# SiTime Reports Fourth Quarter 2022 Financial Results

SANTA CLARA, Calif., Feb. 01, 2023 (GLOBE NEWSWIRE) -- SiTime Corporation, (Nasdaq: SITM), the precision timing company, today announced financial results for the fourth quarter and fiscal year ended December 31, 2022.

Net revenue in the fourth quarter of 2022 was $60.8 million, a 19.7% decrease from the $75.7 million in the fourth quarter of 2021.

Net revenue for the year ended December 31, 2022 was $283.6 million, a 29.6% increase from the $218.8 million in the year ended December 31, 2021.

**Generally Accepted Accounting Principles (GAAP) Results**

In the fourth quarter of 2022, GAAP gross margins were $37.8 million, or 62.1% of revenue, GAAP operating expenses were $43.5 million, or 71.5% of revenue, GAAP loss from operations was $5.7 million, or 9.4% of revenue and GAAP net loss was $1.5 million, or $0.07 per diluted share.

For the year ended 2022, gross margins were $183.0 million, or 64.5% of revenue, operating expenses were $166.8 million or 58.8% of revenue, GAAP income from operations was $16.1 million, or 5.7% of revenue and net income was $23.3 million, or $1.03 per diluted share.

Total cash and cash equivalents were $34.6 million and short-term investments were $529.5 million on December 31, 2022.

**Non-GAAP Results**

This press release and its attachments include certain non-GAAP supplemental performance measures. The presentation of this financial information is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP.

In the fourth quarter of 2022, non-GAAP gross margins were $38.4 million, or 63.1% of revenue, non-GAAP operating expenses were $28.2 million, or 46.3% of revenue, non-GAAP income from operations was $10.2 million, or 16.8% of revenue and non-GAAP net income was $14.4 million, or $0.64 per diluted share.

For the fiscal year 2022, non-GAAP gross margins were $184.9 million, or 65.2% of revenue, non-GAAP operating expenses were $109.1 million, or 38.5% of revenue, non-GAAP income from operations was $75.8 million, or 26.7% of revenue and non-GAAP net income was $82.9 million, or $3.66 per diluted share.

The reconciliation between GAAP and non-GAAP financial results is provided in the financial statements portion of this release.

SiTime believes that the presentation of non-GAAP financial measures provides important supplemental information to management and investors regarding financial and business trends relating to SiTime's financial condition and results of operations. SiTime believes that these non-GAAP financial measures provide additional insight into SiTime's ongoing performance and core operational activities and has chosen to provide these measures for more consistent and meaningful comparison between periods. These measures should only be used to evaluate SiTime's results of operations in conjunction with the corresponding GAAP measures. The non-GAAP results exclude the effect of stock-based compensation and related payroll taxes.

## Inducement Plan Grants

SiTime granted restricted stock unit awards ("RSUs") on January 31, 2023 that were approved by the Compensation Committee of its Board of Directors under SiTime's 2022 Inducement Award Plan, as a material inducement to employment to 9 newly hired non-executive individuals globally. The RSUs were approved in accordance with Nasdaq Listing Rule 5635(c)(4). The inducement grants consisted of an aggregate of 24,555 RSUs. For 10,741 of the RSUs one-fourth of the RSUs will vest on the first February 20, May 20, August 20, or November 20 falling in the one-year anniversary quarter of the applicable vesting start date, and then 1/16th of the RSUs vest in equal quarterly installments on each February 20, May 20, August 20, and November 20, thereafter, subject to each such employee's continued service on each vesting date. For 13,814 of the RSUs 1/3rd of the RSUs will vest February 20, 2024 and then 1/12th of the RSUs will vest in equal quarterly installments on each May 20, August 20, November 20, and February 20 thereafter, subject to each such employee's continued service on each vesting date. The inducement grants are subject to the terms and conditions of award agreements covering the grants and SiTime's 2022 Inducement Award Plan.

## Conference Call

SiTime will broadcast its fourth quarter and fiscal year 2022 financial results conference call today, February 1, 2023, at 2:00 p.m. Pacific Time (5:00 p.m. Eastern Time). To join the conference call via phone, participants are required to complete the following registration form to receive a dial-in number and dedicated PIN for accessing the conference call. The conference call will also be available via a live audio webcast on the investor relations section of the SiTime website at investor.sitime.com. Please access the website at least a few minutes prior to the start of the call to download and install any necessary audio software. An archived webcast replay of the call will be available on the website.

## About SiTime

SiTime Corporation is a leading provider of precision timing solutions to the global electronics industry. Our precision timing solutions are the heartbeat of our customers' electronic systems. They solve complex timing problems and enable industry-leading electronics products. We provide precision timing solutions that deliver extremely accurate, high performance timing that can withstand severe environmental conditions such as shock, vibration, rapid changes in temperature and other conditions. Our solutions have been designed into over 300 applications across our target markets, including communications and enterprise, automotive, industrial, aerospace, and mobile, IoT and consumer. For more information, visit https://www.sitime.com/.

**SiTime Corporation**

**Unaudited GAAP Condensed Consolidated Statements of Income (Loss)**

| | Three Months Ended December 31, 2022 | Year Ended December 31, 2022 |
|---|---|---|
| | (in thousands, except per share data) | |
| Revenue | $ 60,840 | $ 283,605 |
| Cost of revenue | 23,080 | 100,643 |
| Gross profit | 37,760 | 182,962 |
| Operating expenses: | | |
| Research and development | 23,798 | 90,288 |
| Selling, general and administrative | 19,693 | 76,532 |
| Total operating expenses | 43,491 | 166,820 |
| Income (loss) from operations | (5,731) | 16,142 |
| Interest income | 3,996 | 7,291 |

| | | |
|---|---|---|
| Other income (expense) | 167 | (97) |
| Income (loss) before income taxes | (1,568) | 23,336 |
| Income tax benefit (expense) | 41 | (82) |
| Net income (loss) | $ (1,527) | $ 23,254 |
| Net income (loss) attributable to common stockholders and comprehensive income | $ (1,527) | $ 23,254 |
| Net income (loss) per share attributable to common stockholders, basic | $ (0.07) | $ 1.09 |
| Net income (loss) per share attributable to common stockholders, diluted | $ (0.07) | $ 1.03 |
| Weighted-average shares used to compute basic net income (loss) per share | 21,544 | 21,245 |
| Weighted-average shares used to compute diluted net income (loss) per share | 21,544 | 22,664 |

**SiTime Corporation**
**Unaudited Reconciliation of Non-GAAP Adjustments**

| | Three Months Ended December 31, 2022 | Year Ended December 31, 2022 |
|---|---|---|
| | (in thousands, except per share data) | |
| **Reconciliation of GAAP gross profit and margin to non-GAAP** | | |
| Revenue | $ 60,840 | $ 283,605 |
| GAAP gross profit | 37,760 | 182,962 |
| GAAP gross margin | 62.1% | 64.5% |
| Stock-based compensation and related taxes | 633 | 1,982 |
| Non-GAAP gross profit | $ 38,393 | $ 184,944 |
| Non-GAAP gross margin | 63.1% | 65.2% |
| **Reconciliation of GAAP operating expenses to non-GAAP** | | |
| GAAP research and development expenses | 23,798 | 90,288 |
| Stock-based compensation and related taxes | (7,201) | (26,383) |
| Non-GAAP research and development expenses | $ 16,597 | $ 63,905 |
| GAAP sales, general and administrative expenses | 19,693 | 76,532 |
| Stock-based compensation and related taxes | (8,106) | (31,301) |
| Non-GAAP sales, general and administrative expenses | $ 11,587 | $ 45,231 |
| Total Non-GAAP operating expenses | $ 28,184 | $ 109,136 |
| **Reconciliation of GAAP income (loss) from operations to non-GAAP income from operations** | | |
| GAAP income (loss) from operations | $ (5,731) | $ 16,142 |
| Stock-based compensation and related taxes | 15,940 | 59,666 |
| Non-GAAP income from operations | $ 10,209 | $ 75,808 |
| Non-GAAP income from operations as a percentage of revenue | 16.8% | 26.7% |
| **Reconciliation of GAAP net income (loss) to non-GAAP net income** | | |
| GAAP net income (loss) | $ (1,527) | $ 23,254 |
| Stock-based compensation and related taxes | 15,940 | 59,666 |
| Non-GAAP net income | $ 14,413 | $ 82,920 |
| Weighted-average shares used to compute diluted net income per share | 22,524 | 22,664 |

| | | |
|---|---|---|
| **Stock-based compensation and related taxes** | | |
| Stock-based compensation | $ 15,623 | $ 57,416 |
| Stock-based compensation related taxes | 317 | 2,250 |
| Stock-based compensation and related taxes | $ 15,940 | $ 59,666 |
| | | |
| GAAP net income (loss) per share diluted | $ (0.07) | $ 1.03 |
| Non-GAAP adjustments detailed above | 0.71 | 2.63 |
| Non-GAAP net income per share diluted | $ 0.64 | $ 3.66 |

**SiTime Corporation**
**Unaudited GAAP Condensed Consolidated Balance Sheets**

| | As of | |
|---|---|---|
| | **December 31, 2022** | **December 31, 2021** |
| | **(in thousands)** | |
| **Assets:** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 34,603 | $ 559,461 |
| Short-term investments in held-to-maturity securities | 529,494 | — |
| Accounts receivable, net | 41,229 | 38,376 |
| Inventories | 57,650 | 23,630 |
| Prepaid expenses and other current assets | 6,091 | 4,476 |
| Total current assets | 669,067 | 625,943 |
| Property and equipment, net | 58,772 | 37,902 |
| Intangible assets, net | 5,205 | 5,977 |
| Right-of-use assets, net | 10,848 | 8,194 |
| Other assets | 6,724 | 193 |
| Total assets | $ 750,616 | $ 678,209 |
| **Liabilities and Stockholders' Equity:** | | |
| Current liabilities: | | |
| Accounts payable | $ 14,881 | $ 13,103 |
| Accrued expenses and other current liabilities | 18,913 | 24,282 |
| Total current liabilities | 33,794 | 37,385 |
| Lease liabilities | 8,149 | 6,398 |
| Other non-current liabilities | 193 | 1,929 |
| Total liabilities | 42,136 | 45,712 |
| Commitments and contingencies | | |
| Stockholders’ equity: | | |
| Common stock | 2 | 2 |
| Additional paid-in capital | 716,343 | 663,614 |
| Accumulated deficit | (7,865) | (31,119) |
| Total stockholders’ equity | 708,480 | 632,497 |
| Total liabilities and stockholders’ equity | $ 750,616 | $ 678,209 |

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