



# Arteris

## 1Q 2025 Earnings Presentation

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**ARTERIS** 

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In addition to the financials presented in accordance with U.S. generally accepted accounting principles ("GAAP"), this presentation includes the following non-GAAP metrics: non-GAAP operating expenses, non-GAAP operating income (loss). Non-GAAP metrics have limitations as analytical tools and you should not consider them in isolation or as a substitute for or superior to the most directly comparable financial measures prepared in accordance with U.S. GAAP. There are a number of limitations related to the use of non-GAAP metrics versus their nearest GAAP equivalents. Other companies, including companies in our industry, may calculate non-GAAP metrics differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP metrics as tools for comparison. We urge you to review the reconciliation Arteris IP's non-GAAP metrics to the most directly comparable GAAP financial measures, and not to rely on any single financial measure to evaluate our business. See the Appendix for reconciliation between each non-GAAP metric and the most comparable GAAP measure.

Arteris is unable to provide a reconciliation of certain non-GAAP guidance metrics in this presentation because the corresponding GAAP measures are not accessible on a forward-looking basis. Due to the potential variability and limited visibility of the excluded items, providing such reconciliation would necessitate unreasonable effort.

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# 1Q Business Highlights (1 of 2)

- Achieved a record high \$66.8 million ACV plus Royalties and generated \$2.7 million in non-GAAP free cash flow, driven by adoption across enterprise, communications, and automotive customers
- Continued success in the top 30 global technology companies, with 4 expanding their deployment of Arteris' products.
- Released the latest generation of Magillem register management automation software used for hardware-software integration provides a single source of data for SoC development
- Recipient of three awards in the annual American Business Awards, including gold for Most Innovative Tech Company, gold for Technical Innovation of the Year, and silver for Product Innovation
- Joined the Intel Foundry Accelerator program, including the IP Alliance and Chiplet Alliance
- Joined IMEC-sponsored efforts around Automotive Chiplet ecosystem scaling
- Announced the opening of a new engineering and customer support center in Krakow, Poland

# 1Q Business Highlights (2 of 2)

## Major Automotive OEM

A major Japanese automotive OEM licensed Arteris interconnect for in-house development of a new autonomous driving SoC

## Major Electric Vehicle OEM

An existing electric vehicle OEM customer expanded its use of Arteris product for another in-house developed SoC for its next generation of software-defined EV



Nextchip licensed FlexNoC IP with AI and functional safety support for use in its next-generation vision-based ADAS technology

# 1Q 2025 Results

Revenue, ACV + Royalties, RPO, Gross Profit

	1Q 2024	4Q 2024	1Q 2025 Guidance	1Q 2025
<b>Revenue</b>	\$12.9M	\$15.5M	\$15.7M - \$16.1M	<b>\$16.5M</b> (+28% Y/Y)
<b>ACV + Royalties</b>	\$58.2M	\$65.1M	\$65.5M - \$67.5M	<b>\$66.8M</b> (+15% Y/Y)
<b>RPO</b>	\$74.7M	\$88.4M	N/A	<b>\$88.9M</b> (+19% Y/Y)
<b>Gross Profit</b>	Non-GAAP*: \$11.7M (91%)	Non-GAAP*: \$14.2M (91%)	N/A	<b>Non-GAAP*: \$15.3M</b> (92%)

\*Non-GAAP measure: See appendix for reconciliation to closest GAAP measure

# 1Q 2025 Results

## Operating Expenses, Operating Income

	1Q 2024	4Q 2024	1Q 2025 Guidance	1Q 2025
Operating Expenses	Non-GAAP*: \$17M GAAP: \$20.6M	Non-GAAP*: \$16.9M GAAP: \$21.0M	N/A	Non-GAAP*: \$18.4M (+8% Y/Y) GAAP: \$22.7M
Operating Income	Non-GAAP*: (\$5.3M) GAAP: (\$9.1M)	Non-GAAP*: (\$2.8M) GAAP: (\$7.1M)	Non-GAAP*: (\$4M) – (\$3M)	Non-GAAP*: (\$3.2M) (+40% Y/Y) GAAP: (\$7.7M)

\*Non-GAAP measure: See appendix for reconciliation to closest GAAP measure.

# 1Q 2025 Results

## Free Cash Flow, Cash

	1Q 2024	4Q 2024	1Q 2025 Guidance	1Q 2025
Free Cash Flow*	\$0.3M	(\$2.7M)	(\$2M) – \$2M	<b>\$2.7M</b> (+\$2.4M Y/Y)
Cash, Cash Equivalents & Investments	\$53.4M	\$52.3M	N/A	<b>\$55.1M</b>

\*Non-GAAP measure: See appendix for reconciliation to closest GAAP measure

# Guidance

## 2Q 2025 Guidance

**ACV + Royalties<sup>1</sup>**

\$66M - \$70M

**Revenue<sup>2</sup>**

\$16.1M - \$16.5M

**Non-GAAP Op.  
Income\***

(\$4M) – (\$3M)

**Free Cash Flow\***

(\$5M) – \$0

## FY 2025 Guidance

**ACV + Royalties<sup>3</sup>**

\$71M - \$79M

**Revenue<sup>4</sup>**

\$65M - \$71M

**Non-GAAP Op.  
Income\***

(\$14M) – (\$7M)

**Free Cash Flow\***

\$0 – \$8M

<sup>1</sup> 68M at the midpoint, +\$7.9M Y/Y (+13%)    <sup>2</sup> 16.3M at the midpoint, +\$1.7M Y/Y (+12%)  
<sup>3</sup> 75M at the midpoint, +\$9.9M Y/Y (+15%)    <sup>4</sup> 68M at the midpoint, +\$10.3M Y/Y (+18%)

\*Non-GAAP measure: See appendix for reconciliation to closest GAAP measure

# Appendix - 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" as GAAP gross profit, adjusted for stock-based compensation expense and amortization of acquired intangible assets included in cost of revenue. We define "Non-GAAP operating expenses" as GAAP operating expenses, adjusted for stock-based compensation and amortization of acquired intangible assets. We define "Non-GAAP operating income (loss)" as GAAP operating income (loss) adjusted to exclude stock-based compensation and amortization of acquired intangible assets.

The above items are excluded from our Non-GAAP gross profit, Non-GAAP operating expenses and Non-GAAP operating income (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 operating expenses and Non-GAAP operating income (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 used in our operations other than that used for investments in property and equipment.

# Appendix - GAAP To Non-GAAP Reconciliation

## Gross profit

In \$ thousands	Three Months Ending:		
	March 31, 2024	December 31, 2024	March 31, 2025
Gross profit	11,479	13,914	15,006
Add:			
Stock-based Compensation	189	187	205
Amortization of acquired intangible assets	50	49	50
Non-GAAP gross profit	11,718	14,150	15,261

# Appendix - GAAP To Non-GAAP Reconciliation

## Operating expenses

In \$ thousands	Three Months Ending:		
	March 31, 2024	December 31, 2024	March 31, 2025
Operating expenses	20,613	21,016	22,714
Less:			
Stock-based Compensation	3,468	3,944	4,108
Amortization of acquired intangible assets	142	167	167
Non-GAAP operating expenses	17,003	16,905	18,439

# Appendix - GAAP To Non-GAAP Reconciliation

## Income (loss) from operations

In \$ thousands	Three Months Ending:		
	March 31, 2024	December 31, 2024	March 31, 2025
Income (loss) from Operations	(9,134)	(7,102)	(7,708)
Add:			
Stock-based Compensation	3,657	4,131	4,313
Amortization of acquired intangible assets	192	216	217
Non-GAAP income (loss) from operations	(5,285)	(2,755)	(3,178)

# Appendix –Free Cash Flow

In \$ thousands	Three Months Ending:		
	March 31, 2024	December 31, 2024	March 31, 2025
Net cash provided by (used in) operating activities	477	(2,631)	2,860
Less:			
Purchase of property and equipment	196	50	183
Free cash flow	281	(2,681)	2,677