

# SLAB Earnings Call Transcript

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**Quarter: 3**

Operator: Hello. My name is Didi, and I will be your conference operator today. Welcome to the Silicon Labs Third Quarter Fiscal 2025 Conference Call. [Operator Instructions] Please be advised that today's conference is being recorded. I will now turn the call over to Giovanni Pacelli, Silicon Labs Senior Director of Finance. Giovanni, please go ahead.

Giovanni Pacelli: Thank you, Didi, and good morning, everyone. We are recording this meeting, and a replay will be available for 4 weeks on the Investor Relations section of our website at [investor.silabs.com](http://investor.silabs.com). Our earnings press release and the accompanying financial tables are also available on our website. Joining me today are Silicon Labs' President and Chief Executive Officer, Matt Johnson; and Chief Financial Officer, Dean Butler. They will discuss our third quarter financial performance and review recent business activities. We will take questions after our prepared comments, and our remarks today will include forward-looking statements that are subject to risks and uncertainties. We base these forward-looking statements on information available to us as of the date of this conference call and assume no obligation to update these statements in the future. We encourage you to review our SEC filings, which identify important risk factors that could cause actual results to differ materially from those contained in any forward-looking statements. Additionally, during our call today, we will refer to certain non-GAAP financial information. A reconciliation of our GAAP to non-GAAP results is included in the company's earnings press release and on the Investor Relations section of our website. I'd now like to turn the call over to Silicon Labs' Chief Executive Officer, Matt Johnson. Matt?

Robert Johnson: Thanks, Giovanni, and good morning, everyone. Silicon Labs delivered third quarter results consistent with our outlook, demonstrating strong sales and profitability growth driven by disciplined execution throughout the company. Based on our Q3 results and Q4 outlook, we expect full year revenue growth of 34% compared to 2024. Even more exciting is the continued growth ahead with many customers at various stages of qualification and new production ramps leading into 2026 and beyond. Our industrial and commercial business continued its strong performance in the quarter, extending the momentum we have seen throughout the year. Demand for commercial applications such as building safety, lighting and access points experienced strong quarter-over-quarter sales growth, while normal variation in electronic shelf label shipments drove softened quarter-over-quarter results. In industrial, smart meter demand continues to build as utilities worldwide deploy near real-time tracking of critical infrastructure and resource usage. The rapid rise of artificial intelligence is driving new growth in energy demand, increasing the need for intelligent load balancing across the world's electrical grids. In response, many regions, including the United States, India and Japan are expanding, upgrading or installing new monitoring infrastructure to strengthen grid resilience. This trend reinforces the importance of connected solutions that enable efficient data-driven management of energy systems. As the global leader in smart metering, we are well positioned to benefit from this trend. Our Home & Life business grew as expected with smart home applications delivering another consecutive quarter of sequential growth with medical customers up nearly 60% year-over-year as we ramp new programs and continue to expand our market share in this area. Our strong customer engagements with high win rates in this space validate our conviction that Silicon Labs wireless solutions are setting the benchmark for continuous glucose monitoring and remote outpatient care. Markets where reliability,

performance and security are critical. As connected health and smart living ecosystems mature, our differentiated portfolio positions us to capture substantial new design wins across next-generation monitoring, diagnostics and wellness devices. At this year's Works with Austin Summit, we were joined on stage by senior leaders from Amazon and Cisco as we introduced 2 groundbreaking design tools that are redefining how customers develop and deploy connected solutions. The first, Studio 6 is a fully revamped enablement platform that streamlines development, integration and debugging, reducing complexity for engineers across product lines. It offers a powerful suite of tools that have become the hallmark of Silicon Labs' success and a key differentiator valued by our channel partners and broad base. The second, the Simplicity AI software development kit, or SDK, is a new platform we believe will become the de facto standard for IoT developers. It enables customers to leverage Agentic AI train directly on Silicon Labs software design rules and frameworks, delivering a step function increase in the speed, quality and efficiency of customers' code creation and testing. While currently available to select customers, we believe this first-mover advantage demonstrates our continued innovation and leadership in this space. The combined impact of these tools is powerful, easier wireless adoption, faster development cycles and over time, entirely new applications created through human AI collaboration. Another emerging trend we see as a significant future growth opportunity is accelerating demand for active wireless asset tracking. Customers increasingly want to monitor high-value assets in real time, moving beyond today's passive RFID tags and costly cellular solutions that limit scalability in battery life. Silicon Labs' latest solutions make this possible with advanced radio location features that deliver real-time beaconing with high accuracy and ultra-long battery life. This enables real-time GPS-like precision at a fraction of the cost, which is an ideal for an increasing set of emerging applications. As supply chains and operations become more data-driven, secure and accurate asset tracking will become increasingly essential across logistics, shipping, retail, manufacturing and so many other environments. Looking ahead, we believe our technology leadership and scale in IoT uniquely position us to enable a new wave of IoT growth. Consistent with our existing plans to strengthen our supply chain resilience, this past week, we announced the expansion of our partnership with GlobalFoundries to manufacture industry-leading Series 2 wireless SoCs at its Malta, New York facility. This long-term partnership will add needed U.S. capacity for competitive IoT wireless solutions for the next decade and beyond and production will ramp over the next several years. Finally, the continued strength of our Series 2 platform, combined with the ramp of Series 3 that will be even more impactful, extends our leadership position in ultra-low power performance with next-generation compute, connectivity and security to bring more secure, interoperable IoT devices to market faster. The Silicon Labs team continues developing and deploying the next wave of IoT innovation, I'm proud of their consistent execution and remain confident in our strategic direction. Looking forward to next year, we expect continued momentum from our share gains converting into revenue, gross margin expansion and the benefits of disciplined operational management, all of which will support our commitment to delivering sustained earnings growth. With that, I'll turn it over to Dean for a closer look at the financials. Dean?

Dean Butler: Thanks, Matt, and good morning to everyone. I'll first review the financial results for our recently completed quarter, followed by a discussion of our current outlook. Revenue for the September quarter was \$206 million, up 7% sequentially and in line with the midpoint of our prior guidance. Year-over-year, consolidated revenue was up 24%, which is twice the performance of our most comparable peer. The industrial and commercial side of the business was \$118 million or 57% of consolidated revenue, up 7% sequentially and up 22% from the same period last year. Sequentially, the growth was driven by a diverse set of industrial applications like building automation, commercial lighting and access points. Strong demand from smart metering customers also contributed. Home & Life September revenue was \$88 million or 43% of consolidated revenue, up 6% sequentially and up 26% from the same period a year ago. Sequential growth was driven by strength in smart home automation customers and year-over-year growth is dominated by new ramps in continuous blood glucose monitors and other medical applications. During the quarter, distribution made up approximately 74% of our revenue mix, channel inventory ended at 61 days and channel point of sale saw a sequential increase in the September quarter as some of the stocking activity is anticipation of customer production plans. September gross margins saw another positive progression driven by

strength from our product mix and increasing sales through our distribution channel. GAAP gross margin was 57.8%. Non-GAAP gross margin was 58%, which was above the midpoint of our guidance and up 170 basis points from the prior quarter and better than the same quarter a year ago by 350 basis points. GAAP operating expenses were \$131 million, which includes share-based compensation of \$20 million and intangible asset amortization of \$2 million. Non-GAAP operating expenses of \$109 million was consistent with our expectations. GAAP operating loss was \$12 million and non-GAAP operating income was approximately \$11 million. Our non-GAAP tax rate remained 20%. GAAP loss per share was \$0.30 and non-GAAP earnings of \$0.32 per share beat the midpoint of our guidance by \$0.02, driven by our better-than-expected gross margins in the quarter. Turning to the balance sheet. We ended the quarter with \$439 million of cash, cash equivalents and short-term investments. Our days of sales outstanding was approximately 30 days. Balance sheet inventory remained essentially flat, ending the quarter at \$82 million of net inventory. Days of inventory on hand was also relatively unchanged at 85 days at quarter end. Our normal survey of end customers shows further decreasing of customer inventory and is now at the lowest levels since we began tracking this data point. Turning to our current outlook. We anticipate the revenue in the December quarter to be in the range of \$200 million to \$215 million, which at the midpoint would imply a 25% year-over-year growth and continued sequential growth. Q4 sequential revenue factors in seasonality effects, which is historically flat to slightly down sequentially. Product mix continues to support a further expansion of our gross margins into the September -- December quarter with both GAAP and non-GAAP gross margins expected in the range of 62% to 64%. At the midpoint of this guidance, it implies an 840 basis point non-GAAP improvement year-over-year. Q4 also includes an expected onetime benefit to gross margins, which adds approximately 200 basis points to our current forecast. Given our improvement in profitability and our fiscal year-end, the variable portion of compensation will add approximately \$2 million sequentially, resulting in expected non-GAAP operating expense in the range of \$110 million to \$112 million and a GAAP operating expense between \$134 million and \$136 million. As a reminder of our stated plans, we expect to limit our operating expense growth going forward and increasingly focus on driving earnings per share accretion faster than our top line revenue growth. The company has reached a level of technical capability where the need for further expansion of spending is reduced, and our shareholders should expect to see this accelerated earnings growth going forward. December earnings per share on a GAAP basis is expected to be in the range of \$0.22 loss to a profit of \$0.08 per share on a basic share count of 32.9 million shares. Non-GAAP earnings per share is expected to be in the range of \$0.40 to \$0.70 on an expected diluted share count of 33.2 million shares. This wraps up our prepared remarks. I'd like to now hand the call over to the operator to start the Q&A; session. Didi?

Operator: [Operator Instructions] And our first question comes from Tore Svanberg of Stifel.

Tore Svanberg: Congrats on the progress here. My first question is on the gross margin guidance for Q4, Dean. So you talked about the onetime benefit. Maybe you could clarify exactly what that is. Even without that benefit, gross margin is up pretty significantly. I think you mentioned mix was the main reason. Just wondering how we should think about that dynamic, especially going into 2026, just given how much higher the gross margin guidance was?

Dean Butler: Yes, Tore, good question on gross margins. This is an area I think the company has done really well for the past year is continue to improve our gross margins. Last quarter, we ended at the high end of our long-term stable rate. Now we're pressing up above that. You're right to have cut about 200 basis points is a onetime benefit that we'll get in the December quarter. It's a credit that we're receiving and the way to recognize the credit is it has to be recorded all in one period. That's not expected to continue on a go-forward basis, which means at the midpoint, 63%, backing out 200 basis points, we're sort of at a stabilized 61%. When I look into 2026, I think where we are at sort of this normalized 61%, we're probably going to be able to maintain that from what I can kind of see in mix and production ramps and over the next couple of quarters, we'll kind of be in the 60% to 61%. Eventually, it will go back toward our long-term range. But for now, at least for the next few quarters, I think we stay in this 60% range, Tore, if that's helpful.

Tore Svanberg: That's very helpful. And just my follow-up is for Matt. Matt, you talked about the Works with conference and you introduced those 2 new tools. And particularly interested in the SDK-based Studio AI that you announced. I'm just trying to understand what that means for you financially over

time because obviously, this is going to really accelerate the way third-party developers design a new product. So sort of any financial impact you could talk about from that new tool would be really interesting.

Robert Johnson: Yes, absolutely. So just a reminder for everyone, what this is, is an agentic AI development environment for our customers. And what we showed them is using this environment, it absolutely streamlines the steps, it accelerates the time and really eases the development. So what I would expect Tore to be very direct is for experienced developers, this will allow them to be more efficient. For new entrants, it will allow them to lower the bar in terms of what they need to know in terms of entering the IoT space and developing with a wireless solution. So what this should do over time is allow us to scale faster because one of the toughest things in the wireless domain is for someone who doesn't know how to use wireless technology to adopt wireless technology. So this essentially makes it easier and opens the door to more people being more efficient, faster time to market with their IoT wireless development. So for us, it should result in scalability and more efficiency in terms of acquiring customers' designs and scaling. Not going to happen overnight, but we're already working with our first customers there. And as you've all seen, this space is moving fast. So we're pretty excited about this, and our customers are excited about it now, too.

Operator: And our next question comes from Christopher Rolland of Susquehanna.

Christopher Rolland: I guess mine are around both channel and customer inventories, which you did address in the prepared remarks. I guess, first of all, good job on filling the disti channel a little bit more here. I was wondering what your expectations are there? Could we eventually get to the 70, 75 target? And how long might that take? And on the customer side, you guys talked about kind of the lowest days ever. Perhaps if you could -- I know this isn't a perfect science, but if you could talk about a range, and obviously, we're at the bottom of the range, but your expectations for customer replenishment as well over the next few quarters?

Robert Johnson: Yes. So Chris, this is Matt. So quick answer. Customer side, I'd say any excess inventory effects at end customers are effectively gone now. I think we can say that with confidence. And we're now operating with the market again and those inventory effects are gone. So that's an important milestone, and that's been something that we've been dealing with for a pretty long time as part of this cycle. So that's one. I think, two, on the disti side, we've been running on the lower end of our DSI closer to 50 with a target of 70 to 75 days and a goal of working that up each quarter if we can, on average, around 5 days. And this quarter, we went up around 10. And it's important, we saw strong POS growth, but we did make progress on those 5 days we wanted to make. And in addition to that, we had another 5 days that was around strategic stocking agreement with a customer in anticipation of their ramp. So that's the combination of those is how we got to the 10 days. Moving forward, we're going to keep trying to push around 5 days until we get to our target. That hasn't been linear. It's been lumpy. So I wouldn't expect it's perfect each quarter, but that's our goal, and we're continuing to push in that direction. And we'll get there over the coming quarters.

Christopher Rolland: Excellent. And without being too specific, maybe broad strokes for next year for '26, how you guys see that setting up, I guess, starting in March, I think you guys are you seasonally buck some of the other guys that are down in March. Perhaps if you could give us the setup for that year and which products are you kind of most excited about or do you think are going to carry growth the best through '26?

Robert Johnson: Okay. Sure. So obviously, we're not calling '26, and I think it's a difficult time to call the broad market or macro with the uncertainty that's out there. But what we can say with confidence is just like this year, I think this year -- full year with this guide for Q4, Chris, we'll be at around 34% year-over-year for '25 versus '24, which I think is really strong. And at the same time, we've seen really good progress on gross margin and EPS. Next year, not calling the market, but whatever the market ends up being, we see a path to doing better than the market and taking continued market share. And as Dean was indicating, we see strong gross margin in there as well and solid EPS progress over that time frame. In terms of what's driving that, it's the same stuff. So we've been talking about the strength of Series 2 and increasing strength of Series 3 mixing in. And we have our metering space that's continuing to drive strength, ESL and CGM. We like what we see in each of those areas. We also shared that we're seeing increasing strength in asset tracking as a category that will mix into our growth

over time. And I'd also add one other kind of tailwind is we've been talking about matter for a long time. I think next year, you're going to start to see matter revenue feathering in as well, which all of these serve as a foundation for continued growth for the years beyond that. So we're excited for 2026. And maybe easy takeaway, we have a positive bias right now, all things considered.

Operator: And our next question comes from Cody Acree of the Benchmark Company.

Cody Grant Acree: Congrats on the great numbers. Dean, if you can maybe talk a bit about the gross margin incremental for Q4, even with the onetime and just the sequential bump is much more than I would think just normal mix shift would entail. So can you just talk about the details of the drivers sequentially?

Dean Butler: Yes, Cody, there is -- within the mix, there are a couple of specific parts that have much better margins than the rest of the profile, which is actually incrementing it up. We don't want to get into too much detail on which specific part that is that way we -- customers don't get upset at us that might be buying that. The other element that we've also returned back into is above 70% of distribution is coming our sales. We just ended Q3 at 74%. That continues to sort of move margin up. But I would say within the mix, probably there's a couple of specific parts that's driving it incrementally higher. Throughout the year, just sort of as a macro trend for the last kind of 4 quarters or so, industrial has been performing extremely well for the company. That tends to come a little bit better gross margins for us as well. And that's sort of been kind of the yearly march as we've gone forward these last 4 quarters. And so hopefully, that helps give you a little bit more color, Cody.

Cody Grant Acree: Sure. And then I guess just any directional color on your different segments, Home, Life and I&C;?

Dean Butler: This one, we -- you've gotten this wrong a couple of times so I hesitate to give you sort of a formal guide. Look, I will say it the way I said it last quarter, which is knowing no real differences, probably we're looking at a similar mix sort of quarter-on-quarter. Kind of the hesitation around that really is just around visibility of short order lead times. So turns are coming in right now inside of lead time. So we never really know how the total backlog is going to shape out for the entire quarter, and that's really our only hesitation.

Operator: And our next question comes from [ Trip Smith ] of Barclays.

Kyle Bleustein: This is Kyle Bleustein on for Tom O'Malley. I wanted to dig into the gross margin commentary a little bit more. I was just kind of curious like what has changed since the Analyst Day? Like has the product mix surprised you at all? And then when you're talking about it being stable for the next few quarters and coming back down, is that again on the mix side? Or is there anything to do with pricing? Just kind of your thoughts there?

Dean Butler: Yes. Nothing's really changed, Kyle, just to give you a little context from Analyst Day, that's intended to be our long-term sort of sustainable range that we think we run in, and that's 56% to 58%. Throughout the year, we've been pressing into that range and then at the high end of that range is where we landed at the end of the September quarter. Now piercing above 60%, sort of mid of our guidance 63%. That's really a relatively short-term phenomenon. We'll probably see that for the next few quarters, and Cody asked on his question on sort of specific product mix. That specific product mix probably is not a long-term multiyear sort of sustainable mix. I do think as we come up into the 60s, it takes a few quarters, but we'll gradually start moving back towards kind of the stated long-term range. But at least from what we can tell right now, that's not a fast movement back down. I think it's a fairly gradual movement back down. So I wouldn't say anything has really changed other than a couple of product-specific things that have done better. And of course, I also gave Cody some additional color on industrial throughout the year has done better as well. Distribution, we're making progress. So all those things sort of help. So I hope that answers your question, Kyle.

Kyle Bleustein: Okay. That's helpful. And then just for my follow-up, can you kind of give an update on how the Series 3 rollout is going, either like expected percent of the mix? And then just overall, as that kind of ramps into your product portfolio, how we should think about overall pricing trends?

Robert Johnson: Yes, sure. This is Matt, Kyle. I'll take that. So the easy setup to remember is Series 2, we've stated even in our Analyst Day, we have not even ramped -- we've ramped a small portion of what we've won there in the current platform, and we're still winning in Series 2. So Series 2, we're looking at many years of growth before we see that peaking. And as, I think, data point or testament to

that, we just announced a partnership with GlobalFoundries to bring Series 2 to the U.S. as a U.S. manufacturing option because given the life we see there, that's going to be needed. So Series 2, think of that as ultra-successful de facto standard in the market today as we see it. Then bring in Series 3, which our expectation based on what we've done there will be even more impactful than Series 2. It's early days. We're just ramping our first product, and we're going to start -- you're going to start seeing a series of products come out at an increasing acceleration. So each year, more products coming off of that base platform and IP, and it will start feathering into our design wins and revenue over time. But just like Series 2, these things take time. So I wouldn't over-index on the revenue impact this year, next year. I think you're looking after that before material impact come. But why that matters is it's all about setting ourselves up for the future. And Series 3 is set up for the future, just like Series 2 was, and that's why it's so successful now. And that's important because I can say here, and I'm proud of this, we have the largest opportunity funnel as a company we've ever had because of now the combined strength of these 2 platforms. And remember, they're software compatible, which is an awesome strength. And we're on track to record design wins once again. So the combination of all those things really sets us up good for the next few years and beyond, and we're excited and proud of that. And that's why I think we can say we have a positive bias sitting here today.

Operator: And our next question comes from Quinn Bolton of Needham & Company.

Quinn Bolton: Congratulations on the nice outlook, especially on the margin side. I wanted to just come back to the active asset tracking, Matt, that you talked about in the prepared comments. It sounds like it could be a pretty meaningful opportunity. In the past, you guys have talked about CGM, smart meters, ESL as 3 of your more company-specific product ramps that can drive outsized growth. Wondering, would you start thinking about active asset tracking as maybe a fourth company-specific driver? Or would you not put it in the same sort of magnitude as the other 3 that you've previously talked about?

Robert Johnson: So we're being intentional and deliberate, Quinn, about introducing this as a concept. And that means we believe it has a lot of growth potential as an end market. And we believe that we have a lot of potential for strength in that market. We don't want to be talking to you all about a space that's not growing long term, and we don't have a very strong position. So we think it has that potential. That being said, it's early days. We're just introducing it as a concept for you all, but it does have that recipe. And we do see an acceleration in our engagement and position in that space. What we have as a company is very attractive to customers, just a great fit for us in terms of what we can do in technology. We're the largest company in this space. That's something our customers want to see. And we have the ability to turn products really quick to address the needs of this marketplace. So yes, it has potential, and we're excited about it. Don't want to over-index on it. It's early. But I think over time, it has really exciting potential.

Quinn Bolton: And Matt, just maybe a quick follow-up there. Was that the Bluetooth-6, I think it's channel sounding technology that's the basis for that active asset tracking? Or is that another wireless technology?

Robert Johnson: Yes. BLE with channel sounding is and can be used in those applications and is interesting to a lot of those customers because not only can they kind of figure out where the things are, but they can figure out where they are relative to each other, which is really important in some applications. So that is one of the things that is driving interest.

Quinn Bolton: Okay. Great. And then a follow-up question, just I think in the past, you thought the CGM could get to 10% of revenue by Q4 of '25 to the second quarter of 2026. Is that time line still sort of in the cards for the continuous glucose monitors?

Robert Johnson: So the last thing I remember is us believe there's a path to being 10% in the first half of next year, and we still see that path.

Operator: And our next question comes from Joe Moore of Morgan Stanley.

Joseph Moore: Congrats on the good margin performance here. I wonder if you could talk about sort of inorganic opportunities at the Analyst Day, you said that you were open to that. Is that still something that you're contemplating? It seems like you have a lot of organic growth here. Just how are you thinking about M&A; opportunities?

Dean Butler: Yes, Joe, if you recall at the Analyst Day, we said we are open to M&A; opportunities, but we have a pretty tight filter. And I think that hasn't changed, which means we're looking for things that

can help accelerate our growth level, which is a tough filter to find these days sort of with Silicon Labs just posting a 34% year-on-year. And that growth doesn't look like it's changing anytime soon. We also don't want to add on technology or end markets that are not in our wheelhouse. So it has to be in our wheelhouse, accretive to our growth, which really means that there are not a whole lot of assets that are going to fit that stage. We also have a lot of the technology that we need. And so while we're open, I think the reality, what ends up meaning is M&A; is probably something we're open to, but the more likely is to flow that excess cash flow back in terms of buyback. I think with the increasing profitability that we see now and as gross margins sort of keep going up and our operating expenses are starting to be held flat, that looks like increasing excess cash flow, and that's likely to lead us more down the path of buybacks going forward, just given that tight narrow lens on M&A.;

Joseph Moore: That's very helpful. And then with regards to your customers kind of drawing down inventory to these lower levels, I guess, just do you have conversations about some of the geopolitics of the situation? And I just -- I know you're not impacted by stuff like Nexperia, but it seems like that's creating line down situations. Like did the customers sort of feel like, okay, given these geopolitical uncertainties, I need to hold more inventory? Or just -- I don't think we've seen a lot of that activity, and I'm a little surprised that we haven't.

Robert Johnson: Yes. We're not seeing customers building inventory around this. In fact, broadly, it's come down, not up. So -- and we're watching that very closely. I do think that the uncertainty, Joe, is just not helping anything. And I think that's worth saying that when you talk to customers, they're trying to navigate all this and they don't have as much clarity and visibility as they'd like. So I do think that, that weighs on their -- the way they talk about the future. But big picture, we're not seeing inventory builds around this. There might be a pocket here and there, but broadly, it's going the other way.

Operator: And our next question comes from Peter Peng of JPMorgan.

Peter Peng: Just a follow-up to that point. So you guys are above \$200 million in revenue levels and your end customers' inventories are decreasing. Do you still -- do you believe you're still kind of undershipping to end demand? And if so, how much?

Robert Johnson: No, we don't, Peter. We think we're as aligned with consumption and consumption as we've been in a very long time.

Peter Peng: Got it. Okay. And then my follow-up is just on your Wi-Fi. Can you probably share some updates on that and some program ramps? And maybe how you're thinking about that trajectory over the next year or 2?

Robert Johnson: Great. Thank you for asking. I should have mentioned that more proactively. So Wi-Fi this year, strong growth. I can't remember the exact numbers, but 30% to 40% year-on-year. That's an area that is our newest of our 4 major technology cornerstones. And it's growing and winning share. And we have our existing products out there, but also we started hinting and teasing as part of our Series 3 platform, you're going to see a lot more from us in Wi-Fi, and that's coming soon. So I think the combination of that sets us up really well for -- simply said, relatively small compared to our other areas, but accelerated growth. And maybe easy framing, right now, BLE is our fastest growing. Wi-Fi is our second fastest growing, even though we have leadership positions in the other 2 areas, 15.4 and -- yes, sorry, I just lost my train of thought, guys. 15.4 and subgig. So 15.4 subgig, leadership positions, strong growth, but the new areas, the newest areas for us are the fastest growing, and we're making really fast progress there. So an easy way to frame it, big funnel for Wi-Fi, strong design win momentum should set us up for continued growth and share gains in Wi-Fi for a long time to come, but it is still our smallest of the 4 areas.

Operator: Thank you. I will now hand the call back to Giovanni Pacelli.

Giovanni Pacelli: Thank you, Didi, and thank you all for joining this morning and for your interest in the company. Before concluding today's call, I would like to announce our upcoming participation in RBC Capital Markets Global Technology, Internet, Media and Telecommunications Conference on November 19 in New York City. This now concludes today's call. Thank you.

Operator: This concludes today's conference call. Thank you for participating, and you may now disconnect.