

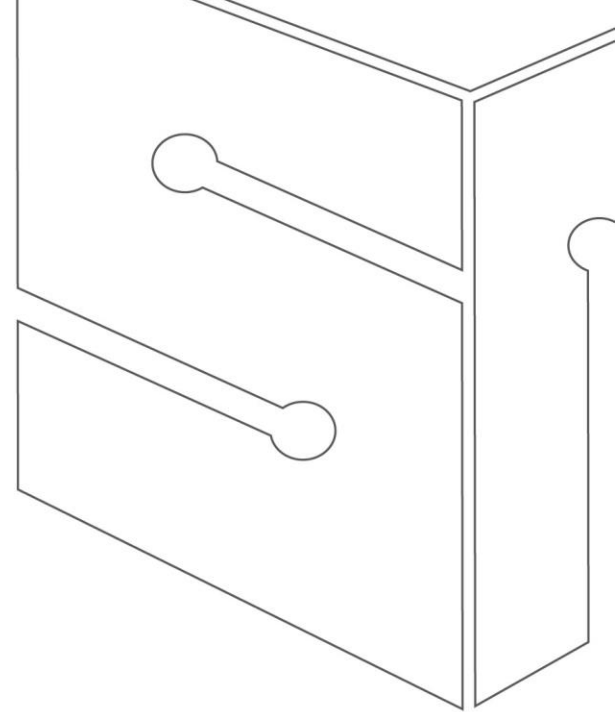


SiliconMotion

Silicon Motion 3Q24 Earnings Highlights

NASDAQ: SIMO

October 31, 2024



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.

3Q 2024 Operating Highlights

Financial (Non-GAAP)

- Revenue = \$212.4m (+1% QoQ, +23% Y/Y)
- Gross Margin = 46.8% (vs. 46.0% prior Qtr)
- Operating Exp = \$65.1m (vs. \$62.1m prior Qtr)
- Operating Margin = 16.1% (vs. 16.5% prior Qtr)
- EPS (diluted) = \$0.92 (vs. \$0.96 prior Qtr)

Financial (GAAP)

- Revenue = \$212.4m (+1% QoQ, +23% Y/Y)
- Gross Margin = 46.7% (vs. 45.9% prior Qtr)
- Operating Exp = \$74.8m (vs. \$66.0m prior Qtr)
- Operating Margin = 11.5% (vs. 14.6% prior Qtr)
- EPS (diluted) = \$0.62 (vs. \$0.91 prior Qtr)

Business

- SSD controller sales were flat Q/Q and increased 20% to 25% Y/Y
- eMMC+UFS controller sales increased 0% to 5% Q/Q and increased 40% to 45% Y/Y
- SSD solutions sales increased 5% to 10% Q/Q and increased 5% to 10% 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
- **SM2324** – External USB4 portable SSD controller for AI smart device & gaming consoles
- **SM2264XT-AT** – PCIe Gen4 SSD controller for Automotive & ADAS architectures

eMMC/UFS

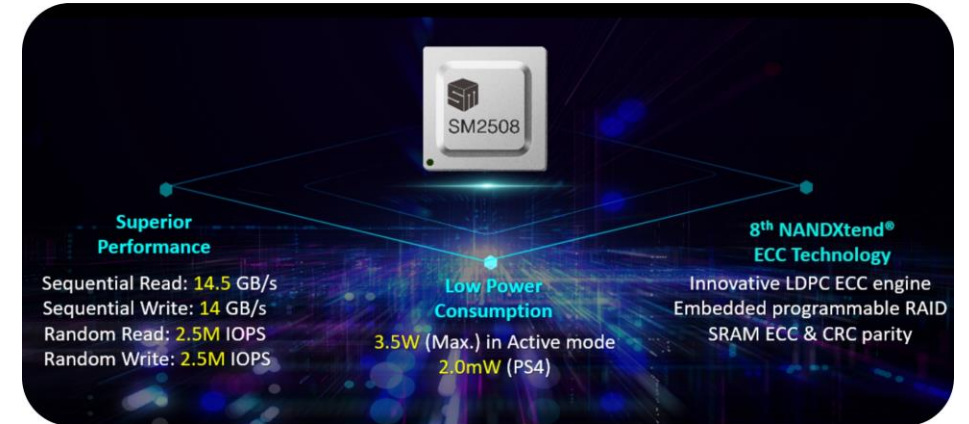
- **SM2756** – High-performance 6nm UFS 4.0 controller for smartphone, automotive & edge computing
 - 4,300/4,000 MB/s read/write with TLC & QLC NAND support

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 – industry's first merchant 6nm controller
- Wins with four flash makers, up from three in the March quarter and virtually all module makers
- Early shipments began in 3Q24
- **Market-leading power/performance**
- Mass-market PCIe 5.0 controller coming in calendar 2025
- 4-channel PCIe 5.0 solution for mainstream PCs coming in early 2026
- Automotive-Grade PCIe 4.0 Product
- Two flash maker wins and expect to ramp with leading electric car platform in 2025



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 the progress is good
- 2-channel UFS 4.1 controller has significant advantages over existing 4-channel competitors, generating significant interest
- Partnering directly with one 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 Manufactures
 - Module Makers/Ecosystem Partners
- Achieved Design wins with Tier-1 Customers – in the US and in China
- On track to win two additional customers in the current quarter
- MonTitan™ shipments for revenue begin this quarter

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
- EZE Data Protection
- Secure Boot
- AES-256
- TCG Opal
- Attestation

High Performance

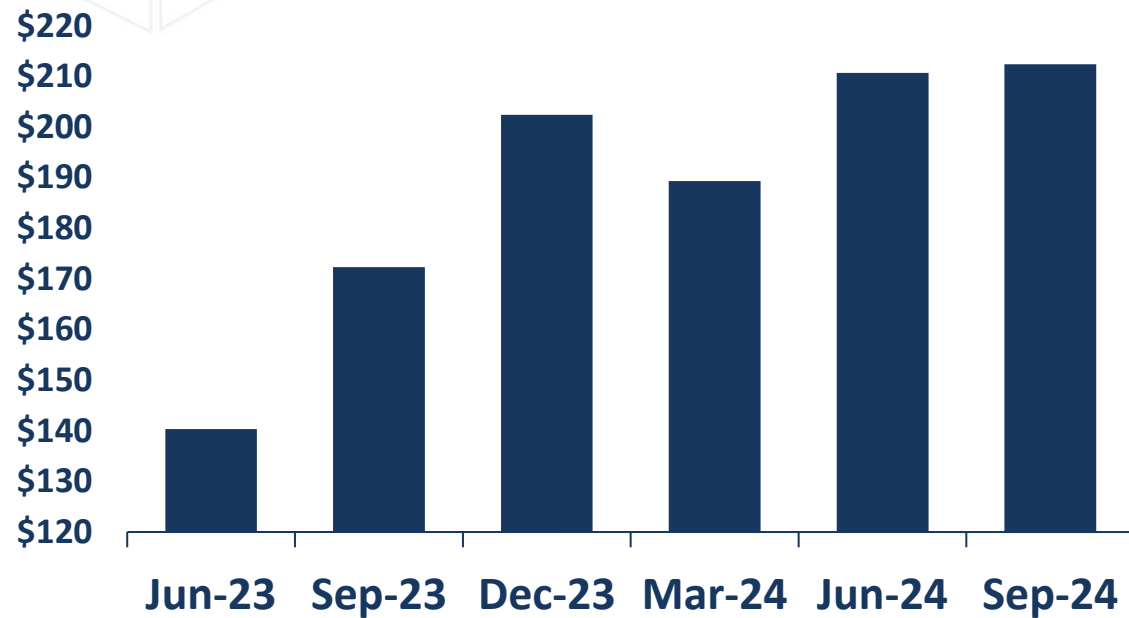
- Sequential : 14+ GB/s
- Random: 3.5M IOPS (4KB)

MonTitan

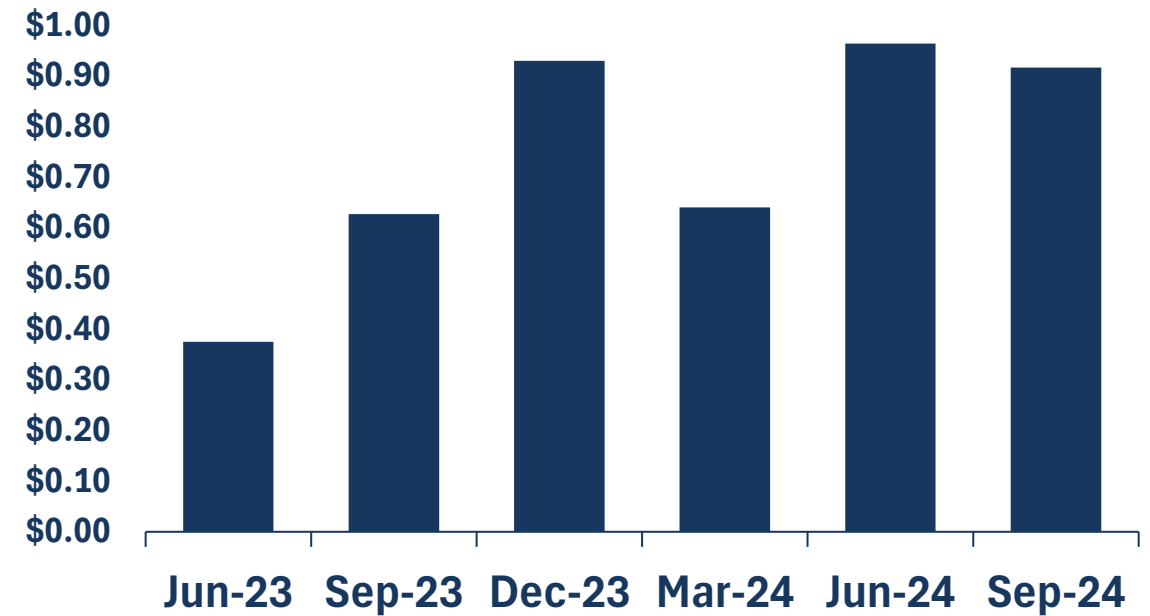
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Revenue and Non-GAAP EPS Trends

REVENUE

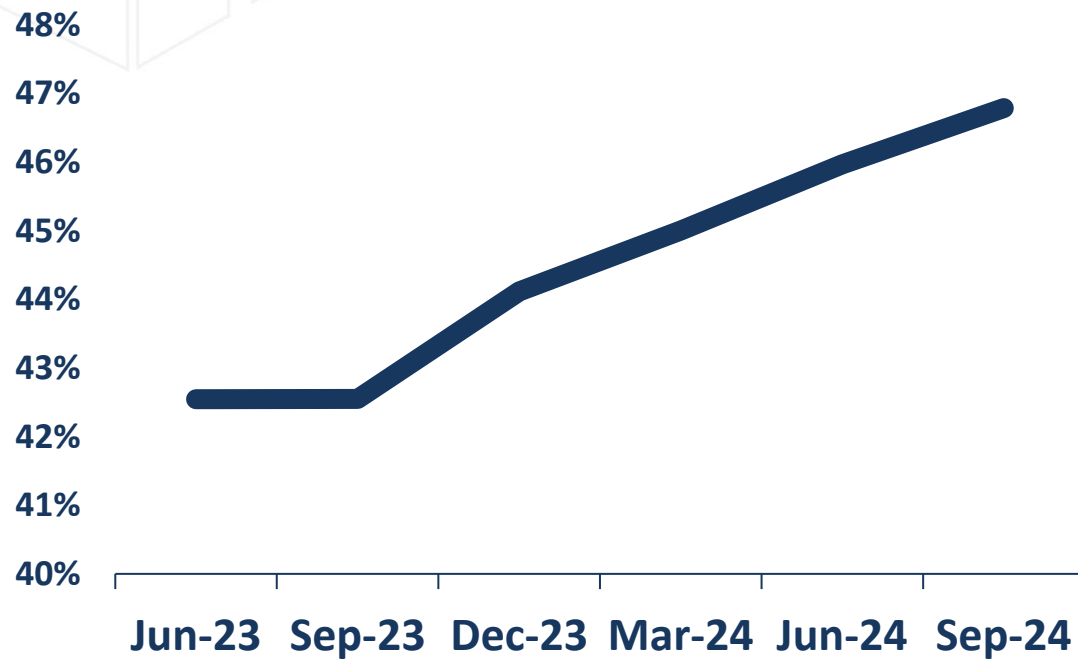


EPS

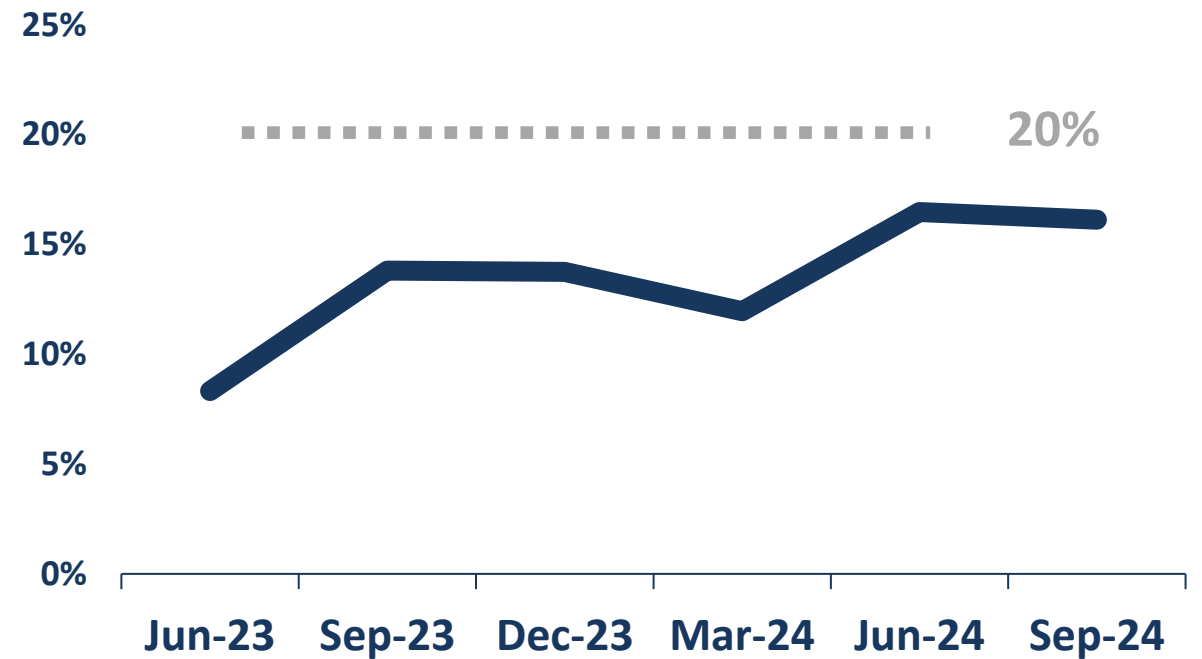


Non-GAAP Gross & Operating Margin Trends

Gross Margin



Operating Margin



Balance Sheet and Capital Allocation

<i>(\$ in millions)</i>	2022	2023	2024 YTD
Cash at the end of each period	232.2	314.3	313.9
Cash flow generated by operating activities each year	83.9	149.1	83.4
Buybacks each year	133.2	-	-
Dividends	49.9*	16.7*	50.4

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

Target Financial Model

4Q 2024 Guidance

- Revenue = \$191m to \$202m
(-10% to -5% Q/Q; -6% to 0% Y/Y)
- Gross margin = 46.5 to 47.5%
- Operating margin = 15.6 to 16.6%

	2021	2022	2023
Revenue	922	946	639
<i>%YoY</i>	<i>+71%</i>	<i>+3%</i>	<i>-32%</i>
Gross Margin	50%	50%	43%
Operating Expenses	196	216	199
Operating Margin	29%	27%	12%



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

Note: Non-GAAP results & targets

3Q 2024 Non-GAAP P&L

(\$m)

	Q3 2023		Q2 2024		Q3 2024		%QoQ	%YoY
Revenue	172.3	100%	210.7	100%	212.4	100%	1%	23%
Cost of sales	99.0	57%	113.8	54%	113.1	53%	-1%	14%
Gross profit	73.3	43%	96.8	46%	99.3	47%	3%	35%
R&D	39.1	23%	50.7	24%	53.6	25%	6%	37%
SG&A	10.4	6%	11.4	5%	11.5	5%	1%	11%
Operating expense	49.5	29%	62.1	29%	65.1	31%	5%	32%
Operating profit	23.8	14%	34.7	16%	34.2	16%	-1%	44%
Other income/(expense)	3.5	2%	4.2	2%	3.5	2%	-16%	1%
Pre-tax earnings	27.3	16%	38.9	18%	37.7	18%	-3%	38%
Tax expense/(benefit)	6.2	4%	6.4	3%	6.7	3%	4%	8%
Net income	21.1	12%	32.5	15%	31.0	15%	-4%	47%
Dilute ADS (in millions)	33.6		33.7		33.8		0%	1%
Earnings per ADS (diluted)	0.63		0.96		0.92		-5%	46%

3Q 2024 Non-GAAP Reconciliation

(\$m)

	Non-GAAP	% of Revenue	Stock-Based Comp.	Restructuring Charges	Dispute Related Expenses	Unrealized Holding Gain(loss) on Investments	FX Gain / (Loss)	GAAP	% of Revenue
Revenue	212.4	100%						212.4	100%
Cost of sales	113.1	53%	0.1	0.0				113.1	53%
Gross profit	99.3	47%	(0.1)	(0.0)				99.3	47%
Research & development	53.6	25%	2.4		2.5			58.5	28%
Sales & marketing	6.6	3%	0.5					7.0	3%
General & administrative	5.0	2%	0.8		3.6			9.3	4%
Loss from settlement of litigation	-	0%						0.0	0%
Total operating expenses	65.1	31%	3.6	0.0	6.1			74.8	35%
Operating income	34.2	16%	(3.7)	(0.0)	(6.1)			24.5	12%
Other income / (expense)	3.5	2%				(0.6)	(0.5)	2.4	1%
Income before income taxes	37.7	18%	(3.7)	(0.0)	(6.1)	(0.6)	(0.5)	26.9	13%
Provision for income taxes	6.7	3%	(0.6)	0.0	0.0	0.0	(0.1)	6.0	3%
Net income	31.0	15%	(3.1)	(0.0)	(6.1)	(0.6)	(0.4)	20.8	10%
Earnings per ADS, diluted	0.92							0.62	
Diluted ADS	33.8							33.7	
Effective tax rate	17.8%							22.5%	



Thank You !

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