

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): May 9, 2024

SYNAPTICS INCORPORATED

(Exact name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction  
of Incorporation)

000-49602  
(Commission File Number)

77-0118518  
(IRS Employer  
Identification No.)

1109 McKay Drive  
San Jose, California  
(Address of Principal Executive Offices)

95131  
(Zip Code)

Registrant's Telephone Number, Including Area Code: 408 904-1100

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$.001 per share	SYNA	NASDAQ Global Select Market

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

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02 Results of Operations and Financial Condition.**

On May 9, 2024, the Company issued a press release announcing the Company's financial results for the fiscal quarter ended March 30, 2024, and posted supplemental earnings materials to the investor section of the Company's website at [www.synaptics.com](http://www.synaptics.com). The press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information in this Current Report on Form 8-K (including Exhibit 99.1) is furnished pursuant to Item 2.02 and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into any registration document or other document filed by the Company.

**Item 9.01 Financial Statements and Exhibits.**

- (a) *Financial Statements of Business Acquired.*  
Not applicable.
- (b) *Pro Forma Financial Information.*  
Not applicable.
- (c) *Shell Company Transactions.*  
Not applicable.
- (d) *Exhibits.*

<u>Exhibit Number</u>	<u>Exhibit</u>
99.1	<a href="#">Press release from Synaptics Incorporated, dated May 9, 2024, titled "Synaptics Reports Third Quarter Fiscal 2024 Results"</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**SIGNATURES**

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

SYNAPTICS INCORPORATED

Date: May 9, 2024

By: /s/ Michael E. Hurlston

Michael E. Hurlston

Chief Executive Officer and Principal Financial Officer

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## Synaptics Reports Third Quarter Fiscal 2024 Results

### Q3'24 Financial Results and Recent Business Highlights

- Revenue of \$237.3 million
- GAAP gross margin of 46.5 percent
- Non-GAAP gross margin of 52.9 percent
- GAAP loss per share of \$0.46
- Non-GAAP diluted earnings per share of \$0.53

**SAN JOSE, Calif., – May 9, 2024** – Synaptics Incorporated (Nasdaq: SYNA), today reported financial results for its third quarter of fiscal 2024 ended March 30, 2024.

Net revenue for the third quarter of fiscal 2024 was \$237.3 million. GAAP net loss for the third quarter of fiscal 2024 was \$18.1 million, or a loss of \$0.46 per basic share. Non-GAAP net income for the third quarter of fiscal 2024 was \$21.0 million, or \$0.53 per diluted share.

“This quarter, Synaptics achieved meaningful milestones in our strategic Core IoT product area. We had a very successful launch of our Astra™ platform, targeting a \$20 billion plus market opportunity for embedded edge AI processors for the Internet of Things (IoT). In addition, the company’s Core IoT revenue increased 26% sequentially driven by growth in our wireless product family.” said Michael Hurlston, Synaptics’ President and CEO.

### Business Outlook

Mr. Hurlston added, “Our business is stabilizing with supply chain inventory, for the most part, at normal levels. In addition, we are seeing improving demand conditions and the onset of new design ramps. In that vein, we expect Synaptics’ fiscal fourth quarter revenue to increase modestly from the prior quarter. We are encouraged by these signs, but the recovery is slower than we anticipated several quarters ago.”

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For the fourth quarter of fiscal year 2024, the company expects:

	<b>GAAP</b>	<b>Non-GAAP Adjustment</b>	<b>Non-GAAP</b>
Revenue	\$230M to \$260M	N/A	N/A
Gross Margin*	44.5 percent to 46.5 percent	\$18M to \$21M	52.5 percent to 54.5 percent
Operating Expense**	\$127M to \$132M	\$30M to \$31M	\$97M to \$101M

\*Projected Non-GAAP gross margin excludes \$17.0 to \$20.0 million of intangible asset amortization and \$1.0 million of share-based compensation.

\*\*Projected Non-GAAP operating expense excludes \$26.0 million to \$27.0 million of share-based compensation, and \$4.0 million of intangible asset amortization.

### **Earnings Call and Supplementary Materials**

The Synaptics third quarter 2024 teleconference and webcast is scheduled to begin at 2:00 p.m. PT (5:00 p.m. ET), on Thursday, May 9, 2024, during which the company will provide forward-looking information, and may discuss or disclose material business, financial, or other information beyond what is provided here.

#### **Speakers:**

- Michael Hurlston, President and Chief Executive Officer
- Matt Padfield, Vice President FP&A

To participate on the live call, analysts and investors should pre-register at **Synaptics Q3 FY2024 Earnings Call Registration**. (<https://register.vevent.com/register/BI72ab1ea3c0414c749d5da3169a082980>). Supplementary slides, a copy of the prepared remarks, and a live and archived webcast of the conference call will be accessible from the “Investor Relations” section of the company’s Website at <https://investor.synaptics.com/>.

### **About Synaptics Incorporated:**

Synaptics (Nasdaq: SYNA) is changing the way humans engage with connected devices and data, engineering exceptional experiences throughout the home, at work, in the car and on the go. Synaptics is the partner of choice for the world’s most innovative intelligent system providers who are integrating multiple experiential technologies into platforms that make our digital lives more productive, insightful, secure and enjoyable. These customers are combining Synaptics’ differentiated technologies in touch, display and biometrics with a new generation of advanced connectivity and AI-enhanced video, vision, audio, speech and security processing. Follow Synaptics on LinkedIn, Twitter and Facebook, or visit [synaptics.com](https://synaptics.com).

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### **Use of Non-GAAP Financial Information**

In evaluating its business, Synaptics considers and uses Non-GAAP Net Income, which we define as net income excluding share-based compensation, acquisition related costs, and certain other non-cash or recurring and non-recurring items the company does not believe are indicative of its core operating performance as a supplemental measure of operating performance. Non-GAAP Net Income is not a measurement of the company's financial performance under GAAP and should not be considered as an alternative to GAAP net income. The company presents Non-GAAP Net Income because it considers it an important supplemental measure of its performance since it facilitates operating performance comparisons from period to period by eliminating potential differences in net income caused by the existence and timing of share-based compensation charges, acquisition related costs, and certain other non-cash or recurring and non-recurring items. Non-GAAP Net Income has limitations as an analytical tool and should not be considered in isolation or as a substitute for the company's GAAP net income. The principal limitations of this measure are that it does not reflect the company's actual expenses and may thus have the effect of inflating its net income and net income per share as compared to its operating results reported under GAAP. In addition, the company presents components of Non-GAAP Net Income, such as Non-GAAP Gross Margin, Non-GAAP operating expenses and Non-GAAP operating margin, for similar reasons.

As presented in the "Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures" tables that follow, Non-GAAP Net Income and each of the other Non-GAAP financial measures excludes one or more of the following items:

#### *Acquisition and integration related costs*

Acquisition and integration related costs primarily consist of:

- amortization of purchased intangibles, which includes acquired intangibles such as developed technology, customer relationships, trademarks, backlog, licensed technology, patents, and in-process technology when post-acquisition development is determined to be substantively complete;
- inventory adjustments affecting the carrying value of inventory acquired in an acquisition;
- transitory post-acquisition incentive programs negotiated in connection with an acquired business or designed to encourage post-acquisition retention of key employees; and
- legal and consulting costs associated with acquisitions, including non-recurring post-acquisition costs and services.

These acquisition and integration related costs are not factored into the company's evaluation of its ongoing business operating performance or potential acquisitions, as they are not considered as part of the company's principal operations. Further, the amount of these costs can vary significantly from period to period based on the terms of an earn-out arrangement, revisions to assumptions that went into developing the estimate of the contingent consideration associated with an earn-out arrangement, the size and timing of an acquisition, the lives assigned to the acquired intangible assets, and the maturity of the business acquired. Excluding acquisition related costs from Non-GAAP measures provides investors with a basis to compare Synaptics against the performance of other companies without the variability and potential earnings volatility associated with purchase accounting and acquisition related items.

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#### *Share-based compensation*

Share-based compensation expense relates to employee equity award programs and the vesting of the underlying awards, which includes stock options, deferred stock units, market stock units, performance stock units, phantom stock units and the employee stock purchase plan. Share-based compensation settled with stock, which includes stock options, deferred stock units, market stock units, performance stock units and the employee stock purchase plan, is a non-cash expense, while share-based compensation settled with cash, which includes phantom stock units, is a cash expense. Settlement of all employee equity award programs, whether settled with cash or stock, varies in amount from period to period and is dependent on market forces that are often beyond the company's control. As a result, the company excludes share-based compensation from its internal operating forecasts and models. The company believes that Non-GAAP measures reflecting adjustments for share-based compensation provide investors with a basis to compare the company's principal operating performance against the performance of peer companies without the variability created by share-based compensation resulting from the variety of equity-linked compensatory awards used by other companies and the varying methodologies and assumptions used.

#### *Amortization of prepaid development costs*

Amortization of prepaid development costs represents the amortization of the estimated cost to develop certain future roadmap devices designed in advance process nodes in connection with an acquisition. The amortization of prepaid development costs represents a non-cash charge. As a result, the company excludes amortization of prepaid development costs from its internal operating forecasts and models when evaluating its ongoing business performance. The company believes that Non-GAAP measures reflecting adjustments for amortization of prepaid development costs provide investors with a basis to compare the company's principal operating performance against the performance of other companies without the variability created by the amortization of prepaid development costs.

#### *Restructuring costs*

Restructuring costs are costs incurred to address cost structure inefficiencies of acquired or existing business operations and consist primarily of employee termination and office closure costs, including the reversal of such costs. These costs are generally cash-based. As a result, the company excludes restructuring costs from its internal operating forecasts and models when evaluating its ongoing business performance. The company believes that Non-GAAP measures reflecting adjustments for restructuring costs provide investors with a basis to compare the company's principal operating performance against the performance of other companies without the variability created by restructuring costs designed to address cost structure inefficiencies of acquired or existing business operations.

#### *Site remediation accrual*

Site remediation accrual represents an update to the estimated future costs associated with the ongoing planning and remediation of a site contamination project from an acquisition. As we evaluate progress on our ongoing remediation effort and as we work with governmental organizations to update our remediation plan to meet the evolving guidelines, we estimate costs associated with plan revisions to determine if our liability has changed. Excluding the site remediation accrual from Non-GAAP measures provides investors with a basis to compare Synaptics against the performance of other companies without the variability associated with the site remediation accrual.

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#### *Other non-cash items*

Other non-cash items include non-cash amortization of debt discount and issuance costs. These items are excluded from Non-GAAP results as they are non-cash. Excluding other non-cash items from Non-GAAP measures provides investors with a basis to compare Synaptics against the performance of other companies without the variability associated with other non-cash items.

#### *Non-GAAP tax adjustments*

The company forecasts its long-term Non-GAAP tax rate in order to provide investors with improved long-term modeling accuracy and consistency across financial reporting periods by eliminating the effects of certain items in our Non-GAAP net income and Non-GAAP net income per share, including the type and amount of share-based compensation, the taxation of post-acquisition intercompany intellectual property cross-licensing or transfer transactions, and the impact of other acquisition items that may or may not be tax deductible. The company intends to evaluate its long-term Non-GAAP tax rate annually for significant events, including material tax law changes in the major tax jurisdictions in which the company operates, corporate organizational changes related to acquisitions or tax planning opportunities, and substantive changes in our geographic earnings mix.

#### **Forward-Looking Statements**

This press release contains forward-looking statements that are subject to the safe harbors created under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. Forward-looking statements give our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business, and can be identified by the fact that they do not relate strictly to historical or current facts. Such forward-looking statements may include words such as “expect,” “anticipate,” “intend,” “believe,” “estimate,” “plan,” “target,” “strategy,” “continue,” “may,” “will,” “should,” variations of such words, or other words and terms of similar meaning. All forward-looking statements reflect our best judgment and are based on several factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control. Such factors include, but are not limited to, the risk that our business, results of operations and financial condition and prospects may be materially and adversely affected by the temporary reduction in demand for our products resulting from accumulated inventories held by our customers and channel partners; the risks as identified in the “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business” sections of our most recent Annual Report on Form 10-K and our most recent Quarterly Report on Form 10-Q; and other risks as identified from time to time in our Securities and Exchange Commission reports. Forward-looking statements are based on information available to us on the date hereof, and we do not have, and expressly disclaim, any obligation to publicly release any updates or any changes in our expectations, or any change in events, conditions, or circumstances on which any forward-looking statement is based. Our actual results and the timing of certain events could differ materially from the forward-looking statements. These forward-looking statements do not reflect the potential impact of any mergers, acquisitions, or other business combinations that had not been completed as of the date of this release.

#### **For more information contact:**

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SYNAPTICS INCORPORATED  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(In millions)  
(Unaudited)

	March 2024	June 2023
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 828.1	\$ 924.7
Short-term investments	0.5	9.6
Accounts receivable, net	144.7	163.9
Inventories, net	114.1	137.2
Prepaid expenses and other current assets	35.1	36.6
Total current assets	1,122.5	1,272.0
Property and equipment at cost, net	74.0	66.4
Goodwill	816.4	816.4
Purchased intangibles, net	252.2	298.5
Right-of-use assets	45.9	49.0
Non-current other assets	228.7	109.1
	<u>\$ 2,539.7</u>	<u>\$ 2,611.4</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Accounts payable	\$ 70.9	\$ 45.8
Accrued compensation	25.5	45.9
Income taxes payable	9.7	54.0
Other accrued liabilities	98.8	108.4
Current portion of debt	6.0	6.0
Total current liabilities	210.9	260.1
Long-term debt	967.7	972.0
Other long-term liabilities	125.7	135.9
Total liabilities	<u>1,304.3</u>	<u>1,368.0</u>
Stockholders' Equity:		
Common stock and additional paid-in capital	1,083.8	1,009.3
Treasury stock	(878.0)	(878.0)
Accumulated other comprehensive income	0.2	—
Retained earnings	1,029.4	1,112.1
Total stockholders' equity	<u>1,235.4</u>	<u>1,243.4</u>
	<u>\$ 2,539.7</u>	<u>\$ 2,611.4</u>

SYNAPTICS INCORPORATED  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(In millions, except per share data)  
(Unaudited)

	Three Months Ended March		Nine Months Ended March	
	2024	2023	2024	2023
Net revenue	\$ 237.3	\$ 326.6	\$ 712.0	\$ 1,127.8
Acquisition related costs (1)	14.3	23.7	46.5	70.5
Cost of revenue	112.7	130.6	339.1	442.6
Gross margin	110.3	172.3	326.4	614.7
Operating expenses:				
Research and development	83.4	87.9	251.9	266.7
Selling, general, and administrative	40.5	41.7	122.5	128.8
Acquired intangibles amortization (2)	4.0	8.5	13.4	26.9
Restructuring costs (3)	(0.2)	—	9.1	—
Total operating expenses	127.7	138.1	396.9	422.4
Operating (loss) income	(17.4)	34.2	(70.5)	192.3
Interest and other expense, net	(5.9)	(7.0)	(17.4)	(22.0)
(Loss) income before provision for income taxes	(23.3)	27.2	(87.9)	170.3
Provision for income taxes	(5.2)	16.8	(5.2)	73.3
Net (loss) income	\$ (18.1)	\$ 10.4	\$ (82.7)	\$ 97.0
Net (loss) income per share:				
Basic	\$ (0.46)	\$ 0.26	\$ (2.12)	\$ 2.44
Diluted	\$ (0.46)	\$ 0.26	\$ (2.12)	\$ 2.41
Shares used in computing net (loss) income per share:				
Basic	39.3	39.4	39.1	39.7
Diluted	39.3	39.9	39.1	40.3

(1) These acquisition related costs consist of amortization of acquired intangible assets.

(2) These acquisition related costs consist primarily of amortization associated with certain acquired intangible assets.

(3) Restructuring costs primarily include severance related costs associated with operational restructurings and acquisitions.

SYNAPTICS INCORPORATED  
Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures  
(In millions, except per share data)  
(Unaudited)

	Three Months Ended		Nine Months Ended	
	March		March	
	2024	2023	2024	2023
GAAP gross margin	\$ 110.3	\$ 172.3	\$ 326.4	\$ 614.7
Acquisition related costs	14.3	23.7	46.5	70.5
Share-based compensation	1.0	0.9	3.2	3.0
Non-GAAP gross margin	<u>\$ 125.6</u>	<u>\$ 196.9</u>	<u>\$ 376.1</u>	<u>\$ 688.2</u>
GAAP gross margin - percentage of revenue	46.5%	52.8%	45.8%	54.5%
Acquisition related costs - percentage of revenue	6.0%	7.3%	6.5%	6.3%
Share-based compensation - percentage of revenue	0.4%	0.2%	0.4%	0.2%
Non-GAAP gross margin - percentage of revenue	<u>52.9%</u>	<u>60.3%</u>	<u>52.8%</u>	<u>61.0%</u>
GAAP research and development expense	\$ 83.4	\$ 87.9	\$ 251.9	\$ 266.7
Share-based compensation	(15.0)	(12.1)	(45.7)	(39.5)
Amortization prepaid development costs	—	(0.8)	—	(5.8)
Non-GAAP research and development expense	<u>\$ 68.4</u>	<u>\$ 75.0</u>	<u>\$ 206.2</u>	<u>\$ 221.4</u>
GAAP selling, general, and administrative expense	\$ 40.5	\$ 41.7	\$ 122.5	\$ 128.8
Share-based compensation	(13.9)	(16.8)	(43.4)	(49.9)
Acquisition and integration related costs	—	—	—	(1.8)
Site remediation accrual	—	—	(1.6)	—
Non-GAAP selling, general, and administrative expense	<u>\$ 26.6</u>	<u>\$ 24.9</u>	<u>\$ 77.5</u>	<u>\$ 77.1</u>
GAAP operating (loss) income	\$ (17.4)	\$ 34.2	\$ (70.5)	\$ 192.3
Acquisition and integration related costs	18.3	32.2	59.9	99.2
Share-based compensation	29.9	29.8	92.3	92.4
Restructuring costs	(0.2)	—	9.1	—
Site remediation accrual	—	—	1.6	—
Amortization prepaid development costs	—	0.8	—	5.8
Non-GAAP operating income	<u>\$ 30.6</u>	<u>\$ 97.0</u>	<u>\$ 92.4</u>	<u>\$ 389.7</u>
GAAP net (loss) income	\$ (18.1)	\$ 10.4	\$ (82.7)	\$ 97.0
Acquisition and integration related costs	18.3	32.2	59.9	99.2
Share-based compensation	29.9	29.8	92.3	92.4
Restructuring costs	(0.2)	—	9.1	—
Amortization prepaid development costs	—	0.8	—	5.8
Other non-cash items	0.6	0.7	1.9	2.0
Site remediation accrual	—	—	1.6	—
Non-GAAP tax adjustments	<u>(9.5)</u>	<u>1.4</u>	<u>(18.3)</u>	<u>10.5</u>
Non-GAAP net income	<u>\$ 21.0</u>	<u>\$ 75.3</u>	<u>\$ 63.8</u>	<u>\$ 306.9</u>
GAAP net (loss) income per share - diluted	\$ (0.46)	\$ 0.26	\$ (2.12)	\$ 2.41
Acquisition/divestiture and integration related costs	0.47	0.81	1.53	2.46
Share-based compensation	0.76	0.74	2.36	2.29
Restructuring costs	(0.01)	—	0.23	—
Amortization prepaid development costs	—	0.02	—	0.15
Other non-cash items	0.02	0.02	0.05	0.05
Site remediation accrual	—	—	0.04	—
Non-GAAP tax adjustments	<u>(0.24)</u>	<u>0.04</u>	<u>(0.47)</u>	<u>0.26</u>
Share adjustment	(0.01)	—	—	—
Non-GAAP net income per share - diluted	<u>\$ 0.53</u>	<u>\$ 1.89</u>	<u>\$ 1.62</u>	<u>\$ 7.62</u>

SYNAPTICS INCORPORATED  
CONDENSED CONSOLIDATED CASH FLOWS  
(In millions)  
(Unaudited)

	Nine Months Ended	
	March	
	2024	2023
<b>Cash flows from operating activities</b>		
Net (loss) income	\$ (82.7)	\$ 97.0
Non-cash operating items	176.8	207.2
Changes in working capital	(23.2)	(67.2)
Provided by operating activities	70.9	237.0
Acquisition of business, net of cash and cash equivalents acquired	—	(15.5)
Proceeds from maturities of short-term investments	26.0	16.3
Purchase of intangible assets	(13.5)	(0.9)
Purchase of short-term investments	(16.6)	—
Purchase of property and equipment	(26.1)	(29.0)
Advance payment on intangible assets	(116.5)	
Other	—	1.0
Used in investing activities	(146.7)	(28.1)
Repurchases of common stock	—	(100.1)
Equity compensation, net	(17.8)	(34.6)
Payment of debt obligations	(6.0)	(4.5)
Other	3.4	5.0
Used in financing activities	(20.4)	(134.2)
Effect of exchange rate changes on cash and cash equivalents	(0.4)	(0.7)
Net change in cash and cash equivalents	(96.6)	74.0
Cash and cash equivalents at beginning of period	924.7	824.0
Cash and cash equivalents at end of period	\$ 828.1	\$ 898.0

