05-Aug-2026

SiTime Corp. (SITM)

Q2 2026 Earnings Call

Copyright © 2001-2026 FactSet CallStreet, LLC

CORPORATE PARTICIPANTS

Brett Perry
Vice President-Investor Relations, Shelton Group

Rajesh Vashist
Chairman & Chief Executive Officer, SiTime Corp.

Elizabeth Howe
Executive Vice President-Finance & Chief Financial Officer, SiTime Corp.

OTHER PARTICIPANTS

Quinn Bolton
Analyst, Needham & Co. LLC

Tore Egil Svanberg
Analyst, Stifel, Nicolaus & Co., Inc.

Timothy Arcuri
Analyst, UBS Securities LLC

Nicholas Welsch-Lehmann
Analyst, Wolfe Research LLC

James Edward Schneider
Analyst, Goldman Sachs & Co. LLC

Suji Desilva
Analyst, ROTH Capital Partners LLC

Copyright © 2001-2026 FactSet CallStreet, LLC

MANAGEMENT DISCUSSION SECTION

Operator: Good afternoon, and welcome to SiTime Second Quarter 2026 Financial Results Conference Call. At this time, all participants are in a listen-only mode. At the conclusion of today's conference call, instructions will be given for the question-and-answer session. As a reminder, this conference call is being recorded today, August 5th, 2026.

I would now like to turn the call over to Brett Perry of Shelton Group Investor Relations. Brett, please go ahead.

Brett Perry

Vice President-Investor Relations, Shelton Group

Thank you, Olivia. Good afternoon and welcome to today's conference call to discuss SiTime's second quarter 2026 financial results. Joining us on today's call from SiTime are Rajesh Vashist, Chief Executive Officer; and Beth Howe. Chief Financial Officer.

Before we begin, I'd like to point out that during the course of this call, the company may make forward-looking statements regarding expected future results, including financial position, strategy and plans, future operations, the timing market and other areas of discussion.

It's not possible for the company's management to predict all risks nor can the company assess the impact of all factors on its business or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statements.

In light of these risks, uncertainties and assumptions, the forward-looking events discussed during this call may not occur and actual results could differ materially and adversely from those anticipated or implied.

Neither the company nor any person assumes responsibility for the accuracy and completeness of forward-looking statements. The company undertakes no obligation to publicly update forward-looking statements for any reason after the date of this conference call to conform statements to actual results or to changes in the company's expectations.

For more detailed information on risks associated with the business, we refer you to the risk factors described in the company's Annual Report on Form 10-K for the year ended December 31, 2025, as well as the company's subsequent filings with the SEC, including the company's quarterly reports on Form 10-Q.

During the call, management will refer to non-GAAP financial measures, which are considered to be an important measure of company performance. These non-GAAP financial measures are provided in addition to and not as a substitute for nor superior to measures of financial performance prepared in accordance with US GAAP.

This GAAP to non-GAAP reconciliation includes stock-based, stock-based compensation expense, amortization of acquired intangibles, amortization of financing related transaction costs and acquired and acquisition-related expenses, which include transaction and certain other cash costs associated with business acquisition, as well as changes in the estimated fair value of earn-out liabilities and accretion of acquisition consideration payable.

Please refer to the company's press release issued earlier today for a detailed reconciliation between GAAP and

Copyright © 2001-2026 FactSet CallStreet, LLC

non-GAAP financial results. Unless otherwise specifically noted, all comparisons made during today's conference call are year-over-year comparisons with the corresponding year-ago period.

With that, it's now my pleasure to turn the call over to SiTime's CEO Rajesh. Please go ahead.

Rajesh Vashist

Chairman & Chief Executive Officer, SiTime Corp.

Thanks, Brett. Good afternoon and thank you for joining us today. Today, I'm happy to introduce you to an expanded SiTime. We started with a simple vision, high performance systems need high performance resilient timing for precision timing. We have delivered on that vision with the most compelling differentiated portfolio in the industry. That is oscillators, resonators and clocks, and we're the only company that is doing so.

The outstanding financial results that we are reporting reflect SiTime's success. The second quarter was truly exceptional. Revenue was $157.4 million, up 127% year over year. Gross margins were 67.1%, up 8.9% points. Operating margin was 34%, up from 10% a year ago. And net income was $65.7 million or $2.34 per diluted share, up 400%.

This strength is evidenced across all our end markets. Every BU or business unit grew more than 50% year over year, and every region grew more than 50%, some were over 100%. Other markers of strength; book to bill, order size, ASPs, all grew on a higher value product mix. Channel inventory held on to a tight target levels reflecting strong pull through.

Now that many customers are placing orders 12 to 18 months in advance, our visibility into 2027 keeps improving. Other indicators that point to future demand, such as average design-in value and funnel size, grew significantly.

Our communications enterprise and data center business or CED is again the engine of our growth, but not the only one. CED grew 181% year over year and crossed $100 million in quarterly revenue, our ninth consecutive quarter of triple-digit growth. We expect CED's rapid growth to continue with several drivers behind it.

The first driver is increasing bandwidth. The move to 1.6 terabit in optical modules is driven by the need for more networking in the data center. In 2027, we expect our 1.6T revenue to grow by a 100%, while 800G also grow significantly.

In both these applications, which we expect will be a combined $450 million of SAM in 2027, SiTime has significant market share. These modules need higher frequencies and performance, which fits closely with SiTime's value propositions.

The second driver is the further adoption of synchronization by hyperscalers across both compute and networking nodes in the data center. This has increased demand for our Elite family of Super-TCXOs, adding several hundred dollars of content per data center rack.

The third driver is the expansion of AI data centers, spending beyond traditional hyperscalers. SiTime products are now being used by new OEMs and ODMs, bringing demand that did not exist before this. We've talked several times about the diverse nature of SiTime's business. And a strong example is AI beyond data center and into cars, humanoid robots, drones and personal AI devices, each of which opens a new opportunity for our precision timing.

In all types of vehicles, including agricultural and heavy equipment, our content increases significantly as more AI-based autonomous driving is built into the system. Positional accuracy is key to autonomous driving, a $400

Copyright © 2001-2026 FactSet CallStreet, LLC

million SAM, and it depends upon precision timing. Customers choose SiTime devices for resilience that delivers up to 10 times better positional accuracy.

In defense, we see a significant opportunity in assured PNT, which is position, navigation and timing, a $400 million market where timing keeps working when GPS does not.

As jamming and spoofing become prevalent, GPS dependent platforms need a local timing backup that can be trusted. This is exactly where our precision timing shines. Our devices enable systems to be immune to spoofing and extend PNT validity. This opens a retrofit opportunity across the installed base as defense spending increases worldwide.

In Mobile, IoT and Consumer or MIC BU, personal AI devices, smart glasses, wearables, hearables, health devices are an emerging growth area. Since January, we have added significant oscillator opportunities to our funnel in these applications. And our Titan Resonators continue gaining traction with partners and OEMs. Mobile demand continues to grow with visibility through 2027. And our MIC BU funnel is now over $1.2 billion.

On July 1, we closed the acquisition of Renesas' Timing Business, well ahead of our year-end goal. We call this business our Timing Products Division or TPD. To the TPD team worldwide, we say to you that you are in the right place for your talents and ambition. So, welcome home.

This 20-year clocking franchise is a highly respected provider of clocking products. Over its evolution from ICS to IDT to Renesas, this business has consistently delivered architectures and the engineers are known for their technical prowess.

Take two examples, FemtoClock and VersaClock, two proven clock families with many generations of products that are now part of our portfolio. FemtoClock has led the industry in jitter performance and features for over 20years. VersaClock used across CED and industrial applications has offered the best balance of power, jitter, size and programmable flexibility for 25 years.

Buffers which are usually considered less differentiated, are over $100 million in revenue for TPD with a broad customer base. TPD's formula for success is to consistently lead the industry by 12 to 18 months in new architectures and performance.

This business serves 10,000 customers with 70% gross margins and nearly 70% of the revenue coming from CED. The same factors that are driving the growth in SiTime's CED business also helped TPD. Our previous guidance of $300 million in revenue in the 12 months post close indicated a growth of 40% over the 2025 revenue. And while it's still early times, we expect that TPD could grow at a higher rate. This acquisition accelerates SiTime's path to $1 billion in revenue. It moves us closer to a goal to be the timing in every important system in the world.

I'd like to leave you with where our innovation is heading in the future. We're moving timing from a discrete component to something that's integrated into the heart of the system through chiplets, advanced substrates and modules that enable higher performance and compute density.

In CED, we think that it's – this expands our SAM by $2.5 billion by 2030 in opportunities that do not exist today. As AI moves outward from the center into physical, edge and personal systems, we expect this integration of timing will build similar higher value opportunities as well.

The opportunity in front of us has never been clearer. Modern electronics run on precision timing, a category we

Copyright © 2001-2026 FactSet CallStreet, LLC

created. We lead it together with the strongest portfolio, the best customers and the balance sheet to invest through cycles and intend to lead it in the foreseeable future.

Thank you. Beth?

Elizabeth Howe

Executive Vice President-Finance & Chief Financial Officer, SiTime Corp.

Thanks, Rajesh. Today, I'll walk through our second quarter 2026 results and then I'll provide our outlook for the third quarter. As a reminder, my remarks focus on non-GAAP financial results, which are reconciled to GAAP in our press release unless otherwise noted.

Q2 was another strong quarter and demonstrates the power of our model as revenue scales. Revenue was $157.4 million, up a 127% year over year and 39% sequentially. This performance was driven by broad strength across the businesses led by communications, enterprise and data center or CED.

CED revenue was a $101.2 million, up 181% year over year and up 34% sequentially. Growth in this segment continues to reflect expanding demand for precision timing across AI infrastructure, including optical modules, switches, accelerators and related high-performance systems.

Automotive, industrial and aerospace defense revenue was $24.8 million, up 51% year over year and 18% sequentially, with continued adoption of precision timing across automotive, industrial automation and defense applications. Mobile, IoT and consumer revenue was $31.4 million, up 85% year over year and 89% sequentially, reflecting strong sequential growth from our large consumer customer, which delivered revenue of $22.8 million in the quarter.

Second quarter gross margin was 67.1%, up 8.9 percentage points year over year and 2.6% points sequentially. The year-over-year improvement was driven by product mix as well as better manufacturing absorption.

Sequentially, the improvement was primarily driven by better manufacturing absorption. Importantly, the quarter reinforces the margin scalability of the model as we grow in high value applications where precision timing is increasingly critical to system performance.

Operating expenses in the quarter were $52.1 million, consisting of $25.6 million in R&D and $26.5 million in SG&A. The increase of $18.8 million year over year reflects continued investment in growth, including personnel, products roadmap investments, revenue linked go-to-market expenses and acquisition readiness. We are being deliberate in these investments to scale capabilities to support a substantially larger business while maintaining strong operating discipline.

Operating income was $53.5 million or 34% of revenue, compared with 10% of revenue a year ago and 28% in Q1. Other income totaled $12.2 million. The increase was driven by interest income earned on the proceeds from our May convertible notes offering prior to the July 1 close of the acquisition.

Going forward, this benefit will not recur at these levels as those proceeds were used to fund the cash consideration for the acquisition. Non-GAAP net income was $65.7 million and non-GAAP earnings per share were $2.34. These results reflect strong revenue growth, expanded gross margin and continued operating leverage.

Looking at the balance sheet and capital structure. During the quarter, we completed our first convertible notes offering issuing $1.35 billion of zero coupon convertible senior notes due 2031. This financing helped fund the

Copyright © 2001-2026 FactSet CallStreet, LLC

cash portion of the Renesas' Timing acquisition while preserving significant financial flexibility.

Turning to working capital. DSO was 51 days compared with 44 days in Q1, primarily due to the timing of shipments in the quarter. Inventory increased to $103.9 million to support Q3 demand.

During the quarter, cash flow from operations more than doubled to $40 million, up from $15.3 million a year ago. Capital expenditures totaled $12.9 million and free cash flow was $27.1 million.

Overall, we exited the quarter with the acquisition funded, continued positive cash generation and the financial flexibility to support the next phase of growth.

On July 1, we closed the acquisition of the Renesas' Timing Business or TPD. As we integrate this business, our priorities are clear, enhance the customer experience, expand supply and move the business onto SiTime's operating platform. This is a transformational acquisition for us and we are encouraged by the progress we have made in the months since we closed.

Our Transition Services Agreement with Renesas provides continuity while we transfer customer relationships, manage the supply chain transition, and expand our infrastructure to run this business as part of SiTime.

While carve-outs of this scale are complex, we have an active partnership with Renesas to execute the transition plan, including manufacturing and test dependencies during the TSA period. Our commercial teams are already working with customers and partners to transition customer backlog, support existing programs and position the combined portfolio for the long term. I am confident in our ability to execute and the integration and realize the value of this acquisition.

Now, looking ahead to the outlook for the third quarter. Since we closed the acquisition of TPD on July 1, the September outlook reflects our expectations for the performance of the combined business.

For the third quarter, we expect revenue of $285 million to $295 million. Within this, I expect the SiTime revenue excluding TPD to increase to $200 million to $210 million or increase 30% sequentially at the midpoint. This is a step change in growth that reflects both the strength of our backlog and the confidence customers are signaling in their own demand forecasts, particularly in CED. That confidence is translating into improved visibility, further reinforcing our expectation for sustained momentum throughout the year.

For the newly acquired TPD business, we expect revenue of approximately $85 million. In addition, for the combined SiTime business, including TPD, we expect gross margin to be approximately 68% plus or minus 1 point; operating expenses in the range of $80 million to $85 million as we continue to invest in growth; interest income of approximately $4 million; and a share count of approximately 32.8 million shares, which includes approximately 3.6 million shares issued in conjunction with the TPD acquisition. As a result, we expect Q3 non-GAAP EPS to be in the range of $3.50 to $3.65 per share.

In closing, Q2 reflects the continued strength of our core business and the scalability of our financial model. We delivered significant revenue growth, expanded gross margins and increased operating profitability while continuing to invest for the future.

With the Renesas' Timing acquisition now closed, we are entering the next phase of SiTime's growth with a broader portfolio, expanded customer reach and a stronger financial platform. We remain focused on disciplined execution, clear integration milestones and building SiTime's leadership as the premier pure play precision timing company.
With that, I'll hand the call back to the operator to open the line for questions.

Copyright © 2001-2026 FactSet CallStreet, LLC

QUESTION AND ANSWER SECTION

Operator: Thank you. At this time, we will conduct the question-and-answer session. [Operator Instructions]

Our first question comes from the line of Quinn Bolton of Needham & Company. Quinn, your line is now open.

Quinn Bolton
Analyst, Needham & Co. LLC

Q

Hi, Rajesh and Beth. Congratulations on a very strong outlook and especially on a run rate basis, looking like you'll get to about a $1.2 billion annualized run rate very, very soon.

I guess, Beth, just a quick clarification before my two questions. Could you repeat the OpEx guidance? Maybe just my line, but it cut out there and so I just want to make sure I had the right OpEx guide for Q3 on a combined basis?

Elizabeth Howe
Executive Vice President-Finance & Chief Financial Officer, SiTime Corp.

A

Absolutely. We expect OpEx of $80 million to $85 million for the combined company.

Quinn Bolton
Analyst, Needham & Co. LLC

Q

Perfect. I wanted then to come back to the TPD acquisition. When you announced the deal at the beginning of the year, you thought in the 12 months post close you would hit a $300 million annualized run rate. With $85 million in Q1, you're already tracking probably $40 million above that and my guess is you expect growth going forward.

So, can you say what's changed over the last six or so months that makes that acquisition even stronger from a revenue contribution perspective?

Elizabeth Howe
Executive Vice President-Finance & Chief Financial Officer, SiTime Corp.

A

Sure. In terms of the TPD, what we've seen is continued strength in their business. Recall that about 75% of their revenue comes from what we call CED. And actually, as we were doing our diligence, we were a little surprised, frankly, by the modest growth rates expectations and results that they had had. And they continue to see strong performance as we've gone through the year in Q2 and into Q3.

And so, the outlook that we see for the second half reflects that. And I think you're right, we're well on our way to exceeding that $300 million, but it's early days as well and we're still working through the integration. And so, as we get to know this business better, I think we'll have more to say about the outlook for the business.

Quinn Bolton
Analyst, Needham & Co. LLC

Q

And the last question is as you look to integrate TPD into our models, how do you expect to sort of report revenue going forward? Will TPD be included in your – the CED bucket, the auto, industrial, mil-aero and then IoT consumer? Will you break it out separately?

Copyright © 2001-2026 FactSet CallStreet, LLC

And to the extent that you just included into the three existing buckets, can you give us a sense – it sounds like about 75% of TPD comes into CED. How does the other 25% split? Is it mostly in the industrial [indiscernible] (00:24:25) or is there some consumer IoT in the TPD revenue stream?

Elizabeth Howe
Executive Vice President-Finance & Chief Financial Officer, SiTime Corp.

A

Sure, Quinn. So, the business is, the remaining business is the auto, aero, industrial. They do not have a consumer business. So, it'll split roughly 75-25 between CED and auto, aero, industrial. We wanted to give you visibility as we're just now assuming the business in terms of the TPD but going forward we will expect to integrate it into the overall SiTime business.

Quinn Bolton
Analyst, Needham & Co. LLC

Q

Excellent. Congratulations again.

Operator: Thank you. Our next question comes from the line of Tore Svanberg of Stifel. Tore, your line is now open.

Tore Egil Svanberg
Analyst, Stifel, Nicolaus & Co., Inc.

Q

Yes. Thank you, Rajesh. Congrats on the strong results and the closure of the Renesas acquisition. So, how should we think about the growth by segment into Q3? I mean, I know you're obviously splitting the new acquisition and also core SiTime, but with the sort of traditional SiTime segments, how should we think about growth in each one for the September quarter?

Elizabeth Howe
Executive Vice President-Finance & Chief Financial Officer, SiTime Corp.

A

Sure. Let me, let me focus on the SiTime ex-TPD first, because it's got the (00:25:49) most visibility to that. As you can imagine, we're just now beginning the integration, the backlog, getting to understand their customers.

But if I think about the SiTime business, excluding TPD, it's rolling out similar to what we had discussed or expected, we expect the CED business to continue to show strong growth and again triple-digit growth again in Q3. We also expect strong growth from all the businesses. AID continuing to show similar growth.

And then consumer, as we've talked about, we expect to pick up significantly in the third quarter given that, that's typically as we're getting ready for holiday, back half tends to be much stronger for our consumer business versus the front half.

And so, we'd expect really strong growth in that. Also, we expect our large consumer customer to continue to rollout the new products, our products into their next generation. And so, that will drive growth as well.

Tore Egil Svanberg
Analyst, Stifel, Nicolaus & Co., Inc.

Q

Yeah. That's very helpful. And as my follow-up for you, Rajesh, you said something at the end of your prepared remarks that really caught my attention. You talked about moving from discretes to more integrated solutions,

Copyright © 2001-2026 FactSet CallStreet, LLC

chips, chiplets, modules and so on. I assume these are significantly higher ASP products. So just curious when should we start to see material revenue of some of those newer products? Thank you.

Rajesh Vashist
Chairman & Chief Executive Officer, SiTime Corp.

A

Tore, you're always the one to get all the messages. So, congratulations on doing that. Yeah, two things that are going to happen -- what's happening is that with the Meta issue is that performance is going up, throughputs going up, latency is going down and delivering timing to the exact place that is needed is important without signal degradation and timing, and we see this coming, whether it happens to companies that do it on the wafer level itself or think of it as some version of vertical timing delivery, this is coming, and SiTime is pioneering some of it.

And the ASPs may go up, but more importantly, the density of use goes up. They're just more used. And perhaps as you're right, ASP will also go up. But we think that it adds, as I said, a significant amount of money in the billions by 2030.

Tore Egil Svanberg
Analyst, Stifel, Nicolaus & Co., Inc.

Q

Very good. Congrats again.

Rajesh Vashist
Chairman & Chief Executive Officer, SiTime Corp.

A

Thank you.

Operator: Thank you. Our next question comes from the line of Timothy Arcuri of UBS. Timothy, your line is now.

Timothy Arcuri
Analyst, UBS Securities LLC

Q

Thanks a lot. Beth, can you just give us some sense of sort of how the segments are going to grow? I know – I'm not asking for the guidance and that's being looked at for Q3, but more like the core SiTime business versus TPD. Are they going to grow at similar rates, would you say, looking out the next few quarters? Or is there anything you would point out that would cause TPD say to grow faster than the core business?

Elizabeth Howe
Executive Vice President-Finance & Chief Financial Officer, SiTime Corp.

A

Well, as we look at it, I think both from a segment perspective, as I said earlier, I expect that the CED business, the core SiTime CED business to be the fastest growing as we continue to see the growth opportunities across AI, not only in data center but as we think about inference computing and all the different areas as well as some growth in telecom and the rest of CED.

With respect to the consumer business we talked about that the biggest growth there will be the design win that we have as that proliferates across that customer's platform and that will drive really significant growth in second half of 2026, but also into 2027.

Copyright © 2001-2026 FactSet CallStreet, LLC

When it comes to the TPD business, we're in very early stages of integrating that business. And at this point, as I talked about in my prepared remarks, we do have significant TSAs with Renesas as we begin that process, including the manufacturing supply chain test, we are relying on them for the next several quarters for that production. And so, we're working really closely with them.

We are – have seen from customers there is a lot of constraint in the business, in the supply chain. And so, we're working with them to improve that over the coming quarters. And as that improves, we should be able to see more growth with that business. But that's what we've got to work through here in the coming quarter.

Timothy Arcuri
Analyst, UBS Securities LLC

Q

Thanks a lot. And then, Rajesh, I know that the Bosch agreement expires, I think next March, I want to say so I know you plan to renew it. But does the acquisition of TPD, does it change anything? And sort of how to – just any update you might have there. Thanks.

Rajesh Vashist
Chairman & Chief Executive Officer, SiTime Corp.

A

Yeah, Tim. There is no impact. The clocks, fundamentally, typical clocks don't use any resonators, MEMs or otherwise. Now, TPD does have a small quartz-based oscillator business, which we are happy to continue to have, grow or flourish as need be. But our agreement with them is, as you point out, up for renewal, I think you'll find that we should have zero problems in doing that. Bosch is a close partner, and we expect no issues on that. and it should be done relatively soon here.

Timothy Arcuri
Analyst, UBS Securities LLC

Q

Okay. Thank you.

Operator: Thank you. Our next question comes from the line of Chris Caso of Wolfe Research. Chris, your line is now open.

Nicholas Welsch-Lehmann
Analyst, Wolfe Research LLC

Q

Hi. This is Nicholas Welsch-Lehmann, on for Chris. You mentioned that customers are placing orders 12 to 18 months in advance and that you have improved visibility.

I was wondering if you would be able to make any early comments on the rate and pace of both growth in the next year, particularly in CED. Give us any early thoughts on how the trajectory looks next year for the core CED SiTime business?

Rajesh Vashist
Chairman & Chief Executive Officer, SiTime Corp.

A

I think in general, we have always maintained that our investors should think about a multi-year growth of SiTime at 30% growth rate, give or take.

Copyright © 2001-2026 FactSet CallStreet, LLC

Now, when an AI comes in or a phone business comes in, I think those get accelerated like we are seeing. So, I think it's pretty safe to say that a 30%, maybe a little bit higher is our multi-year think five-, six-, seven-, eight-year growth rate.

In 2027, we see no signs of slowdown. So, we see the impact of AI, not just in in CED, but also for TPD because 70% of the business is with data center. And other AI, as I said, for our other two businesses to continue. So, I think safe to say, we see 2027 as a year of also of significant growth.

Nicholas Welsch-Lehmann
Analyst, Wolfe Research LLC

Q

Thanks so much. And maybe for my follow-up, could you please speak briefly about the gross margin puts and takes heading into the third quarter and maybe over the next few quarters? And kind of help us understand more the biggest drivers of gross margin, the gross margin performance in Q2 and then into Q3? Thanks.

Elizabeth Howe
Executive Vice President-Finance & Chief Financial Officer, SiTime Corp.

A

So, as I talked about in prepared remarks, the gross margin, we expect those to stay kind of above the 65% threshold in the next, in the coming quarters, probably in the range of the 67%, 68% that we were talking about for Q2 and Q3.

The drivers of that are really the increased manufacturing operating leverage, manufacturing absorption combined with product mix. And we get product mix benefits not only from our CED business, but also the addition of the TPD business. And that frankly more than offsets the headwinds that we have with the bigger, higher mix of consumer business in the second half and those combined to give us those kinds of gross margins. And I expect the gross margins to kind of be in that range in the coming quarters as well.

Nicholas Welsch-Lehmann
Analyst, Wolfe Research LLC

Q

Thanks so much.

Operator: Thank you. [Operator Instructions] Our next question comes from the line of Jim Schneider with Goldman Sachs. Jim, your line is now open.

James Edward Schneider
Analyst, Goldman Sachs & Co. LLC

Q

Good afternoon. Thanks for taking my question. I was wondering if you can maybe talk a little bit about the data center design win pipeline. Rajesh, if you think about what has driven your growth, both in terms of new server design wins and also market share gains, would you expect to be able to deliver further sort of new platform design wins and further market share gains? And maybe talk about how much is market share gain for you versus your competitors? And how much is growth of precision timing within the overall TAM for AI servers, specifically?

Rajesh Vashist
Chairman & Chief Executive Officer, SiTime Corp.

A

So, I'm going to include the optical module business as part of it. And basically, there is definitely market share gain in optical modules as we go from 800G to 1.6T. Our market share is significantly higher with those, with higher ASPs. So, that is helpful. At the same time, when 800G is also growing quite significantly.

Copyright © 2001-2026 FactSet CallStreet, LLC

In the actual racks itself, we talked about the need for synchronization. And synchronization, among other things, requires much higher precision SiTime oscillators, TCXOs, highest ones that we have.

And the ASP of that and the numbers used because they are used more in density as well to enable synchronization, which means you are synchronizing multiple places in the system. That gives us the several hundred dollars of content per data center rack that we talked about.

And in general, I think there is also a broadening of the data center market beyond the traditional hyperscalers, whether it is a growth in enterprise data centers or a growth in captive data centers or the neo cloud, or indeed the sovereign data centers. I think all of those are contributing to significant growth overall in the business and the market.

James Edward Schneider
Analyst, Goldman Sachs & Co. LLC

Q

Thank you. And then maybe one for Beth, given the change in mix and your very strong outlook for the September quarter, maybe give us a little bit help on how you would expect each of the end markets to track in terms of either sequential or year-over-year growth? Thank you.

Elizabeth Howe
Executive Vice President-Finance & Chief Financial Officer, SiTime Corp.

A

So, as we think about the markets. And for now, I'll talk about the SiTime markets, excluding TPD just as I said earlier, we're just a month into that integration. So, when we think about the traditional SiTime CED, I would expect that again to be more than doubling or triple digit growth in Q3 again, or maybe, and be a very strong quarter for the CED business.

Like I said, I expect strong growth to continue for our aero, auto, industrial, similar to what we've been seeing on a year over year basis in the first half of the year. I expect that kind of growth rate to continue.

And then I expect the year over year growth rate for the consumer business to actually accelerate in the second half and be significantly faster growth in Q3 than we've seen in the earlier part of the year, driven primarily by the proliferation of the design win with what we have with our large consumer customer. I think there's a lot of information in the marketplace about the speed with which they're rolling out that design, and we would expect that to be reflected in our Q3 results as well.

James Edward Schneider
Analyst, Goldman Sachs & Co. LLC

Q

Thank you.

Operator: Thank you. Our next call comes from the line of Suji Desilva. Suji, your line is now open.

Suji Desilva
Analyst, ROTH Capital Partners LLC

Q

Hi, Rajesh. Hi, Beth. Congratulations on the results here. For the Renesas product line acquired, any thoughts on when you might have combined company products in the roadmap? Is that something that we should look for or is that really kind of done through system integration type efforts?

Copyright © 2001-2026 FactSet CallStreet, LLC

Rajesh Vashist
Chairman & Chief Executive Officer, SiTime Corp.

A

Yeah. I mean, it really is just 30 days, but we already have some ideas. We think that SiTime already has unique products which are integrated clocks with oscillators or clocks with resonators. That makes it unique.

And we think that that's an easy level of integration that is likely to happen in the future coming quarters. Easy in the sense conceptually easy. It's not easy to do, it's a new product and so on, but it's conceptually easy.

I think that there is collaboration of a different nature, which is probably even more valuable, and that is that some of the people at TPD have been in the clocking business since the old days of ICS. We're going back 26 years, 25 years. And so, they have a very deep understanding of system architecture, clock architecture, clock trees, some of the issues with signals that I think is going to change the way we develop our products, at least some of our products, and be very, very beneficial.

So, I think we are definitely expecting for now we have – we are not integrating the TPD group into SiTime. We're having them run independently, as it were, reporting to one of our very senior executives. But in a relatively short time, in some quarters we expect that, that integration after we have understood better what their strengths and our strengths how we can combine them organizationally.

But in any case, we already are deeply connected. I think that the sense of welcome that they have got from SiTime and the sense of hanging out with their brethren as it were who are into timing and timing only is a good thing all around. Very happy with the way the integration has gone so far.

Suji Desilva
Analyst, ROTH Capital Partners LLC

Q

Great. That sounds very promising. And then my other question, Rajesh, a couple of times in the Q&A you've noted the term density in terms of your deployments. I'm just curious to know, as you get what's driving the need for that, if you double click down? Is it that there are larger GPU clusters and you just think more GPUs with each other? And if so, is your content growing simply on a numerical basis with higher GPU cluster counts, or is there more of a factor there than just that?

Rajesh Vashist
Chairman & Chief Executive Officer, SiTime Corp.

A

Well, on the density issue you're absolutely right. It is, in fact, based the way you said. But additionally, it's not just more oscillators and GPUs and TPUs and CPUs, but also all around the subsystem, all around the racks in the switches, there's more of it, in the accelerator cards, there's more of it.

In other words, if the signal cannot afford to be out of sync anywhere as it makes its way through the rack, it needs to be in sync and therefore get very accurate clock along the way, very accurate frequencies along the way.
There is also, of course, the use case in which the level of – we have TCXO, Super-TCXOs, we have emerging clock products that are some kind of a combination of them with even higher ASPs. So, I think we are able to bring products that customers have not seen before because of our broad technology portfolio. And I expect that density, ASP and greater usage are all going to contribute to our growth in that business.

Copyright © 2001-2026 FactSet CallStreet, LLC

Suji Desilva
Analyst, ROTH Capital Partners LLC

Q

Okay, great. Thanks, Rajesh. Thanks. Congrats, guys, on the results.

Rajesh Vashist
Chairman & Chief Executive Officer, SiTime Corp.

A

Thank you.

Operator: Thank you. I'm showing no further questions at this time. And I would like to now turn it back to Rajesh for closing remarks.

Rajesh Vashist
Chairman & Chief Executive Officer, SiTime Corp.

Well, thank you all very much. I think the results speak for themselves. It's a seminal time for SiTime. It's clearly an inflection point. We're hitting greater run rates of revenue. We're doing it highly profitably. We're doing it with diverse technologies in diverse markets, with diverse products.

As a leader, as a creator of a category, I think we are super well positioned so thank you for being part of this journey.

Operator: Thank you for your participation in today's conference. This does conclude the program. You may now disconnect.

Disclaimer
The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information i s not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this i nformation do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSO RS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR RE VENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2026 CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.

Copyright © 2001-2026 FactSet CallStreet, LLC