



Silicon Labs Investor Presentation

JULY 24, 2024

Private Securities Litigation Reform Act of 1995

This presentation contains forward-looking statements based on Silicon Labs' current expectations. The words "believe", "estimate", "expect", "intend", "anticipate", "plan", "project", "will", and similar phrases as they relate to Silicon Labs are intended to identify such forward-looking statements. These forward-looking statements reflect the current views and assumptions of Silicon Labs and are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Among the factors that could cause actual results to differ materially from those in the forward-looking statements are the following: the competitive and cyclical nature of the semiconductor industry; the challenging macroeconomic environment, including disruptions in the financial services industry; geographic concentration of manufacturers, assemblers, test service providers and customers in Asia that subjects Silicon Labs' business and results of operations to risks of natural disasters, epidemics or pandemics, war and political unrest; risks that demand and the supply chain may be adversely affected by military conflict (including in the Middle East, and between Russia and Ukraine), terrorism, sanctions or other geopolitical events globally (including in the Middle East, and conflict between Taiwan and China); risks that Silicon Labs may not be able to maintain its historical growth; quarterly fluctuations in revenues and operating results; difficulties developing new products that achieve market acceptance; risks associated with international activities (including trade barriers, particularly with respect to China); intellectual property litigation risks; risks associated with acquisitions and divestitures; product liability risks; difficulties managing and/or obtaining sufficient supply from Silicon Labs' distributors, manufacturers and subcontractors; dependence on a limited number of products; absence of long-term commitments from customers; inventory-related risks; difficulties managing international activities; risks that Silicon Labs may not be able to manage strains associated with its growth; credit risks associated with its accounts receivable; dependence on key personnel; stock price volatility; the impact of COVID-19 on the U.S. and global economy; debt-related risks; capital-raising risks; the timing and scope of share repurchases and/or dividends; average selling prices of products may decrease significantly and rapidly; information technology risks; cyber-attacks against Silicon Labs' products and its networks; risks associated with any material weakness in our internal controls over financial reporting; and other factors that are detailed in the SEC filings of Silicon Laboratories Inc. Silicon Labs disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. References in this press release to Silicon Labs shall mean Silicon Laboratories Inc.

Non-GAAP Financial Measures


In addition to the GAAP results provided throughout this presentation, Silicon Labs has provided non-GAAP financial measurements on a basis excluding non-cash and other charges and benefits. Details of these excluded items are presented in the tables below, which reconcile the GAAP results to non-GAAP financial measurements.

The non-GAAP financial measurements do not replace the presentation of Silicon Labs' GAAP financial results. These measurements provide supplemental information to assist management and investors in analyzing Silicon Labs' financial position and results of operations. Silicon Labs has chosen to provide this information to investors to enable them to perform meaningful comparisons of past, present and future operating results and as a means to emphasize the results of core on-going operations.



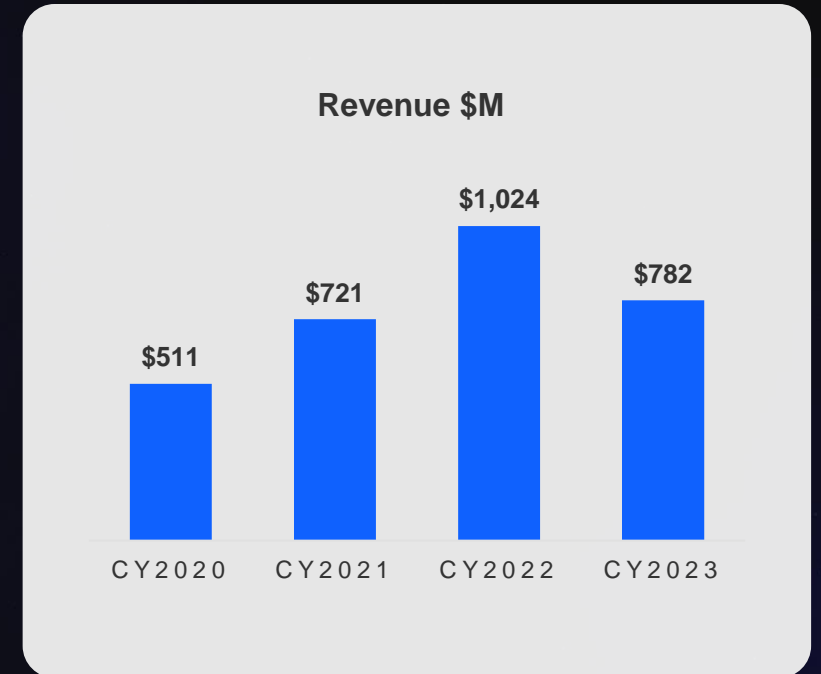

FOUNDED IN 1996

Pure-Play Leader of Intelligent Wireless Connectivity

 Nasdaq
LISTED SLAB


~21,000 CUSTOMERS

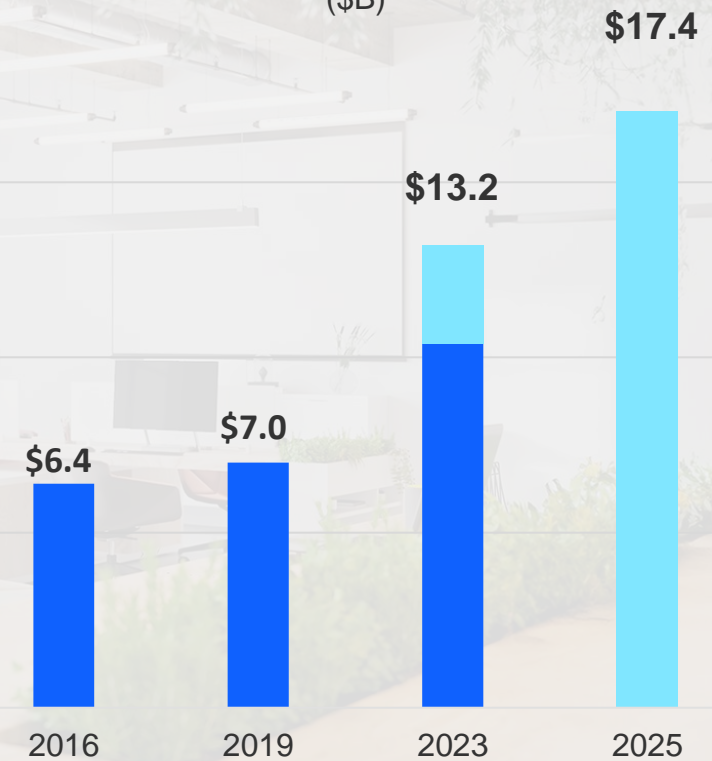

~1,500 PATENT ASSETS



IoT Accelerating Market Opportunity

Edge IoT Market Growth*

(\$B)



■ 2020 Analyst Day

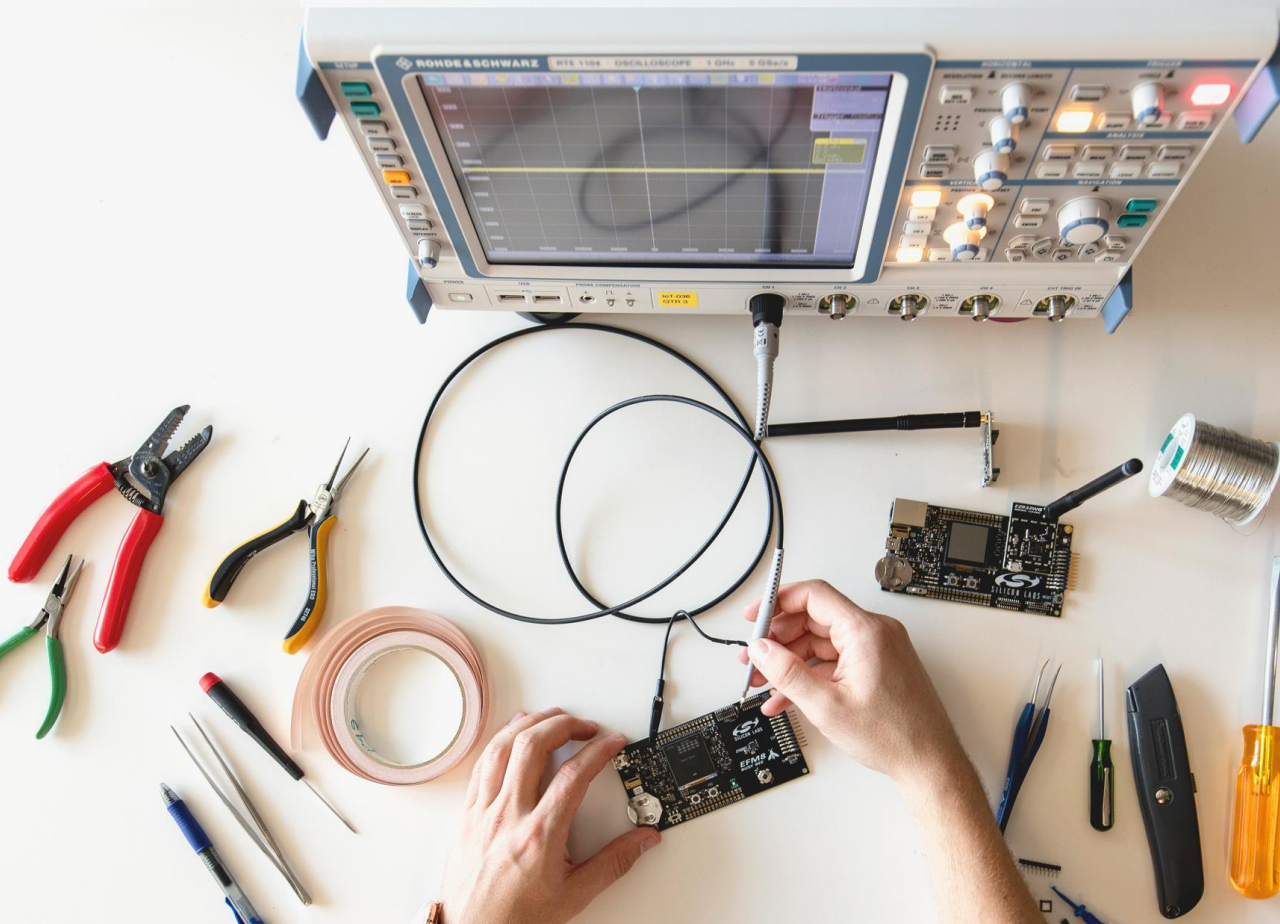
■ 2022 Analyst Day

*As outlined in 2022 Analyst Day

Source: Average of WSTS and Gartner research combined with management estimates.

OUR VISION

To empower developers to create wirelessly connected devices that transform industries, grow economies, and improve lives.



OUR VALUES



We hire, foster and empower great talent



We create customer value and commercial success through innovation and simplicity



We meet our commitments and hold ourselves accountable

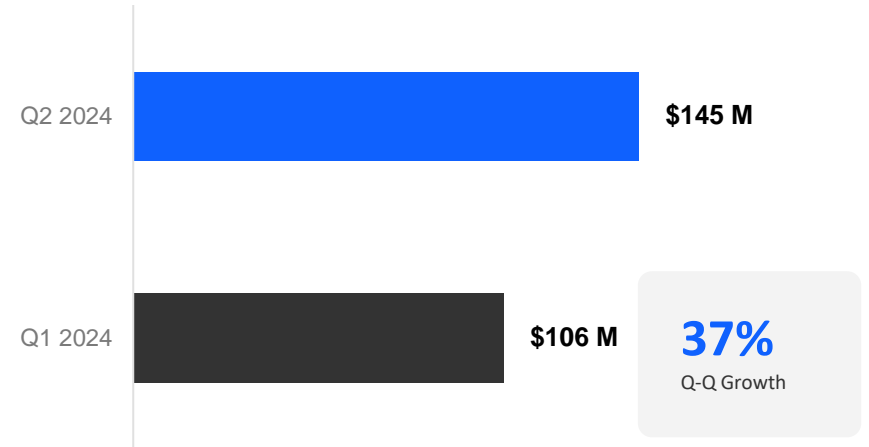


We do the right thing!

Revenue Q2 2024

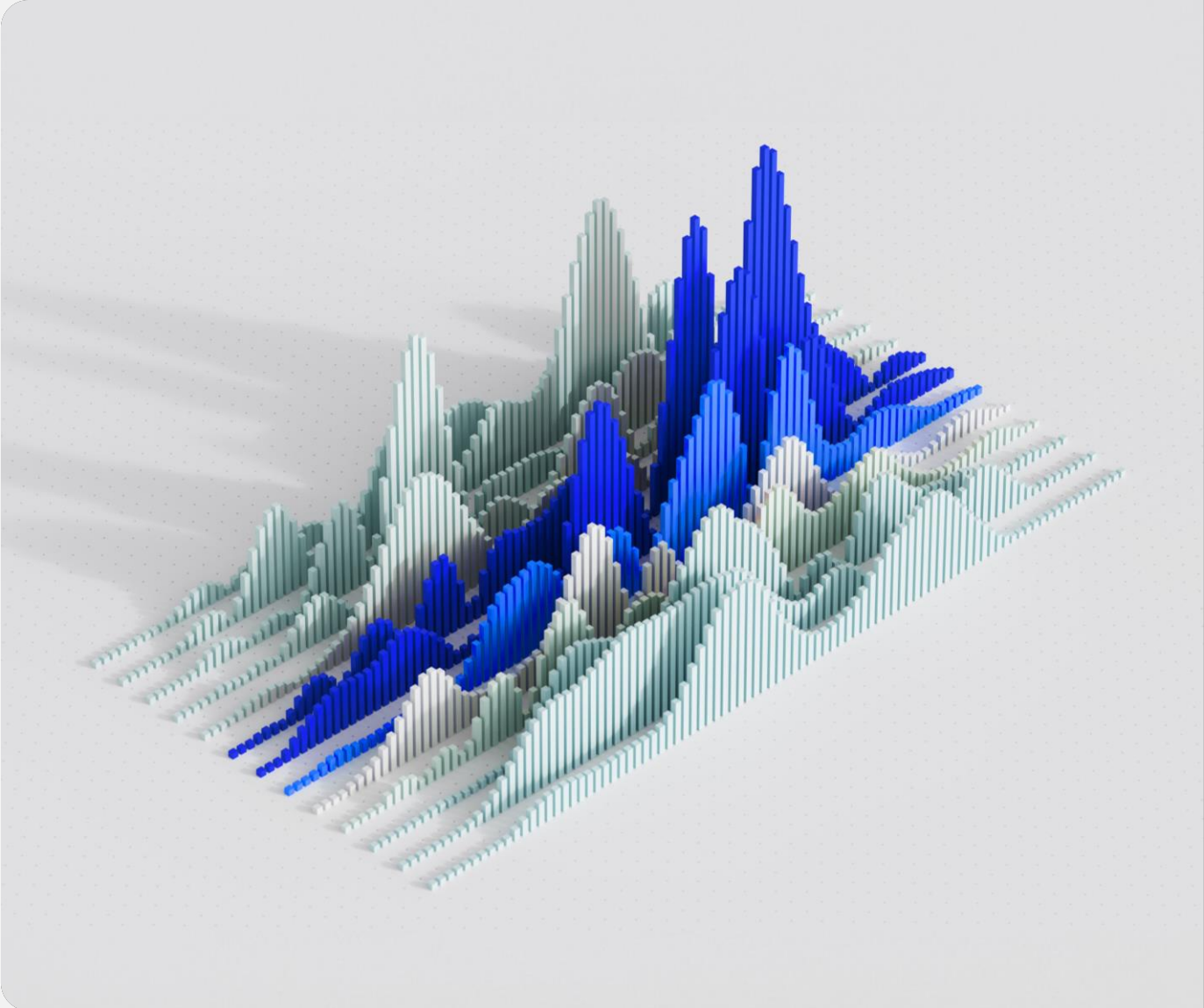


Revenue

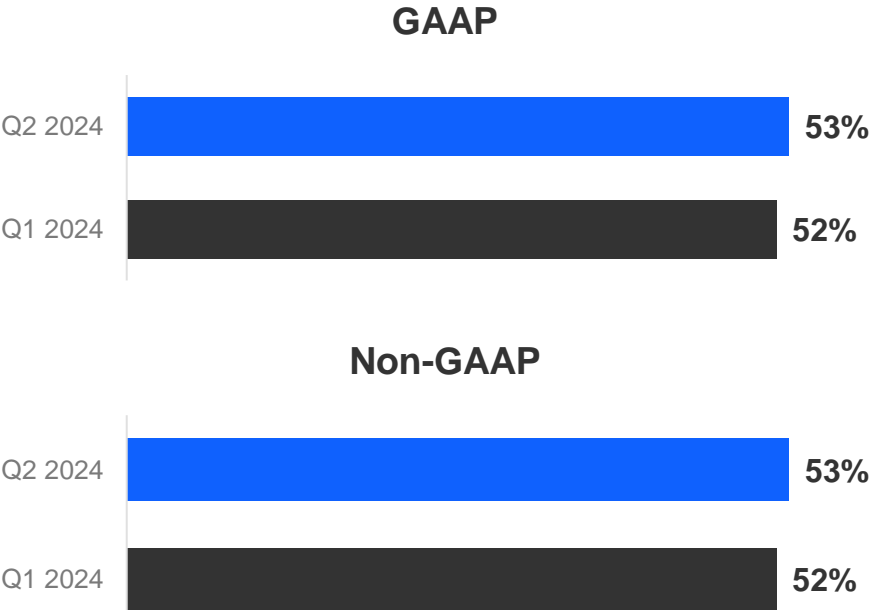


- Revenue of \$145 million increased 37% q/q
- Sequential revenue growth in both the Home & Life and Industrial & Commercial business units

Gross Margin Q2 2024



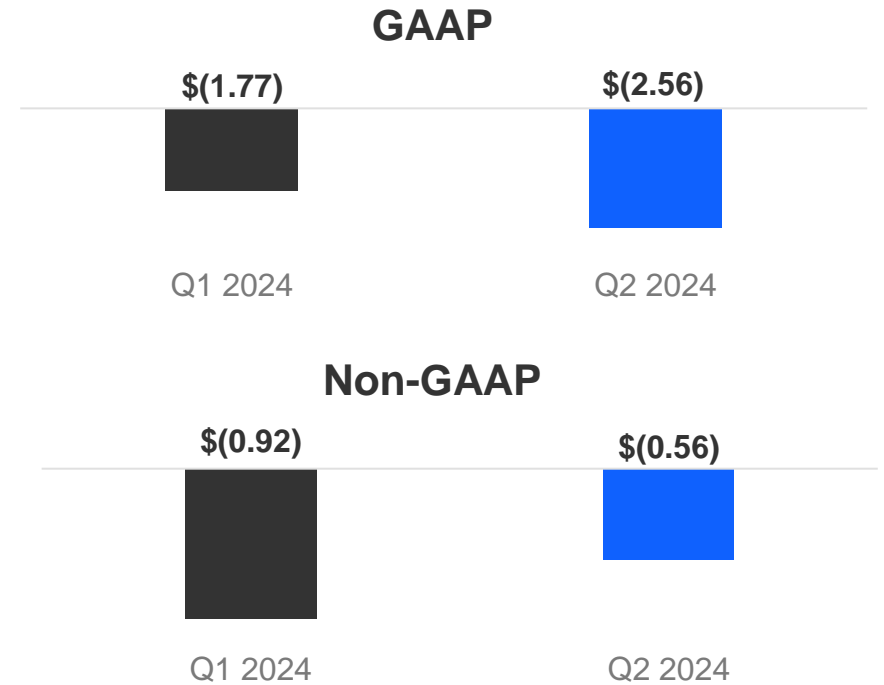
- GAAP and non-GAAP gross margin improved to 53% in Q2, up from 52% in Q1



Earnings Per Share Q2 2024



- GAAP loss per share grew to \$(2.56) in Q2 from \$(1.77) in Q1 due to a one-time non-cash tax charge
- Non-GAAP loss per share improved to \$(0.56) in Q2 from \$(0.92) in Q1



Q2 2024 Balance Sheet Highlights

(\$ in Millions)	Q1 2024	Q2 2024	Q/Q
Cash, Cash Equivalent & STI	332.7	339.2	6.5
Accounts Receivable	32.6	41.2	8.6
Inventories	198.2	166.1	(32.1)
Total Debt	0	0	0

Q3 2024 Outlook

(\$ in Millions)

Q3 2024

Revenue

\$160-\$170 million

Gross Margin¹
(Non-GAAP)

54%-56%

Operating Expenses¹
(Non-GAAP)

\$101-\$103 million

Effective Tax Rate¹
(Non-GAAP)

20% of pre-tax income

¹ These items are non-GAAP and exclude stock compensation expense, amortization of intangible assets, and certain other adjustments outlined in the business outlook table on slide 13.

GAAP to Non-GAAP Reconciliation

Unaudited Reconciliation of GAAP to Non-GAAP Financial Measures

(In thousands, except per share data)

Three Months Ended
June 29, 2024

Non-GAAP Income Statement Items	GAAP Measure	GAAP Percent of Revenue	Stock Compensation Expense	Intangible Asset Amortization	Termination Costs	Non-GAAP Measure	Non-GAAP Percent of Revenue
Revenues	\$145,367						
Gross profit	76,583	52.7%	\$412	— \$	— \$	\$76,995	53.0%
Research and development	85,909	59.1%	10,217	6,061	902	68,729	47.3%
Selling, general and administrative	38,695	26.6%	5,215	19	106	33,355	22.9%
Operating expenses	124,604	85.7%	15,432	6,080	1,008	102,084	70.2%
Operating income (loss)	(48,021)	(33.0%)	15,844	6,080	1,008	(25,089)	(17.3%)
<p>Three Months Ended June 29, 2024</p>							
Non-GAAP Loss Per Share	GAAP Measure		Stock Compensation Expense*	Intangible Asset Amortization*	Termination Costs*	Income Tax Adjustments	Non-GAAP Measure
Net income (loss)	\$(82,157)		\$15,844	\$6,080	\$1,008	\$41,176	\$(18,049)
Diluted shares outstanding	32,124						32,124
Diluted loss per share	\$(2.56)						\$(0.56)

* Represents pre-tax amounts

Unaudited Forward-Looking Statements Regarding Business Outlook

Unaudited Forward-Looking Statements Regarding Business Outlook

(In millions, except per share data)

**Three Months Ended
September 28, 2024**

Business Outlook	GAAP Measure	Non-GAAP Adjustments**	Non-GAAP Measure
Gross margin	54% to 56%	—%	54% to 56%
Operating expenses	\$123 to \$125	\$(22)	\$101 to \$103
Diluted loss per share	\$(0.95) to \$(1.25)	\$0.85 to \$0.95	\$(0.10) to \$(0.30)

**Non-GAAP adjustments include the following estimates: stock compensation expense of \$16.8 million, intangible asset amortization of \$5.4 million, and the application of a long-term non-GAAP tax rate of 20%.

An aerial photograph of a modern, multi-story house with a grey roof and white walls, surrounded by lush green trees. Several circular icons are overlaid on the image, representing various IoT and smart home concepts: a hand holding a device with a plus sign, a smartphone, a lightbulb, a Wi-Fi router, and a document with a checklist.

Positioned to Win, Lead and Scale in Home & Life

Making IoT as ubiquitous as the electricity at home or the smartphone in your pocket

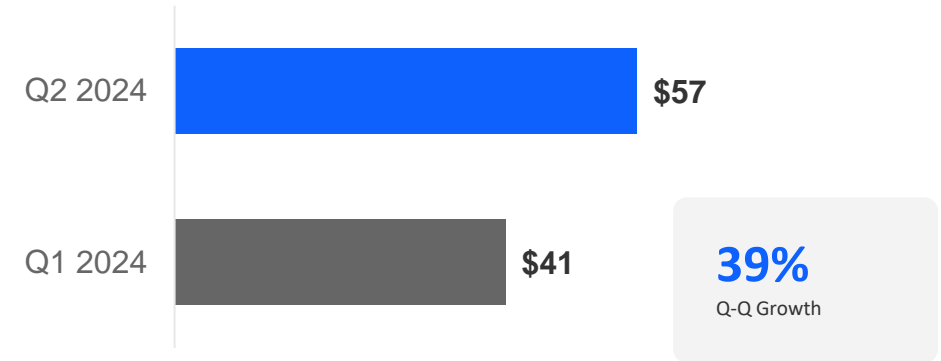
Actively shaping the future of wireless standards and ecosystems

Outperforming market with secure, optimized, wireless solutions that work with every ecosystem

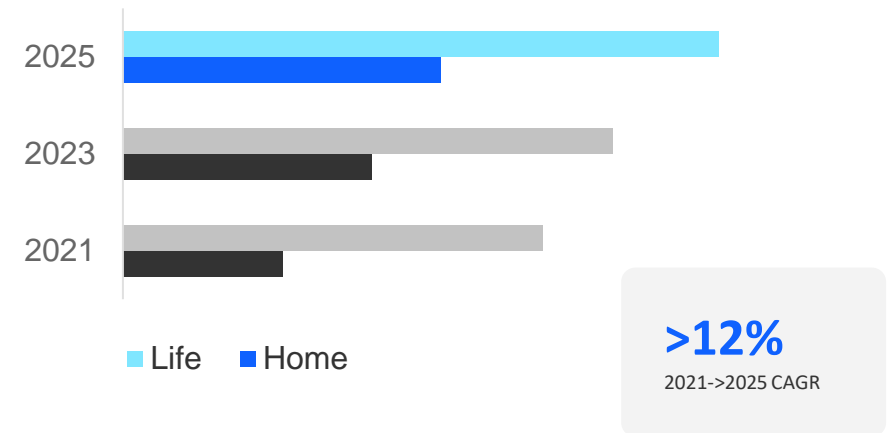
Home & Life



Home & Life (\$M)



Home & Life SAM



Established Industrial & Commercial IoT Leader

Megatrends **accelerate growth**

Large and **growing market**

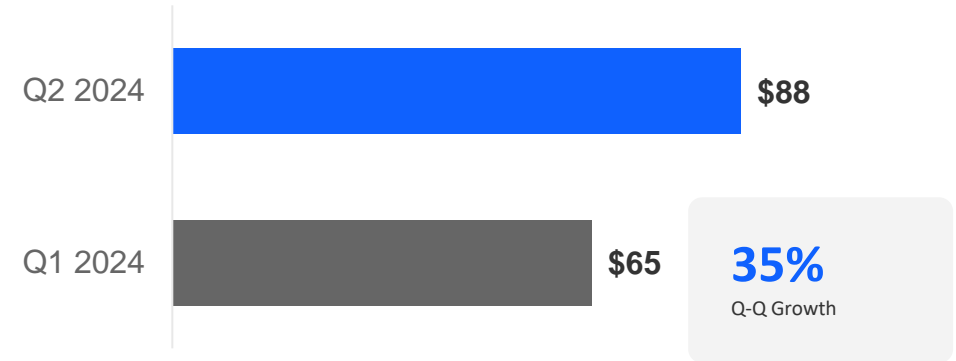
Broad, diverse, durable
customer application base

Our IoT solutions are
well-positioned to **capture**
significant share of growth

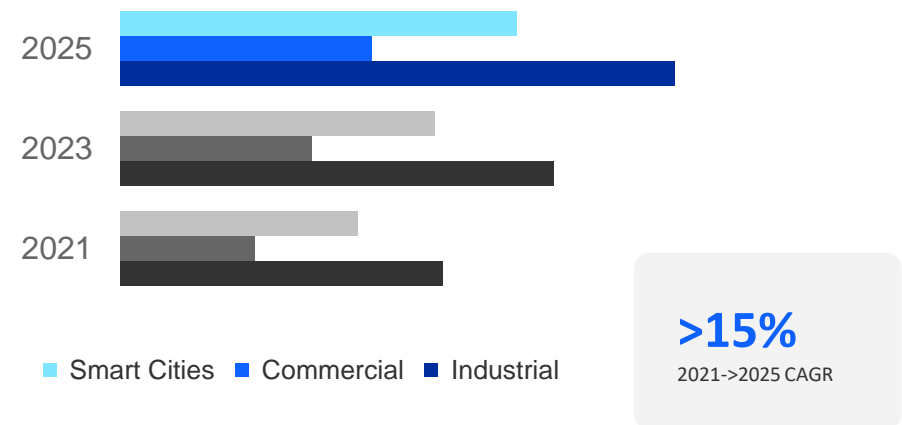
Industrial & Commercial



Industrial & Commercial (\$M)



Industrial & Commercial SAM



Deep Customer Relationships & Commitment to Innovation



Leap Awards 2023

Bronze in Embedded Computing BG27 and MG27 SoCs



EE Awards of Asia & Taiwan 2023

Best RF / Wireless IC of the Year, BG27/MG27 SoCs
Best Green Tech Supplier, FG28 SoC
Innovation Award, MG24 SoC



Embedded World 2023 Best in show

Pro Kit for Amazon Sidewalk and SiWx917



Great place to work 2023

Certified since 2019



Cisco supplier of the year

Emerging Supplier of the Year



Acuity Brands

Intelligent Wireless Technology Supplier of the Year



Schneider electric

Best Collaboration Award

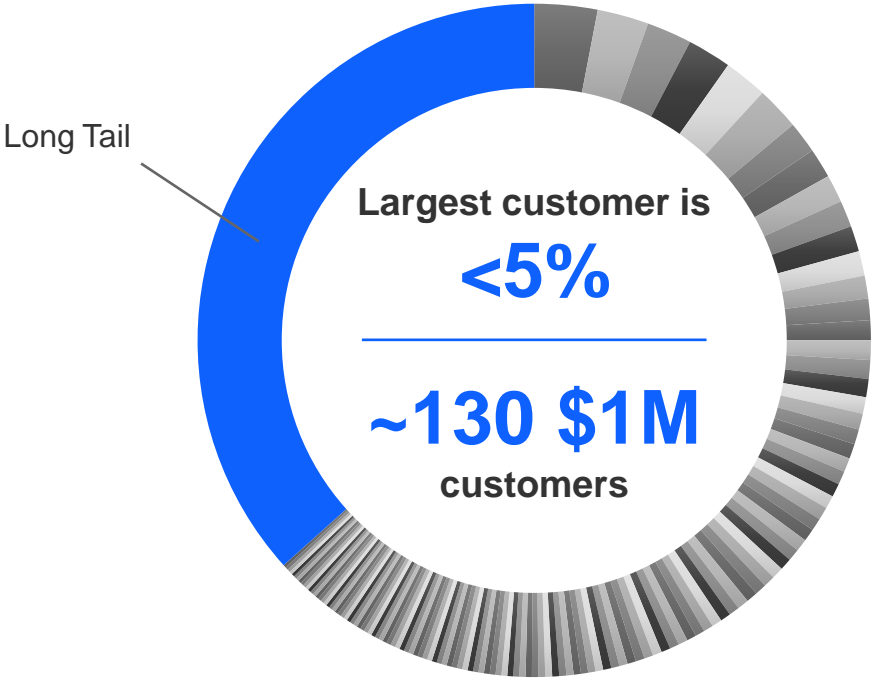


CES Innovation awards

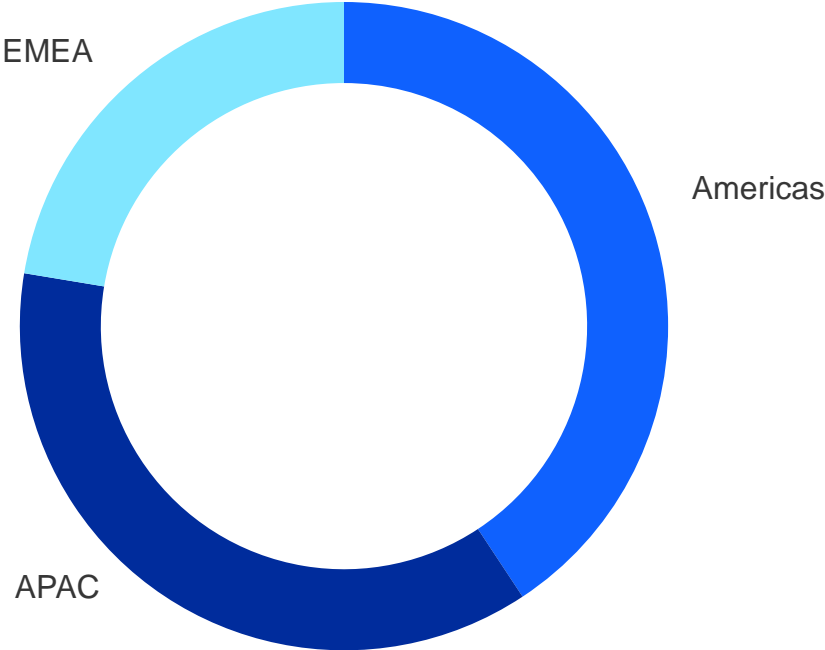
Honoree in Embedded Category for SiWx917

Revenue Diversity Across Customers and Regions

2023 Customers



2023 Region



Unmatched Breadth & Depth of Our Wireless Portfolio

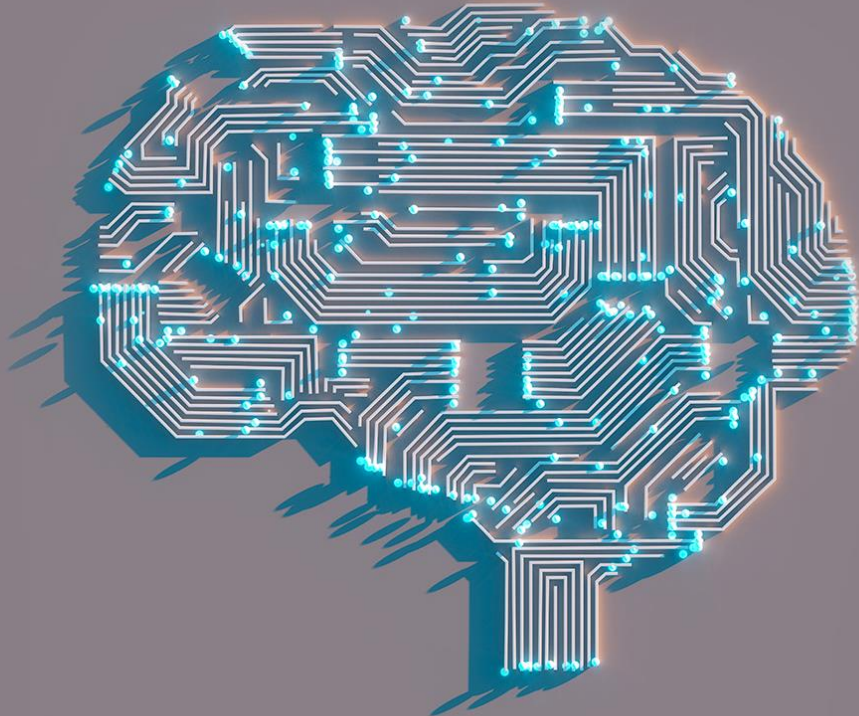


Purpose-built Platform for the IoT



Strong & Sustainable Growth, & Highly Attractive Target Model

Growth supported by massive pipeline and strong design-win momentum



	Current*	Long-Term Target Model @ Various Revenue Levels*	
Revenue	High growth CAGR	\$1.25B	\$1.5B
Revenue CAGR %		~20%	
Gross Margin % ¹ (Non-GAAP)	High-50s%	Mid-50s%	
Operating expenses % of sales ¹ (Non-GAAP)	Mid-40s%	Mid-30s%	Low-30s%
Operating income % of sales ¹ (Non-GAAP)	~15%	~20%	Mid-20s%

\$17B

Opportunity pipeline

+13%

2023 design win growth



Growing revenue faster than end markets



Premium gross margin



Significant earnings leverage



Attractive high growth and sustainable business

*As outlined in 2022 Analyst Day

¹These items are non-GAAP and exclude stock compensation expense, amortization of intangible assets, and certain other adjustments.



Thank you

