



Arteris Announces Financial Results for the Second Quarter and Estimated Third Quarter and Updated Full Year 2026 Guidance

August 6, 2026

CAMPBELL, Calif., Aug. 06, 2026 (GLOBE NEWSWIRE) -- Arteris, Inc. (Nasdaq: AIP), a leading provider of semiconductor technology for accelerating innovation in the AI era, today announced financial results for the second quarter ended June 30, 2026 and provided estimated third quarter and updated full year 2026 guidance.

"In the second quarter we delivered multiple record-breaking results, including new highs in Annual Contract Value plus royalties exiting the quarter at \$99.5 million, up 44% year-over-year, and record revenue, royalties and Remaining Performance Obligation," said K. Charles Janac, President and Chief Executive Officer of Arteris. "Customer design activity remained strong, with number of design starts up 21% over the trailing-twelve-months compared to the previous trailing-twelve-months, as the majority of new designs now incorporate some form of AI compute. Data center chip and chiplet development remains a key growth driver, with enterprise computing averaging 29% of our Annual Contract Value plus royalties over the past four quarters and AI infrastructure deals among our largest in the quarter. With this momentum, we believe we remain well positioned to support our customers as they innovate across data centers, edge devices, and physical AI systems in the years ahead," concluded Janac.

Second Quarter 2026 Financial Highlights:

- Revenue of \$24.1 million, up 46% year-over-year
- Trailing-twelve-months variable royalties of \$8.6 million, up 65% year-over-year
- Annual Contract Value (ACV) plus royalties of \$99.5 million, up 44% year-over-year
- Remaining Performance Obligation (RPO) of \$135 million, up 36% year-over-year
- Operating loss of \$13.9 million, compared to an operating loss of \$8.2 million in the second quarter of 2025
- Non-GAAP operating loss of \$4.6 million, compared to a Non-GAAP operating loss of \$3.5 million in the second quarter of 2025
- Net loss of \$14.1 million or \$0.30 per share
- Non-GAAP net loss of \$4.7 million or \$0.10 per share

Second Quarter 2026 Business Highlights:

- Second quarter deal activity was driven by record customer engagement in enterprise computing, automotive, aerospace and defense, communications, consumer electronics, and industrial markets;
- Healthy design activity in the quarter, with a 21% year-over-year increase in customer confirmed design starts in the trailing-twelve-months ended June 30, 2026 compared to the previous trailing-twelve-months;
- Speedata, developer of the purpose-built Analytics Processing Unit (APU), has deployed Arteris in its Callisto processor for large-volume analytics processing for applications;
- Li Auto, a leader in China's new energy vehicle market, deployed its in-house designed autonomous driving chips in their newest SUV, leveraging Arteris technology;
- SiEngine, a provider of advanced automotive chips, selected Arteris for its intelligent cockpit, advanced driver assistance, and AI cockpit-drive fusion solutions;
- Arm expanded its partnership with Arteris, licensing Arteris hardware security assurance technology, already in use in selected Arm CPUs; and
- Saurabh Sinha will join Arteris as Chief Financial Officer starting September 8, 2026. Saurabh joins from Aeva Technologies where he was instrumental in taking the company public on Nasdaq and in managing financial operations, capital allocation and investor relations.

Non-GAAP gross profit, Non-GAAP gross margin, Non-GAAP operating loss, Non-GAAP net loss, Non-GAAP net loss per share, and free cash flow are Non-GAAP financial measures. Additional information on Arteris' historic reported results, including a reconciliation of these Non-GAAP financial measures to their most comparable GAAP measures, is included in the financial tables below.

Estimated Third Quarter and Updated Full Year 2026 Guidance:

	Q3 2026	FY 2026
	(in millions)	
		\$102.0 -
ACV + royalties	\$99.0 - \$103.0	\$106.0
Revenue	\$24.0 - \$25.0	\$95.0 - \$98.0
Non-GAAP operating loss	\$1.0 - \$3.0	\$7.0 - \$10.0

Free cash flow

*

\$5.0 - \$9.0

*As previously mentioned during the first quarter 2026 earnings call, we will no longer provide quarterly free cash flow guidance.

The guidance provided above are forward-looking statements and reflects Arteris' expectations as of today's date. Actual results may differ materially. Refer to the section titled "Forward-Looking Statements" below for information on the factors, among others, that could cause our actual results to differ materially from these forward-looking statements.

A reconciliation of Non-GAAP guidance measures reported above to corresponding GAAP measures is not available on a forward-looking basis without unreasonable effort due to the uncertainty of expenses that may be incurred in the future, although it is important to note that these factors could be material to Arteris' results computed in accordance with GAAP.

Definitions of the other business metrics used in this press release including ACV, confirmed design starts and RPO are included below under the heading "Other Business Metrics."

Conference Call

Arteris will host a conference call today on August 6, 2026 to review its second quarter 2026 financial results and to discuss its financial outlook.

Time: 4:30PM ET
United States/Canada Toll Free: 1-800-717-1738
International Toll: 1-646-307-1865

A live webcast will also be available in the Investor Relations section of Arteris' website at: <https://ir.arteris.com/events-and-presentations>

A replay of the webcast will be available in the Investor Relations section of Arteris' website approximately two hours after the conclusion of the call and remain available for approximately 30 calendar days.

About Arteris

Arteris is a leading provider of semiconductor technology that accelerates the creation of high-performance, power-efficient silicon with built-in safety, reliability, and security. Innovative Arteris products are designed to optimize data movement and help ease complexity in the modern AI era with network-on-chip (NoC) interconnect intellectual property (IP), system-on-chip (SoC) software for integration automation and hardware security assurance. All are used by the world's top technology companies to improve overall performance and engineering productivity, reduce risk, lower costs, and bring cutting-edge designs to market faster. Learn more at arteris.com.

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Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, including but not limited to, statements regarding market trends and whether we are well positioned to serve our customers as they innovate across data centers, edge devices, and physical AI systems in the years ahead, our long-term growth opportunity and future financial and operating performance, including our GAAP and Non-GAAP estimated third quarter and updated full year 2026 guidance. The words such as "may," "will," "could," "expect," "approximately," "believe," "estimate," "future," "guidance," "outlook," and similar words or expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Any forward-looking statements contained herein are based on our historical performance and our current plans, estimates and expectations and are not a representation that such plans, estimates, or expectations will be achieved. These forward-looking statements represent our expectations as of the date of this press release. Subsequent events may cause these expectations to change, and we disclaim any obligation to update the forward-looking statements in the future, except as required by law. These forward-looking statements are subject to known and unknown risks and uncertainties that may cause actual results to differ materially from our current expectations. Important factors that could cause actual results to differ materially from those anticipated in our forward-looking statements include, but are not limited to, the significant competition we face from larger companies and third-party providers; our history of net losses; the amount of our future revenue recognition as it relates to our RPO as of June 30, 2026; whether semiconductor companies in the aerospace and defense market, automotive market, communications market, consumer electronics market, enterprise computing market, and industrial market incorporate our solutions into their end products and the growth and economic stability of these end markets; our ability to attract new customers and the extent to which our customers renew their subscriptions for our solutions; the ability of our customers' end products achieving market acceptance or growth; our ability to sustain or grow our licensing revenue; our ability, and the cost, to successfully execute on research and development efforts; the occurrence of product errors or defects in our solutions; if we fail to offer high-quality support; the occurrence of macro-economic conditions that adversely impact us, our customers and their end product markets including, but not limited to, the imposition of tariffs in markets where we operate; the effects of geopolitical conflicts, such as the military conflict between Russia and Ukraine as well as the ongoing conflict

in the Middle East; the range of regulatory, operational, financial and political risks we are exposed to as a result of our dependence on international customers and operations; our ability to protect our proprietary technology and inventions through patents and other IP rights; whether we are subject to any liabilities or fines as a result of government regulation, including import, export and economic sanctions laws and regulations; the occurrence of a disruption in our networks or a security breach; risks associated with doing business in China, including as a result of changes to trade relations between the United States and China; and the other factors described under the heading "Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2026 to be filed with the Securities and Exchange Commission (SEC) on August 6, 2026. All forward-looking statements reflect our beliefs and assumptions only as of the date of this press release. We undertake no obligation to update forward-looking statements to reflect future events or circumstances. Our results for the quarter ended June 30, 2026 are not necessarily indicative of our operating results for any future periods.

Arteris, Inc.
Condensed Consolidated Statements of Operations
(In thousands, except share and per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue				
Licensing, support and maintenance	\$ 20,824	\$ 15,088	\$ 40,096	\$ 30,423
Variable royalties	2,103	1,402	4,606	2,569
Professional services and other	1,207	12	2,368	42
Total revenue	24,134	16,502	47,070	33,034
Cost of revenue	3,607	1,742	6,857	3,268
Gross profit	20,527	14,760	40,213	29,766
Operating expenses:				
Research and development	16,762	12,171	31,219	24,033
Sales and marketing	9,386	6,335	17,916	12,864
General and administrative	6,072	4,502	11,487	8,825
Acquisition-related costs	2,215	—	2,799	—
Total operating expenses	34,435	23,008	63,421	45,722
Loss from operations	(13,908)	(8,248)	(23,208)	(15,956)
Interest expense	(30)	(42)	(68)	(90)
Other income (expense), net	570	786	1,240	1,504
Loss before income taxes and loss from equity method investment	(13,368)	(7,504)	(22,036)	(14,542)
Loss from equity method investment, net of tax	—	780	2,989	1,595
Loss before income taxes	(13,368)	(8,284)	(25,025)	(16,137)
Provision for (benefit from) income taxes	697	846	(3,001)	1,114
Net loss	<u>\$ (14,065)</u>	<u>\$ (9,130)</u>	<u>\$ (22,024)</u>	<u>\$ (17,251)</u>
Net loss per share attributable to common stockholders, basic	\$ (0.30)	\$ (0.22)	\$ (0.47)	\$ (0.42)
Weighted-average shares used in computing per share amounts, basic and diluted	47,276,533	41,819,427	46,415,392	41,338,907

Arteris, Inc.
Condensed Consolidated Balance Sheets
(In thousands, except share and per share data)

	As of	
	June 30, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 93,270	\$ 33,901
Short-term investments	28,794	20,698
Accounts receivable, net of allowance of \$73 as of both June 30, 2026 and December 31, 2025	15,222	19,183
Prepaid expenses and other current assets	9,055	8,608
Total current assets	146,341	82,390
Property and equipment, net	5,968	3,872
Long-term investments	1,198	4,946
Equity method investment	—	2,989

Operating lease right-of-use assets	4,918	3,919
Intangibles, net	18,767	2,168
Goodwill	35,299	4,178
Other assets	12,222	10,569
TOTAL ASSETS	\$ 224,713	\$ 115,031
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	\$ 558	\$ 340
Accrued expenses and other current liabilities	30,442	19,094
Operating lease liabilities, current	1,466	1,233
Deferred revenue, current	59,577	51,367
Vendor financing arrangements, current	1,302	1,166
Total current liabilities	93,345	73,200
Deferred revenue, noncurrent	49,280	43,974
Operating lease liabilities, noncurrent	3,725	3,116
Vendor financing arrangements, noncurrent	2,193	452
Deferred income, noncurrent	5,867	6,452
Other liabilities	2,629	2,469
Total liabilities	157,039	129,663
Stockholders' equity (deficit):		
Preferred stock, par value of \$0.001 - 10,000,000 shares authorized and no shares issued and outstanding as of both June 30, 2026 and December 31, 2025	—	—
Common stock, par value of \$0.001 - 300,000,000 shares authorized as of both June 30, 2026 and December 31, 2025; 49,051,892 and 44,268,816 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	49	44
Additional paid-in capital	261,174	156,776
Accumulated other comprehensive income	106	179
Accumulated deficit	(193,655)	(171,631)
Total stockholders' equity (deficit)	67,674	(14,632)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$ 224,713	\$ 115,031

Arteris, Inc.
Condensed Consolidated Statements of Cash Flows
(In thousands)

	Six Months Ended June 30,	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (22,024)	\$ (17,251)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	2,861	1,689
Stock-based compensation	11,858	8,809
Amortization of deferred income	(585)	(585)
Loss from equity method investment	2,989	1,595
Deferred income taxes	(4,103)	—
Net accretion of discounts on available-for-sale securities	(69)	(221)
Change in fair value of contingent consideration liability	2,058	—
Other, net	(55)	378
Changes in operating assets and liabilities:		
Accounts receivable, net	5,376	1,855
Prepaid expenses and other assets	(2,504)	(2,261)
Accounts payable	(794)	319
Accrued expenses and other liabilities	(2,916)	(277)
Deferred revenue	10,056	6,325
Net cash provided by operating activities	2,148	375
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(890)	(538)
Purchases of available-for-sale securities	(16,329)	(17,160)
Proceeds from maturities of available-for-sale securities	11,978	18,282

Payments for business combination, net of cash acquired	(11,179)	—
Net cash (used in) provided by investing activities	(16,420)	584
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments under vendor financing arrangements	(681)	(558)
Proceeds from exercise of stock options	1,037	1,452
Proceeds from employee stock purchase plan	644	535
Proceeds from issuance of common stock under the at-the-market offering, net of commissions and offering costs	72,546	—
Other financing activities	93	27
Net cash provided by financing activities	73,639	1,456
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	59,367	2,415
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, beginning of period	34,250	14,072
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, end of period	\$ 93,617	\$ 16,487

Non-GAAP Financial Measures

To supplement our financial results, which are prepared and presented in accordance with GAAP, we use certain non-GAAP financial measures, as described below, to understand and evaluate our core performance. These non-GAAP measures, which may be different than similarly-titled measures used by other companies, are presented to enhance investors' overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

We define "Non-GAAP gross profit" and "Non-GAAP gross margin" as GAAP gross profit and GAAP gross margin, respectively, adjusted for stock-based compensation expense included in cost of revenue and amortization of acquired intangible assets included in cost of revenue. We define "Non-GAAP loss from operations" as our GAAP loss from operations adjusted to exclude stock-based compensation expense, amortization of acquired intangible assets and acquisition-related costs, which include advisory, legal, accounting, valuation, other professional or consulting fees, integration costs and changes in the fair value of the contingent consideration related to our acquisition of Cycuity. We define "Non-GAAP net loss" as our net loss adjusted to exclude stock-based compensation, amortization of acquired intangible assets and acquisition-related costs.

We define "Non-GAAP net loss per share attributable to common stockholders, basic and diluted", as our Non-GAAP net loss divided by our GAAP weighted-average number of shares outstanding for the period on a basic or diluted basis, respectively. Management uses this non-GAAP measure to evaluate the performance of our business on a comparable basis from period to period.

The above items are excluded from our Non-GAAP gross profit, Non-GAAP loss from operations and Non-GAAP net loss because these items are non-cash in nature, or are not indicative of our core operating performance, and render comparisons with prior periods and competitors less meaningful. We believe Non-GAAP gross profit, Non-GAAP loss from operations and Non-GAAP net loss provide useful supplemental information to investors and others in understanding and evaluating our results of operations, as well as provide a useful measure for period-to-period comparisons of our business performance.

We define free cash flow as net cash provided by (used in) operating activities less cash used for purchases of property and equipment. We believe that free cash flow is a useful indicator of liquidity that provides information to management and investors, even if negative, about the amount of cash provided by (used in) our operations other than that used for investments in property and equipment.

Other Business Metrics

Annual Contract Value (ACV) – we define Annual Contract Value for an individual customer agreement as the total fixed fees under the agreement divided by the number of years in the agreement term. Our total ACV is the aggregate ACVs for all our customers as measured at a given point in time. Total fixed fees includes licensing, support and maintenance and other fixed fees under IP licensing or software licensing agreements but excludes variable revenue derived from licensing agreements with customers, particularly royalties. We define ACV plus royalties as ACV plus the trailing-twelve-months variable royalties and other revenue.

Confirmed Design Starts – we define Confirmed Design Starts as when customers confirm their commencement of new semiconductor designs using our interconnect IP and notify us. Confirmed Design Starts is a metric management uses to assess the activity level of our customers in terms of the number of new semiconductor designs that are started using our interconnect IP in a given period. We believe that the number of Confirmed Design Starts is an important indicator of the growth of our business and future royalty revenue trends.

Remaining Performance Obligations (RPO) – we define Remaining Performance Obligations as the amount of contracted future revenue that has not yet been recognized, including deferred revenue, billed and unbilled cancelable and non-cancelable contracted amounts.

Arteris, Inc. Reconciliation of GAAP Measures to Non-GAAP Measures (In thousands) (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Gross profit	\$ 20,527	\$ 14,760	\$ 40,213	\$ 29,766
Add:				

Stock-based compensation expense included in cost of revenue	384	232	705	437
Amortization of acquired intangible assets ⁽¹⁾	50	50	100	100
Non-GAAP gross profit	<u>\$ 20,961</u>	<u>\$ 15,042</u>	<u>\$ 41,018</u>	<u>\$ 30,303</u>
Gross margin	85%	89%	85%	90%
Non-GAAP gross margin	87%	91%	87%	92%
Research and development	\$ 16,762	\$ 12,171	\$ 31,219	\$ 24,033
Stock-based compensation expense	(2,562)	(1,926)	(4,818)	(3,898)
Amortization of acquired intangible assets ⁽¹⁾	(368)	(110)	(687)	(220)
Non-GAAP research and development	<u>\$ 13,832</u>	<u>\$ 10,135</u>	<u>\$ 25,714</u>	<u>\$ 19,915</u>
Sales and marketing	\$ 9,386	\$ 6,335	\$ 17,916	\$ 12,864
Stock-based compensation expense	(1,668)	(1,048)	(3,051)	(2,017)
Amortization of acquired intangible assets ⁽¹⁾	(359)	(57)	(676)	(114)
Non-GAAP sales and marketing	<u>\$ 7,359</u>	<u>\$ 5,230</u>	<u>\$ 14,189</u>	<u>\$ 10,733</u>
General and administrative	\$ 6,072	\$ 4,502	\$ 11,487	\$ 8,825
Stock-based compensation expense	(1,733)	(1,291)	(3,284)	(2,457)
Non-GAAP general and administrative	<u>\$ 4,339</u>	<u>\$ 3,211</u>	<u>\$ 8,203</u>	<u>\$ 6,368</u>
Acquisition-related costs	\$ 2,215	\$ —	\$ 2,799	\$ —
Acquisition-related costs ⁽²⁾	(2,215)	—	(2,799)	—
Non-GAAP acquisition-related costs	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Total operating expenses	\$ 34,435	\$ 23,008	\$ 63,421	\$ 45,722
Stock-based compensation expense	(5,963)	(4,265)	(11,153)	(8,372)
Amortization of acquired intangible assets ⁽¹⁾	(727)	(167)	(1,363)	(334)
Acquisition-related costs ⁽²⁾	(2,215)	—	(2,799)	—
Total Non-GAAP operating expenses	<u>\$ 25,530</u>	<u>\$ 18,576</u>	<u>\$ 48,106</u>	<u>\$ 37,016</u>
Loss from operations	\$ (13,908)	\$ (8,248)	\$ (23,208)	\$ (15,956)
Stock-based compensation expense	6,347	4,497	11,858	8,809
Amortization of acquired intangible assets ⁽¹⁾	777	217	1,463	434
Acquisition-related costs ⁽²⁾	2,215	—	2,799	—
Non-GAAP loss from operations	<u>\$ (4,569)</u>	<u>\$ (3,534)</u>	<u>\$ (7,088)</u>	<u>\$ (6,713)</u>
Net loss	\$ (14,065)	\$ (9,130)	\$ (22,024)	\$ (17,251)
Stock-based compensation expense	6,347	4,497	11,858	8,809
Amortization of acquired intangible assets ⁽¹⁾	777	217	1,463	434
Acquisition-related costs ⁽²⁾	2,215	—	2,799	—
Non-GAAP net loss ⁽³⁾	<u>\$ (4,726)</u>	<u>\$ (4,416)</u>	<u>\$ (5,904)</u>	<u>\$ (8,008)</u>

(1) Represents the amortization expenses of our intangible assets attributable to our acquisitions.

(2) Includes advisory, legal, accounting, valuation, other professional or consulting fees and integration costs associated with the Cycuity acquisition. Acquisition-related costs also include changes in the fair value of the contingent consideration related to our acquisition of Cycuity.

(3) Our GAAP tax provision is primarily related to foreign withholding taxes and income tax in profitable foreign jurisdictions. We maintain a full valuation allowance against our deferred tax assets in the US. Accordingly, there is no significant tax impact associated with these Non-GAAP adjustments.

Arteris, Inc.
Reconciliation of GAAP Measures to Non-GAAP Measures
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net loss per share attributable to common stockholders, basic and diluted	\$ (0.30)	\$ (0.22)	\$ (0.47)	\$ (0.42)

Per share impacts of adjustments to net loss ⁽¹⁾	\$	0.20	\$	0.11	\$	0.34	\$	0.22
Non-GAAP net loss per share attributable to common stockholders, basic and diluted	\$	(0.10)	\$	(0.11)	\$	(0.13)	\$	(0.20)
Weighted-average shares used in computing per share amounts, basic and diluted		47,276,533		41,819,427		46,415,392		41,338,907

(1) Reflects the aggregate adjustments made to reconcile Non-GAAP net loss to our net loss as noted in the above table, divided by the GAAP diluted weighted average number of shares of the relevant period.

Free Cash Flow

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
Net cash provided by (used in) operating activities	\$ 9,210	\$ (2,485)	\$ 2,148	\$ 375
Less:				
Purchase of property and equipment	(595)	(355)	(890)	(538)
Free cash flow	<u>\$ 8,615</u>	<u>\$ (2,840)</u>	<u>\$ 1,258</u>	<u>\$ (163)</u>
Net cash (used in) provided by investing activities	\$ (372)	\$ 705	\$ (16,420)	\$ 584
Net cash provided by financing activities	\$ 72,757	\$ 1,508	\$ 73,639	\$ 1,456