# SiTime Reports First Quarter 2023 Financial Results

SANTA CLARA, Calif., May 03, 2023 (GLOBE NEWSWIRE) -- SiTime Corporation, (Nasdaq: SITM), the precision timing company, today announced financial results for the first quarter ended March 31, 2023.

Net revenue in the first quarter of 2023 was $38.3 million, a 37.0% decrease from the $60.8 million in the fourth quarter of 2022.

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

In the first quarter of 2023, GAAP gross margins were $23.0 million, or 60.1% of revenue, GAAP operating expenses were $45.2 million, GAAP loss from operations was $22.1 million, and GAAP net loss was $16.5 million, or $(0.76) per basic share.

Total cash and cash equivalents were $38.3 million and short-term investments were $537.8 million on March 31, 2023.

**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 first quarter of 2023, non-GAAP gross margins were $23.7 million, or 61.8% of revenue, non-GAAP operating expenses were $27.3 million, or 71.2% of revenue, non-GAAP loss from operations was $3.6 million, or 9.4% of revenue, and non-GAAP net income was $2.0 million, or $0.09 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 financial measures exclude stock-based compensation, however prior to the first quarter of 2023, the Company also excluded stock-based compensation related payroll taxes from its Non-GAAP financial measures as well. No changes have been made to non-GAAP financial measures from periods prior to the first quarter of 2023, which continue to exclude the effect of stock-based compensation and related payroll taxes.

**Inducement Plan Grants**

SiTime granted restricted stock unit awards ("RSUs") on May 2, 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 7 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 10,705 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. 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 first quarter of 2023 financial results conference call today, May 3, 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 the precision timing company. Our programmable solutions offer a rich feature set that enables customers to differentiate their products with higher performance, smaller size, lower power, and better reliability. With over 3 billion devices shipped, SiTime is changing the timing industry. For more information, visit www.sitime.com.

**SiTime Corporation**
**Unaudited GAAP Condensed Consolidated Statements of Operations**

| | Three Months Ended | |
|---|---|---|
| | March 31, 2023 | December 31, 2022 |
| | (in thousands, except per share data) | |
| Revenue | $ 38,343 | $ 60,840 |
| Cost of revenue | 15,302 | 23,080 |
| Gross profit | 23,041 | 37,760 |
| Operating expenses: | | |
| Research and development | 24,457 | 23,798 |
| Selling, general and administrative | 20,733 | 19,693 |
| Total operating expenses | 45,190 | 43,491 |
| Loss from operations | (22,149) | (5,731) |
| Interest income | 5,629 | 3,996 |
| Other income, net | 100 | 167 |
| Loss before income taxes | (16,420) | (1,568) |
| Income tax expense (benefit) | (70) | 41 |
| Net loss | $ (16,490) | $ (1,527) |
| Net loss attributable to common stockholders and comprehensive loss | $ (16,490) | $ (1,527) |
| Net loss per share attributable to common stockholders, basic | $ (0.76) | $ (0.07) |
| Net loss per share attributable to common stockholders, diluted | $ (0.76) | $ (0.07) |
| Weighted-average shares used to compute basic net loss per share | 21,794 | 21,544 |
| Weighted-average shares used to compute diluted net loss per share | 21,794 | 21,544 |

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

| | Three Months Ended | |
|---|---|---|
| | March 31, 2023 | December 31, 2022 |
| | (in thousands, except per share data) | |
| **Reconciliation of GAAP gross profit and margin to non-GAAP** | | |
| Revenue | $ 38,343 | $ 60,840 |
| GAAP gross profit | 23,041 | 37,760 |
| GAAP gross margin | 60.1% | 62.1% |
| Stock-based compensation and related taxes [(1)] | 639 | 633 |
| Non-GAAP gross profit | $ 23,680 | $ 38,393 |
| Non-GAAP gross margin | 61.8% | 63.1% |
| **Reconciliation of GAAP operating expenses to non-GAAP** | | |
| GAAP research and development expenses | 24,457 | 23,798 |
| Stock-based compensation and related taxes[(1)] | (8,031) | (7,201) |
| Non-GAAP research and development expenses | $ 16,426 | $ 16,597 |
| GAAP sales, general and administrative expenses | 20,733 | 19,693 |
| Stock-based compensation and related taxes[(1)] | (9,866) | (8,106) |
| Non-GAAP sales, general and administrative expenses | $ 10,867 | $ 11,587 |
| Total Non-GAAP operating expenses | $ 27,293 | $ 28,184 |
| **Reconciliation of GAAP income (loss) from operations to non-GAAP income (loss) from operations** | | |
| GAAP loss from operations | $ (22,149) | $ (5,731) |
| Stock-based compensation and related taxes[(1)] | 18,536 | 15,940 |
| Non-GAAP income (loss) from operations | $ (3,613) | $ 10,209 |
| Non-GAAP income (loss) from operations as a percentage of revenue | (9.4%) | 16.8% |
| **Reconciliation of GAAP net income (loss) to non-GAAP net income** | | |
| GAAP net loss | $ (16,490) | $ (1,527) |
| Stock-based compensation and related taxes[(1)] | 18,536 | 15,940 |
| Non-GAAP net income | $ 2,046 | $ 14,413 |
| Weighted-average shares used to compute diluted net income per share | 21,794 | 22,524 |
| **Stock-based compensation and related taxes** | | |
| Stock-based compensation | $ 18,536 | $ 15,623 |
| Stock-based compensation related taxes[(1)] | - | 317 |
| Stock-based compensation and related taxes | $ 18,536 | $ 15,940 |
| GAAP net loss per share diluted | $ (0.76) | $ (0.07) |
| Non-GAAP adjustments detailed above | 0.85 | 0.71 |
| Non-GAAP net income per share diluted | $ 0.09 | $ 0.64 |

[1] Beginning the first quarter of 2023, the Company does not exclude stock-based compensation related payroll taxes from its Non-GAAP financial measures. No changes have been made to non-GAAP financial measures from periods prior to the first quarter of 2023.

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

| | As of | |
|---|---|---|
| | March 31, 2023 | December 31, 2022 |
| | (in thousands) | |
| **Assets:** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 38,265 | $ 34,603 |
| Short-term investments in held-to-maturity securities | 537,818 | 529,494 |
| Accounts receivable, net | 21,464 | 41,229 |
| Inventories | 60,011 | 57,650 |
| Prepaid expenses and other current assets | 8,986 | 6,091 |
| Total current assets | 666,544 | 669,067 |
| Property and equipment, net | 57,487 | 58,772 |
| Intangible assets, net | 4,800 | 5,205 |
| Right-of-use assets, net | 10,227 | 10,848 |
| Other assets | 7,370 | 6,724 |
| Total assets | $ 746,428 | $ 750,616 |
| **Liabilities and Stockholders' Equity:** | | |
| Current liabilities: | | |
| Accounts payable | $ 8,186 | $ 14,881 |
| Accrued expenses and other current liabilities | 17,020 | 18,913 |
| Total current liabilities | 25,206 | 33,794 |
| Lease liabilities | 7,471 | 8,149 |
| Other non-current liabilities | 91 | 193 |
| Total liabilities | 32,768 | 42,136 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Common stock | 2 | 2 |
| Additional paid-in capital | 738,013 | 716,343 |
| Accumulated deficit | (24,355) | (7,865) |
| Total stockholders' equity | 713,660 | 708,480 |
| Total liabilities and stockholders' equity | $ 746,428 | $ 750,616 |

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