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PRESENTATION

Operator

Good afternoon, and welcome to SiTime's Second Quarter 2021 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. If anyone needs assistance at any time during the conference call, please press the start followed by the 0 on your touchtone phone. As a reminder, this conference call is being recorded today, Wednesday, August 4, 2021. I would now like to turn the call over to Leanne Sievers of Shelton Group Investor Relations. Leanne, please go ahead.

Leanne K. Sievers - *Shelton Group - President*

Good afternoon, and welcome to SiTime's Second Quarter 2021 Financial Results Conference Call. On the call from SiTime are Rajesh Vashist, Chief Executive Officer, and Art Chadwick, 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 is 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 other person assumes responsibility for the accuracy and completeness of the forward-looking statements. The company undertakes no obligation to publicly update forward-looking statements for any reason after the date of this call to conform these statements to actual results or to changes in the company's expectations. For more detailed information on risks associated with our business, we refer you to the risk factors described in our 10-K filed on February 16, 2021, as well as the company's subsequent filings with the SEC.

Also, during the call, we will refer to certain non-GAAP financial measures, which we consider to be an important measure of company performance. These non-GAAP financial measures are provided in addition to and not as a substitute for or superior to measures of financial performance prepared in accordance with U.S. GAAP. The only difference between GAAP and non-GAAP results is stock-based compensation expense. Please refer to the press release issued today for a detailed reconciliation between our GAAP and non-GAAP financial results. I'd now like to turn the call over to Rajesh. Please go ahead.

Rajesh Vashist - *SiTime Corporation - Chairman, President & CEO*

Thank you, Leanne. Good afternoon, and thank you for joining on today's call. We had a truly exceptional quarter. Our results reflect a fundamental acceleration in our growth trajectory, and I would say a leap forward by a year in our revenue. Increasingly, we have clear evidence that the conversion to SiTime's silicon MEMS timing solution has shifted into high gear with existing and new designs.

Over the past 3 quarters, our year-over-year growth rate has increased from more than 40% in the fourth quarter of last year to more than 60% in the first quarter of this year and now to more than double in this quarter. We view this as a clear validation of our strategy. The rapid adoption of new technologies that need precision timing and SiTime's unique focus on this sector, has accelerated market adoption of our products. The programmability of our products, combined with the quality and fabless model flexibility, continue to bring back these customers who now understand their value proposition even more clearly. For example, in the automotive segment, customer design-ins have taken off. There is an increased need for high-performance timing solutions because of EVs or electric vehicles, ADAS, automated driving, and connectivity. These new supporting elements like radar, LiDAR, cameras, domain control units and those have surged. In fact, the number of timing devices in a vehicle has increased dramatically to more than 50 devices today and continues to grow. We now believe that automotive at SiTime could represent a $100 million business over the next few years.

We're also seeing similar adoption trends in datacenter and enterprise, which also has the potential to become a $100 million business in the next few years because of cloudification. As cloud services providers expand and add new features, timing, particularly precision timing, becomes critical for increasing bandwidth and lowering latency. Increasing performance requires more electronics, such as 100G, 400G optical modules in datacenters where our SiT9501 family is being adopted at a very brisk rate because of its size and performance.

The need for lower latency is also driving new features such as time synchronization in servers where Elite and Emerald families continue to be designed in. To further quantify the enduring acceleration of SiTime's business, our design wins have doubled sequentially in the automotive, industrial and aerospace markets and increased by 40% in the communications and enterprise segments. As stated earlier, our unique systems approach to timing delivers "products that just work. Customers like the fact that we are taking care of their precision timing needs, which are generally not their expertise. They further appreciate SiTime's programmable architecture that allows them to qualify a single part and configure it in multiple ways.

Last quarter, I mentioned how we have taken steps to reevaluate our pricing strategy and increase pricing on some products. We can see those benefits here in Q2. We've also secured long-term pricing agreements with customers at a rapid pace in Q2, and I expect this trend to continue as our customers focus on securing supply for the next 12 to 24 months. SiTime's semiconductor supply chain allows us to quickly respond to change in customer demand, which is an advantage over quartz which is limited by the CapEx-heavy manufacturing. I'm pleased to note that we are well supported by our suppliers. Our strategy of close partnership with wafer fabs has been rewarded as our partners view SiTime as a growth opportunity and in addition to the TAM or total available market. They continue to find more capacity to help us to meet our growth and our customer demand.

We've also expanded our partnership with our assembly and test houses, where we have doubled our test capacity and already secured the capacity needed to meet demand for '21 and 2022. As I last said, I believe we are in the golden age of semiconductors, and in particular, a multiyear high-growth opportunity in the precision timing market where SiTime uniquely excels. We have demonstrated our ability to execute on this need for high-performance programmable timing solutions across 300 applications in the past few years.

In summary, we're seeing the scaling of SiTime's business. This forward shift is leading to a sustainable acceleration of our business. We're on our way to living up to our full potential, and I'm very excited about that. I'll now turn the call over to Art to discuss the second quarter results in more detail and provide outlook for the third quarter of 2021.

Arthur D. Chadwick - *SiTime Corporation - Executive VP & CFO*

Great. Thanks, Rajesh. And good afternoon, everyone. Today, I'll discuss second quarter 2021 financial results and provide some guidance for the third quarter. I'll focus my discussion on non-GAAP financial results and refer you to today's press release for a detailed description of our GAAP results as well as a reconciliation of GAAP to non-GAAP results. First of all, Q2 was a very strong quarter on all metrics. We had exceptional revenue growth, significant gross margin expansion and strong year-over-year net income growth.

Revenue for the quarter was $44.5 million, up 25% sequentially and up 107% year-over-year. Sales into our mobile IoT and consumer segment, which consists of sales into mobile phones, wearable devices and consumer products, were $21.7 million or 49% of sales. This was down 3% sequentially, but up 114% over the same quarter last year. Sales into our industrial, automotive and aerospace segment, which includes sales into automotive, industrial, medical, aerospace, military and broad-based sales, were $13.6 million or 31% of sales, up 88% sequentially and up 124% year-over-year. Sales into our Communications and Enterprise segment, which consists of wireless infrastructure including 5G, datacenter and networking, were $9.2 million or 20% of sales. This was up 58% sequentially and up 76% year-over-year.

Our largest customer accounted for 15% of sales this quarter. This was down as a percentage of sales from Q1, which was the same pattern we saw last year. As I've mentioned before, we have a number of initiatives within the company to expand gross margins, and they continue to pay off. We had a significant step function increase in gross margins this quarter. Non-GAAP gross margins were 61.3%, up more than 7 points sequentially and up more than 14 points over Q2 of last year. The sequential increase can be attributed to 3 primary factors. First, product mix was favorable. Sales into comms and enterprise and industrial and auto markets accounted for a larger percentage of sales than in Q1. Second, the current robust pricing environment has allowed us to selectively raise some prices. And lastly, the higher overall revenue provides more leverage on our manufacturing overhead.

Non-GAAP operating expenses were $17.6 million, comprised of $9.1 million in R&D and $8.5 million in SG&A. Non-GAAP net income was $9.6 million or 22% of sales with EPS of $0.46 per share. This compares to $3.8 million or just 11% of sales in Q1. Stock-based compensation expense and related payroll taxes were $7.6 million, essentially flat with Q1. Trade receivables were $25.3 million with DSOs of 51 days, down from 59 days last quarter.

Inventory was $18.5 million, up from $15 million last quarter as we built inventory to support higher Q3 revenue. During the quarter, we generated $4.3 million in positive cash flow from operations and invested $7.7 million in new capital equipment. We ended the quarter with $253 million in cash and no bank debt.

I'd now like to provide some guidance for the third quarter of 2021. I'll start by saying the transition from quartz to silicon has kicked into high gear as market trends continue to drive the need for higher performance timing solutions. We are seeing a significant increase in demand, which will drive further sales growth in the second half of this year and beyond. Additionally, customers are placing orders well into next year, which is giving us the best visibility we have ever had. We expect sales in Q3 will increase to between $56 million and $60 million, which is about 30% sequential growth at the midpoint. We expect sales to our largest customer to increase in Q3 to approximately 25% of total sales for the quarter. We expect continued gross margin expansion due in this case primarily to the current robust pricing environment. Q3 non-GAAP gross margins are expected to be between 61% and 63%.

Operating expenses will increase as we continue to expand our workforce and invest in new product development. Q3 non-GAAP operating expenses will increase approximately 15% sequentially to about $20 million. The basic share count in Q3 would be approximately 19.2 million shares. The dilutive effect of employee RSUs will add approximately 2 million additional shares, taking the total expected diluted share count to approximately 21.2 million shares.

Based on that guidance just given, we expect third quarter non-GAAP EPS will be between $0.70 and $0.80 per share. We are not giving detailed guidance for Q4, but we are comfortable saying that we expect Q4 revenue will be at least 10% higher than in Q3, which will drive revenue for the full year to 75% or higher growth rate.

On the topic of ESG, we continue to develop our company culture in line with basic ESG principles. As I mentioned on our last call, we promote an inclusive environment by valuing the contributions of all employees and work to ensure our employees feel seen, heard, valued and respected. We believe diversity makes us stronger. A diverse workforce supports creativity, problem-solving and better decision-making. We also believe it's important to minimize the environmental impact of our products and operations to ensure a sustainable future. We continue to enhance our sustainability practices by developing and implementing policies to reduce our carbon emissions and consumption of energy and water.

So in summary, we are having a truly great year. Our customers see our value proposition and are willing to pay for it. Our product portfolio continues to expand with differentiated products that address large and growing markets. We have an enviable list of Tier 1 customers that continues to expand, and we have a very strong balance sheet. And with that, I'd like to turn the call back to the Operator for Q&A.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) And your first question will come from Quinn Bolton with Needham & Company.

Nathaniel Quinn Bolton - *Needham & Company, LLC, Research Division - Senior Analyst*

Hopefully, you can hear me. Congratulations on the great results and particularly your stronger gross margin. I wanted to start there with your sort of pricing strategy. It sounds like you've really only recently begun to implement selective price increases. And so I guess to use a baseball analogy, what inning are you in with respect to price increases? And how long can that continue?

Rajesh Vashist - *SiTime Corporation - Chairman, President & CEO*

Yes. I think we're kind of in the middle of it. We haven't quite reached the last few innings, but we are well past the early part. We didn't come to price -- we think of pricing in the following way. As we have mentioned before, in 70% or 80% of our business, depending on how you count it, we are single-sourced. And we want to respect that with our customers, and therefore, we are very, very judicious with our price increases, both in the amplitude of the price increase and the frequency of it. So we, for example, have many customers who may not have seen any price increases. We may have some of the small customers who don't see it. Some of the bigger ones may see it especially if they are looking at it from a supply chain point of view as well. So we're sort of in the middle of it. I think it will taper off towards the end of this year, and I think we'll be in good shape exiting this year.

Arthur D. Chadwick - *SiTime Corporation - Executive VP & CFO*

And Quinn, I'll just add to that. In my guidance, I did guide that our gross margins are going to continue to expand in Q3. And the reason for that in Q3 is primarily because of pricing. These are prices that in some cases we raised a quarter ago, and they're stepped in over time. It is a very robust pricing environment out there, and we're right in the middle of that. So we will see continued gross margin expansion in Q3 and Q4 because of that.

Nathaniel Quinn Bolton - *Needham & Company, LLC, Research Division - Senior Analyst*

Great. Thank you for that additional color. And then I wanted to follow up as my second question, Rajesh, you I believe mentioned that you have locked in capacity for not only '21, but also 2022. I guess if I were to step back to the beginning of 2021, my guess is your 2021 outlook has improved dramatically relative to 6 years ago. And so I guess when you talked about 2022 and locking in supply, can you give us any sense of what kind of sequential increase that might encompass and how much upside, to the extent that you see another acceleration in demand, do you think you would be able to support that if '22 plays out like you've seen '21 play out?

Rajesh Vashist - *SiTime Corporation - Chairman, President & CEO*

Right. So first of all, I want to make sure that we're talking here about capacity that's locked in on the backend, on the test and assembly side, which is also very important for us, not on the wafer side. On the wafer side, we continue to see tightness just like everybody else does. We are in 180 nanometers. That's a very, very tight node at TSMC, maybe even the world. But generally speaking, our wafer fab partners have been very helpful because we have continued to pursue a sole partnership strategy because we have long relationships with both Bosch as well as with TSMC. But one way of thinking about the SiTime I want to make sure I leave everybody with is that this is not an average growth jump quarter. This is, as I said at the beginning, I see a sort of a sea change. I see a pull-in of a year's worth of growth, if you will. And so if we continue after this at a 25%, 30% growth rate for the coming year, it could of course be even greater, but that's always been our stated goal. And we are not walking away from that 25%, 30%.

Operator

Your next question will come from Suji Desilva with ROTH Capital.

Suji Desilva - *ROTH Capital Partners, LLC, Research Division - MD & Senior Research Analyst*

Congratulations on the progress. So I mean, you guys have talked about the strong growth in auto, industrial and comms in 2Q. I just -- I mean, without kind of simplifying it, I mean, is that kind of growth sustainable? Or if not, what kind of growth sequentially -- what drove that kind of growth sequentially that allowed that kind of growth to upside to happen in a given quarter?

Rajesh Vashist - *SiTime Corporation - Chairman, President & CEO*

Right. So it's 2 different things that are driving it, but let's talk about what is sort of key, what is a similar thing in both of them, and in fact, in other markets as well. And that is that the need for high precision timing is growing because the world that we listen to, the world that we purvey to, which is the world of networking, timing, high-end communications, high-end cars, high-end industrial, military, aerospace, that growth is very, very high. So that's taking us up. The second is the density per device, the density per end product, a device which could be a radio in ORAN, or it could be a car ECU, or it could be a military product, the density of timing, precision timing is going up. And finally, the functionality is going up as well, which means that the ASP goes up significantly for each of those units. So that's the sort of the secular move up beyond that. Now inside that, one of the reasons I believe that we have been accelerated is because there is an acceleration in our end markets. And the final sort of cherry on top is the shortage in semiconductors and particularly in timing. So that has brought customers to us that did not come to us sooner. And once they come, we have noticed that most of them tend to stay. They stay for the performance, they stay for the service, they stay for the technical capabilities of the product. So it's just a customer discovery that has been going on at a faster rate on the back of a faster adoption of end products.

Suji Desilva - *ROTH Capital Partners, LLC, Research Division - MD & Senior Research Analyst*

Okay, no, that's helpful color, certainly, Rajesh. And then just understanding, I appreciate the 4Q outlook on top of the 3Q, and if I could try to dig in a little deeper there, just to understand your larger customer and consumer in general might have a stronger 3Q than 4Q. So is that the expectation this year? Is something running against that? Or are the other segments growing enough to allow 4Q overall to be up with the consumer -- with the consumer customers having the typical back half profile?

Arthur D. Chadwick - *SiTime Corporation - Executive VP & CFO*

It's the other customers.

Operator

Your next question will come from Alessandra Vecchi with William Blair.

Alessandra Maria Elena Vecchi - *William Blair & Company L.L.C., Research Division - Research Analyst*

I echo everyone else's congratulations on really an epic quarter. Just to expand on Suji's question, fully understanding the need for high-performance timing and the density per device going up, and the strong growth rate over the last couple of quarters as well. But what do you really think flicked the switch for customers this quarter that caused the inflection point? Was it a little bit also the supply chain dynamics and the recognition of sort of the trials and tribulations in quartz over the last year? Or if you could just help me sort of understand really what's caused the watershed sort of event to happen this quarter.

Rajesh Vashist - *SiTime Corporation - Chairman, President & CEO*

Yes. I would say that the strong streak of customer adoption, precision timing, end customer markets, strong growth, very strong growth. I mean just to -- we could not have imagined the growth in EVs, ADAS, connectivity, in automotive, for example. A year ago, I would not have given those kinds of numbers at all. So the end customer market growth is the big tide on which this one factor of supply tightness has brought customers to us. But once they come to us, the fact that we are programmable, the fact that they qualified in the shortage time, they qualified one part and they get potentially hundreds of different part numbers out of it, and the quality, the reliability and our focus on delivering these products, has got them to stay with us. So we don't think that this is a flash in the pan adoption that goes away when shortages evaporate. This is a customer discovery or a mutual discovery of SiTime and by them of the suppliers, us, which we think is going to continue to stay. That's why we call it an acceleration by a year of growth.

Alessandra Maria Elena Vecchi - *William Blair & Company L.L.C., Research Division - Research Analyst*

That was incredibly helpful and makes a lot of intuitive sense. And then similarly on the gross margin front, in terms of the price raise, how much of that is a like-for-like price raise? And how much of it is the updraft from the mix shift chain and some of the higher value products?

Arthur D. Chadwick - *SiTime Corporation - Executive VP & CFO*

Yes. So Alex, I'm not sure I quite understand the question.

Alessandra Maria Elena Vecchi - *William Blair & Company L.L.C., Research Division - Research Analyst*

I guess, I think you said a quarter or 2 ago that you had sort of raised pricing on some of the legacy products as well because you had been sort of undervaluing the product. But I guess part of my question was how much of the gross margin improvement is due to the price raises on an absolute basis, on like-for-like versus just the general mix shift change towards the Endura platform and the Elite platforms?

Arthur D. Chadwick - *SiTime Corporation - Executive VP & CFO*

Yes. So I'll try to answer it in a different way. So our gross margins increased substantially from Q1 to Q2. And I gave 3 primary reasons. One was mix, one was pricing, and one was leverage on our manufacturing overhead. And I think each of those played kind of equal weight. So that means pricing added a couple of points of margin this quarter and each of those other points added a couple of points of margin. From Q2 to Q3, again, I'm guiding up, and I think all of that guide up is due to pricing.

Alessandra Maria Elena Vecchi - *William Blair & Company L.L.C., Research Division - Research Analyst*

That makes sense. Thank you for that clarification.

Operator

And your next question will come from John Pitzer with Credit Suisse.

John William Pitzer - *Crédit Suisse AG, Research Division - MD, Global Technology Strategist and Global Technology Sector Head*

My first is just a clarification. I know you guided revenue up sequentially in Q4. I thought I heard an answer to Quinn's question that you also expect gross margins to be up again sequentially in Q4. Did I hear that correctly?

Arthur D. Chadwick - *SiTime Corporation - Executive VP & CFO*

So again, I would shy away from giving detailed Q4 guidance. I did say that we are comfortable saying that revenue in Q4 will be at least 10% higher than what we expect revenue to be in Q3. So revenue is going up, and it's not just because of our largest customer, it's more broad-based than that. That was the answer a couple of questions ago. And then on gross margins, I guided very specifically for Q3 that gross margins would be between 61% and 63%. I think that without quantifying it, I think there will be some additional gross margin expansion from Q3 to Q4, but I don't want to put a number on that today.

John William Pitzer - *Crédit Suisse AG, Research Division - MD, Global Technology Strategist and Global Technology Sector Head*

That's helpful, Art. Thank you. And then Rajesh -- I'm going back to your comments in your prepared comments about quartz capacity just being more capital intensive. And I'm still trying to come fully up to speed with the businesses you're in. Can you help me understand how long it takes to bring on quartz capacity? And I guess, importantly, you've done a good job explaining why customers, once they come to you, stay. But I'm kind of curious how we should think about the pricing environment as the quartz guys inevitably respond to this strong demand by building capacity?

Rajesh Vashist - *SiTime Corporation - Chairman, President & CEO*

Right. So I'm not an expert in this, so I'm going to venture to say it's a 6 months to between 6 and 12 months to build a factory, a quartz factory. That's one. The second is that even when that happens, I don't see a problem because the sweet spot of the quartz company is a quartz resonator. In other words, just the plain quartz packaged in ceramic and sold. SiTime's sweet spot is -- starts in the oscillator. In other words, MEMS plus an analog circuit. And then it grows in that to the highest performance of oscillators. Whether it's highest performance around capacity, around stability, around jitter, around phase noise, around temperature stability, environmental stability. So even if they were to come up, we think that they are not strong particularly, this is not their native business, to build analog circuits and combine them with their quartz products. And even when they do it, their performance doesn't match where we are. So it's just a fact that it increases the customers coming to us because customers are looking for support and are unable to find these products. And they come to us not just for new design wins, but also where they can't ship, where they are in some significant duress, where they can't ship their end products and they need the products from SiTime in particular. And after, we generally tend to take care of them because we have a flexible supply chain. We can go to Bosch. We can go to TSMC. We can go to ASE and increase our capacity with them. It's not easy, it's not a given, but we can do it unlike quartz capacity, which is let's say 100 million units a month, it's done, it's done. There's no flexibility in that increase. And then once we get the design win, customers typically tend to use one part, but in many different configurations, where again we shine, which is not the case with the fixed frequency, fixed performance, fixed configuration quartz products.

John William Pitzer - *Crédit Suisse AG, Research Division - MD, Global Technology Strategist and Global Technology Sector Head*

Rajesh, that leads me to my last question, and maybe you already partly answered it, but I'm curious, there's a lot of end markets you play into with relatively short design cycles. But there's also a lot with relatively long design cycles. So I'm curious, are you just seeing better demand for designs that you thought were coming? Or is the programmability of your offering just allowing you to pick up sockets at a much faster rate even in sort of long design-in end markets like perhaps auto and industrial?

Rajesh Vashist - *SiTime Corporation - Chairman, President & CEO*

Yes, all of the above. And in fact, the added share, the added sprinkling on top of niceness is the fact that in auto, the people that we are dealing with are not necessarily the legacy people who have very different views than a person building high-volume electric cars who tend to see their electric car as a system, and they don't have the 3-year qual cycles, they don't have the same degree of rigidity around thinking. In those places, that's where the radar, the LiDAR, the cameras, the domain control, the ECUs, the ADAS, that is where we are shining, not necessarily in somebody making pickup trucks, for example. Even though I guess there's a new electric pickup truck coming. But so we have that. We have new ways of our chips in use. We have people coming to us for all design-ins. We have people coming to us for long legacy design-ins. And that is why it's based on the long typical networking, telecommunications, 4, 5-year lifecycles, that's why we continue to be so bullish about the future. And that's why I say that for timing, this is a wonderful time to be, so to speak, in timing right now, especially in the high end, the precision end of timing, not in the typical lower end part of it.

Operator

(Operator Instructions) Your next question will come from Tore Svanberg with Stifel.

Tore Egil Svanberg - *Stifel, Nicolaus & Company, Incorporated, Research Division - MD*

This is Jeremy calling for Tory. And just let me add my congratulations to everyone else's here on a fantastic quarter. I guess first question, in terms of the end markets and your guidance, can you give us a breakdown? I know you've done that in the past in terms of maybe the growth expectations for each of these?

Arthur D. Chadwick - *SiTime Corporation - Executive VP & CFO*

Yes. We were not that specific in our guidance for Q3. Obviously, it's up substantially. It's going to be in all of our major markets. At the midpoint of the guidance, we're expecting revenue to grow 30% sequentially from Q2 to Q3. So obviously, we had a great Q2 and Q3 is going to be even better. But it's across all of our major markets.

Tore Egil Svanberg - *Stifel, Nicolaus & Company, Incorporated, Research Division - MD*

Great. And I guess in terms of -- you're seeing such strong, robust growth. Are there any -- like what's the gating factor right now in terms of -- it's great growth already that you're seeing, but are there things that you see? Whether it's in your end markets, whether it's in your supply chain and whether it's in your customer supply chain, which one is like the critical bottleneck at this point?

Rajesh Vashist - *SiTime Corporation - Chairman, President & CEO*

Yes. At this point, I only see world events, COVID world events as gating factors for where we are. We feel in pretty good shape otherwise.

Tore Egil Svanberg - *Stifel, Nicolaus & Company, Incorporated, Research Division - MD*

Got it. And maybe if you can just give us a quick update on your new precision resonator line. How are I guess designs going there? Maybe anything in terms of revenue expectations?

Rajesh Vashist - *SiTime Corporation - Chairman, President & CEO*

Yes. Frankly, we haven't been pushing that very hard right now. We've been busy with the growth in the clocking business and the oscillator product lines. So as you can imagine, that resonator product line is significantly lower in ASP. It generally does not exceed $0.20, whereas all the other products can go up to several dollars, $5, $10, even $15. So it makes sense for us to focus in on the higher ASP, higher gross margin revenue dollars. And so we're focusing on that because this level of growth requires a very close end focus for not just falling units but also dollar units, dollar revenue.

Operator

Excuse me, speakers, I'm showing no further questions at this time. You may continue.

Rajesh Vashist - *SiTime Corporation - Chairman, President & CEO*

All right. In that case, we want to thank everybody for joining us on the call today. Have a great afternoon. Thank you.

Arthur D. Chadwick - *SiTime Corporation - Executive VP & CFO*

Thank you.

Operator

This concludes today's conference call. Thank you for participating. You may now disconnect.
