Silicon Motion 2Q26 Earnings Highlights

NASDAQ: SIMO

July 30, 2026

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2Q 2026 Operating Highlights

Financial (Non-GAAP)

- Revenue = $451.0 (+32% QoQ, +127% Y/Y)
- Gross Margin = 50.2% (vs. 47.2% prior Qtr)
- Operating Exp = $122.1m (vs. $99.2m prior Qtr)
- Operating Margin = 23.1% (vs. 18.2% prior Qtr)
- EPS (diluted) = $2.43 (vs. $1.58 prior Qtr)

Financial (GAAP)

- Revenue = $451.0m (+32% QoQ, +127% Y/Y)
- Gross Margin = 50.2% (vs. 47.1% prior Qtr)
- Operating Exp = $125.1m (vs. $109.1m prior Qtr)
- Operating Margin = 22.4% (vs. 15.3% prior Qtr)
- EPS (diluted) = $3.99 (vs. $1.97 prior Qtr)

Business

- SSD controller sales increased 5% to 10% Q/Q and increased 50% to 55% Y/Y
- eMMC+UFS controller sales increased 15% to 20% Q/Q and increased 95% to 100% Y/Y
- Ferri & Boot Drive sales increased 110% to 115% Q/Q and increased 1,690% to 1,695% 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

- **SM2753** – High-performance UFS 3.1 controllers for smartphone, automotive & edge computing
- **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
- **SM8308** – High Performance 8-Channel PCIe Gen5 SSD Controller
- **SM8008** – Power efficient PCIe5 NVMe enterprise SSD controller for boot drives

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
  - Shipments began in 3Q24; wins with four flash makers and nearly all module makers
  - Achieved 15% of client SSD revenue in 3Q25
  - Market-leading power/performance
- Mass-market 4-channel PCIe 5.0 controller launched in 4Q 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
- Shipping new UFS 3.1 and UFS 2.2 controllers to the low-to-mid-range smartphone market
- Partnered directly with two tier-one handset OEMs with QLC UFS solution
- Started sampling new eMMC 5.1 controller with tier-one South Korean automotive customer in the 4Q25
- Diversifying eMMC and UFS through automotive, industrial and other high growth, high-volume markets including smart-glasses, gaming platforms

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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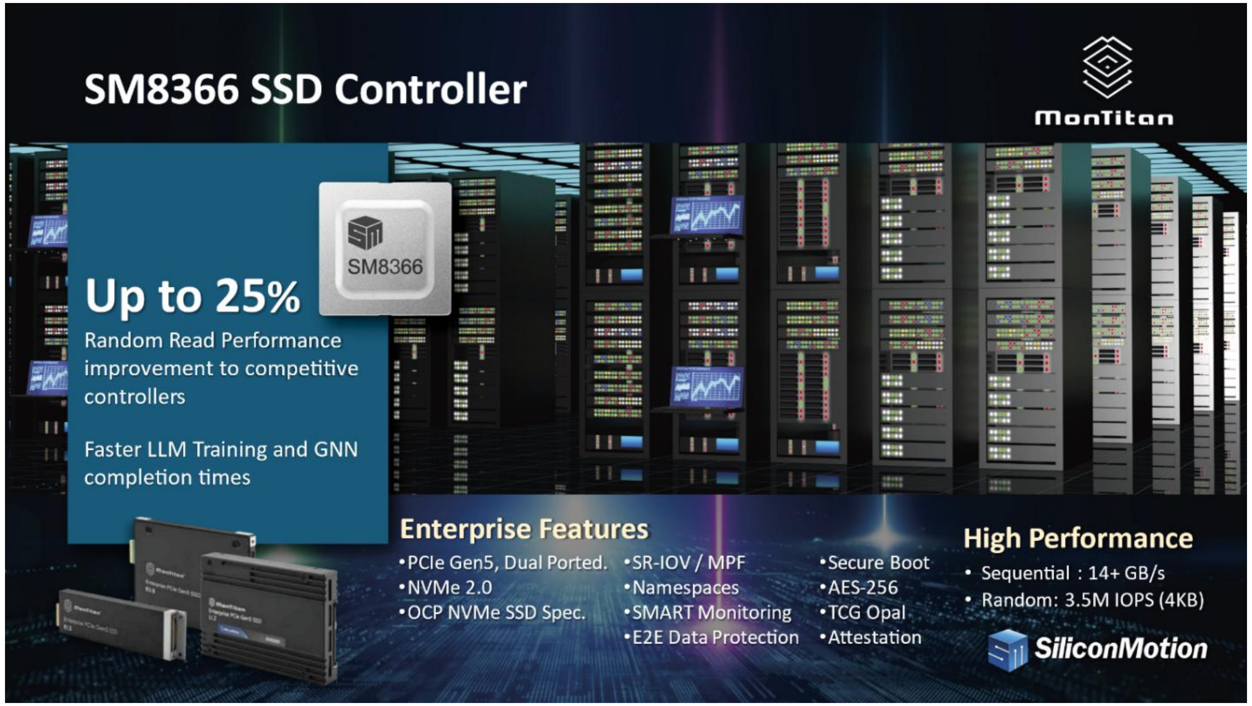
Enterprise, Datacenter & AI Infrastructure Controllers

- 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
- Targeting high-capacity, high-performance QLC-based "warm storage" and lower-capacity, high-performance TLC-based "compute" markets
- Volume production ramps to begin in 2Q26 with multiple customers
- Sales begin in 2nd half of CY26 with three Asian tier-1 customers and two US tier-1 customers



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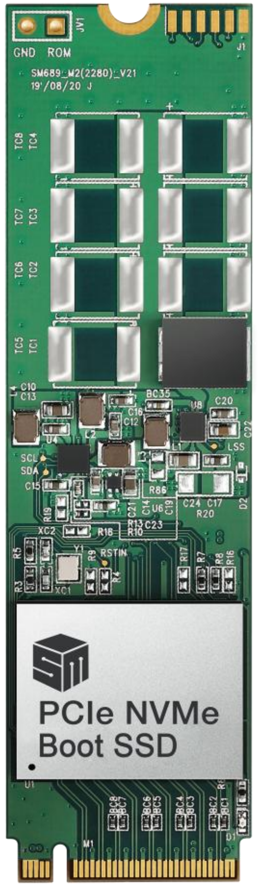
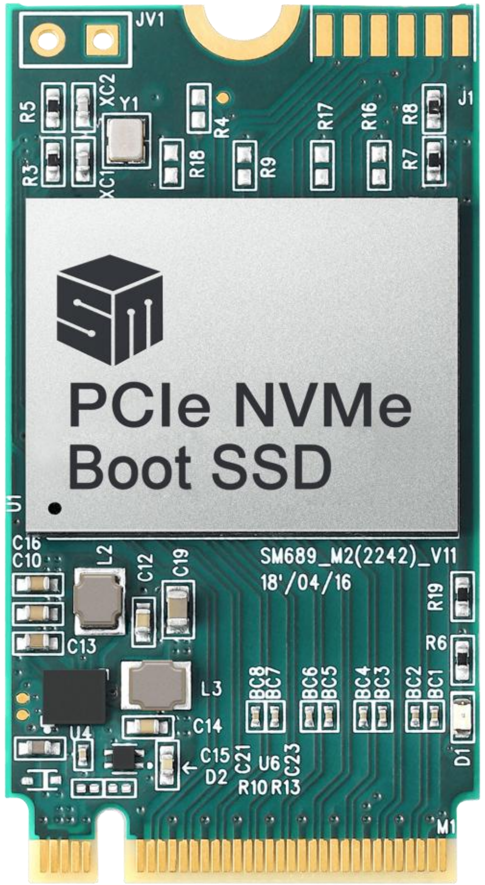
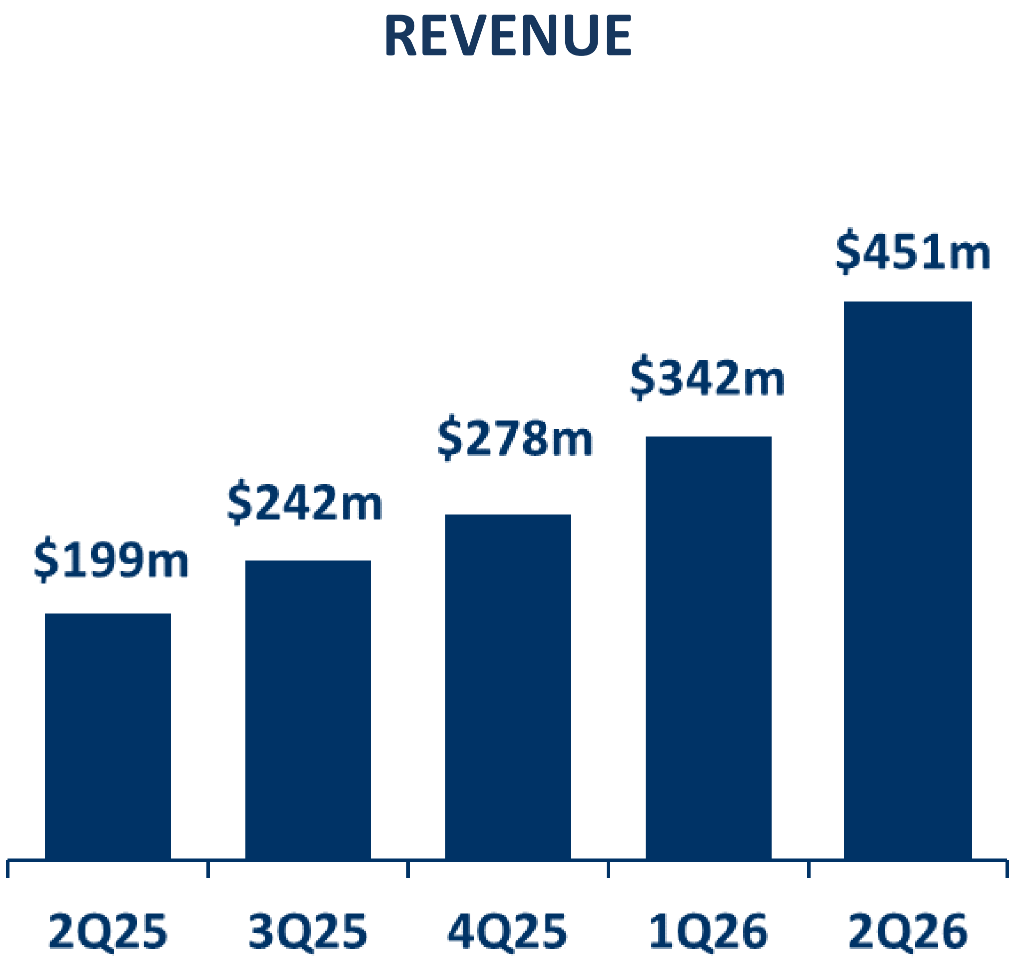
Enterprise & AI Boot Drive Solutions

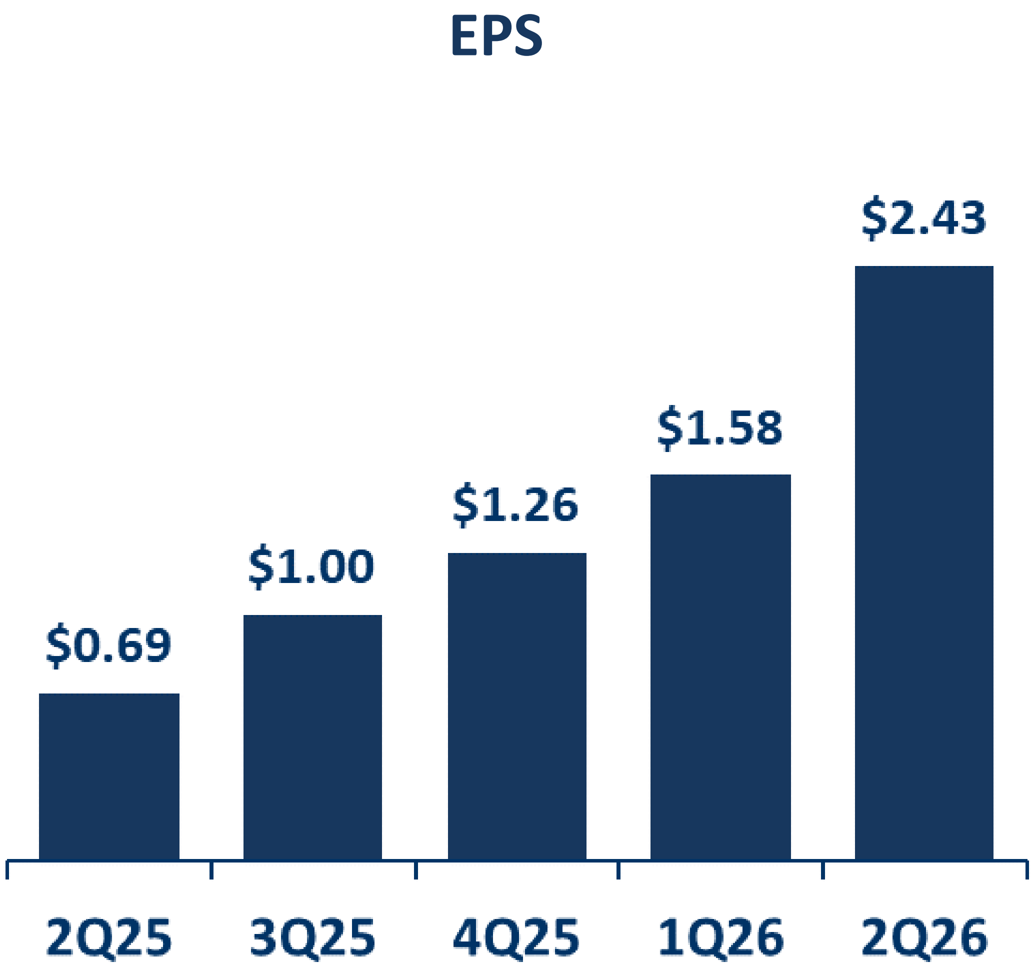
- Entered production with the leading AI chipmaker for DPU product in 4Q25
  - Expanding relationship with customer in the second half of 2026 with next generation platform
  - Boot drives for DPU's, ethernet switches and NV-Link switches
- Successfully secured NAND supply with multiple manufacturers
- Engaged with leading telecommunications infrastructure maker for boot drive solutions, with expected ramp in late 2026
- Sampling boot drive solutions with the leading search engine company for inclusion in next generation architecture



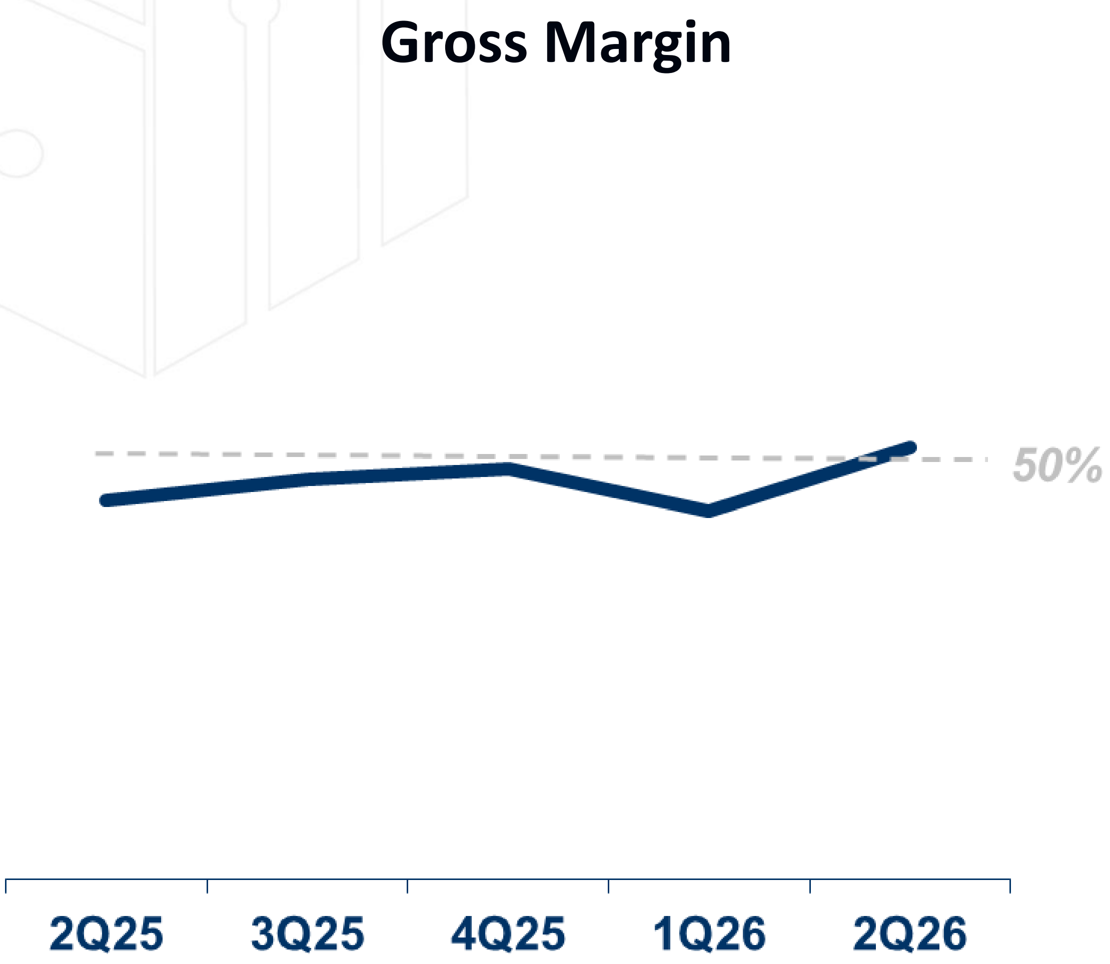


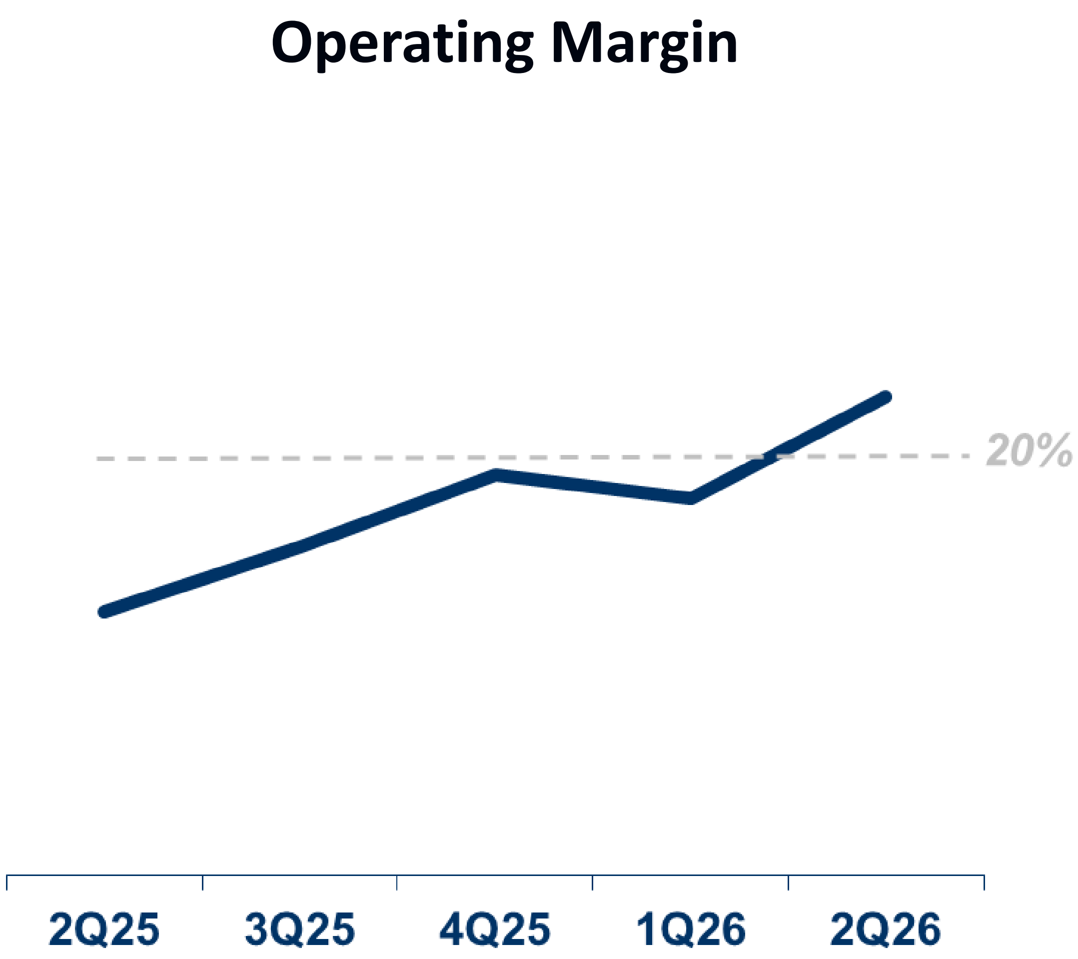
Revenue and Non-GAAP EPS Trends





Non-GAAP Gross & Operating Margin Trends





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Balance Sheet and Capital Allocation

($ in millions)	2024	2025	2026 YTD
Cash, cash equivalents & restricted cash	334.3	277.1	181.8
Cash flow generated by (used in) operating actvities	77.1	61.4	(95.0)
Buybacks	-	24.3	-
Bank loans	-	-	59.2
Dividends	67.3	67.2	33.8

Target Financial Model

3Q 2026 Guidance

- **Revenue = $519m to $541m**
  (+15% *to 20% Q/Q*)
  (+114% *to 124% Y/Y*)
- **Gross margin = 50.0 to 51.0%**
- **Operating margin = 27.5 to 28.5%**

	2023	2024	2025
Revenue *%YoY*	639 *-32%*	804 *+26%*	886 *+10%*
Gross Margin	43%	46%	48%
Operating Expenses	199	248	296
Operating Margin	12%	15%	15%

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

Note: Non-GAAP results & targets

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2Q 2026 Non-GAAP P&L

($m)	Q2 2025		Q1 2026		Q2 2026		%QoQ	%YoY
Revenue	**198.7**	***100%***	**342.1**	***100%***	**451.0**	***100%***	***32%***	***127%***
Cost of sales	104.0	*52%*	180.7	*53%*	224.7	*50%*	24%	116%
Gross profit	**94.7**	***48%***	**161.4**	***47%***	**226.3**	***50%***	**40%**	**139%**
R&D	58.1	*29%*	81.5	*24%*	103.0	*23%*	26%	77%
SG&A	11.2	*6%*	17.8	*5%*	19.1	*4%*	7%	69%
Operating expense	**69.3**	***35%***	**99.2**	***29%***	**122.1**	***27%***	**23%**	**76%**
Operating profit	**25.3**	***13%***	**62.2**	***18%***	**104.2**	***23%***	**68%**	**311%**
Other income/(expense)	2.7	*1%*	1.6	*0%*	1.4	*0%*	-14%	-49%
Pre-tax earnings	28.1	*14%*	63.8	*19%*	105.6	*23%*	66%	276%
Tax expense/(benefit)	5.0	*3%*	10.0	*3%*	22.5	*5%*	126%	345%
Net income	**23.0**	***12%***	**53.8**	***16%***	**83.1**	***18%***	**54%**	**261%**
Dilute ADS (in millions)	33.6		34.1		34.3			
Earnings per ADS (diluted)	**0.69**		**1.58**		**2.43**		**54%**	**254%**

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2Q 2026 Non-GAAP Reconciliation

($m)	Non-GAAP	% of Revenue	Stock-Based Comp.	Dispute Related Expenses	Realized/Unrealized Loss (Gain) on Investments	FX Gain / (Loss)	GAAP	% of Revenue
Revenue	**451.0**	**100%**					**451.0**	**100%**
Cost of sales	224.7	50%	0.1				224.8	50%
Gross profit	**226.3**	**50%**	**(0.1)**				**226.2**	**50%**
Research & development	103.0	23%	1.6				104.7	23%
Sales & marketing	12.2	3%	0.9				13.1	3%
General & administrative	6.9	2%	0.9	(0.3)			7.4	2%
Total operating expenses	122.1	27%	3.3	(0.3)			125.1	28%
Operating income	**104.2**	**23%**	**(3.4)**	**0.3**			**101.1**	**22%**
Other income / (expense)	1.4	0%			74.7	(0.4)	75.7	17%
Income before income taxes	105.6	23%	(3.4)	0.3	74.7	(0.4)	176.8	39%
Provision for income taxes	22.5	5%	(0.4)	0.0	18.7	(0.0)	40.7	9%
Net income	**83.1**	**18%**	**(3.1)**	**0.3**	**56.1**	**(0.4)**	**136.1**	**30%**
Earnings per ADS, diluted	2.43						3.99	
Diluted ADS	34.3						34.1	
Effective tax rate	21.3%						23.0%	

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1H 2026 Non-GAAP Reconciliation

($m)	Non-GAAP	% of Revenue	Stock-Based Comp.	Dispute Related Expenses	Realized/Unrealized Loss (Gain) on Investments	FX Gain / (Loss)	GAAP	% of Revenue
Revenue	**793.1**	**100%**					**793.1**	**100%**
Cost of sales	405.4	51%	0.2				405.6	51%
Gross profit	**387.7**	**49%**	**(0.2)**				**387.5**	**49%**
Research & development	184.5	23%	6.4				190.9	24%
Sales & marketing	23.5	3%	2.9				26.4	3%
General & administrative	13.3	2%	2.3	1.3			16.9	2%
Total operating expenses	221.3	28%	11.6	1.3			234.2	30%
Operating income	**166.4**	**21%**	**(11.8)**	**(1.3)**			**153.3**	**19%**
Other income / (expense)	3.0	0%			96.5	(0.4)	99.1	12%
Income before income taxes	169.4	21%	(11.8)	(1.3)	96.5	(0.4)	252.4	32%
Provision for income taxes	32.4	4%	(1.6)	0.0	18.7	0.0	49.5	6%
Net income	**137.0**	**17%**	**(10.2)**	**(1.3)**	**77.8**	**(0.4)**	**202.9**	**26%**
Earnings per ADS, diluted	4.01						5.97	
Diluted ADS	34.2						34.0	
Effective tax rate	19.1%						19.6%	

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Thank You !