

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

FORM 8-K

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

Date of Report (Date of earliest event reported): August 27, 2024

SEMTECH CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-06395
(Commission File Number)
200 Flynn Road
Camarillo, California
(Address of principal executive offices)

95-2119684
(IRS Employer Identification No.)

93012-8790
(Zip Code)

805-498-2111
(Registrant's telephone number, including area code)

Not applicable
(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 144-12 under the Exchange Act (17 CFR 240.144-12)
- Pre-commencement communications pursuant to Rule 144-2(b) under the Exchange Act (17 CFR 240.144-2(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 Exchange Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	SMTC	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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 August 27, 2024, the Registrant issued a press release announcing its financial results for the second quarter of fiscal year 2025, which ended July 28, 2024. A copy of the press release is attached hereto as Exhibit 99.1.

Item 7.01 Regulation FD Disclosure.

On August 27, 2024, the Registrant issued a press release containing forward-looking statements, including with respect to its future performance and financial results. A copy of the press release is attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

[Exhibit 99.1 Press Release of the Registrant dated August 27, 2024 \(This Exhibit 99.1 is being furnished and shall not be deemed "filed"\)](#)

Exhibit 104 The Cover Page from this Current Report on Form 8-K formatted in Inline XBRL (included as Exhibit 101)

The information contained in Item 2.02, Item 7.01 and Exhibit 99.1 of this Current Report on Form 8-K hereto is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information in Item 2.02, Item 7.01 and Exhibit 99.1 hereto shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference to Item 2.02, Item 7.01 and Exhibit 99.1, as applicable in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SEMTECH CORPORATION

Date: August 27, 2024

/s/ Mark Lin

Name: Mark Lin
Title: Chief Financial Officer



FOR IMMEDIATE RELEASE

Contact:
Sara Kesten
Semtech Corporation
(805) 480-2004
webir@semtech.com

Semtech Announces Second Quarter of Fiscal Year 2025 Results

- Net sales of \$215.4 million, up 4% sequentially
- GAAP gross margin of 49.0%, up 70 basis points sequentially and Non-GAAP gross margin of 50.4%, up 60 basis points sequentially
- GAAP operating margin of 3.6%, up 210 basis points sequentially and Non-GAAP operating margin of 14.2%, up 200 basis points sequentially
- GAAP diluted loss per share of \$2.61 and Non-GAAP diluted earnings per share of \$0.11
- Adjusted EBITDA margin of 18.8%, up 270 basis points sequentially

CAMARILLO, Calif., August 27, 2024—Semtech Corporation (Nasdaq: SMTC), a high-performance semiconductor, IoT systems and cloud connectivity service provider, today reported unaudited financial results for its second quarter of fiscal year 2025, which ended July 28, 2024.

"Semtech continues to execute on an established strategy to grow our business, as demonstrated by solid second quarter financial performance and a favorable outlook for our third quarter that forecasts acceleration of this growth," said Hong Hou, Semtech's president and chief executive officer. "We are well-positioned to capture significant future market opportunities through a disciplined growth-focused approach."

"I am pleased to report gross, operating and adjusted EBITDA margin each improved sequentially and year-over-year in our second quarter," said Mark Lin, Semtech's executive vice president and chief financial officer. "Continued improvements in these metrics, along with net sales growth in our third quarter outlook, demonstrate our commitment to prudent cost control while continuing to grow the business."

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Second Quarter of Fiscal Year 2025 Results

(in millions, except per share data)	GAAP Financial Results			Non-GAAP Financial Results		
	Q225	Q125	Q224	Q225	Q125	Q224
Net sales	\$ 215.4	\$ 206.1	\$ 238.4	\$ 215.4	\$ 206.1	\$ 238.4
Gross margin	49.0 %	48.3 %	42.3 %	50.4 %	49.8 %	49.6 %
Operating expenses, net	\$ 97.7	\$ 96.4	\$ 400.8	\$ 77.9	\$ 77.4	\$ 85.7
Operating income (loss)	\$ 7.8	\$ 3.1	\$ (300.1)	\$ 30.5	\$ 25.2	\$ 32.4
Operating margin	3.6 %	1.5 %	(125.9)%	14.2 %	12.2 %	13.6 %
Interest expense, net	\$ 28.1	\$ 22.7	\$ 23.5	\$ 20.5	\$ 20.5	\$ 21.2
Net (loss) income attributable to common stockholders	\$ (170.3)	\$ (23.2)	\$ (382.0)	\$ 8.1	\$ 4.1	\$ 8.5
Diluted (loss) earnings per share	\$ (2.61)	\$ (0.36)	\$ (5.97)	\$ 0.11	\$ 0.06	\$ 0.13
Adjusted EBITDA				\$ 40.5	\$ 33.1	\$ 39.0
Adjusted EBITDA margin				18.8 %	16.1 %	16.4 %

See "Non-GAAP Financial Measures" below for additional information about our non-GAAP financial results.

Third Quarter of Fiscal Year 2025 Outlook

(in millions, except per share data)			
Net sales	\$	233.0	+/- \$5.0
Non-GAAP Financial Measures			
Gross margin		52.0%	+/- 50 bps
Operating expenses, net	\$	81.0	+/- \$1.0
Operating income	\$	40.2	+/- \$2.8
Operating margin		17.2%	+/- 80 bps
Interest expense, net	\$	18.8	
Normalized tax rate		15%	
Diluted earnings per share	\$	0.23	+/- \$0.03
Adjusted EBITDA	\$	48.7	+/- \$2.8
Adjusted EBITDA margin		20.9%	+/- 80 bps
Diluted share count		78.6	

See "Non-GAAP Financial Measures" below for additional information about our non-GAAP financial results.

The Company is unable to include a reconciliation of forward-looking non-GAAP results to the corresponding GAAP measures as this is not available without unreasonable efforts due to the high variability and low visibility with respect to the impact of transaction, integration and restructuring expenses, share-based awards, amortization of acquisition-related intangible assets and other items that are excluded from these non-GAAP measures. The Company expects the variability of the above charges to have a potentially significant impact on its GAAP financial results.

Webcast and Conference Call

Semtech will be hosting a conference call today to discuss its second fiscal quarter 2025 results at 2:00 p.m. Pacific time. The dial-in number for the call is (877) 407-0312. Please use conference ID 13746449. An audio webcast and supplemental earnings materials for the quarter will be available on the Investor Relations section of Semtech's website at investors.semtech.com under "News & Events." A replay of the call will be available through September 24, 2024 at the same website or by calling (877) 660-6853 and entering conference ID 13746449.

Non-GAAP Financial Measures

To supplement the Company's consolidated financial statements prepared in accordance with GAAP, this release includes a presentation of select non-GAAP financial measures. The Company's non-GAAP measures of gross margin, SG&A expense, product development and engineering expense, operating expenses, net, operating income or loss, operating margin, interest expense, net, diluted (loss) earnings per share, normalized tax rate, adjusted EBITDA and adjusted EBITDA margin exclude the following items, if any and as applicable, as set forth in the reconciliations in the tables below under "Supplemental Information: Reconciliation of GAAP to Non-GAAP Results:"

- Share-based compensation
 - Intangible amortization
 - Transaction and integration related costs or recoveries (including costs associated with the acquisition and integration of Sierra Wireless, Inc.)
 - Restructuring and other reserves, including cumulative other reserves associated with historical activity including environmental, pension, deferred compensation and right-of-use asset impairments
 - Litigation costs or dispute settlement charges or recoveries
 - Gain on sale of business
 - Equity method income or loss
 - Investment gains, losses, reserves and impairments, including interest income from debt investments
 - Write-off and amortization of deferred financing costs
 - Loss on extinguishment of debt
 - Debt commitment fee
 - Goodwill and intangible impairment
 - Amortization of inventory step-up
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Effective as of the third quarter of fiscal year 2024, the Company's non-GAAP measures have been adjusted to exclude amortization of deferred financing costs, which had the impact of decreasing non-GAAP interest expense, net and increasing non-GAAP net income or loss attributable to common stockholders and non-GAAP earnings or loss per diluted share. This adjustment was applied retrospectively and all prior period amounts have been revised to conform to the current presentation.

In this release, the Company also presents adjusted EBITDA, adjusted EBITDA margin and free cash flow. Adjusted EBITDA is defined as net (loss) income plus interest expense, interest income, provision (benefit) for income taxes, depreciation and amortization, and share-based compensation, and adjusted to exclude certain expenses, gains and losses that the Company believes are not indicative of its core results over time. Adjusted EBITDA margin is defined as adjusted EBITDA as a percentage of net sales. The Company considers free cash flow, which may be positive or negative, a non-GAAP financial measure defined as cash flows provided by (used in) operating activities less net capital expenditures. Management believes that the presentation of these non-GAAP measures provides useful information to investors regarding the Company's financial condition and results of operations. These non-GAAP financial measures are adjusted to exclude the items identified above because such items are either operating expenses that would not otherwise have been incurred by the Company in the normal course of the Company's business operations, or are not reflective of the Company's core results over time. These excluded items may include recurring as well as non-recurring items, and no inference should be made that all of these adjustments, charges, costs or expenses are unusual, infrequent or non-recurring. For example: certain restructuring and integration-related expenses (which consist of employee termination costs, facility closure or lease termination costs, and contract termination costs) may be considered recurring given the Company's ongoing efforts to be more cost effective and efficient; certain acquisition and disposition-related adjustments or expenses may be deemed recurring given the Company's regular evaluation of potential transactions and investments; and certain litigation expenses or dispute settlement charges or gains (which may include estimated losses for which the Company may have established a reserve, as well as any actual settlements, judgments, or other resolutions against, or in favor of, the Company related to litigation, arbitration, disputes or similar matters, and insurance recoveries received by the Company related to such matters) may be viewed as recurring given that the Company may from time to time be involved in, and may resolve, litigation, arbitration, disputes, and similar matters.

Notwithstanding that certain adjustments, charges, costs or expenses may be considered recurring, in order to provide meaningful comparisons, the Company believes that it is appropriate to exclude such items because they are not reflective of the Company's core results and tend to vary based on timing, frequency and magnitude.

These non-GAAP financial measures are provided to enhance the user's overall understanding of the Company's comparable financial performance between periods. In addition, the Company's management generally excludes the items noted above when managing and evaluating the performance of the business. The financial statements provided with this release include reconciliations of these non-GAAP financial measures to their most comparable GAAP measures for the second and first quarters of fiscal year 2025 and the second quarter of fiscal year 2024.

The Company adopted a full-year, normalized tax rate for the computation of the non-GAAP income tax provision in order to provide better comparability across the interim reporting periods by reducing the quarterly variability in non-GAAP tax rates that can occur throughout the year. In estimating the full-year non-GAAP normalized tax rate, the Company utilized a full-year financial projection that considers multiple factors such as changes to the Company's current operating structure, existing positions in various tax jurisdictions, the effect of key tax law changes, and other significant tax matters to the extent they are applicable to the full fiscal year financial projection. In addition to the adjustments described above, this normalized tax rate excludes the impact of share-based awards and the amortization of acquisition-related intangible assets. For fiscal year 2025, the Company's projected non-GAAP normalized tax rate is 15% and will be applied to each quarter of fiscal year 2025. The Company's non-GAAP normalized tax rate on non-GAAP net income may be adjusted during the year to account for events or trends that the Company believes materially impact the original annual non-GAAP normalized tax rate including, but not limited to, significant changes resulting from tax legislation, acquisitions, entity structures or operational changes and other significant events. These additional non-GAAP financial measures should not be considered substitutes for any measures derived in accordance with GAAP and may be inconsistent with similar measures presented by other companies.

To provide additional insight into the Company's third quarter outlook, this release also includes a presentation of forward-looking non-GAAP financial measures. See "Third Quarter of Fiscal Year 2025 Outlook" above for further information.

Forward-Looking and Cautionary Statements

This press release contains "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, as amended, based on the Company's current expectations, estimates and projections about its operations, industry, financial condition, performance, results of operations, and liquidity. Forward-looking statements are statements other than historical information or statements of current condition and relate to matters such as future financial performance including the third quarter of fiscal year 2025 outlook; future operational performance; the anticipated impact of specific items on future earnings; the Company's expectations regarding near term

growth trends; and the Company's plans, objectives and expectations. Statements containing words such as "may," "believes," "anticipates," "expects," "intends," "plans," "projects," "estimates," "should," "could," "designed to," "projections," or "business outlook," or other similar expressions constitute forward-looking statements.

Forward-looking statements involve known and unknown risks and uncertainties that could cause actual results and events to differ materially from those projected. Potential factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to: the Company's ability to comply with, or pursue business strategies due to the covenants under the agreements governing its indebtedness; the Company's ability to remediate material weakness in its internal control over financial reporting, discovery of additional weaknesses, and its inability to achieve and maintain effective disclosure controls and procedures and internal control over financial reporting; the Company's ability to forecast and achieve anticipated net sales and earnings estimates in light of periodic economic uncertainty; the inherent risks, costs and uncertainties associated with integrating Sierra Wireless, Inc. successfully and risks of not achieving all or any of the anticipated benefits, or the risk that the anticipated benefits may not be fully realized or take longer to realize than expected; the uncertainty surrounding the impact and duration of supply chain constraints and any associated disruptions; export restrictions and laws affecting the Company's trade and investments, and tariffs or the occurrence of trade wars; worldwide economic and political disruptions, including as a result of inflation and current geopolitical conflicts; tightening credit conditions related to the United States banking system concerns; competitive changes in the marketplace including, but not limited to, the pace of growth or adoption rates of applicable products or technologies; downturns in the business cycle; decreasing average selling prices of the Company's products; the Company's reliance on a limited number of suppliers and subcontractors for components and materials; changes in projected or anticipated end-user markets; future responses to and effects of public health crises; and the Company's ability to forecast its annual non-GAAP normalized tax rate due to material changes that could occur during the fiscal year, which could include, but are not limited to, significant changes resulting from tax legislation, acquisitions, entity structures or operational changes and other significant events. Additionally, forward-looking statements should be considered in conjunction with the cautionary statements contained in the risk factors disclosed in the Company's filings with the Securities and Exchange Commission (the "SEC"), including the Company's Annual Report on Form 10-K for the fiscal year ended January 28, 2024, filed with the SEC on March 28, 2024 as such risk factors may be amended, supplemented or superseded from time to time by subsequent reports the Company files with the SEC. In light of the significant risks and uncertainties inherent in the forward-looking information included herein that may cause actual performance and results to differ materially from those predicted, any such forward-looking information should not be regarded as representations or guarantees by the Company of future performance or results, or that its objectives or plans will be

achieved or that any of its operating expectations or financial forecasts will be realized. Reported results should not be considered an indication of future performance. Investors are cautioned not to place undue reliance on any forward-looking information contained herein, which reflect management's analysis only as of the date hereof. Except as required by law, the Company assumes no obligation to publicly release the results of any update or revision to any forward-looking statements that may be made to reflect new information, events or circumstances after the date hereof or to reflect the occurrence of unanticipated or future events, or otherwise.

Amounts reported in this press release are preliminary and subject to the finalization of the filing of our unaudited financial results on Form 10-Q for the three and six months ended July 28, 2024.

About Semtech

Semtech Corporation (Nasdaq: SMTC) is a high-performance semiconductor, IoT systems and cloud connectivity service provider dedicated to delivering high-quality technology solutions that enable a smarter, more connected and sustainable planet. Our global teams are committed to empowering solution architects and application developers to develop breakthrough products for the infrastructure, industrial and consumer markets.

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SEMTECH CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(unaudited)

	Three Months Ended					
	July 28, 2024		April 28, 2024		July 30, 2023	
	Q225		Q125		Q224	
Net sales	\$	215,355	\$	206,105	\$	238,372
Cost of sales		107,612		104,232		127,071
Amortization of acquired technology		2,279		2,281		10,573
Total cost of sales		109,891		106,513		137,644
Gross profit		105,464		99,592		100,728
Operating expenses, net:						
Selling, general and administrative		55,789		52,269		59,579
Product development and engineering		40,084		41,604		47,433
Intangible amortization		282		307		4,871
Restructuring		1,541		2,269		9,399
Goodwill impairment		—		—		279,555
Total operating expenses, net		97,696		96,449		400,837
Operating Income (loss)		7,768		3,143		(300,109)
Interest expense		(28,578)		(23,229)		(24,171)
Interest income		433		542		674
Loss on extinguishment of debt		(144,688)		—		—
Non-operating (expense) income, net		(1,015)		400		(1,566)
Investment impairments and credit loss reserves, net		—		(1,109)		(227)
Loss before taxes and equity method income (loss)		(166,080)		(20,253)		(325,399)
Provision for income taxes		4,215		2,956		56,592
Net loss before equity method income (loss)		(170,295)		(23,209)		(381,991)
Equity method income (loss)		—		50		(12)
Net loss		(170,295)		(23,159)		(382,003)
Net loss attributable to noncontrolling interest		—		—		(1)
Net loss attributable to common stockholders	\$	(170,295)	\$	(23,159)	\$	(382,002)
Loss per share:						
Basic	\$	(2.61)	\$	(0.36)	\$	(5.97)
Diluted	\$	(2.61)	\$	(0.36)	\$	(5.97)
Weighted average number of shares used in computing loss per share:						
Basic		65,281		64,509		64,005
Diluted		65,281		64,509		64,005

SEMTECH CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)
(unaudited)

	July 28, 2024	January 28, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 115,928	\$ 128,585
Accounts receivable, net	152,976	134,322
Inventories	156,011	144,992
Prepaid taxes	15,375	11,969
Other current assets	101,453	114,329
Total current assets	541,743	534,197
Non-current assets:		
Property, plant and equipment, net	139,525	153,618
Deferred tax assets	18,017	18,014
Goodwill	541,104	541,227
Other intangible assets, net	35,354	35,566
Other assets	92,257	91,113
Total assets	\$ 1,368,000	\$ 1,373,735
LIABILITIES AND EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	\$ 75,760	\$ 45,051
Accrued liabilities	148,913	172,105
Total current liabilities	224,673	217,156
Non-current liabilities:		
Deferred tax liabilities	—	829
Long-term debt	1,192,865	1,371,039
Other long-term liabilities	91,899	91,961
Stockholders' deficit	(141,437)	(307,434)
Noncontrolling interest	—	184
Total liabilities & equity (deficit)	\$ 1,368,000	\$ 1,373,735

SEMTECH CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS AND SUPPLEMENTAL INFORMATION
(in thousands)
(unaudited)

	Six Months Ended	
	July 28, 2024	July 30, 2023
Net loss	\$ (193,454)	\$ (411,420)
Net cash used in operating activities	(5,084)	(101,992)
Net cash used in investing activities	(2,672)	(19,577)
Net cash (used in) provided by financing activities	(4,550)	34,727
Effect of foreign exchange rate changes on cash and cash equivalents	(351)	(755)
Net decrease in cash and cash equivalents	(12,457)	(87,598)
Cash and cash equivalents at beginning of period	128,585	235,510
Cash and cash equivalents at end of period	\$ 115,928	\$ 147,912

	Three Months Ended		
	July 28, 2024	April 28, 2024	July 30, 2023
	Q225	Q125	Q224
Free cash flow:			
Cash flow from operations	\$ (4,995)	\$ (89)	\$ (12,005)
Net capital expenditures	(3,411)	(1,334)	(6,920)
Free cash flow	\$ (8,406)	\$ (1,423)	\$ (18,925)

SEMTECH CORPORATION
SUPPLEMENTAL INFORMATION: RECONCILIATION OF GAAP TO NON-GAAP RESULTS
(in thousands, except per share data)
(unaudited)

	Three Months Ended			Six Months Ended	
	July 28, 2024	April 28, 2024	July 30, 2023	July 28, 2024	July 30, 2023
	Q225	Q125	Q224	Q225	Q224
Gross margin (GAAP)	49.0 %	48.3 %	42.3 %	48.7 %	42.9 %
Share-based compensation	0.3 %	0.4 %	0.2 %	0.3 %	0.2 %
Amortization of acquired technology	1.1 %	1.1 %	4.4 %	1.1 %	4.4 %
Transaction and integration related costs, net	— %	— %	1.1 %	— %	0.6 %
Restructuring and other reserves, net	— %	— %	0.2 %	— %	0.2 %
Amortization of inventory step-up	— %	— %	1.4 %	— %	0.7 %
Adjusted gross margin (Non-GAAP)	50.4 %	49.8 %	49.6 %	50.1 %	49.0 %
	Three Months Ended			Six Months Ended	
	July 28, 2024	April 28, 2024	July 30, 2023	July 28, 2024	July 30, 2023
	Q225	Q125	Q224	Q225	Q224
Selling, general and administrative (GAAP)	\$ 55,789	\$ 52,269	\$ 59,579	\$ 108,058	\$ 117,359
Share-based compensation	(12,982)	(11,391)	(9,409)	(24,373)	(13,911)
Transaction and integration related costs, net	(1,473)	(1,845)	(7,271)	(3,318)	(14,339)
Litigation costs, net	(57)	(98)	(132)	(155)	(158)
Adjusted selling, general and administrative (Non-GAAP)	\$ 41,277	\$ 38,935	\$ 42,767	\$ 80,212	\$ 88,951
	Three Months Ended			Six Months Ended	
	July 28, 2024	April 28, 2024	July 30, 2023	July 28, 2024	July 30, 2023
	Q225	Q125	Q224	Q225	Q224
Product development and engineering (GAAP)	\$ 40,084	\$ 41,604	\$ 47,433	\$ 81,688	\$ 98,034
Share-based compensation	(3,442)	(3,161)	(3,465)	(6,603)	(7,004)
Transaction and integration related costs, net	—	—	(1,016)	—	(1,550)
Adjusted product development and engineering (Non-GAAP)	\$ 36,642	\$ 38,443	\$ 42,952	\$ 75,085	\$ 89,480
	Three Months Ended			Six Months Ended	
	July 28, 2024	April 28, 2024	July 30, 2023	July 28, 2024	July 30, 2023
	Q225	Q125	Q224	Q225	Q224
Operating expenses, net (GAAP)	\$ 97,696	\$ 96,449	\$ 400,837	\$ 194,145	\$ 515,663
Share-based compensation	(16,424)	(14,552)	(12,874)	(30,976)	(20,915)
Intangible amortization	(282)	(307)	(4,871)	(589)	(9,753)
Transaction and integration related costs, net	(1,473)	(1,845)	(8,287)	(3,318)	(15,889)
Restructuring and other reserves, net	(1,541)	(2,269)	(9,399)	(3,810)	(10,962)
Litigation costs, net	(57)	(98)	(132)	(155)	(158)
Goodwill impairment	—	—	(279,555)	—	(279,555)
Adjusted operating expenses, net (Non-GAAP)	\$ 77,919	\$ 77,378	\$ 85,719	\$ 155,297	\$ 178,431

SEMTECH CORPORATION
SUPPLEMENTAL INFORMATION: RECONCILIATION OF GAAP TO NON-GAAP RESULTS (CONTINUED)
(in thousands, except per share data)
(unaudited)

	Three Months Ended			Six Months Ended		
	July 28, 2024	April 28, 2024	July 30, 2023	July 28, 2024	July 30, 2023	
	Q225	Q125	Q224	Q225	Q224	
GAAP net loss attributable to common stockholders	\$ (170,295)	\$ (23,159)	\$ (382,002)	\$ (193,454)	\$ (411,417)	
Adjustments to GAAP net loss attributable to common stockholders:						
Share-based compensation	17,138	15,234	13,399	32,372	21,803	
Intangible amortization	2,561	2,588	15,444	5,149	31,181	
Transaction and integration related costs, net	1,958	1,845	10,952	3,803	18,603	
Restructuring and other reserves, net	1,541	2,269	9,761	3,810	11,821	
Litigation costs, net	57	98	132	155	158	
Investment (gains) losses, reserves and impairments, net	(201)	662	49	461	(268)	
Amortization of deferred financing costs	2,379	2,379	1,689	4,758	3,103	
Write-off of deferred financing costs	5,497	—	771	5,497	771	
Loss on extinguishment of debt	144,688	—	—	144,688	—	
Goodwill impairment	—	—	279,555	—	279,555	
Amortization of inventory step-up	—	—	3,314	—	3,314	
Total Non-GAAP adjustments before taxes	175,618	25,075	335,066	200,693	370,041	
Associated tax effect	2,784	2,233	55,432	5,017	52,637	
Equity method (income) loss	—	(50)	12	(50)	19	
Total of supplemental information, net of taxes	178,402	27,258	390,510	205,660	422,697	
Non-GAAP net income attributable to common stockholders	\$ 8,107	\$ 4,099	\$ 8,508	\$ 12,206	\$ 11,280	
GAAP diluted loss per share	\$ (2.61)	\$ (0.36)	\$ (5.97)	\$ (2.98)	\$ (6.43)	
Adjustments per above	2.72	0.42	6.10	3.15	6.81	
Non-GAAP diluted earnings per share	\$ 0.11	\$ 0.06	\$ 0.13	\$ 0.17	\$ 0.18	
Weighted-average number of shares used in computing diluted (loss) earnings per share:						
GAAP	65,281	64,509	64,005	64,895	63,964	
Non-GAAP	71,787	67,620	64,104	69,962	64,055	

SEMTECH CORPORATION
SUPPLEMENTAL INFORMATION: RECONCILIATION OF GAAP TO NON-GAAP RESULTS (CONTINUED)
(In thousands, except per share data)
(unaudited)

	Three Months Ended			Six Months Ended	
	July 28, 2024	April 28, 2024	July 30, 2023	July 28, 2024	July 30, 2023
	Q225	Q125	Q224	Q225	Q224
GAAP net loss attributable to common stockholders	\$ (170,295)	\$ (23,159)	\$ (382,002)	\$ (193,454)	\$ (411,417)
Interest expense	28,578	23,229	24,171	51,807	44,681
Interest income	(433)	(542)	(674)	(975)	(1,743)
Loss on extinguishment of debt	144,688	—	—	144,688	—
Non-operating expense (income), net	1,015	(400)	1,566	615	2,039
Investment impairments and credit loss reserves, net	—	1,109	227	1,109	260
Provision for income taxes	4,215	2,956	56,592	7,171	54,175
Equity method (income) loss	—	(50)	12	(50)	19
Net loss attributable to noncontrolling interest	—	—	(1)	—	(3)
Share-based compensation	17,138	15,234	13,399	32,372	21,803
Depreciation and amortization	12,567	10,504	22,042	23,071	46,565
Transaction and integration related costs, net	1,473	1,845	10,952	3,318	18,803
Restructuring and other reserves, net	1,541	2,269	9,761	3,810	11,821
Litigation costs, net	57	98	132	155	158
Goodwill impairment	—	—	279,555	—	279,555
Amortization of inventory step-up	—	—	3,314	—	3,314
Adjusted EBITDA	\$ 40,544	\$ 33,093	\$ 39,046	\$ 73,637	\$ 69,830
Adjusted EBITDA margin	18.8 %	16.1 %	16.4 %	17.5 %	14.7 %

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