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Ambiq Micro, Inc.

Q4 2025 Results

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CORPORATE SPEAKERS:

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Ambiq Micro, Inc.; Vice President of Corporate Marketing & Investor Relations
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Ambiq Micro, Inc.; Chief Executive Officer

Jeffrey Winzeler
Ambiq Micro, Inc.; Chief Financial Officer
Scott Hanson
Ambiq Micro, Inc.; Co-Founder & Chief Technology Officer

PARTICIPANTS:

Quinn Bolton
Needham & Company; Analyst
Tore Svanberg
Stifel; Analyst
Liam Pharr
Bank of America; Analyst

PRESENTATION:

Operator^ Good morning and welcome to the Ambiq Micro Fourth Quarter and Full Year 2025 Earnings Conference Call. As a reminder, this conference call is being recorded. All lines have been placed on mute to prevent any background noise. After the speakers' remarks, there will be a question-and-answer session. (Operator Instructions)

I would now like to turn the call over to Ms. Charlene Wan, Ambiq's Vice President of Corporate Marketing and Investor Relations. Charlene, please go ahead.

Charlene Wan^ On today's call, Ambiq's CEO, Fumihide Esaka, will provide an overview of the company's performance and strategy. CFO Jeffrey Winzeler will then discuss the quarter's financial results and 2026 outlook. Following their remarks, Scott Hanson, Ambiq's Founder and CTO, and Aaron Grassian, EVP of Global Sales and Marketing, will join Fumi and Jeff for Q&A.

Our earnings release is available on the Investor Relations page of our website at www.ambiq.com. We have also posted our earnings presentation on the Investor Relations section of our website.

Before I turn the call over to Fumi, I'd like to remind our listeners that during the course of this conference call management will discuss non-GAAP financial measures. Reconciliations of these non-GAAP measures to their most directly comparable GAAP measures are included in our earnings release available on the company's Investor Relations website.

In addition, today's call will contain forward-looking statements representing management's beliefs and assumptions only as of the date made. Our most recent Annual Report on Form 10-Q and other filings with SEC provide more information on specific risks that may cause the actual results to differ materially from current expectations.

And now, it's my pleasure to turn the call over to Ambiq's CEO, Fumi Esaka.

Fumihide Esaka^ Good morning, everyone, and thank you for joining us. 2025 was a strong year

for Ambiq, defined by disciplined execution and accelerating demand for edge AI across our end markets. Our performance reflects both share gains and market expansion as we enable AI on more devices across more markets and in a growing number of use cases. We are entering 2026 with strong momentum. Based on current demand indicators, we expect outsized top-line growth. We remain confident in our long-term opportunity as we partner with customers to advance their edge AI roadmaps and deliver sustained growth.

Starting with 4Q performance. We delivered our highest net sales quarter of 2025, exceeding guidance. End-user demand outpaced our customers' expectations, resulting in incremental expedited orders late in the quarter. Three key factors behind the net sales increase from 3Q were: first, strong end demand for our customers' products, second, broader adoption of Ambiq solutions within customer portfolios, and third, customers upgrading to Apollo5 for more advanced edge AI functionalities.

Turning to the full year, 2025 was a milestone year for Ambiq. Edge AI adoption was a clear growth driver, and we estimate that more than 80% of the units we shipped were running AI algorithms. Net sales and non-GAAP gross profit increased in every quarter of the year, and we delivered our highest-ever gross profit for the year.

We expanded our customer base across multiple end markets, including securing a large wearable customer. At the same time, we continue to strengthen and diversify our design funnel, particularly in medical, industrial, and smart home and building market.

As these programs move into production over the next 18 months to 24 months, we expect incremental growth and revenue diversification. We also expanded our product portfolio to support more advanced edge AI applications, launching Apollo510 Lite, Apollo 510B, and Apollo330.

On the software side, we introduced the HeliaAOT and HeliaRT AI runtime, powered by our new Helia Core AI kernel library.

Finally, we completed a successful IPO, demonstrating strong investor demand and confidence in our strategy and long-term opportunity. Our 2025 performance highlights the strengths of our SPOT platform in delivering ultra-low power solutions and enabling edge AI across an increasingly diverse set of applications and end markets. Based on our customer conversations, we see several trends accelerating edge AI adoption in 2026. With SPOT enabling powerful new AI capabilities across an expanding range of industries, we expect to further grow market share while broadening the overall opportunity.

First, customers are adding more sophisticated edge AI capabilities into their devices to differentiate their products and drive demand. Second, wearables are evolving into true personal health platforms, requiring more advanced on-device intelligence and ultra-low power performance. This includes real-time health insights across multiple wellness indicators. Third, wearables are expanding into new high-value form factors such as rings and eyewear. This broadens addressable market and increasing demand for low-power, high-performance edge AI solutions.

Looking ahead to 2026, we expect customers to launch new models with more advanced features across diverse form factors, including rings, displayless bands and watches. We also expect a new scaled global customer to enter into mass production this year. Products launched in late 2025 are continuing to ramp in volume. At the same time, we anticipate ongoing migration to Apollo5 as customers look for greater performance and AI capability. As a result, we expect 2026 to be a year of strong growth for Ambiq.

While we are making impressive progress, we remain early in a large and expanding edge AI opportunity. To capture this opportunity, we're taking focused action to accelerate growth over the coming years. First, we're leveraging our existing Apollo family and derivatives to expand aggressively into high-value markets. Second, we are developing new products that enable more advanced edge AI capabilities and expand our reach. We're making solid progress on both fronts.

Starting with market expansion. Edge AI is becoming more capable and complex across medical devices, smart homes, and industrial markets. In healthcare, customers are building smarter cardiac monitors, senior care devices, and hearing aids, all with enhanced AI capabilities.

In industrial markets, AI-powered sensors are enabling predictive maintenance and asset monitoring, which helps reduce downtime and improve operational efficiency. In smart building, edge AI helps manage lighting, HVAC, security, and occupancy data to optimize energy use in real time.

While these markets are growing, design cycles remain longer, particularly in regulated and industrial environments. We are encouraged by our early traction and believe we are well positioned to expand our footprint as edge AI adoption scales across broad range of end markets. Our integrated hardware and software platform is purpose-built for these transitions by combining AI-enabled processing, connectivity, and edge intelligence in a single ultra-low power architecture optimized for power-constrained devices.

Our recent partnership, Ronds, highlights this progress. Through its Novaseer brand, Ronds is leading provider of intelligent equipment operation and maintenance solutions. By leveraging SPOT hardware and software, Ronds will deploy large-scale, always-on, battery-powered sensors. We expect this and similar engagement to increase diversity of our design funnel and unlock new and durable long-term growth in the industrial edge.

This is just one example of how SPOT is powering AI adoption across diverse end markets. We are building on this strong foundation with the ongoing expansion of our HeliaAI software ecosystem. Helia will support more AI kernels with performance improving over time. Paired with our AI development kits, Helia will help customers build ultra-efficient AI models for health analysis, speech interfaces, machine health monitoring, and more.

Turning to our product roadmap. This morning, we announced new technical details for Atomiq. It's the first SPOT family built on a FinFET process with TSMC, enabling operation down to 300 millivolts, the lowest voltage in our company's history. This breakthrough pushes boundary of ultra-low power while enabling significantly more sophisticated AI capabilities.

This combination is essential for next generation of battery-powered edge AI devices. Atomiq is

purpose-built for AI workloads that benefits from parallel processing rather than row clock speed. With its integrated NPU, GPU, and embedded memory, we believe it will power a new class of intelligent devices, including advanced wearables, AI glasses, and smart cameras.

At the same time, we see significant opportunity to extend our reach into new markets with Apollo derivatives that support smaller form factors and core edge AI capabilities. Reflecting stronger customer demand, we are accelerating development of both Atomiq and Apollo product families. Instead of a three-year step-by-step plan, we now plan to start development of Apollo340 and Atomiq120 this year, along with ongoing work on Atomiq110.

Apollo340 is designed as a highly scalable platform to expand into new high-opportunity segments. It combines Ambiq's energy efficiency with attractive price point, compact form factor, and comprehensive developer support and reference designs. This will make it well-suited for distribution channels, ecosystem partners, and reference designs, multiplying sales leverage and accelerating delivery of on-device AI to the mass market.

Turning to Atomiq, the first SoC designed from the ground up for advanced AI. Atomiq110 will enable personal devices with smaller batteries to achieve longer battery life, while supporting richer features such as natural language voice interfaces and on-demand health analysis, unlocking a new possibility for personal life logging devices.

In industrial markets, Atomiq will support more complex AI models for local, cost-effective, predictive maintenance. In medical applications, it will enable more real-time, always-on, private matrix in smaller form factors. Atomiq120 will introduce capabilities tailored for smart cameras and next-generation smart eyewear, which is one of the fastest growing categories in wearables.

In summary, 2025 was a year of strong performance and focused execution for Ambiq. We believe we are well-positioned for significant top-line growth in 2026, supported by solid customer demand and accelerated product momentum. At the same time, we are intentionally increasing investment across R&D, software, and go-to-market initiative to capture even larger share of the expanding edge AI opportunity. Our ultra-low power SPOT platform combined with strategic action we're taking are laying the foundation for sustained long-term growth.

With that, I will turn the call over to Jeff to review the financials.

Jeffrey Winzeler^ Thank you, Fumi. Good morning, everyone. Our 2025 performance reflects the benefits of our strategic repositioning, which strengthen the quality of our revenue base and align the company with long-term growth opportunities. At the end of 2025, we took deliberate steps to prioritize customers who view our ultra-low power technology as a critical enabler of edge AI, while reducing exposure to efficiency-focused, feature-neutral customers, primarily in mainland China. As a result, we delivered sequential sales and non-GAAP gross profit improvement in every quarter of the year.

Our full year results reflect stronger margins and increased gross profit dollars by 32.1% on 4.7% lower net sales, achieving our highest-ever annual gross profit. These results validate our strategic repositioning. With the strong momentum in the business, we believe we're well-positioned to deliver sustainable growth over the coming years.

Now, turning to our fourth quarter results. We delivered the highest net sales quarter of 2025 with results ahead of our guidance on accelerating demand trends. Net sales of $20.7 million increased 2% year-over-year. Non-GAAP gross profit increased 75.5% to $9.4 million, while non-GAAP gross margin expanded almost 20percentage points to 45.5%.

This performance reflects the impact of the strategic repositioning I just described, with 8.6% of net sales driven by customers in mainland China, down from 50% in the fourth quarter of 2024. Sequentially, net sales increased 14.2%, driven by strong underlying demand. Non-GAAP gross profit dollars increased 15.9%, with non-GAAP gross margin expanding 70 basis points. The improvement was driven by a more favorable product mix, reflecting higher sales to customers deploying multiple edge AI capabilities on our SPOT platform.

Turning to operating expense, non-GAAP R&D expense was $9.3 million, up 33% year-over-year and 34% sequentially. This reflects additional investment that began in the fourth quarter to support our product development for both the Atomiq and Apollo families. Non-GAAP SG&A expenses were $7.3 million, up 19.7% year-over-year, largely due to public company costs. Sequentially, SG&A increased 17.4%, driven by strategic investments in sales and marketing, as well as higher incentive compensation, reflecting stronger net sales performance in the quarter.

Other income was $1.3 million, up $1.1 million year-over-year, due to interest income earned on IPO proceeds. Fourth quarter non-GAAP net loss attributable to common stockholders was $5.9 million, a $1.7 million improvement year-over-year and $1.9 million lower sequentially. Non-GAAP net loss per share attributable to common stockholders was $0.32.

We ended the quarter with no debt and $140.3 million in cash and cash equivalents, reflecting the proceeds from our IPO. In the first quarter of 2026, we completed a successful follow-on offering that generated an additional $76.8 million. Our strengthened cash position provides the flexibility to fund growth initiatives and support our strategic priorities.

Now, turning to our outlook. For the first quarter of 2026, we expect the following: Net sales to be in the range of $21 million to $22 million, reflecting the trends Fumi covered earlier. Non-GAAP gross margin between 44% and 45%, reflecting the ramp of Apollo5 family. We expect to see improved yield and better cost structure as this product family scales throughout the year.

Non-GAAP operating expense of $18.0 million to $18.5 million, reflecting increased investment to support our strategic growth priorities, including approximately $1.7 million related to IP purchases in the quarter. Non-GAAP loss per share of $0.39 to $0.33, based on weighted average share count of 20.38 million shares outstanding.

As you update your full year models, please keep the following in mind. We're encouraged by the demand inflection we saw in the fourth quarter of 2025. We see a clear path to strong net sales growth in 2026, driven by new model launches, ramping of a scaled global customer, higher volumes from recent customer introductions, and continued adoption of Apollo5.

We remain focused on driving continued yield improvements across the portfolio, while recognizing that gross margin may be affected by broader industry cost dynamics and supply

chain pressures. We expect non-GAAP operating expense will be approximately $30 million higher than 2025. This higher spending is tied to the accelerated development of both Atomiq and Apollo product families, reflecting strong customer demand.

The increased OpEx includes growing Ambiq engineering headcount, utilizing contract engineering to provide flex in our model for both upside and downside flexibility, and $7 million to $10 million of IP purchases necessary for product development. Given the timing of IP purchases will be project driven, we do not expect operating expenses to be linear in 2026.

In summary, our 2025 results reflect the strength of our competitive position, disciplined execution, and favorable secular tailwinds. Apollo is now powering multiple generations of products in production and our expanding portfolio of derivatives is supporting upgraded cycles and broadening our reach across customers and end markets.

At the same time, we're investing to enable higher performance edge AI applications and expand our long-term revenue opportunity. With Apollo driving growth and margin expansion today and Atomiq positioned to contribute meaningfully beginning in 2028, we believe we have multiple growth drivers to support sustainable growth over time.

With that, I'll turn the call back to Fumi before we open the line for Q&A.

Fumihide Esaka^ That opportunity ahead for Ambiq is large and growing quickly. We expect to deliver meaningful sales growth in 2026, and we are just getting started. As AI moved beyond the cloud and into everyday devices, our technology is helping lead this change. With SPOT's industry-leading power efficiency, we enable intelligent devices that are mobile, secure, and personal. We bring powerful AI directly to where data is created and decisions are made. We believe this shift to true edge intelligence is a defining moment for our industry. We are excited about the role Ambiq will play in shaping this future. Thank you for your continued confidence and support.

With that, I will open the call to questions. Operator, please go ahead.

QUESTIONS:

Operator^ Thank you. The floor is now open for questions. (Operator Instructions) Your first question comes from the line of Quinn Bolton of Needham & Company. Your line is open.

Quinn Bolton^ Hi, guys. Congratulations on the nice finish to 2025 and the strong outlook for 2026. I guess Fumi or Jeff, you mentioned several times your strong outlook for 2026. Wondering if there is any sort of guidance you can provide around that? I mean it certainly looks like you could be on pace to generate north of $90 million of revenue, maybe even approaching $100 million.

And sort of a related follow-up, historically you have seen revenue peak in the June quarter, just reflecting seasonality of some of your wearable customers. In 2025, you saw sequential growth throughout the year. So what kind of revenue pattern quarter-to-quarter would you expect? Do you think Q2 is the peak, or could it be a more linear ramp through the year? Then I have got a

follow-up.

Fumihide Esaka^ Okay. Hi, Quinn. Thanks for the great comment. Like I said in the script, Q4 definitely we are seeing as an inflection point. And customer forecast is coming in extremely strong, and the trend will continue in 2026. Again, we see Q1, Q2, Q3 to be extremely strong, and Q4, I think we're still a little bit far distance. And typically, seasonality will peak in the Q4, but we clearly see a path to more than $100 million at this point, and we're very confident, so that I think we can achieve more than what we originally forecasted. Does that answer your question?

Quinn Bolton^ Yes, that's great. Then a question, if Scott is there, you announced the 12-nanometer SPOT technology gets down to operating voltages as low as 300 millivolts. If I looked at a more standard low-voltage process at TSMC for 12-nanometer, does that get down to 400 mV or 500 mV? Like, how much lower at 300 millivolts would the SPOT process be than the sort of standard foundry offering at TSMC? Just trying to get a sense of the power advantage you bring with the 12-nanometer SPOT technology. Thank you.

Scott Hanson^ Yes. So the standard operating voltage at 12-nanometers that you'll see across process nodes across foundries is going to be on the order of 700 millivolts or 0.7 volts. So we're running at a fraction of that operating voltage. If you're running at, let's say nominally -- to make it easy math, 350 millivolts against a 700-millivolt competitor, that's going to give you a fourfold energy advantage.

Of course things are a little more complex than that. You know, on the one hand, I've always said that a good portion of the SPOT advantage comes from all the stuff we do other than voltage scaling, right? The way we build our clock trees and our bus fabrics and our memories and everything else. So you have the potential to go more than 4X if you layer all that innovation in. So we feel really good about what 12-nanometers is looking like and are excited about some of the early measurements that we're seeing in-house.

Quinn Bolton^ That's great. Thank you.

Operator^ Your next question comes from the line of Tore Svanberg of Stifel. Your line is open.

Tore Svanberg^ Yes. Thank you. And congratulations on the strong results. Fumi, could you talk a little bit more about some of the applications or end markets that's going to be driving the strong growth in calendar '26? I mean obviously wearables has been a big part of the business, but you're now getting into industrial. So any more color on the types of applications that will drive the growth would be very helpful.

Fumihide Esaka^ Hi, thanks. We're seeing strengths in every product line and the market. So first let me tell you that all Apollo3 family, Apollo4 family, Apollo5 family is seeing very strong demand to enable edge AI. Yes, major increase is still coming from wearable customers, but 25% of funnel is now known wearables -- industrial, medical, and so on. So we do expect more than original percentage of the share is known wearables in 2026. Again 2026, it is just growth is phenomenal. So yes, you would expect our traditional industrial leaders, but some of the medical and industrial application is contributing -- will be contributing to our 2026 revenue.

Tore Svanberg^ Yes. I get it. And as my follow-up, you talked about some volatility in the OpEx for the year. I was just hoping you could give us a little bit more feel for, is that going to be first-half weighted, second-half weighted? Because I think you did say it's not going to be linear. So any more color on first half versus second half, that'd be very helpful. Thank you.

Jeffrey Winzeler^ Yes, sure. As we think about OpEx for 2026, as you know, and as we said on the call, we're going to invest roughly $30 million increase in our OpEx year-over-year. The way that's going to break out is there's three major components that really drive that increased spending.

The first is Ambiq headcount. We're going to hire more engineering in both hardware and software to continue to grow our internal capabilities. That spending will be obviously somewhat linear as we add more people to the company.

The second place that we're going to spend that money is in contract engineering. This is important because it gives us scale both on the upside and the downside, and it gives us a more variable cost structure. The spending for that contract engineering will be very much project-based. So as we think about the products that we're going to tape out in 2026, you would expect to see very high periods of engineering, probably more in the Q2, Q3 timeframe, where we'll utilize that project engineering.

Then the last place that we'll spend a significant amount of money is in our IP acquisition. These IP is necessary for us to build new products. And again that's very project-based. It's not a linear spend. And given it is to support products that we're going to tape out in the second half of the year, I would expect the majority of that spending to take place in the Q2, Q3 timeframe.

Tore Svanberg^ Very helpful. Congrats again.

Operator^ (Operator Instructions) Your next question comes from the line of Liam Pharr of Bank of America. Your line is open.

Liam Pharr^ Thanks for taking my question. In terms of elevated component pricing, are you seeing any impact on demand due to that? Are you relatively inflated from any kind of pricing pressure from your customers as they kind of want to preserve their margins? And how should we kind of think about the gross margin trajectory through the year, given the interest in a lot more new higher-complexity Apollo SKUs with your customers and more design wins? Should we expect that to kind of increase significantly or remain around this 45% zip code?

Jeffrey Winzeler^ Yes. So when we think about margins -- so first of all, I want to state, we're very happy with the margin accomplishments that we made in 2025. Clearly, we increased our gross profit dollars by over 30% year-over-year, and we increased our gross margin year-over-year, going to 45% for total 2025.

When we think about the margin equation going forward, there's two components to that. The first is the ASP side of the equation. There we continue to focus on opportunities where we can maximize our value. So we're very much looking for high-revenue opportunities where we get paid the most on a per unit basis for our product.

On the cost side of the equation, we're very focused on things that we can control, which are yield across our product portfolios. That said, our efforts may be tempered by some of the dynamics that are happening in the industry. Increasing cost of being a fabless semiconductor company exposes us to higher pricing of our capacity, probably more in the second half of the year. So that aspect of it, we're monitoring very closely, and that could put pressure on our ability to grow margins year-over-year.

Liam Pharr^ Okay. Thank you. Then in terms of this new customer you've got in 2025, any idea in terms of the timing of that ramp, when it becomes sizable, and should we expect that [socket] to be similar size to your other wearable customers, or will it remain a little bit smaller?

Fumihide Esaka^ You mean 2026, right? So that new customer is starting ramp -- starting Q1 and very, very strong growth quarter-after-quarter. We expect that 2027 to be even bigger. So we're very excited to have that new customer being Ambiq family.

Liam Pharr^ Thank you.

Operator^ And we have a follow-up question from Quinn Bolton of Needham & Company. Your line is open.

Quinn Bolton^ Hi, guys. I know you don't give us sort of the split quarter-to-quarter on Apollo3, Apollo4 versus Apollo5, but it does sound like you're seeing broader adoption of Apollo5, and I was just wondering, could you give us any sense what part -- what percentage, rough percentage of revenue was Apollo5 kind of exiting 2025? And what percent of revenue could it reach in 2026? Is it a pretty significant mix shift up to Apollo5? Any comments would be helpful.

Jeffrey Winzeler^ You want to take that?

Fumihide Esaka^ Well Apollo5 adoption is definitely increasing, but again denominator, you know that our total revenue is growing faster than expected and Apollo3 is really enabling one of the big customers. Apollo4 is enabling right now, with one of the newer customers that joined in 2025. And Apollo5 all across all the customers. So all of them are growing, and Apollo5, I have to say that the quantity itself is growing fast.

If you asked about the percentage, we don't give out too much of that percentage, but I think that the percentage is slowly growing, but the quantity itself, absolute value, [number of] quantity is growing fast.

Quinn Bolton^ Okay got it. Thank you.

Operator^ With no further questions, that concludes our Q&A session. This does conclude today's conference call. We thank you for your participation. You may now disconnect.