

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 01, 2023

SiTime Corporation

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-39135
(Commission File Number)

02-0713868
(IRS Employer
Identification No.)

5451 Patrick Henry Drive
Santa Clara, California
(Address of Principal Executive Offices)

95054
(Zip Code)

Registrant's Telephone Number, Including Area Code: (408) 328-4400

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value per share	SITM	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On February 1, 2023, the Company issued a press release announcing its financial results for the fourth quarter and fiscal year ended December 31, 2022. A copy of the press release is furnished as Exhibit 99.1 to this report.

The information under Item 2.02 of this report, including Exhibit 99.1 hereto, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended. The information and the accompanying exhibit shall not be incorporated by reference into filings with the U.S. Securities and Exchange Commission (the "SEC") made by the Company, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

d) Exhibits.

Exhibit No.	Description
99.1	Press Release of SiTime Corporation dated February 1, 2023.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SiTime Reports Fourth Quarter 2022 Financial Results

SANTA CLARA, Calif., February 1, 2023 – SiTime Corporation, (Nasdaq: SITM), the precision timing company, today announced financial results for the fourth quarter and fiscal year ended December 31, 2022.

Net revenue in the fourth quarter of 2022 was \$60.8 million, a 19.7% decrease from the \$75.7 million in the fourth quarter of 2021.

Net revenue for the year ended December 31, 2022 was \$283.6 million, a 29.6% increase from the \$218.8 million in the year ended December 31, 2021.

Generally Accepted Accounting Principles (GAAP) Results

In the fourth quarter of 2022, GAAP gross margins were \$37.8 million, or 62.1% of revenue, GAAP operating expenses were \$43.5 million, or 71.5% of revenue, GAAP loss from operations was \$5.7 million, or 9.4% of revenue and GAAP net loss was \$1.5 million, or \$0.07 per diluted share.

For the year ended 2022, gross margins were \$183.0 million, or 64.5% of revenue, operating expenses were \$166.8 million or 58.8% of revenue, GAAP income from operations was \$16.1 million, or 5.7% of revenue and net income was \$23.3 million, or \$1.03 per diluted share.

Total cash and cash equivalents were \$34.6 million and short-term investments were \$529.5 million on December 31, 2022.

Non-GAAP Results

This press release and its attachments include certain non-GAAP supplemental performance measures. The presentation of this financial information is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP.

In the fourth quarter of 2022, non-GAAP gross margins were \$38.4 million, or 63.1% of revenue, non-GAAP operating expenses were \$28.2 million, or 46.3% of revenue, non-GAAP income from operations was \$10.2 million, or 16.8% of revenue and non-GAAP net income was \$14.4 million, or \$0.64 per diluted share.

For the fiscal year 2022, non-GAAP gross margins were \$184.9 million, or 65.2% of revenue, non-GAAP operating expenses were \$109.1 million, or 38.5% of revenue, non-GAAP income from operations was \$75.8 million, or 26.7% of revenue and non-GAAP net income was \$82.9 million, or \$3.66 per diluted share.

The reconciliation between GAAP and non-GAAP financial results is provided in the financial statements portion of this release.

SiTime believes that the presentation of non-GAAP financial measures provides important supplemental information to management and investors regarding financial and business trends relating to SiTime's financial condition and results of operations. SiTime believes that these non-GAAP financial measures provide additional insight into SiTime's ongoing performance and core operational activities and has chosen to provide these measures for more consistent and meaningful comparison between periods. These measures should only be used to evaluate SiTime's results of operations in conjunction with the corresponding GAAP measures. The non-GAAP results exclude the effect of stock-based compensation and related payroll taxes.

Inducement Plan Grants

SiTime granted restricted stock unit awards ("RSUs") on January 31, 2023 that were approved by the Compensation Committee of its Board of Directors under SiTime's 2022 Inducement Award Plan, as a material inducement to employment to 9 newly hired non-executive individuals globally. The RSUs were approved in accordance with Nasdaq Listing Rule 5635(c)(4). The inducement grants consisted of an aggregate of 24,555 RSUs. For 10,741 of the RSUs one-fourth of the RSUs will vest on the first February 20, May 20, August 20, or November 20 falling in the one-year anniversary quarter of the applicable vesting start date, and then 1/16th of the RSUs vest in equal quarterly

installments on each February 20, May 20, August 20, and November 20, thereafter, subject to each such employee's continued service on each vesting date. For 13,814 of the RSUs 1/3rd of the RSUs will vest February 20, 2024 and then 1/12th of the RSUs will vest in equal quarterly installments on each May 20, August 20, November 20, and February 20 thereafter, subject to each such employee's continued service on each vesting date. The inducement grants are subject to the terms and conditions of award agreements covering the grants and SiTime's 2022 Inducement Award Plan.

Conference Call

SiTime will broadcast its fourth quarter and fiscal year 2022 financial results conference call today, February 1, 2023, at 2:00 p.m. Pacific Time (5:00 p.m. Eastern Time). To join the conference call via phone, participants are required to complete the following registration form to receive a dial-in number and dedicated PIN for accessing the conference call. The conference call will also be available via a live audio webcast on the investor relations section of the SiTime website at investor.sitime.com. Please access the website at least a few minutes prior to the start of the call to download and install any necessary audio software. An archived webcast replay of the call will be available on the website.

About SiTime

SiTime Corporation is a leading provider of precision timing solutions to the global electronics industry. Our precision timing solutions are the heartbeat of our customers' electronic systems. They solve complex timing problems and enable industry-leading electronics products. We provide precision timing solutions that deliver extremely accurate, high performance timing that can withstand severe environmental conditions such as shock, vibration, rapid changes in temperature and other conditions. Our solutions have been designed into over 300 applications across our target markets, including communications and enterprise, automotive, industrial, aerospace, and mobile, IoT and consumer. For more information, visit <https://www.sitime.com/>.

SiTime Corporation Unaudited GAAP Condensed Consolidated Statements of Income (Loss)

	Three Months Ended	Year Ended
	December 31, 2022	December 31, 2022
	(in thousands, except per share data)	
Revenue	\$ 60,840	\$ 283,605
Cost of revenue	23,080	100,643
Gross profit	37,760	182,962
Operating expenses:		
Research and development	23,798	90,288
Selling, general and administrative	19,693	76,532
Total operating expenses	43,491	166,820
Income (loss) from operations	(5,731)	16,142
Interest income	3,996	7,291
Other income (expense)	167	(97)
Income (loss) before income taxes	(1,568)	23,336
Income tax benefit (expense)	41	(82)
Net income (loss)	\$ (1,527)	\$ 23,254
Net income (loss) attributable to common stockholders and comprehensive income	\$ (1,527)	\$ 23,254
Net income (loss) per share attributable to common stockholders, basic	\$ (0.07)	\$ 1.09
Net income (loss) per share attributable to common stockholders, diluted	\$ (0.07)	\$ 1.03
Weighted-average shares used to compute basic net income (loss) per share	21,544	21,245
Weighted-average shares used to compute diluted net income (loss) per share	21,544	22,664

SiTime Corporation
Unaudited Reconciliation of Non-GAAP Adjustments

	<u>Three Months Ended</u> <u>December 31, 2022</u>	<u>Year Ended</u> <u>December 31, 2022</u>
(in thousands, except per share data)		
Reconciliation of GAAP gross profit and margin to non-GAAP		
Revenue	\$ 60,840	\$ 283,605
GAAP gross profit	37,760	182,962
GAAP gross margin	62.1 %	64.5 %
Stock-based compensation and related taxes	633	1,982
Non-GAAP gross profit	<u>\$ 38,393</u>	<u>\$ 184,944</u>
Non-GAAP gross margin	<u>63.1 %</u>	<u>65.2 %</u>
Reconciliation of GAAP operating expenses to non-GAAP		
GAAP research and development expenses	23,798	90,288
Stock-based compensation and related taxes	(7,201)	(26,383)
Non-GAAP research and development expenses	<u>\$ 16,597</u>	<u>\$ 63,905</u>
GAAP sales, general and administrative expenses	19,693	76,532
Stock-based compensation and related taxes	(8,106)	(31,301)
Non-GAAP sales, general and administrative expenses	<u>\$ 11,587</u>	<u>\$ 45,231</u>
Total Non-GAAP operating expenses	<u>\$ 28,184</u>	<u>\$ 109,136</u>
Reconciliation of GAAP income (loss) from operations to non-GAAP income from operations		
GAAP income (loss) from operations	\$ (5,731)	\$ 16,142
Stock-based compensation and related taxes	15,940	59,666
Non-GAAP income from operations	<u>\$ 10,209</u>	<u>\$ 75,808</u>
Non-GAAP income from operations as a percentage of revenue	16.8 %	26.7 %
Reconciliation of GAAP net income (loss) to non-GAAP net income		
GAAP net income (loss)	\$ (1,527)	\$ 23,254
Stock-based compensation and related taxes	15,940	59,666
Non-GAAP net income	<u>\$ 14,413</u>	<u>\$ 82,920</u>
Weighted-average shares used to compute diluted net income per share	<u>22,524</u>	<u>22,664</u>
Stock-based compensation and related taxes		
Stock-based compensation	\$ 15,623	\$ 57,416
Stock-based compensation related taxes	317	2,250
Stock-based compensation and related taxes	<u>\$ 15,940</u>	<u>\$ 59,666</u>
GAAP net income (loss) per share diluted	\$ (0.07)	\$ 1.03
Non-GAAP adjustments detailed above	0.71	2.63
Non-GAAP net income per share diluted	\$ 0.64	\$ 3.66

SiTime Corporation
Unaudited GAAP Condensed Consolidated Balance Sheets

	As of	
	December 31, 2022	December 31, 2021
	(in thousands)	
Assets:		
Current assets:		
Cash and cash equivalents	\$ 34,603	\$ 559,461
Short-term investments in held-to-maturity securities	529,494	—
Accounts receivable, net	41,229	38,376
Inventories	57,650	23,630
Prepaid expenses and other current assets	6,091	4,476
Total current assets	669,067	625,943
Property and equipment, net	58,772	37,902
Intangible assets, net	5,205	5,977
Right-of-use assets, net	10,848	8,194
Other assets	6,724	193
Total assets	\$ 750,616	\$ 678,209
Liabilities and Stockholders' Equity:		
Current liabilities:		
Accounts payable	\$ 14,881	\$ 13,103
Accrued expenses and other current liabilities	18,913	24,282
Total current liabilities	33,794	37,385
Lease liabilities	8,149	6,398
Other non-current liabilities	193	1,929
Total liabilities	42,136	45,712
Commitments and contingencies		
Stockholders' equity:		
Common stock	2	2
Additional paid-in capital	716,343	663,614
Accumulated deficit	(7,865)	(31,119)
Total stockholders' equity	708,480	632,497
Total liabilities and stockholders' equity	\$ 750,616	\$ 678,209

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