

**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): **November 3, 2022**

**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 November 3, 2022, Synaptics Incorporated (the “Company”) issued a press release announcing the Company’s financial results for the fiscal quarter ended September 24, 2022 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 November 3, 2022, titled “Synaptics Reports First Quarter Fiscal 2023 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: November 3, 2022

By: /s/ Dean Butler

Dean Butler

Senior Vice President and Chief Financial Officer

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## Synaptics Reports First Quarter Fiscal 2023 Results

### Q1'23 Financial Results and Recent Business Highlights

- Revenue of \$448.1 million
- IoT revenue increased 67% YoY
- Record GAAP gross margin of 57.1 percent
- Record non-GAAP gross margin of 62.6 percent
- GAAP diluted earnings per share of \$1.59
- Non-GAAP diluted earnings per share of \$3.52
- GAAP operating margin of 25.0 percent
- Record non-GAAP operating margin of 40.2 percent

**SAN JOSE, Calif., – November 3, 2022** – Synaptics Incorporated (Nasdaq: [SYNA](#)), today reported financial results for its first quarter of fiscal 2023 ended September 24, 2022.

Net revenue for the first quarter of fiscal 2023 was \$448.1 million. GAAP net income for the first quarter of fiscal 2023 was \$64.6 million, or \$1.59 per diluted share. Non-GAAP net income for the first quarter of fiscal 2023 was \$143.1 million, or \$3.52 per diluted share.

“Synaptics delivered a strong first quarter of fiscal year 2023 with total revenue up 20% compared to the prior year. Our track-record of execution continues with Synaptics setting company records for both GAAP and non-GAAP gross margins, as well as our non-GAAP operating margins. While we have some significant near-term macroeconomic headwinds, we have confidence that a return to growth will occur quickly, driven by our wireless, automotive, and video interface businesses.” said Michael Hurlston, Synaptics’ President and CEO.

### Business Outlook

Dean Butler, Chief Financial Officer of Synaptics, added, “We expect to maintain our gross margin profile into the December quarter, but our revenue is expected to decline sequentially as customers are increasingly cautious about their end demand and look to reduce inventory levels. Our aggregate backlog remains high, but its quality is of concern as macroeconomic worries affect many of our customers’ end demand.”

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For the second quarter of fiscal year 2023, the company expects:

	<b>GAAP</b>	<b>Non-GAAP Adjustment</b>	<b>Non-GAAP</b>
Revenue	\$350M to \$380M	N/A	N/A
Gross Margin*	53.0 percent to 56.0 percent	\$24M	60.0 percent to 62.0 percent
Operating Expense**	\$141M to \$146M	\$43M to \$44M	\$98M to \$102M

\*Projected Non-GAAP gross margin excludes \$23.0 million of intangible asset amortization and \$1.0 million of share-based compensation.

\*\*Projected Non-GAAP operating expense excludes \$31.5 million to \$32.5 million of share-based compensation, \$2.5 million of prepaid development amortization, and \$9.0 million of intangible asset amortization.

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

The Synaptics first quarter 2023 teleconference and webcast is scheduled to begin at 2:00 p.m. PT (5:00 p.m. ET), on Thursday, November 3, 2022, 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
- Dean Butler, Chief Financial Officer

To participate on the live call, analysts and investors should pre-register at **Synaptics Q1 FY2023 Earnings Call Registration** (<https://register.vevent.com/register/BI679cd13c31b84f16aafb15ba8bdd957d>). 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/>.

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**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](#).

**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 related costs*

Acquisition 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.
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These acquisition 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.

#### *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

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the variability created by restructuring costs designed to address cost structure inefficiencies of acquired or existing business operations.

#### *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.

#### *Loss on extinguishment of debt*

Loss on extinguishment of debt represents a non-cash item based on the difference in the carrying value of the debt and the fair value of the debt when extinguished. Loss on extinguishment of debt is excluded from Non-GAAP results as it is non-cash. Excluding loss on extinguishment of debt from Non-GAAP measures provides investors with a basis to compare Synaptics against the performance of other companies without the variability associated with loss on extinguishment of debt.

#### *Equity investment loss*

Equity investment loss represents an adjustment in the book value of an equity investment in a minority owned company. The equity investment loss is a non-cash item. As a result, the company excludes equity investment loss from its internal operating forecasts and models when evaluating its ongoing business performance. The company believes that Non-GAAP measures reflecting adjustments for equity investment loss provide investors with a basis to compare the company's principal operating performance against the performance of other companies without the variability created by 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,”

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“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 threat of global recession driving increased caution in our customer base; 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 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:**

Munjal Shah

Head of Investor Relations

[munjal.shah@synaptics.com](mailto:munjal.shah@synaptics.com)

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

	September 2022	June 2022
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 867.8	\$ 824.0
Short-term investments	44.0	52.0
Accounts receivable, net	284.1	322.1
Inventories, net	179.4	169.7
Prepaid expenses and other current assets	36.5	35.6
Total current assets	1,411.8	1,403.4
Property and equipment at cost, net	63.4	62.9
Goodwill	806.6	806.6
Purchased intangibles, net	357.0	390.0
Right-of-use assets	58.0	61.2
Non-current other assets	128.0	134.0
	<u>\$ 2,824.8</u>	<u>\$ 2,858.1</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Accounts payable	\$ 125.0	\$ 141.8
Accrued compensation	51.9	90.6
Income taxes payable	54.2	79.7
Other accrued liabilities	128.2	145.3
Current portion of debt	6.0	6.0
Total current liabilities	365.3	463.4
Long-term debt	974.8	975.7
Other long-term liabilities	159.6	152.6
Total liabilities	1,499.7	1,591.7
Commitments and contingencies		
Stockholders' Equity:		
Common stock and additional paid-in capital	931.8	924.2
Treasury stock	(707.9)	(694.5)
Accumulated other comprehensive income	(1.9)	(1.8)
Retained earnings	1,103.1	1,038.5
Total stockholders' equity	1,325.1	1,266.4
	<u>\$ 2,824.8</u>	<u>\$ 2,858.1</u>

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

	Three Months Ended September	
	2022	2021
Net revenue	\$ 448.1	\$ 372.7
Acquisition related costs (1)	23.5	16.9
Cost of revenue	168.9	157.7
Gross margin	255.7	198.1
Operating expenses:		
Research and development	89.5	86.1
Selling, general, and administrative	44.7	41.6
Acquired intangibles amortization (2)	9.5	8.4
Restructuring costs (3)	-	1.4
Total operating expenses	143.7	137.5
Operating income	112.0	60.6
Interest and other expense, net	(8.3)	(5.9)
Loss on redemption of convertible notes	-	(8.1)
Income before provision for income taxes and equity investment loss	103.7	46.6
Provision for income taxes	39.1	5.9
Equity investment loss	-	(0.5)
Net income	\$ 64.6	\$ 40.2
Net income per share:		
Basic	\$ 1.62	\$ 1.07
Diluted	\$ 1.59	\$ 0.99
Shares used in computing net income per share:		
Basic	39.8	37.5
Diluted	40.7	40.6

(1) These acquisition related costs consist primarily of amortization of acquired intangible assets and inventory fair value adjustments associated with acquisitions.

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

(3) Restructuring costs primarily include severance related costs and facility consolidation 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 September	
	2022	2021
GAAP gross margin	\$ 255.7	\$ 198.1
Acquisition related costs	23.5	16.9
Share-based compensation	1.1	1.0
Non-GAAP gross margin	<u>\$ 280.3</u>	<u>\$ 216.0</u>
GAAP gross margin - percentage of revenue	57.1%	53.2%
Acquisition related costs - percentage of revenue	5.3%	4.5%
Share-based compensation - percentage of revenue	0.2%	0.3%
Non-GAAP gross margin - percentage of revenue	<u>62.6%</u>	<u>58.0%</u>
GAAP research and development expense	\$ 89.5	\$ 86.1
Share-based compensation	(14.0)	(20.8)
Amortization prepaid development costs	(2.5)	(2.5)
Non-GAAP research and development expense	<u>\$ 73.0</u>	<u>\$ 62.8</u>
GAAP selling, general, and administrative expense	\$ 44.7	\$ 41.6
Share-based compensation	(17.5)	(13.8)
Acquisition/divestiture related costs	-	(2.2)
Non-GAAP selling, general, and administrative expense	<u>\$ 27.2</u>	<u>\$ 25.6</u>
GAAP operating income	\$ 112.0	\$ 60.6
Acquisition and integration related costs	33.0	27.5
Share-based compensation	32.6	35.6
Restructuring costs	-	1.4
Amortization prepaid development costs	2.5	2.5
Non-GAAP operating income	<u>\$ 180.1</u>	<u>\$ 127.6</u>
GAAP net income	\$ 64.6	\$ 40.2
Acquisition and integration related costs	33.0	27.5
Share-based compensation	32.6	35.6
Restructuring costs	-	1.4
Amortization prepaid development costs	2.5	2.5
Other non-cash items	0.6	1.8
Loss on extinguishment of debt	-	8.1
Equity investment loss	-	0.5
Non-GAAP tax adjustments	9.8	(8.9)
Non-GAAP net income	<u>\$ 143.1</u>	<u>\$ 108.7</u>
GAAP net income per share - diluted	\$ 1.59	\$ 0.99
Acquisition/divestiture and integration related costs	0.81	0.68
Share-based compensation	0.80	0.88
Restructuring costs	-	0.03
Amortization prepaid development costs	0.06	0.06
Other non-cash items	0.02	0.05
Loss on extinguishment of debt	-	0.20
Equity investment loss	-	0.01
Non-GAAP tax adjustments	0.24	(0.22)
Non-GAAP net income per share - diluted	<u>\$ 3.52</u>	<u>\$ 2.68</u>

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

	<b>Three Months Ended</b>	
	<b>September</b>	
	<b>2022</b>	<b>2021</b>
Net income	\$ 64.6	\$ 40.2
Non-cash operating items	80.7	61.0
Changes in working capital	(66.8)	(42.9)
Provided by operating activities	<u>78.5</u>	<u>58.3</u>
Proceeds from maturities of short-term investments	7.7	-
Receipt of liquidation payment on equity investment	0.8	-
Purchase of property and equipment	(6.2)	(4.7)
Provided by (used in) investing activities	<u>2.3</u>	<u>(4.7)</u>
Repurchases of common stock	(13.4)	-
Payment for redemption of convertible debt	-	(505.6)
Equity compensation, net	(22.9)	(19.9)
Payment of debt obligations	(1.5)	-
Refundable deposit paid to vendor, net	2.8	(16.6)
Used in financing activities	<u>(35.0)</u>	<u>(542.1)</u>
Effect of exchange rate changes on cash and cash equivalents	(2.0)	(0.5)
Net change in cash and cash equivalents	43.8	(489.0)
Cash and cash equivalents at beginning of period	824.0	836.3
Cash and cash equivalents at end of period	<u>\$ 867.8</u>	<u>\$ 347.3</u>

