



SiliconMotion

Silicon Motion 4Q24 Earnings Highlights

NASDAQ: SIMO

February 6, 2025

Safe Harbor Statement

This presentation contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements include, without limitation, statements regarding trends in the consumer electronics and semiconductor industries, any future growth projections or expectations in such markets and our future results of operations, financial condition and business prospects. Although such statements are based on our own information and information from other sources we believe to be reliable, you should not place undue reliance on them. These statements involve risks and uncertainties, and actual market trends or our actual results of operations, financial condition or business prospects may differ materially from those expressed or implied in these forward-looking statements for a variety of reasons.

4Q 2024 Operating Highlights

Financial (Non-GAAP)

- Revenue = \$191.2m (-10% QoQ, -6% Y/Y)
- Gross Margin = 47.0% (vs. 46.8% prior Qtr)
- Operating Exp = \$58.3m (vs. \$65.1m prior Qtr)
- Operating Margin = 16.5% (vs. 16.1% prior Qtr)
- EPS (diluted) = \$0.91 (vs. \$0.92 prior Qtr)

Financial (GAAP)

- Revenue = \$191.2m (-10% QoQ, -6% Y/Y)
- Gross Margin = 46.8% (vs. 46.7% prior Qtr)
- Operating Exp = \$69.9m (vs. \$74.8m prior Qtr)
- Operating Margin = 10.3% (vs. 11.5% prior Qtr)
- EPS (diluted) = \$0.68 (vs. \$0.62 prior Qtr)

Business

- SSD controller sales decreased 5% to 10% Q/Q and Y/Y
- eMMC+UFS controller sales decreased 10% to 15% Q/Q and were flat Y/Y
- SSD solutions sales decreased 35% to 40% Q/Q and decreased 25% to 30% Y/Y
- Announced annual cash dividend of \$2.00 per American Depositary Share (“ADS”)

FY 2024 Operating Highlights

Financial (Non-GAAP)

- Revenue = \$803.6m (+26% Y/Y)
- Gross Margin = 46.2% (vs. 43.0% prior Yr)
- Operating Exp = \$248.1m (vs. \$198.6m prior Yr)
- Operating Margin = 15.3% (vs. 11.9% prior Yr)
- EPS (diluted) = \$3.43 (vs. \$2.27 prior Yr)

Financial (GAAP)

- Revenue = \$803.6m (+26% Y/Y)
- Gross Margin = 46.1% (vs. 42.3% prior Yr)
- Operating Exp = \$277.9m (vs. \$230.5m prior Yr)
- Operating Margin = 11.6% (vs. 6.2% prior Yr)
- EPS (diluted) = \$2.69 (vs. \$1.58 prior Yr)

Business

- SSD controller sales increased 15% to 20% Y/Y
- eMMC+UFS controller sales increased 65% to 70% Y/Y
- SSD solutions sales declined 10% to 15% Y/Y

Significant New Product Introductions in 2024

Client SSDs

- **SM2508** – High-performance 6nm 8-channel PCIe Gen5 SSD Controller
 - 8 NAND channels, 3,600 MT/s, 14GB/s sequential with ultra-low power consumption of 3.5W power consumption
- **SM2504XT** – Mainstream 6nm 4-channel DRAM-less PCIeGen5 SSD Controller
- **SM2322** – External USB3.2 portable SSD controller with 4K LDPC for QLC for AI smart device & gaming consoles
- **SM2264XT-AT** – PCIe Gen4 SSD controller for Automotive & ADAS architectures

eMMC/UFS

- **SM2756** – High-performance 6nm UFS 4.0 controller for smartphone, automotive & edge computing
 - 4,300/4,000 MB/s read/write with TLC & QLC NAND support

Enterprise/Data Center/AI

- **SM8366** – High-performance 16-channel PCIe Gen5 SSD Controller
 - Industry's 1st QLC-based Zone Namespace SSD
 - Proprietary MonTitan PerformaShape technology with 2,400 MT/s, 14GB/s sequential read and 3.5M IOPS (4K) Random Read

SSD Highlights

- Shipping to all flash makers and virtually all module makers
- New high-performance PCIe 5.0 SSD controller SM2508 – industry's first merchant 6nm controller
- Wins with four flash makers and virtually all module makers
- Early shipments began in 3Q24
- ***Market-leading power/performance***
- Mass-market 4-channel PCIe 5.0 controller coming in late 2025 for mainstream PCs
- Automotive-Grade PCIe 4.0 Product
 - Two flash maker wins and expect to ramp with leading electric car platform in 2025
 - First PCIe 4.0 automotive SSD with ASPICE Level 3 Certification



eMMC & UFS Highlights

- Shipping UFS 2.2 and UFS 3.1 to two flash makers and several module makers
- Shipping to virtually all tier-one handset OEMs
- Successfully taped-out SM2756 UFS 4.1 controller – qualification is on-going, and expect to ramp in 2H25
- 2-channel UFS 4.1 controller has significant advantages over existing 4-channel competitors, generating significant interest
- Partnered directly with a tier-one handset OEM with QLC UFS solution
- Diversifying eMMC and UFS through automotive, industrial and other high growth, high-volume markets



Applications

Mobile Devices
AR/VR Devices
Drones
Cameras

Specifications

Supports HS-Gear-5 x 2-Lane
Supports MPHY version 5.0
Supports UniPro standard version 2.0
Compatible with UFS 4.0/3.1

Enterprise, Datacenter & AI Infrastructure Highlights

- MonTitan™ SM8366 based development platform has sampled over a dozen target customers including:
 - Tier-1 Datacenter and Enterprise Storage Customers
 - NAND Flash Manufacturers
 - Module Makers/Ecosystem Partners
- ***Achieved Design wins with two Tier-1 Customers – in the US and in China***
- ***Won and additional four customers in the December quarter***
- MonTitan™ shipments for revenue began in 3Q24



SM8366 SSD Controller

Up to 25%
Random Read Performance improvement to competitive controllers
Faster LLM Training and GNN completion times

Enterprise Features

- PCIe Gen5, Dual Ported.
- NVMe 2.0
- OCP NVMe SSD Spec.
- SR-IOV / MPF
- Namespaces
- SMART Monitoring
- E2E Data Protection
- Secure Boot
- AES-256
- TCG Opal
- Attestation

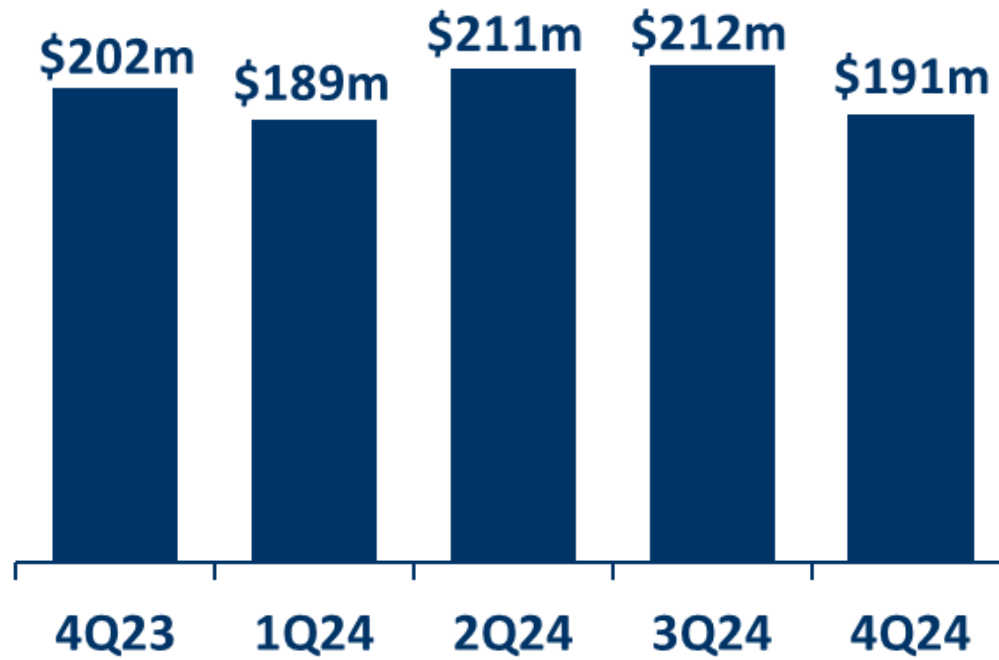
High Performance

- Sequential : 14+ GB/s
- Random: 3.5M IOPS (4KB)

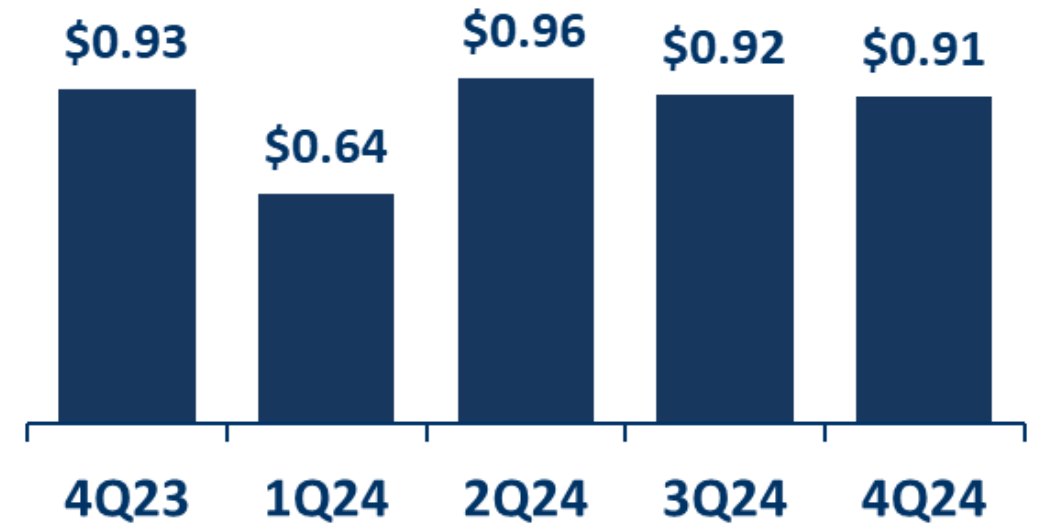
SiliconMotion

Revenue and Non-GAAP EPS Trends

REVENUE

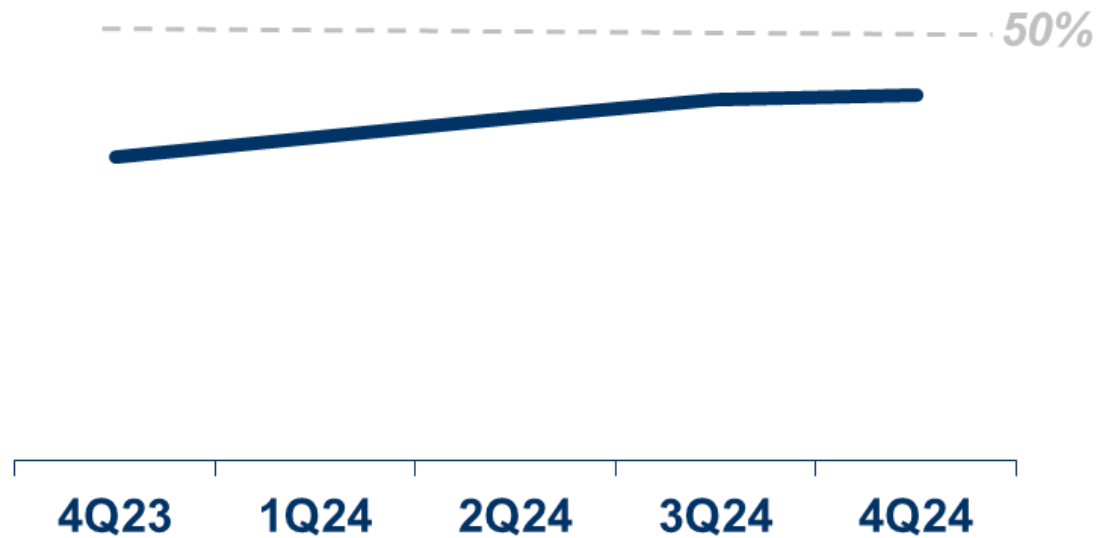


EPS

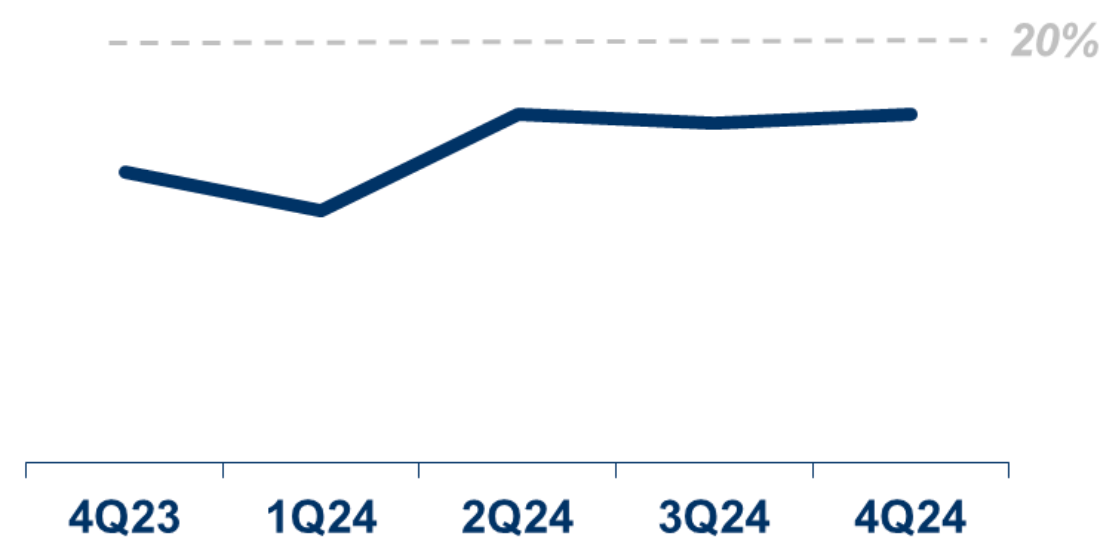


Non-GAAP Gross & Operating Margin Trends

Gross Margin



Operating Margin



Balance Sheet and Capital Allocation

<i>(\$ in millions)</i>	2022	2023	2024
Cash, cash equivalents & restricted cash	287.1	369.0	334.3
Cash flow generated by operating activities	83.9	149.1	77.2
Buybacks	133.2	-	-
Dividends	49.9*	16.7*	67.3

Note: * Dividend discontinued due to merger agreement with Maxlinear

Target Financial Model

1Q 2025 Guidance

- Revenue = \$158m to \$167m
(-17.5% to -12.5% Q/Q)
- Gross margin = 47.0 to 47.5%
- Operating margin = 7.7 to 9.7%

	2022	2023	2024
Revenue	946	639	804
%YoY	+3%	-32%	+26%
Gross Margin	50%	43%	46%
Operating Expenses	216	199	248
Operating Margin	27%	12%	15%



Long-Term Model
Robust Growth
48% to 50%
Disciplined Expansion
25%+

Note: Non-GAAP results & targets

4Q 2024 Non-GAAP P&L

(\$m)

	Q4 2023		Q3 2024		Q4 2024		%QoQ	%YoY
Revenue	202.4	100%	212.4	100%	191.2	100%	-10%	-6%
Cost of sales	113.1	56%	113.1	53%	101.3	53%	-10%	-10%
Gross profit	89.3	44%	99.3	47%	89.9	47%	-10%	1%
R&D	51.8	26%	53.6	25%	47.5	25%	-11%	-8%
SG&A	9.6	5%	11.5	5%	10.8	6%	-6%	12%
Operating expense	61.4	30%	65.1	31%	58.3	30%	-11%	-5%
Operating profit	27.8	14%	34.2	16%	31.6	17%	-8%	13%
Other income/(expense)	4.2	2%	3.5	2%	3.8	2%	7%	-11%
Pre-tax earnings	32.1	16%	37.7	18%	35.3	18%	-6%	10%
Tax expense/(benefit)	0.7	0%	6.7	3%	4.4	2%	-34%	502%
Net income	31.3	15%	31.0	15%	30.9	16%	0%	-1%
Dilute ADS (in millions)	33.7		33.8		34.0		1%	1%
Earnings per ADS (diluted)	0.93		0.92		0.91		-1%	-2%

FY 2024 Non-GAAP P&L

(\$m)

	2023		2024		%YoY
Total Revenue	639.1	<i>100%</i>	803.6	<i>100%</i>	26%
Cost of sales	364.3	<i>57%</i>	432.3	<i>54%</i>	19%
Gross profit	274.8	<i>43%</i>	371.2	<i>46%</i>	35%
R&D	159.3	<i>25%</i>	206.5	<i>26%</i>	30%
SG&A	39.3	<i>6%</i>	41.6	<i>5%</i>	6%
Operating expense	198.6	<i>31%</i>	248.1	<i>31%</i>	25%
Operating profit	76.2	<i>12%</i>	123.1	<i>15%</i>	62%
Other income/(expense)	12.3	<i>2%</i>	14.5	<i>2%</i>	19%
Pre-tax earnings	88.5	<i>14%</i>	137.6	<i>17%</i>	56%
Tax expense/(benefit)	12.3	<i>2%</i>	21.7	<i>3%</i>	76%
Net income	76.1	<i>12%</i>	116.0	<i>14%</i>	52%
Dilute ADS (in millions)	33.6		33.8		1%
Earnings per ADS (diluted)	2.27		3.43		51%

4Q 2024 Non-GAAP Reconciliation

(\$m)

	Non-GAAP	% of Revenue	Stock-Based Comp.	Restructuring charges	Dispute related expenses	Realized/Unrealized gain(loss) on investments	FX Gain / (Loss)	GAAP	% of Revenue
Revenue	191.2	100%						191.2	100%
Cost of sales	101.3	53%	0.2	0.2				101.6	53%
Gross profit	89.9	47%	(0.2)	(0.2)				89.5	47%
Research & development	47.5	25%	6.7					54.2	28%
Sales & marketing	6.4	3%	1.0					7.4	4%
General & administrative	4.4	2%	1.9		2.0			8.4	4%
Total operating expenses	58.3	30%	9.6		2.0			69.9	37%
Operating income	31.6	17%	(9.7)	(0.2)	(2.0)			19.7	10%
Other income / (expense)	3.8	2%				1.0	1.0	5.8	3%
Income before income taxes	35.3	18%	(9.7)	(0.2)	(2.0)	1.0	1.0	25.4	13%
Provision for income taxes	4.4	2%	(1.9)	0.0	0.0	0.0	(0.1)	2.4	1%
Net income	30.9	16%	(7.8)	(0.2)	(2.0)	1.0	1.2	23.0	12%
Earnings per ADS, diluted	0.91							0.68	
Diluted ADS	34.0							33.8	
Effective tax rate	12.6%							9.4%	

FY 2024 Non-GAAP Reconciliation

(\$m)

	Non-GAAP	% of Revenue	Stock-Based Comp.	Restructuring charges	Dispute related expenses	Realized/Unrealized gain(loss) on investments	FX Gain / (Loss)	GAAP	% of Revenue
Revenue	803.6	100%						803.6	100%
Cost of sales	432.3	54%	0.3	0.2				432.9	54%
Gross profit	371.2	46%	(0.3)	(0.2)				370.7	46%
Research & development	204.0	25%	11.3		2.5			217.8	27%
Sales & marketing	25.5	3%	2.0					27.4	3%
General & administrative	18.6	2%	3.4		9.4			31.4	4%
Loss from settlement of litigation	0.0	0%			1.3			1.3	0%
Total operating expenses	248.1	31%	16.6		13.1			277.9	35%
Operating income	123.1	15%	(17.0)	(0.2)	(13.1)			92.8	12%
Other income / (expense)	14.5	2%				0.6	1.4	16.5	2%
Income before income taxes	137.6	17%	(17.0)	(0.2)	(13.1)	0.6	1.4	109.3	14%
Provision for income taxes	21.7	3%	(2.8)		(0.3)	0.0	(0.0)	18.6	2%
Net income	116.0	14%	(14.2)	(0.2)	(12.9)	0.6	1.4	90.7	11%
Earnings per ADS, diluted	3.43							2.69	
Diluted ADS	33.8							33.7	
Effective tax rate	15.7%							17.0%	



Thank You !

©2021 Silicon Motion Technology Corporation. All Rights Reserved.

FerriSSD, Ferri-eMMC, Shannon and Bigtera are trademarks of Silicon Motion registered in the United States, Taiwan, China and other countries. Other company, organization, and brand names may be trademarks or registered trademarks of their respective owners.

