

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): November 16, 2020

PDF SOLUTIONS, INC.

(Exact name of registrant as specified in its charter)

000-31311

(Commission File Number)

Delaware

(State or Other Jurisdiction of Incorporation)

25-1701361

(I.R.S. Employer Identification No.)

2858 De La Cruz Boulevard  
Santa Clara, CA 95050

(Address of principal executive offices, with zip code)

(408) 280-7900

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.00015 par value	PDFS	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 8.01. Other Events.**

On November 17, 2020 PDF Solutions, Inc. (the “Company”) issued a press release announcing it has entered into a definitive agreement to acquire all of the outstanding equity of Cimetrix Incorporated (“Cimetrix”). The Company also posted on the Investors section of its website ([www.pdf.com](http://www.pdf.com)) an investor presentation, dated November 17, 2020 about the transaction. Copies of the press release and investor presentation are attached hereto as Exhibit 99.1 and 99.2, respectively.

The Company will pay a cash amount of approximately \$35.0 million net of cash on Cimetrix’s balance sheet as of closing, for all of the outstanding equity of Cimetrix, subject to customary purchase price and other certain closing adjustments. The acquisition is subject to standard closing conditions and is expected to close in the fourth calendar quarter of 2020.

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**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Press Release dated November 17, 2020, announcing the Company has entered into a definitive agreement to acquire all of the outstanding equity of Cimatrix Incorporated.</a>
99.2	<a href="#">Investor Presentation, dated November 17, 2020.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

**SIGNATURES**

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.

PDF SOLUTIONS, INC.  
(Registrant)

By: /s/ Adnan Raza  
*Adnan Raza*  
*EVP, Finance, and Chief Financial Officer*  
*(principal financial and accounting officer)*

Dated: November 17, 2020

**PDF Solutions to Acquire Smart Manufacturing and Factory Connectivity Expert Cimetrix*****Acquisition Provides Potential of Unrivaled Intelligence for Semiconductor, Packaging, and Electronics Manufacturing***

**Santa Clara, Calif. — November 17, 2020** — PDF Solutions, Inc. (NASDAQ: PDFS) today announced it has entered into a definitive agreement to acquire Cimetrix Incorporated. The combination of Cimetrix® connectivity products and platforms with PDF Solutions' Exensio® analytics platform powered by machine learning, is intended to enable IC, assembly, and electronics manufacturer customers to extract more intelligence – not just data – from their factory floor, to build more reliable ICs and systems at lower manufacturing costs.

Cimetrix is a leading global provider of equipment connectivity products for smart manufacturing and Industry 4.0 that enable factory equipment to communicate to increase productivity, reduce costs, and improve quality. Cimetrix products are used by over 150 capital equipment companies to provide factory automation connectivity for hundreds of equipment types. These software products are shipped with the equipment so that factories can easily get data from the equipment to improve manufacturing. In addition, the Cimetrix Sapience® mobile and cloud-based platform empowers factories worldwide to easily connect to factory floor equipment to enable advanced analytics. PDF Solutions' recent partnership with Advantest Corporation, which was announced on July 30, 2020, validates that equipment companies are being asked to provide intelligence from their equipment.

"PDF Solutions' Exensio Analytics Platform provides the semiconductor industry with the most robust big data analytics and machine learning capabilities," said Dr. John Kibarian, President, CEO and co-founder of PDF Solutions. "Combining PDF Exensio with Cimetrix's standards-based, leading connectivity products will provide a higher level of intelligence from the factory floor to realize the benefits of Industry 4.0."

"Cimetrix is excited to join the PDF Solutions team. Our two companies share the vision and commitment to provide a smart manufacturing platform that seamlessly connects high quality data from the factory floor to cloud based analytics platforms," said Bob Reback, Chairman, President, and CEO at Cimetrix. "We believe this combination will provide tremendous opportunities for Cimetrix customers to benefit from the cloud, AI/ML, and analytics capabilities from PDF Solutions, and PDF customers will benefit from higher quality data originating from the factory floor using Cimetrix's connectivity products and platforms."

Under the terms of the definitive agreement, PDF Solutions will pay a cash amount of \$35.0 million, net of cash on Cimetrix's balance sheet as of closing, and subject to other closing adjustments, for all of the outstanding equity of Cimetrix. The acquisition is subject to standard closing conditions and is expected to close in the fourth calendar quarter of 2020.

**Forward-Looking Statements**

The statements in this press release regarding the expected benefits and synergies of the Cimatrix acquisition on PDF Solution's product offerings and the expected closing of the Cimatrix acquisition are forward looking and are subject to future events and circumstances. Actual results could differ materially from those expressed in these forward-looking statements. Risks and uncertainties that could cause results to differ materially include risks associated with: PDF Solution's ability to integrate the acquisition and product offerings, the cost and schedule of new product development; continued adoption of the PDF Solution's and Cimatrix's solutions by new and existing customers; the potential impact of the coronavirus (COVID-19) on the semiconductor industry and on PDF Solution's and Cimatrix's operations or demand for their products; and other risks set forth in PDF Solutions' periodic public filings with the Securities and Exchange Commission, including, without limitation, its Annual Reports on Form 10-K, most recently filed for the year ended December 31, 2019, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K and amendments to such reports. The forward-looking statements made in the conference call are made as of the date hereof, and neither PDF Solutions nor Cimatrix assumes any obligation to update such statements nor the reasons why actual results could differ materially from those projected in such statements.

**About Cimatrix**

Cimatrix Inc. is a software company providing innovative factory automation software solutions for your Smart Manufacturing and Industry 4.0 needs. Cimatrix industry-leading factory connectivity products allow for rapid and reliable implementation of the SEMI SECS/GEM, GEM300, PV2, and EDA standards. The Cimatrix Sapience connectivity platform is a smart factory cloud and mobile enabled platform to seamlessly connect varying factory equipment within a single event-driven framework. Cimatrix products can be found in electronics factories and in virtually every 300mm semiconductor factory worldwide. The added value of Cimatrix' passionate client support, industry and standards expertise, and worldwide presence delivers an outstanding solution for companies and factories worldwide.

Headquartered in Salt Lake City, UT, Cimatrix has offices worldwide in China, Germany, Japan, Korea and Taiwan. Cimatrix is an active member of SEMI, INEMI, TPCA, IPC, OPC, DMDII, and is a Microsoft Gold Partner. For more information, visit <https://www.cimatrix.com>.

**About PDF Solutions**

PDF Solutions (NASDAQ: PDFS) provides an end-to-end data management and advanced analytics platform that enables semiconductor and electronic systems companies to accelerate and optimize their product manufacturing and test operations to improve yield, quality, and reliability. With over 1 PB of manufacturing and test data under management, Fortune 500 organizations around the world rely on PDF Solutions to provide the data insights that accelerate new product introductions and drive efficient and profitable high-volume manufacturing. PDF Solutions' big data analytics, cloud-based platform, Exensio, spans the entire spectrum of the semiconductor value chain from IC design through fabrication, sort, assembly, final test and system level test, and is used by over 20,000 engineers at over 130 companies to control more than 40,000 tools to maximize yield, profitability, reliability and quality.

Headquartered in Santa Clara, California, PDF Solutions also operates worldwide in Canada, China, France, Germany, Italy, Japan, Korea, and Taiwan. For the Company's latest news and information, visit <https://www.pdf.com>.

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The logo for PDF SOLUTIONS, with 'PDF' in a stylized font and 'SOLUTIONS' in a standard sans-serif font, followed by a trademark symbol. The background of the entire page is a dark blue and black digital-themed graphic with binary code (0s and 1s) and glowing lines.

## PDF Solutions Announces Agreement to Acquire Cimetricx

November 17, 2020



*The statements in this presentation regarding the expected benefits and synergies of the Cimatrix acquisition on PDF Solution's product offerings and the expected closing of the Cimatrix acquisition are forward looking and are subject to future events and circumstances. Actual results could differ materially from those expressed in these forward-looking statements. Risks and uncertainties that could cause results to differ materially include risks associated with: PDF Solution's ability to integrate the acquisition and product offerings, the cost and schedule of new product development; continued adoption of the PDF Solution's and Cimatrix's solutions by new and existing customers; the potential impact of the coronavirus (COVID-19) on the semiconductor industry and on PDF Solution's and Cimatrix's operations or demand for their products; and other risks set forth in PDF Solutions' periodic public filings with the Securities and Exchange Commission, including, without limitation, its Annual Reports on Form 10-K, most recently filed for the year ended December 31, 2019, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K and amendments to such reports. The forward-looking statements made in this presentation are made as of the date hereof, and neither PDF Solutions nor Cimatrix assumes any obligation to update such statements nor the reasons why actual results could differ materially from those projected in such statements.*

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## Enabling Differentiated Data, Analytics and Connectivity

**PDF/SOLUTIONS™**

Leading provider of end-to-end  
analytics for the semiconductor  
supply chain



 **cimetricx®**

Expert in connectivity and  
control for smart manufacturing

PDF + Cimetricx = Analytics, Data and Connectivity  
→ Manufacturing Equipment Intelligence

## Company Overview

- Connectivity and control software between manufacturing equipment and factory software systems over factory networks
  - Innovative cloud-based Cimetrix Sapience® platform for smart manufacturing
- Leadership in equipment connectivity standards
  - Leading many activities at industry associations including SEMI, iNEMI, OPC Foundation, IPC, TPCA, and others
- High margin software revenues
  - Equipment manufacturers embed Cimetrix software and pay license fee for equipment when it ships
  - SDK licenses and ongoing maintenance support are additional
- Headquartered in Salt Lake City, Utah with ~ 75 total employees in USA, Germany, Japan, China, Taiwan and South Korea

## Global Customer Penetration

- Global, blue-chip customer base across a diversified range of end-users and end-market applications
- Over 150 customers worldwide, including the world's largest semiconductor device makers and capital equipment manufacturers
- Cimetrix's products connect over 100,000+ units of smart manufacturing equipment in the world's most advanced factories
- Strong reputation for expert technical support
- Minimal overlap today with PDF customers

# Cimetrix Software Connects Smart Manufacturing and Industry 4.0



DEVICE / SYSTEM



SEMI MANUFACTURING / EMS



EQUIPMENT



*Representative industry participants; not indicative of actual customers. Logos are the property of the respective trademark owners.*

- Most of the top 50 equipment suppliers in the world use Cimetrix software
- Cimetrix products are deployed in 300mm semiconductor manufacturing facilities worldwide
- Cimetrix Smart Factory products continue to gain traction with some of the largest players in the ecosystem

# PDF Spans and Bridges the Supply Chain Stack



Representative industry participants; not indicative of actual customers. Logos are the property of the respective trademark owners.

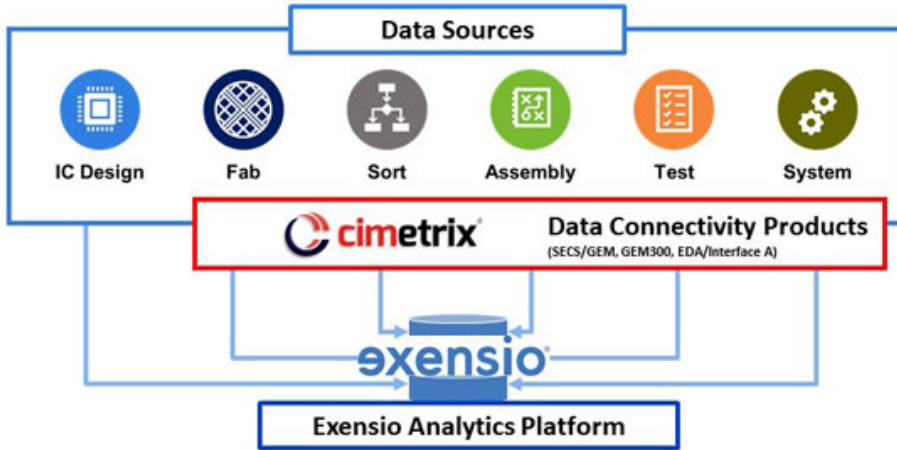
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PDF/SOLUTIONS™

## PDF/SOLUTIONS™

- The only commercial analytics-focused provider with comprehensive breadth and scale
- Analytics and data implemented broadly across the semiconductor and electronics supply chains
- Unique view and access to data sources in the manufacturing and testing value chain
- Continue to increase our strategic & collaborative relationships with key industry members

# PDF + Cimatrix Offers Connectivity and Control for Manufacturing Equipment



- Establishes PDF as the only provider of analytics, differentiated data and connectivity
- Continues PDF mission to lead the trend toward Smart Manufacturing & Industry 4.0
- Enable customers to extract more intelligence – not just data – from their factory floor
- Extends the reach of our “whole supply chain” strategy to include packaging, test and assembly at OSATs and PCBA

- Cash purchase price of \$35 million, net of Cimetrix's balance sheet cash as of closing, subject to other closing adjustments
- PDF is paying a ~3.3x multiple on Cimetrix CY2019 revenues of \$10.6 million
- PDF expects the transaction to be immediately accretive to GAAP Gross Margins
  - Cimetrix GAAP Gross Margins were ~87% for CY2019
- PDF expects the transaction to be slightly accretive on non-GAAP EPS basis
- The transaction is expected to close by the end of calendar 2020

# Thank You

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