Silicon Motion 2Q25 Earnings Highlights

NASDAQ: SIMO

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2Q 2025 Operating Highlights

Financial (Non-GAAP)

- Revenue = $198.7m (+19% QoQ, -6% Y/Y)
- Gross Margin = 47.7% (vs. 47.1% prior Qtr)
- Operating Exp = $69.3m (vs. $63.6m prior Qtr)
- Operating Margin = 12.8% (vs. 8.9% prior Qtr)
- EPS (diluted) = $0.69 (vs. $0.60 prior Qtr)

Financial (GAAP)

- Revenue = $198.7m (+19% QoQ, -6% Y/Y)
- Gross Margin = 47.7% (vs. 47.1% prior Qtr)
- Operating Exp = $72.4m (vs. $68.6m prior Qtr)
- Operating Margin = 11.2% (vs. 5.9% prior Qtr)
- EPS (diluted) = $0.49 (vs. $0.58 prior Qtr)

Business

- SSD controller sales increased 0% to 5% Q/Q and decreased 15% to 20% Y/Y
- eMMC+UFS controller sales increased 40% to 45% Q/Q and increased 10% to 15% Y/Y
- SSD solutions sales increased 0% to 5% Q/Q and decreased 45% to 50% Y/Y

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Significant New Products Ramping

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 with leading ASPICE L3 certification

eMMC/UFS

- **SM2755/SM2756** – High-performance 6nm UFS 4.1 controller for smartphone, automotive & edge computing
    - 4,300/4,000 MB/s read/write with TLC & QLC NAND support
- **SM2752P** – New UFS 2.2 controller targeting the low-end smartphone market

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

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SSD Highlights

- Shipping to six flash makers and nearly all module makers
- New high-performance PCIe 5.0 SSD controller SM2508 – industry's first merchant 6nm controller
  - Early shipments began in 3Q24; wins with four flash makers and nearly all module makers
  - Achieved 10% of client SSD revenue in 2Q25
  - Market-leading power/performance
- Mass-market 4-channel PCIe 5.0 controller coming in late 2025 for mainstream PCs
  - Early wins with four flash makers and actively engaged with nearly all module makers
- 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

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eMMC & UFS Highlights

- Shipping to all tier-one Android handset OEMs
- Direct relationships with multiple NAND makers, module makers and smartphone OEMs
- UFS 4.1 controller – development/qualification is on-going, and expect to ramp in 2026
  - 2-channel UFS 4.1 controller has significant advantages over existing 4-channel competitors, generating significant interest
- Shipping UFS 3.1 controller to the mid-range smartphone market
- Introducing new, low cost UFS 2.2 controller for low-end smartphone solution in 2H2025
- 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	Specifications
Mobile Devices	Supports HS-Gear-5 x 2-Lane
AR/VR Devices	Supports MPHY version 5.0
Drones	Supports UniPro standard version 2.0
Cameras	Compatible with UFS 2.2/3.1/4.1

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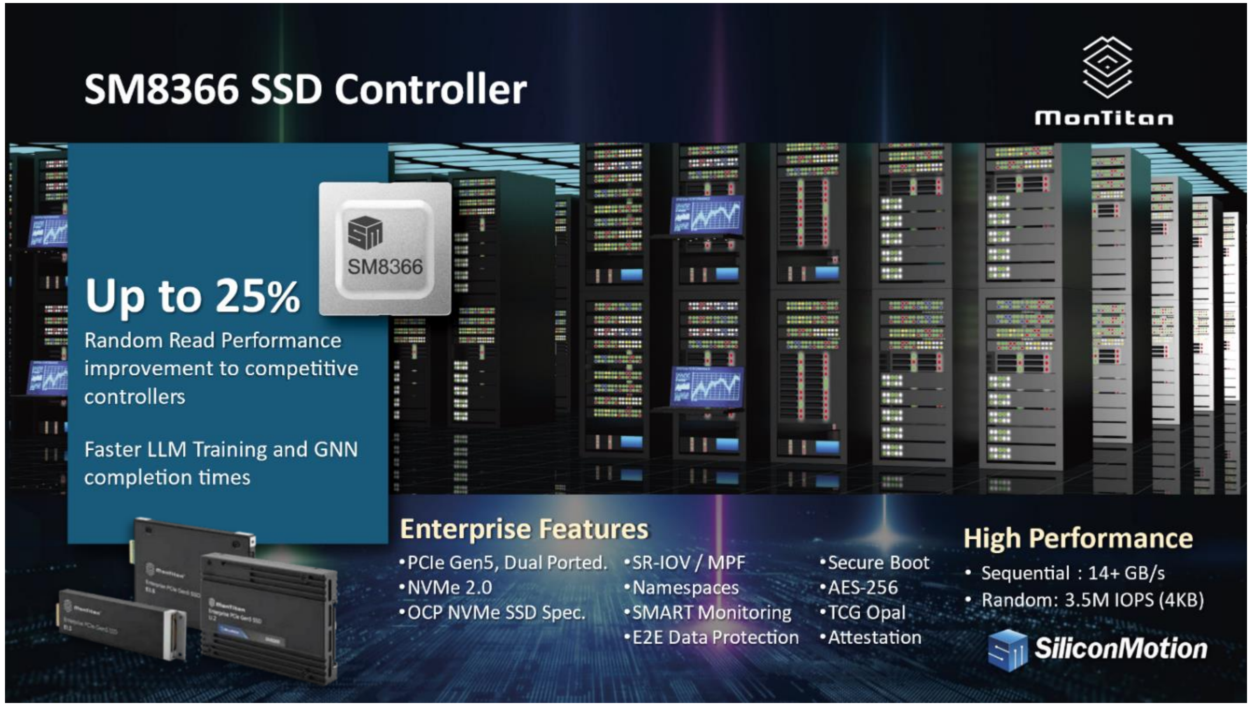
Enterprise, Datacenter & AI Infrastructure Highlights

- MonTitan™ SM8366 based development platform has sampled over a dozen target customers including:
  - Tier-1 Datacenter and Enterprise Storage Customers
  - NAND Flash Manufactures
  - Module Makers/Ecosystem Partners
- Achieved Design wins with two Tier-1 customers in early 2024, ramping in the second-half of this year
- Won an additional four customers in the December quarter
- Entering BlueField DPU Server Boot Drive Solutions
  - Won two designs and expected to enter production in late 2025



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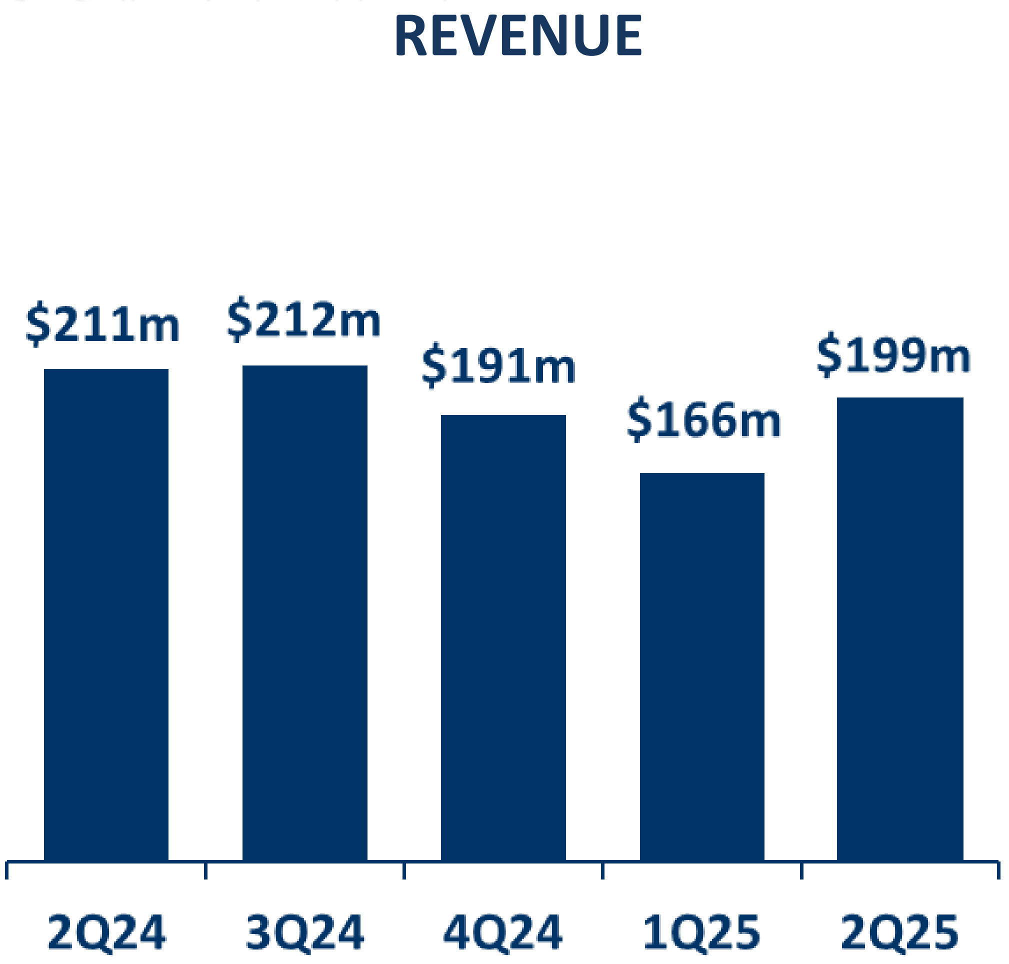
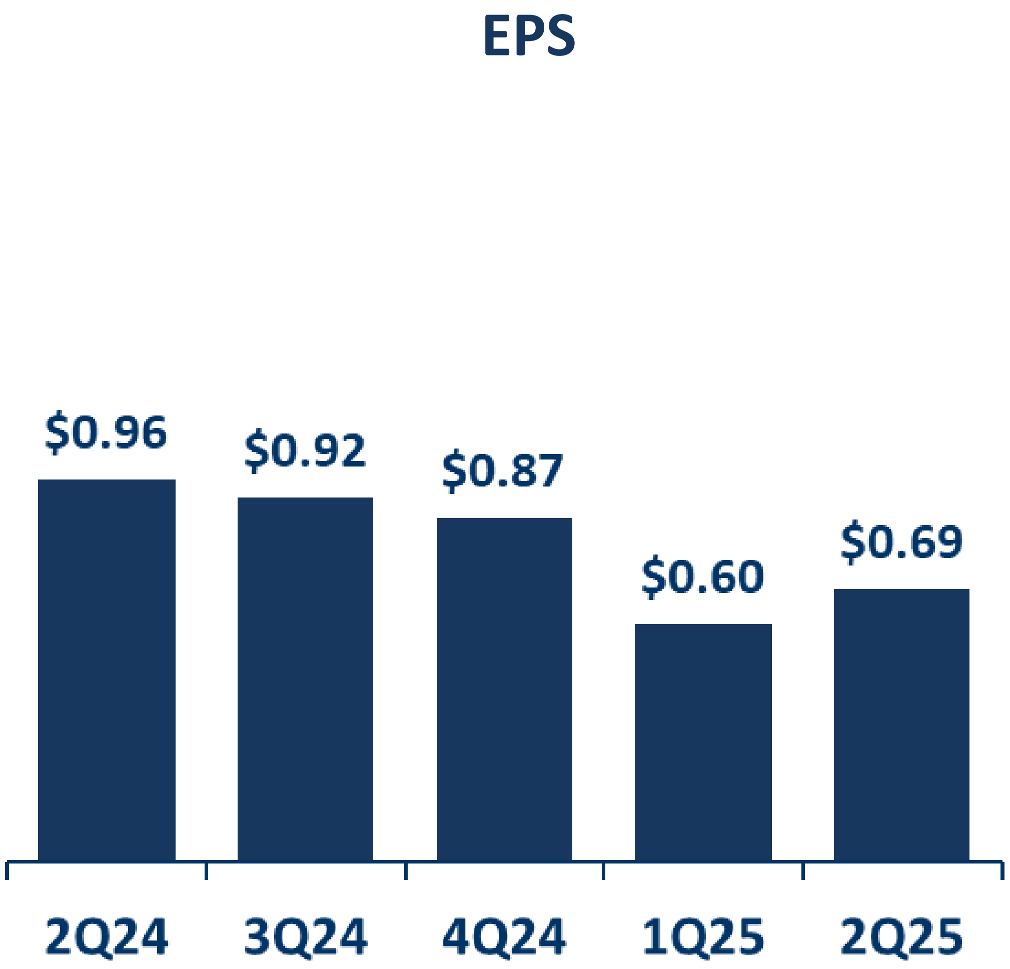
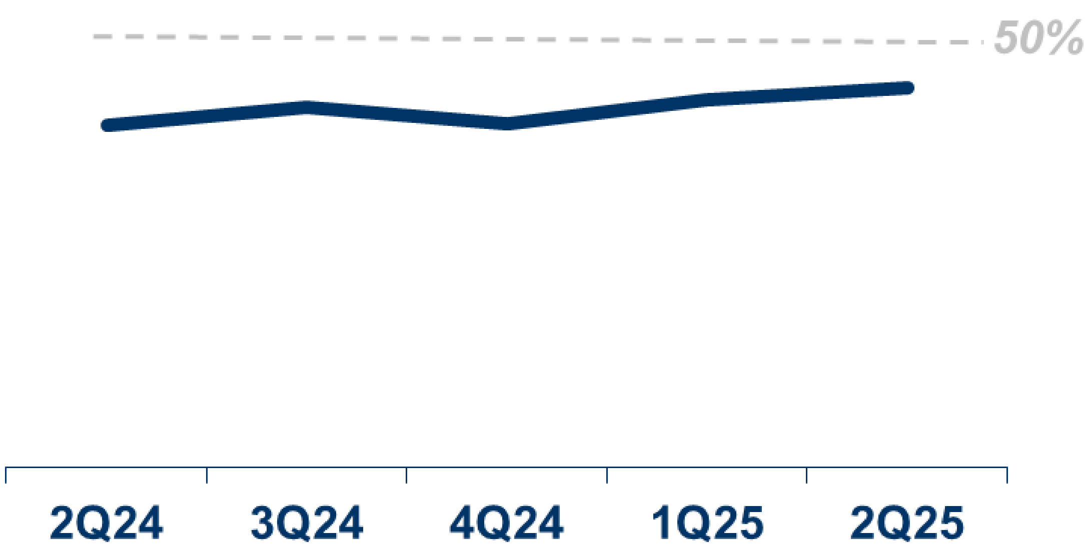
Revenue and Non-GAAP EPS Trends



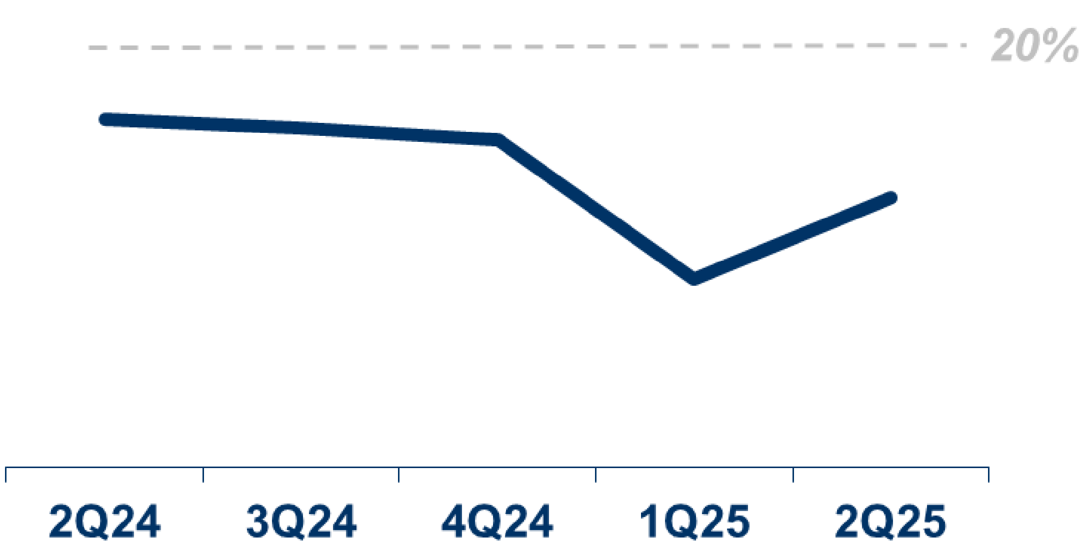


Non-GAAP Gross & Operating Margin Trends

Gross Margin



Operating Margin



Balance Sheet and Capital Allocation

($ in millions)	2023	2024	2025 YTD
Cash, cash equivalents & restricted cash	369.0	334.3	282.3
Cash flow generated by operating actvities	149.1	77.1	33.0
Buybacks	-	-	24.3
Dividends	16.7*	67.3	33.7

*Note: * Dividend discontinued due to merger agreement with Maxlinear*

Target Financial Model

3Q 2025 Guidance

- Revenue = $219m to $228m
  (+10% *to 15% Q/Q*)
- Gross margin = 48.0 to 49.0%
- Operating margin = 12.3 to 14.3%

	2022	2023	2024
Revenue *%YoY*	946 *+3%*	639 *-32%*	804 *+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

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2Q 2025 Non-GAAP P&L

($m)	Q2 2024		Q1 2025		Q2 2025		%QoQ	%YoY
Revenue	**210.7**	*100%*	**166.5**	*100%*	**198.7**	*100%*	*19%*	*-6%*
Cost of sales	113.8	*54%*	88.1	*53%*	104.0	*52%*	18%	-9%
Gross profit	**96.8**	*46%*	**78.4**	*47%*	**94.7**	*48%*	**21%**	**-2%**
R&D	50.7	*24%*	52.0	*31%*	58.1	*29%*	12%	15%
SG&A	11.4	*5%*	11.6	*7%*	11.2	*6%*	-3%	-2%
Operating expense	**62.1**	*29%*	**63.6**	*38%*	**69.3**	*35%*	**9%**	**12%**
Operating profit	**34.7**	*16%*	**14.9**	*9%*	**25.3**	*13%*	**71%**	**-27%**
Other income/(expense)	4.2	*2%*	2.9	*2%*	2.7	*1%*	-8%	-35%
Pre-tax earnings	38.9	*18%*	17.8	*11%*	28.1	*14%*	58%	-28%
Tax expense/(benefit)	6.4	*3%*	(2.5)	*-1%*	5.0	*3%*	-303%	-21%
Net income	**32.5**	*15%*	**20.3**	*12%*	**23.0**	*12%*	**14%**	**-29%**
Dilute ADS (in millions)	33.7		33.8		33.6			
Earnings per ADS (diluted)	**0.96**		**0.60**		**0.69**		**14%**	**-29%**

2Q 2025 Non-GAAP Reconciliation

($m)	Non-GAAP	% of Revenue	Stock-Based Comp.	Dispute Related Expenses	Unrealized Gain(loss) on Investments	FX Gain / (Loss)	GAAP	% of Revenue
Revenue	**198.7**	**100%**					**198.7**	**100%**
Cost of sales	104.0	52%	0.0				104.0	52%
Gross profit	**94.7**	**48%**	**0.0**				**94.7**	**48%**
Research & development	58.1	29%	0.1				58.1	29%
Sales & marketing	7.0	4%	0.1				7.1	4%
General & administrative	4.2	2%	0.0	2.8			7.1	4%
Total operating expenses	69.3	35%	0.2	2.8			72.4	36%
Operating income	**25.3**	**13%**	**(0.2)**	**(2.8)**			**22.3**	**11%**
Other income / (expense)	2.7	1%			(1.1)	(3.3)	(1.6)	-1%
Income before income taxes	28.1	14%	(0.2)	(2.8)	(1.1)	(3.3)	20.7	10%
Provision for income taxes	5.0	3%	(0.0)	0.0	0.0	(0.7)	4.4	2%
Net income	**23.0**	**12%**	**(0.2)**	**(2.8)**	**(1.1)**	**(2.6)**	**16.3**	**8%**
Earnings per ADS, diluted	0.69						0.49	
Diluted ADS	33.6						33.6	
Effective tax rate	18.0%						21.1%	

1H 2025 Non-GAAP Reconciliation

($m)	Non-GAAP	% of Revenue	Stock-Based Comp.	Dispute Related Expenses	Realized/Unrealized Gain(loss) on Investments	FX Gain / (Loss)	GAAP	% of Revenue
Revenue	**365.2**	**100%**					**365.2**	**100%**
Cost of sales	192.0	53%	0.1				192.1	53%
Gross profit	**173.1**	**47%**	**(0.1)**				**173.1**	**47%**
Research & development	110.1	30%	3.1				113.2	31%
Sales & marketing	13.3	4%	0.9				14.2	4%
General & administrative	9.5	3%	0.9	3.1			13.6	4%
Total operating expenses	132.9	36%	4.9	3.1			141.0	39%
Operating income	**40.2**	**11%**	**(5.0)**	**(3.1)**			**32.1**	**9%**
Other income / (expense)	5.6	2%			2.2	(2.9)	5.0	1%
Income before income taxes	45.8	13%	(5.0)	(3.1)	2.2	(2.9)	37.0	10%
Provision for income taxes	2.6	1%	(0.7)	0.0	0.0	(0.6)	1.3	0%
Net income	**43.3**	**12%**	**(4.3)**	**(3.1)**	**2.2**	**(2.4)**	**35.8**	**10%**
Earnings per ADS, diluted	1.28						1.06	
Diluted ADS	33.7						33.7	
Effective tax rate	5.6%						3.4%	

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Thank You !