

**Silicon Laboratories Inc.**  
**Condensed Consolidated Statements of Income**  
(In thousands, except per share data)  
(Unaudited)

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>July 1, 2023</b>	<b>July 2, 2022</b>	<b>July 1, 2023</b>	<b>July 2, 2022</b>
Revenues	\$244,866	\$263,150	\$491,653	\$496,964
Cost of revenues	101,091	99,247	194,018	177,289
Gross profit	143,775	163,903	297,635	319,675
Operating expenses:				
Research and development	85,902	83,511	175,298	161,053
Selling, general and administrative	40,706	49,013	85,597	93,660
Operating expenses	126,608	132,524	260,895	254,713
Operating income	17,167	31,379	36,740	64,962
Other income (expense):				
Interest income and other, net	7,780	3,445	12,616	4,944
Interest expense	(1,596)	(1,667)	(3,252)	(3,347)
Income before income taxes	23,351	33,157	46,104	66,559
Provision for income taxes	12,338	10,994	20,091	22,683
Equity-method earnings (loss)	(57)	(28)	(1,090)	1,166
Net income	\$ 10,956	\$ 22,135	\$ 24,923	\$ 45,042
Earnings per share:				
Basic	\$ 0.35	\$ 0.62	\$ 0.78	\$ 1.22
Diluted	\$ 0.33	\$ 0.60	\$ 0.75	\$ 1.18
Weighted-average common shares outstanding:				
Basic	31,614	35,722	31,786	36,862
Diluted	32,926	36,604	33,339	38,063

**Silicon Laboratories Inc.**  
**Condensed Consolidated Balance Sheets**  
(In thousands, except per share data)  
(Unaudited)

	<u>July 1, 2023</u>	<u>December 31, 2022</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 234,813	\$ 499,915
Short-term investments	271,063	692,024
Accounts receivable, net	98,256	71,437
Inventories	145,523	100,417
Prepaid expenses and other current assets	71,322	97,570
Total current assets	<u>820,977</u>	<u>1,461,363</u>
Property and equipment, net	152,358	152,016
Goodwill	376,389	376,389
Other intangible assets, net	72,003	84,907
Other assets, net	97,072	94,753
Total assets	<u>\$1,518,799</u>	<u>\$2,169,428</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 55,102	\$ 89,860
Revolving line of credit	80,000	--
Deferred revenue and returns liability	11,105	6,780
Other current liabilities	72,339	89,136
Total current liabilities	<u>218,546</u>	<u>185,776</u>
Convertible debt, net	--	529,573
Other non-current liabilities	41,356	49,071
Total liabilities	<u>259,902</u>	<u>764,420</u>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock – \$0.0001 par value; 10,000 shares authorized; no shares issued	--	--
Common stock – \$0.0001 par value; 250,000 shares authorized; 31,861 and 31,994 shares issued and outstanding at July 1, 2023 and December 31, 2022, respectively	3	3
Retained earnings	1,262,984	1,415,693
Accumulated other comprehensive loss	(4,090)	(10,688)
Total stockholders' equity	<u>1,258,897</u>	<u>1,405,008</u>
Total liabilities and stockholders' equity	<u>\$1,518,799</u>	<u>\$2,169,428</u>

**Silicon Laboratories Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
(In thousands)  
(Unaudited)

	<b>Six Months Ended</b>	
	<b>July 1, 2023</b>	<b>July 2, 2022</b>
<b>Operating Activities</b>		
Net income	\$ 24,923	\$ 45,042
Adjustments to reconcile net income to net cash provided by (used in) operating activities of continuing operations:		
Depreciation of property and equipment	12,441	10,561
Amortization of other intangible assets	12,904	19,194
Amortization of debt issuance costs	960	994
Loss on extinguishment of convertible debt	--	3
Stock-based compensation expense	31,377	27,264
Equity-method (earnings) loss	1,090	(1,166)
Deferred income taxes	(6,403)	(9,344)
Changes in operating assets and liabilities:		
Accounts receivable	(26,819)	26,207
Inventories	(45,064)	(24,714)
Prepaid expenses and other assets	32,963	(25,286)
Accounts payable	(30,003)	25,606
Other current liabilities and income taxes	(26,220)	(3,418)
Deferred revenue and returns liability	4,326	(3,153)
Other non-current liabilities	(1,975)	(4,416)
Net cash provided by (used in) operating activities of continuing operations	(15,500)	83,374
<b>Investing Activities</b>		
Purchases of marketable securities	(81,427)	(554,267)
Sales of marketable securities	339,555	27,404
Maturities of marketable securities	171,691	511,296
Purchases of property and equipment	(13,462)	(12,322)
Purchases of other assets	(215)	--
Net cash provided by (used in) investing activities of continuing operations	416,142	(27,889)
<b>Financing Activities</b>		
Proceeds from revolving line of credit	80,000	--
Payments on debt	(536,124)	(21)
Repurchases of common stock	(201,095)	(579,040)
Payment of taxes withheld for vested stock awards	(16,310)	(13,958)
Proceeds from the issuance of common stock	7,785	6,365
Net cash used in financing activities of continuing operations	(665,744)	(586,654)
<b>Discontinued Operations</b>		
Operating activities	--	(38,604)
Net cash used in discontinued operations	--	(38,604)
Decrease in cash and cash equivalents	(265,102)	(569,773)
Cash and cash equivalents at beginning of period	499,915	1,074,623
Cash and cash equivalents at end of period	<u>\$ 234,813</u>	<u>\$ 504,850</u>

## Non-GAAP Financial Measurements

In addition to the GAAP results provided throughout this document, Silicon Labs has provided non-GAAP financial measurements on a basis excluding non-cash and other charges and benefits. Details of these excluded items are presented in the tables below, which reconcile the GAAP results to non-GAAP financial measurements.

The non-GAAP financial measurements do not replace the presentation of Silicon Labs' GAAP financial results. These measurements provide supplemental information to assist management and investors in analyzing Silicon Labs' financial position and results of operations. Silicon Labs has chosen to provide this information to investors to enable them to perform meaningful comparisons of past, present and future operating results and as a means to emphasize the results of core on-going operations.

### Unaudited Reconciliation of GAAP to Non-GAAP Financial Measures (In thousands, except per share data)

<u>Non-GAAP Income Statement Items</u>	<u>Three Months Ended July 1, 2023</u>								
	<u>GAAP Measure</u>	<u>GAAP Percent of Revenue</u>	<u>Stock Compensation Expense</u>	<u>Intangible Asset Amortization</u>	<u>Termination Costs</u>	<u>Non- GAAP Measure</u>	<u>Non-GAAP Percent of Revenue</u>		
Revenues	\$244,866								
Gross profit	143,775	58.7%	\$283	\$ --	\$58	\$144,116	58.9%		
Research and development	85,902	35.1%	8,813	6,375	1,157	69,557	28.4%		
Selling, general and administrative	40,706	16.6%	5,643	19	368	34,676	14.2%		
Operating expenses	126,608	51.7%	14,456	6,394	1,525	104,233	42.6%		
Operating income	17,167	7.0%	14,739	6,394	1,583	39,883	16.3%		
	<u>Three Months Ended July 1, 2023</u>								
<u>Non-GAAP Earnings Per Share and Income Tax Rate</u>	<u>GAAP Measure</u>	<u>GAAP Tax Percentage Rate</u>	<u>Stock Compensation Expense</u>	<u>Intangible Asset Amortization</u>	<u>Termination Costs</u>	<u>Equity-Method Investment Adjustments</u>	<u>Income Tax Adjustments</u>	<u>Non- GAAP Measure</u>	<u>Non-GAAP Tax Percentage Rate</u>
Income before income taxes and equity-method earnings (loss)	\$23,294		\$14,739	\$6,394	\$1,583	\$57	\$ --	\$46,067	
Provision for income taxes	<u>12,338</u>	53.0%					(530)	<u>11,808</u>	25.6%
Net income	\$10,956							\$34,259	
Diluted shares outstanding	32,926							32,926	
Diluted earnings per share	\$0.33							\$1.04	

**Unaudited Forward-Looking Statements Regarding Business Outlook\*\***  
**(In millions, except per share data)**

<b>Business Outlook</b>	<b>Three Months Ending September 30, 2023</b>		
	<b>GAAP Measure</b>	<b>Non-GAAP Adjustments*</b>	<b>Non-GAAP Measure</b>
Gross margin	59 %	0 %	59 %
Operating expenses	\$120	\$(25)	\$95
Diluted earnings (loss) per share - low	\$(0.08)	\$0.53	\$0.45
Diluted earnings per share - high	\$0.20	\$0.53	\$0.73

\* Non-GAAP adjustments include the following estimates: stock compensation expense of \$18.7 million, intangible asset amortization of \$6.3 million, termination costs of \$0.3 million, and the associated tax impact from the aforementioned items.

\*\* These financial schedules contain forward-looking statements based on Silicon Labs' current expectations. The words "believe," "estimate," "expect," "intend," "anticipate," "plan," "project," "will" and similar phrases as they relate to Silicon Labs are intended to identify such forward-looking statements. These forward-looking statements reflect the current views and assumptions of Silicon Labs and are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Among the factors that could cause actual results to differ materially from those in the forward-looking statements are the following: the competitive and cyclical nature of the semiconductor industry; the challenging macroeconomic environment, including disruptions in the financial services industry; geographic concentration of manufacturers, assemblers, test service providers and customers in Asia that subjects Silicon Labs' business and results of operations to risks of natural disasters, epidemics or pandemics, war and political unrest; risks that demand and the supply chain may be adversely affected by military conflict (including between Russia and Ukraine), terrorism, sanctions or other geopolitical events globally (including conflict between Taiwan and China); risks that Silicon Labs may not be able to maintain its historical growth; quarterly fluctuations in revenues and operating results; difficulties developing new products that achieve market acceptance; risks associated with international activities (including trade barriers, particularly with respect to China); intellectual property litigation risks; risks associated with acquisitions and divestitures; product liability risks; difficulties managing and/or obtaining sufficient supply from Silicon Labs' distributors, manufacturers and subcontractors; dependence on a limited number of products; absence of long-term commitments from customers; inventory-related risks; difficulties managing international activities; risks that Silicon Labs may not be able to manage strains associated with its growth; credit risks associated with its accounts receivable; dependence on key personnel; stock price volatility; the impact of COVID-19 on the U.S. and global economy; debt-related risks; capital-raising risks; the timing and scope of anticipated share repurchases and/or dividends; average selling prices of products may decrease significantly and rapidly; information technology risks; cyber-attacks against Silicon Labs' products and its networks and other factors that are detailed in the SEC filings of Silicon Laboratories Inc. Silicon Labs disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. References in these financial schedules to Silicon Labs shall mean Silicon Laboratories Inc.