SiTime Acquires Clock Products from Aura Semiconductor

Deal Accelerates SiTime's Roadmap to Provide Communications and Datacenter Customers With Highly Differentiated Timing Products

SANTA CLARA, Calif.--(BUSINESS WIRE)--Nov. 1, 2023-- SiTime Corporation (NASDAQ: SITM), the precision timing company, today announced it has entered into an exclusive agreement with Aura Semiconductor to acquire its clock products and license all of its clock IP. This is an all-cash transaction, comprised of fixed payments totaling $148 million, and earnouts capped at $120 million. The transaction is expected to close by the end of 2023.

"SiTime's vision is to transform all categories of the $10 billion timing market," said Rajesh Vashist, CEO and chairman of SiTime. "Since our IPO in 2019, our singular focus has been on solving the most difficult problems in the oscillator category, and that has paid off. In these four years, we've grown from 60 to 150 unique products, and the price of our highest-value oscillator has grown tenfold. With this acquisition, we bring our focus to the category of clocks, adding 20 best-in-class clocks now, and another 20 by the end of 2024."

"We've leveraged our strong balance sheet to accelerate by several years our clocking revenue, while also increasing our oscillator revenue," continued Vashist. "These clocks have gross margins that are higher than our corporate target and are used with our Elite TCXO and Epoch OCXO families. Before today, customers were forced to deal with separate Clock and Oscillator vendors. Uniquely, SiTime will offer both categories, standalone and engineered to be optimized with each other, for our core markets of communications, datacenter, and AI. With this deal, we significantly advance our vision, becoming the only provider with complete and differentiated precision timing products."

SiTime will hold exclusive, perpetual, and irrevocable rights to sell existing and new products based on Aura's IP and clocking portfolio. $36 million of the fixed payments will be paid at close, $75 million in 2024 and $37 million in 2025. All these payments are tied to product deliveries from Aura. The earnout payments will be based on various multiples of revenue generated from the acquired products, during the period from 2023 through 2028. As part of the transaction, SiTime is opening an office in Bengaluru, India with an engineering and support team there.

Barclays acted as the exclusive financial advisor to SiTime.

Read more at investor resources.

About SiTime

SiTime Corporation is the precision timing company. Our semiconductor MEMS programmable solutions offer a rich feature set that enables customers to differentiate their products with higher performance, smaller size, lower power, and better reliability. With more than 3 billion devices shipped, SiTime is changing the timing industry. For more information, visit www.sitime.com. SiTime redefines timing technology for intelligent, connected devices.

Forward-Looking Statements

This press release may contain forward-looking statements regarding future events. These forward-looking statements are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Readers are cautioned that these forward-looking statements involve risks

and uncertainties that could cause our actual results and the timing of events to differ materially from those anticipated in such forward-looking statements, including, but not limited to risks related to: whether the transaction will be completed in a timely manner or at all; the ability of SiTime to successfully integrate Aura's products and technology and realize any anticipated revenue, synergies, and other benefits in the time frame anticipated or at all; the transaction potentially causing disruption to SiTime's current plans and operations, including as a result of increasing expenses; diverting management's attention from SiTime's ongoing business operations; our ability to introduce and ship new products in volume; and other risks and uncertainties described more fully in our documents filed with or furnished to the Securities and Exchange Commission. More information about these and other risks that may impact our business is set forth in our more recent Form 10-Q filed with the Securities and Exchange Commission. All forward-looking statements in this press release are based on information available to us as of the date hereof and qualified in their entirety by this cautionary statement, and we assume no obligation to revise or update these forward-looking statements.

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Editorial Contacts:

Simone Souza
SiTime
ssouza@sitime.com
(650) 888-9637

Jeremy Hyatt
Green Flash Media
jeremy@gflashmedia.com

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