



Forward Looking Statement

Good afternoon, everyone. I'm Lori Barker, Investor Relations for Navitas. Thank you for joining Navitas Semiconductor's **third-quarter 2025** Results Conference Call.

I'm joined today by Chris Allexandre, our President and CEO, and Todd Glickman, CFO.

A replay of this webcast will be available on our website approximately 1 hour following this conference call, and available for approximately 30 days. Additional information related to our business is also posted on the Investor Relations section of our website.

Our earnings release includes non-GAAP financial measures. Reconciliations of these non-GAAP financial measures with the most directly-comparable GAAP measures are included in our **third-quarter** earnings release, and also posted on our website in the Investor Relations section. Non-GAAP expenses and operating margin exclude stock-based compensation, amortization of intangible assets, and other non-recurring items.

In this conference call, we will make forward-looking statements about future events, our future strategy or the future financial performance of Navitas. We may make predictions or describe trends in our industry and markets. You can identify some of these statements by words like "we expect" or "we believe" or similar items. We wish to caution you that all such forward-looking statements are subject to assumptions, risks and uncertainties, that could cause actual events or results to differ materially from expectations expressed in our forward-looking statements.

Important factors that can affect Navitas' business, including factors that could cause actual results to differ from our forward-looking statements, are described in our earnings release. Please also refer to the risk factors sections in our most recent 10-K and 10-Q.

Our actual performance may differ from our projections and our estimates, assumptions and strategies may change. Navitas assumes no obligation to update forward-looking statements to reflect actual results, changed circumstances or other events that may occur except as required by law. And now over to Chris Allexandre, CEO.

Chris Alexandre, President and CEO

Good afternoon and thank you for joining us. I am very excited to have the opportunity to address you today. I have now been in my role for approximately 60 days, and I would like to take this opportunity to share with you my vision for the future of Navitas.

I will start by saying that I feel incredibly proud to be leading the Navitas team, a world-class team that has been at the forefront of both gallium nitride or GaN and high voltage silicon carbide or SiC since the very beginning of their development.

Today marks a crucial moment for Navitas as we enter a transformation of our company. Over those last 60 days, I've been on the road meeting and collaborating with customers, employees, suppliers, and partners. That strategic tour gave me a clear view of our strengths, and challenges, and most importantly the opportunity ahead.

The conclusion is straightforward. Navitas is a company with enormous potential, underpinned by strong foundational elements already in place in both GaN and high voltage SiC and we have a tremendous opportunity to win in high-power, high-growth markets such as AI data centers, performance computing, energy and grid infrastructure, and industrial electrification. Customers are eager to adopt those technologies into their applications, and we have the experience and track record of delivering those technologies in scale and volume and they want to collaborate. Simply put, we are in the right markets with the right technologies, and we can win with focus on strong execution. We will accelerate, pivot and double down on those high-power markets and customers as we move away from consumer and mobile. I call this Navitas 2.0 – a transformation to a high-power sharp-focused company, serving Grid to the GPU to drive more consistent, profitable and sustainable results.

Before we dig into what we are doing, let's quickly cover what is happening in the market right now.

Across the entire market, electrification is accelerating and moving up in power demand. AI data centers necessitate re-architecting power distribution to achieve higher efficiency and density, and they are doing so exponentially. In parallel, the energy grid is transforming with storage, solid-state transformers, utility-scale renewables, and megawatt charging to support the AI catalyst but also the overall growing energy demand. This is not a short cycle; it is a durable, multi-decade, sustainable trend that will reshape power architectures at rack, system, and grid-tie levels. This requires fundamental changes in customers' system architecture, design and technologies and simply means the total market size that Navitas is addressing has increased multiple-fold. It opens immense opportunities for high-power players such as Navitas 2.0.

I spoke to a variety of customers over the last 60 days. Every single customer I met in those segments, from leading US Hyperscalers and AI GPU vendors, performance computing OEMs and ODMs to the many and very innovative customers enabling a complete re-architecture in the energy grid, told me the same message: GaN and high-voltage SiC technologies are the solution to the problems they are trying to solve and the revolution they are driving, and they view Navitas at the center of this transformation, given our long history and track record in shipping those at scale. We have heard that message loud and clear, and therefore we will immediately accelerate accordingly.

We are one of the few companies with a complete high-power portfolio: GaN, GaN integrated with ICs, and high-voltage SiC. This combination, along with very strong system expertise built over the last many years, offers more value to customers.

Ten years ago, Navitas was looking ahead at global energy demand, which was projected to grow by 200 to 300%, doubling to tripling over the next decades. EVs, wind turbines, cloud computing, data centers, solar power, climate change, quantum computing – all those energy platforms requiring significant reforms to consume efficient high-voltage technologies that did not exist at that time. This enormous, forecasted demand made it clear that power electronics would need a transformative leap in efficiency and power level. Standing back, it was obvious even 10 years ago that existing silicon-based chips and technology would simply not get us there. And we didn't consider AI and its power-hungry implications back then.

Navitas led the introduction of GaN into power electronics leapfrogging established silicon players. Then, we acquired and merged with GeneSiC, the leading advanced technology in high voltage SiC.

We've shipped over 300 million GaN units with proven quality and reliability over the last 7 years, and GeneSiC brought leading-edge high-voltage SiC technology, both together enabling power architecture revolution in AI data center, performance computing, energy and grid infrastructures and industrial electrification.

GaN is now mainstream for AI Data Centers, performance computing, and industrial electrification. The NVIDIA 800V DC AI factory ecosystem announcement is the first proof point, and we expect it to be adopted across many other players. High-voltage SiC is also supporting and enabling the energy grid transformation necessary to enable AI and the associated demand for more power. Both markets are intertwined.

Underneath our portfolio are long-standing partnerships with leading fabs, back end and module partners, a deep co-design with customers, and a very advanced solution and system architecture understanding, with more than 300 patents issued or pending. Our team has been at the forefront of GaN and high-voltage SiC from the early days, now reaching over two decades combined, and that experience matters when customers move fast and execution is critical.

Going back to Navitas 2.0 and the transformation from a mobile and consumer-focused foundation to a high-power company. That pivot is backed by decisive actions that we have begun to take:

1. Resource realignment: We are reallocating engineering, commercial and applications support, and R&D programs toward high-power platforms and customers. We're ensuring we have the right people in the right markets and the right geographies, led by a renewed global, high-performance leadership team.
2. Roadmap acceleration: We are accelerating the release of new products tailored to high-power markets, targeted at rack, system and grid-tie nodes. We will expand medium-voltage GaN devices, high-voltage GaN devices and ICs, and high-voltage SiC modules.

3. Go-to-market restructuring: We are focusing on hyperscalers, GPU vendors, Tier-1 OEM and ODMs, and leaders in our focus markets: AI data centers, performance computing, energy and grid infrastructure, and industrial electrification. We intend to streamline our distribution network to align with those high-power focused markets. This also means a change in geographical resource deployment, including creating a stronger presence in the US where we have growing and promising engagements.

4. Portfolio and customer pruning: We are de-prioritizing lower-margin short-life cycle projects, transactional markets, and customers such as mobile and selected China-based segments, to redeploy capacity and attention to durable high-power programs. Our focus is on long-term engagement where technological innovation makes a difference. We believe this will ultimately drive higher-quality business with greater predictability, consistency and higher margins.

Overall, this change will impact our business model - high-power engagements are indeed deeper, longer-lasting, and multi-generational. We may often engage across multiple subsystems within the same customer, some best served by GaN, others by high-voltage SiC. That breadth is expected to increase win rates, raise the blended margin, and produce more predictable, repeatable revenue compared with transactional, lower-margin segments like mobile. It is the foundation for Navitas 2.0 - a scalable, profitable, and sustainable enterprise.

At the OCP Global Summit, NVIDIA named Navitas a power semiconductor partner for its next-generation 800 V DC AI-factory power architecture. That validates our ability to serve the entire power path, from the Grid to the GPU. In support of this ecosystem, we announced our first 100V GaN FETs, alongside our portfolio of 650V GaN discrete FETs, our GaNSafe™ ICs, and expanded high-voltage SiC products. This is our first formal entry into medium-voltage GaN, the critical range for AI server power stages and rack-level distribution. We are sampling now 2.3 kV and 3.3 kV high voltage SiC modules to leaders in battery energy storage systems, solid-state transformer programs and megawatt charging.

The strategy and opportunity are clear – to get there, our plan is grounded in four pillars:

1. Market focus: AI Data Centers, performance computing, energy and grid infrastructure, and Industrial electrification. We will stay sharply focused on these high-power markets only.

2. Technology and manufacturing leadership: continuous innovation in GaN, GaN ICs, and high-voltage SiC, informed by customer requirements and co-design. We have a strong foundation in technological innovation, and we will continue to lead the industry. We will also expand our manufacturing footprint to better serve our High-Power customers. You may also see us doing more partnerships to enable faster adoption.

3. Operational efficiency: a streamlined and rebalanced geographically deployed organization, a scalable foundry, and packaging and module partnerships.

4. Financial discipline: prioritized investments, leverageable OPEX, and a mix shift toward high-margin programs.

In the near term, this transformation will have impact, including a reduction in guidance before returning to growth. We expect Q4 to mark the bottom as we take decisive actions including reducing channel

inventory, consolidating distribution partners, and adjusting our inventory, to better align with our new high-power markets and customers. By de-prioritizing lower-margin revenue and redirecting our roadmap and investment away from non-high-power businesses, we believe we will accelerate our transformation and gradually improve the overall quality and profitability of our business throughout 2026. This is expected to yield more consistent growth and margin expansion. We will continue to provide transparent updates on our progress throughout this transition to ensure accountability at every step.

AI Data centers and performance computing are already shaping product requirements and design-ins and design-wins. On the AI Data center front, we expect material P&L contributions starting 2027. Our work with NVIDIA and other hyperscalers, GPU vendors, OEMs, and ODMs however establishes already in 2026, a durable design-in foundation for long term growth. On performance computing, we continue to make progress in engagement, as GaN technology is gaining rapid adoption in higher power and expect this to drive growth already in 2026. In parallel, energy and grid infrastructure are multi-billion-dollar markets with multi-decade opportunities where high-voltage SiC is exceptionally well-suited to customer roadmaps.

As we embark on this transformation and execute this transition, we will share information for you to track our progress through transparent and clear updates in the following areas:

- First, a sharper focus on high-power accounts and programs which will be seen in growing importance and weight in our revenue, driving a change in mix.
- Second, operating expense, financial discipline and return on investment-driven roadmap decisions, solely focused on the Navitas 2.0 'North Star'.
- Third, gradual gross margin improvement as we reduce lower value shipments, grow more high-power engagement and overall improve the mix.

In conclusion, our GaN and GaN ICs built a strong presence in mobile fast charging, and we're proud of the 300M+ units shipped. This gives us an in-depth understanding and technology moat and is the business that brought us to where we are today. We have complementary high-voltage SiC technology, products and modules enabling us to cover more of this high-power chain. High-power markets are different and more rewarding: engagements are deeper, lifecycles are longer, and the value we deliver is measured in system-level performance and efficiency over multiple generations. This is where Navitas 2.0 will focus on.

We are executing a clear pivot to high-growth, high-power markets focusing on AI and data centers, performance computing, energy and grid infrastructure and industrial electrification, anchored, by a complete GaN plus high-voltage SiC portfolio, with long-standing customer relationships and disciplined operations. We are aligning our organization, resource allocation, roadmap, and channels to the markets that matter. We firmly believe that the changes we are making will improve the quality of our business and positions us for sustained growth and margin expansion through 2026 and beyond. From the grid to the GPU, Navitas 2.0 is a high-power company built for scale and profitability.

Thank you to our employees, customers, suppliers, and partners for their support during this transition. I look forward to deepening our partnership with stockholders, analysts and investors with transparent updates as we execute.

With that, I'll turn the call over to Todd to review our third-quarter results and our guidance. After Todd's remarks, I'll return for Q&A, including detailing our high-power Navitas 2.0 strategy, the actions behind the transformation and what it means for our business.

Todd Glickman, CFO

Thank you, Chris. In my comments today, I will take you through our third quarter 2025 financial results, and then I'll discuss the financial implications of Navitas 2.0 with our accelerated transition to a high-power company, with focus on AI Data Centers, Performance Computing, Energy & Grid Infrastructure, and Industrial Electrification markets. Also, I will outline how we plan to reallocate our resources with our new, more focused approach designed to grow revenues and seek profitability.

Revenue in the third quarter of 2025 was at the midpoint of guidance at \$10.1 million. While the industry environment remained relatively static compared to the second quarter of 2025, the expected revenue reduction reflects both adverse impacts from the China tariff risks for our Silicon Carbide business and pricing pressure in our mobile business, particularly in China.

Before addressing gross profit and expenses, I'd like to refer you to the GAAP to non-GAAP reconciliations in our press release. In the rest of my commentary, I will refer to non-GAAP measures.

Gross margin in the third quarter was 38.7%, which was up sequentially compared to 38.5% in the second quarter, primarily due to a slight favorable change in end market mix.

In the third quarter, we executed on further operational efficiencies, and we reduced operating expenses sequentially from \$16.1 million to \$15.4 million. Operating expenses were comprised of SG&A expenses of \$7.1 million and R&D expenses of \$8.3 million. These expenses align with our cost-reduction target.

Adding all this together, the third-quarter 2025 loss from operations increased sequentially to \$11.5 million from \$10.6 million in the second quarter of 2025 as cost reductions did not fully offset the sequential decline in revenue.

Our weighted average share count for the third quarter was 213 million shares.

Turning to the balance sheet, Accounts Receivable was down to \$9.8 million from \$12.5 million in the second quarter. Inventory was relatively flat since last quarter at \$14.7 million.

Our Balance Sheet remains very strong as we exit Q3 2025 with high levels of liquidity and an improved working capital position. Cash and cash equivalents at quarter end were \$151 million and we continue to carry no debt.

Moving on to guidance for the fourth quarter, we currently expect revenues at \$7 million plus or minus \$250k. This expected revenue reduction reflects our strategic decision to de-prioritize our low power, lower profit China mobile business, as well as our efforts to level set channel inventory and streamline distribution network to align ourselves with our high power directive. We believe that Q4 will represent the bottom for revenue, as these actions will allow us to move faster to concentrate on the high-power business and customers that will in turn enable consistent gradual revenue growth throughout 2026.

Gross margin for the fourth quarter is expected to be relatively flat compared to the third quarter, with our guidance at 38.5% plus or minus 50 basis points. However, we anticipate the technological innovation we bring to high power high growth markets will result in a progressive increase in gross margins going forward.

Turning to operating expenses, we anticipate continuing to trim expenses to \$15 million in the fourth quarter, reflecting a 24% year-over-year reduction. We expect to continue to reallocate resources and expenses as we redeploy the Company toward high power customers and markets, notably US customers. The redeployment and an appropriate downsizing of our facilities will result in a lower quarterly operating expense level, and we believe we will be well positioned with our personnel and resources to execute on our pivot to higher power resulting in quarter over quarter quality sales and margin growth enroute to profitability.

For the fourth quarter of 2025, we expect our weighted average share count to be approximately 214 million shares.

In closing, it is an exciting time at Navitas 2.0 as we leverage our leadership in GaN and high-voltage SiC to pivot to a high-power company and capture the exponential growth expected to come from AI data center, performance computing, energy and grid infrastructure, and industrial electrification. We are moving fast to transition from consumer and mobile markets to more sustainable higher power segments where Navitas is well positioned as the leader in GaN devices shipped and high-voltage SiC to deliver a high-quality scalable business. We are confident these strategic moves position the company for its next wave of more profitable growth.

Operator, let's begin the Q&A session.