced packaging
- Intensity up ~10% to 0.4%

Data Source: "The Probe Card Report 2024"; TechInsights, December 2024

Intensity = Semi Probe Card Sales normalized by total Semi Sales, 3-year Moving Average

# Unique Capabilities Position FormFactor for Faster Growth in Advanced Probe Cards

5% CAGR\*

Advanced Probe Card Market

7%+ CAGR\*\*

## FormFactor

- Proprietary Technologies
- Strong Customer Relationships
- Productive R&D Spend



Memory



High Frequency (RF)



Logic

\$2.6 Billion Advanced Probe Card Market In 2027

Source: \*Yole 2024 Probe Card Market Report

\*\*Company estimates.

# Poised for Above-Market Growth in Engineering Systems

**3%** CAGR\*

Engineering Systems Market

**5%+** CAGR\*\*

## FormFactor

- Largest Installed Base
- Autonomous Measurement Solutions Leader
- Broadest Portfolio

**200 mm  
Automated**



**300 mm  
Automated**

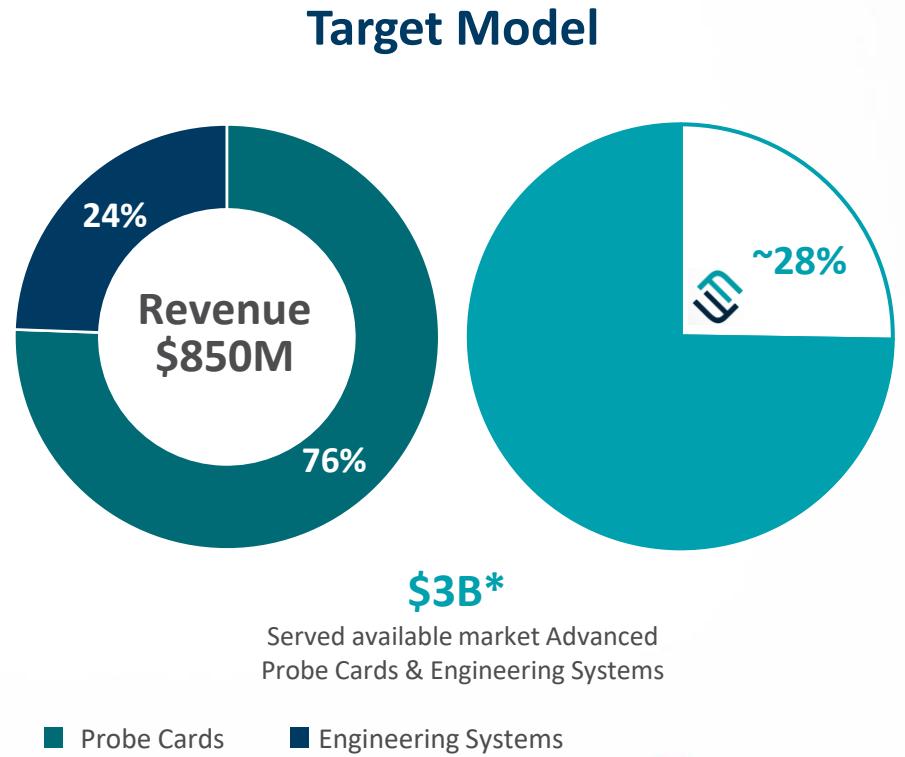
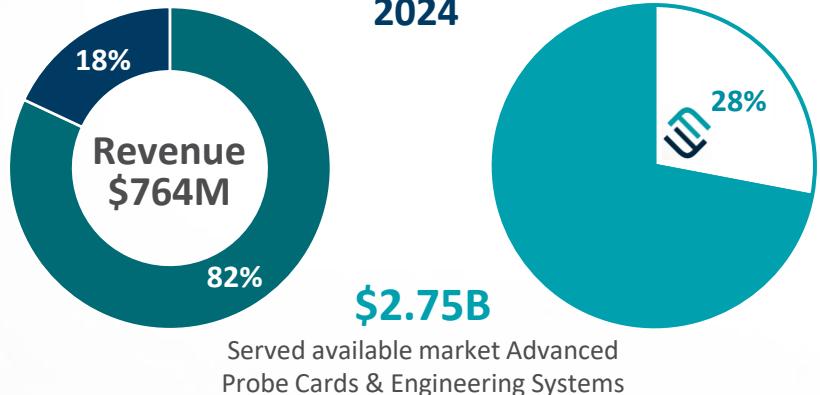


**Technology Leadership and Worldwide Infrastructure Lead to Customer Intimacy and Early Involvement**

Source: \*2023 TechInsights estimates.

\*\*Company estimates.

# FormFactor's Target Model



# Growth to \$850M Target Model Revenue, Delivers \$2.00 Non-GAAP EPS

	2024 Actuals	Target Model
Revenue	\$764M	\$850M
Non-GAAP Gross Margin	41.7%	47.0%
Non-GAAP Operating Margin	11.9%	22.0%
Non-GAAP Effective Tax Rate	14.4%	17.0%
Non-GAAP Diluted Earnings Per Share	\$1.15	\$2.00
Free Cash Flow	\$83M	\$160M

See Supplemental Information below for reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures.  
Sources: Historical information, company SEC filings and press releases.

# Drivers of Shareholder Value Creation

## Revenue Growth

- Underlying growth in semiconductor applications
- Participation in Advanced Packaging and 5G mega trends
- Diversification of customers

## Operating Leverage

- Gross Margin expansion
- Disciplined operating structure
- Robust Operating Cash Flow and Free Cash Flow
- Profitable growth

## Capital Allocation

### Focused reinvestment

- R&D
- Capacity expansion
- Fund organic growth

### M&A

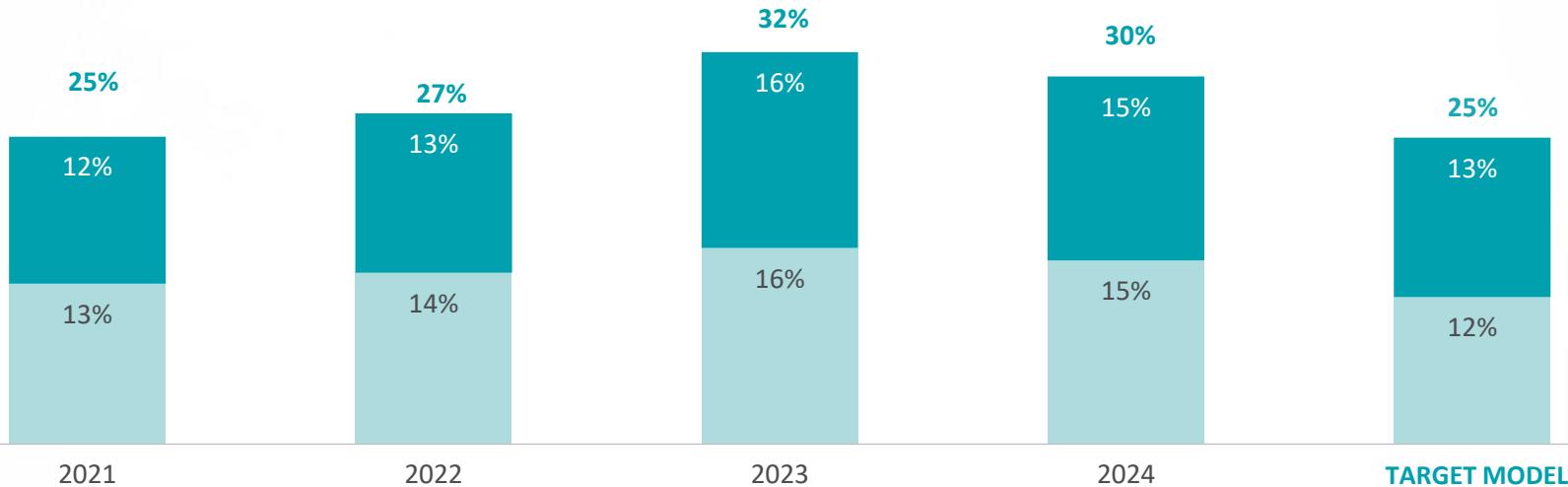
- Increase SAM
- Acquire attractive technologies
- Patient, deliberate approach
  - Complementary to organic growth
  - Diversifies revenue stream
  - Accretive to earnings

### Stock buyback to offset dilution from stock-based compensation

# Scale Enhances Margins, Finances Differentiating R&D

## Non-GAAP Operating Expense as % of Revenue

SG&A R&D



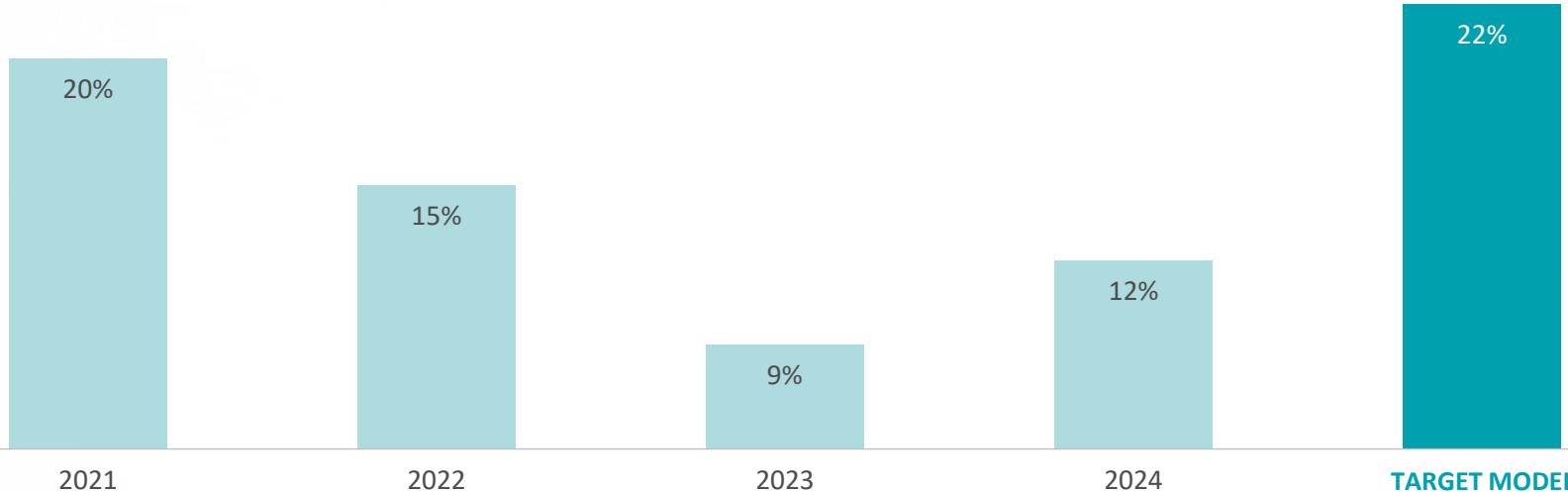
Capital on scale to leverage our operating expense infrastructure.  
Continued significant R&D investment creates new organic growth opportunities.

See Supplemental Information below for reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures.

Sources: Historical information, company SEC filings and press releases.

# Driving Operating Leverage Through Scale

## Non-GAAP Operating Margin



Disciplined spending and increasing scale will continue to enhance profitability

See Supplemental Information below for reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures.

Sources: Historical information, company SEC filings and press releases.

# Capital Expenditures to Support Organic Growth

	2020	2021	2022	2023	2024	Target CapEx Model
CapEx	\$56M	\$67M	\$65M	\$56M	\$38M	\$30M - \$35M
Revenue	\$694M	\$770M	\$748M	\$663M	\$764M	\$850M
CapEx as % of Revenue	8.0%	8.6%	8.7%	8.4%	5.0%	3.5%-4.0%



New Livermore Manufacturing Center



Highly Automated Manufacturing



Factory Expansions

# Acquisition Strategy Adds Scale and Diversification

## Established process focused on extending long-term industry leadership

- Acquisition priorities
  - Market leader in growing market
  - Compelling technical capabilities
  - Accretive
  - Focus on tuck-ins as well as larger scale companies
- Leveraging FormFactor's key capabilities and infrastructure to achieve synergies

## Opportunistic tuck-in acquisitions aligned with our long-term strategy and M&A principles

- Provide critical enabling technologies reinforcing FormFactor's leadership
- Create potential opportunity to increase served available market

Proven track record of identifying and integrating accretive acquisitions



Year: 2012

Amount: \$117M



Year: 2016

Amount: \$352M

*Acquisition of Advantest's probe card assets*

Year: 2020

Amount: \$35M



Year: 2020

Amount: \$15M

*Acquisition of JanisULT dilution refrigerator product line*

Year: 2022

Amount: \$3.4M



# Highly Resilient Business Model

## Enabled by Flexible Cost Structure

- 100% of employees with variable pay component
- Flexible staffing model

## Strong and Healthy Balance Sheet

- Supported by strong free cash flows
- History of successfully managing debt and significant borrowing capacity available if needed



## Recent Results (non-GAAP)

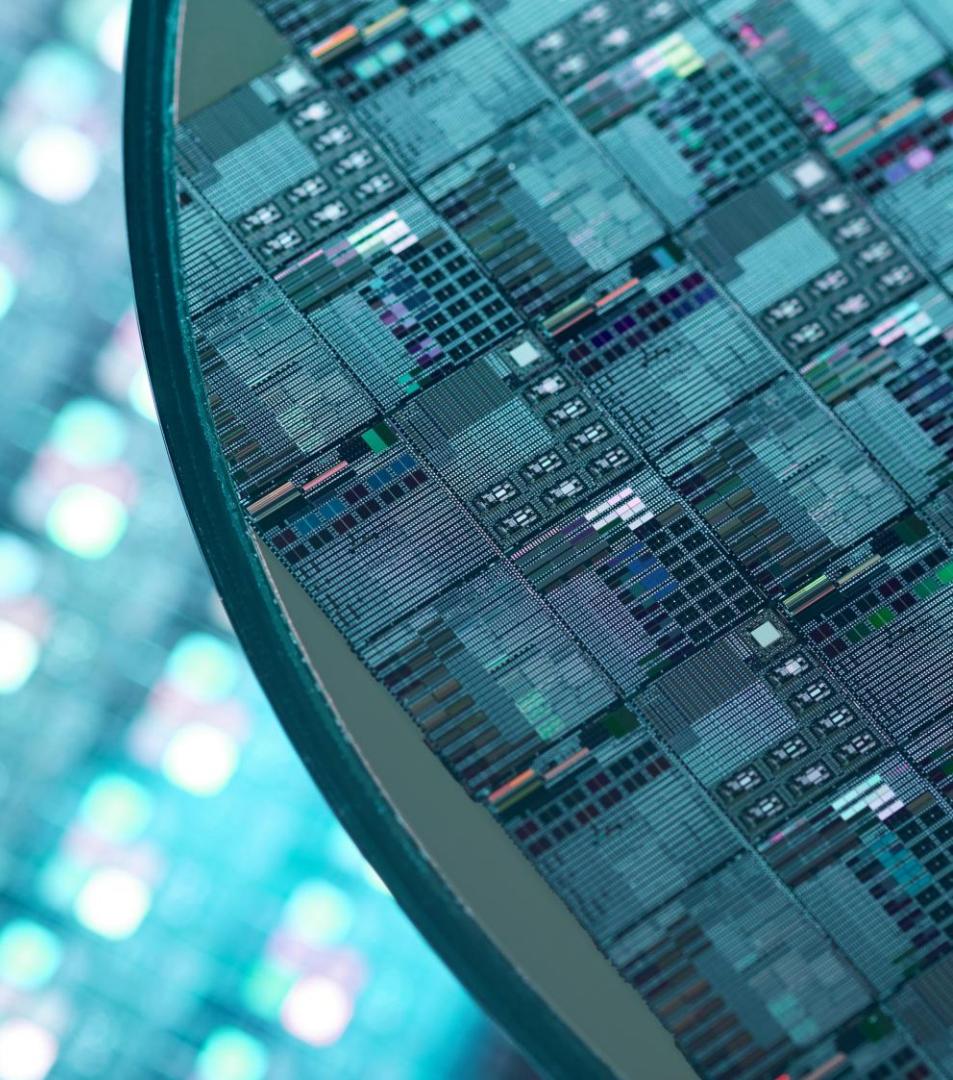
	Revenue	Gross Margin	Diluted EPS	Free Cash Flow
Q4'24 ACTUAL	\$189.5M	40.2%	\$0.27	\$28.8M
Q1'25 ACTUAL	\$171.4M	39.2%	\$0.23	\$6.3M
Q2'25 OUTLOOK	\$190M +/- \$5M	40.0% +/- 1.5%	\$0.30 +/- \$0.04	

### Q1'25 and Q2'25 Themes:

- Q1'25 sequentially lower revenue and profitability due to anticipated reductions in demand for both DRAM probe cards, and for Systems.
- Q2'25 outlook range reflects revenue growth across all our major served markets and segments, and corresponding increases in gross margin and earnings per share, that has been tempered by the uncertainty created by the current tariff environment.



## Supplemental Information



# Q1 2025 GAAP to Non-GAAP Reconciliation

	GAAP		Adjustments			Non-GAAP	
	Three Months Ended March 29, 2025	Stock-based Compensation	Amortization of Intangibles	Amortization of Acquisition Fair Value Adjustments	Restructuring	Acquisition and Sale of Business	Three Months Ended March 29, 2025
<b>Revenues</b>	171,356	—	—	—	—	—	171,356
Cost of revenues	106,833	(2,005)	(483)	(59)	(60)	—	104,226
<b>Gross profit</b>	64,523	2,005	483	59	60	—	67,130
	37.7 %						39.2 %
<b>Operating expenses:</b>							
Research and development	27,800	(2,646)	—	—	(129)	—	25,025
Sales and marketing	17,474	(1,823)	(191)	—	(1,546)	—	13,914
General and administrative	15,980	(3,322)	—	—	(1,148)	(217)	11,293
<b>Total operating expenses</b>	61,254	(7,791)	(191)	—	(2,823)	(217)	50,232
Gain on sale of business	—	—	—	—	—	—	—
<b>Operating profit</b>	3,269	9,796	674	59	2,883	217	16,898
Interest income	3,416	—	—	—	—	—	3,416
Interest expense	(99)	—	—	—	—	—	(99)
Other income, net	890	—	—	—	—	—	890
<b>Income before income taxes</b>	7,476	9,796	674	59	2,883	217	21,105
Provision for income taxes	1,075	1,456	100	9	429	32	3,101
<b>Net income</b>	6,401	8,340	574	50	2,454	185	18,004
<b>Net income per share:</b>							
Basic	\$0.08	\$0.11	\$0.01	\$—	\$0.03	\$—	\$0.23
Diluted	\$0.08	\$0.11	\$0.01	\$—	\$0.03	\$—	\$0.23
<b>Weighted-average number of shares:</b>							
Basic	77,345	77,345	77,345	77,345	77,345	77,345	77,345
Diluted	77,884	77,884	77,884	77,884	77,884	77,884	77,884

# Free Cash Flow Reconciliation

## Free Cash Flow Trend (in thousands)

	2019	2020	2021	2022	2023	2024	Q1'25
Net cash provided by operating activities	\$ 121,048	\$ 169,256	\$ 139,364	\$ 131,786	\$ 64,602	\$ 117,534	\$ 23,539
Add: Cash paid for interest	1,405	867	643	535	422	391	92
Add: Cash paid for acquisition related expenses	213	509	209	—	2,407	3,317	1,221
Capital expenditures	(20,847)	(55,865)	(66,496)	(65,254)	(56,027)	(38,436)	(18,584)
Free cash flow	\$ 101,819	\$ 114,767	\$ 73,720	\$ 67,067	\$ 11,404	\$ 82,806	\$ 6,268

# 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.