FY25 Performance & Forward Risk Read

Board summary · 8 AutoExplore findings · FY19-FY26 data window

REVENUE FY25	GROSS MARGIN	BOOKINGS	B:B RATIO	PIPELINE	FAB UTIL	AUTO SHARE	TOP CUSTOMER
$3.71B	50.3%	$8.22B	1.08	$1.24B	82.0%	48.8%	22%
+16.6% vs FY24	flat vs FY24	+15.8% vs FY24	+0.10 vs FY24	Weighted	from 69% FY23	+20.8 over target	Stellar Dynamics

Top 3 Risks — Act Within 90 Days

1. Automotive Overconcentration — 48.8% vs 28% target
A 20.8-point overweight. A single-market shock would translate ~1:1 into revenue impact. Reallocate FY27 R&D toward Comm (+7.7pt gap) and Industrial (+9.8pt gap).

2. Single-Customer Dependency — Stellar Dynamics 22%
Top 5 customers = 45%; #1 is 4× #2. A Stellar budget cut would cost $814M — 2 years of organic growth. Commission dedicated retention plan + Tier 2 OEM growth program.

3. External Fab Dependency — 84% of revenue
TSMC/Samsung/GF/UMC absorb leading-edge demand. Internal fabs stranded at 74% util on Legacy nodes. Secondary-qual 5-7nm + migrate one internal fab to 40nm by FY28.

Three Priority Actions

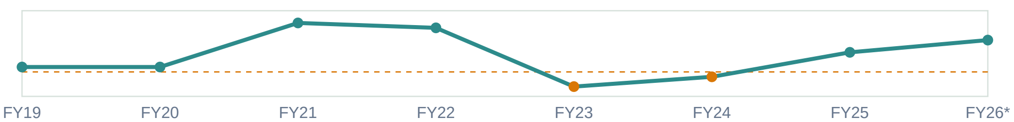
1. **Diversify End-Market Portfolio**
Shift FY27 R&D allocation toward Comm (15% target, 7.3% actual) and Industrial (22% target, 12.2% actual). Model an 'auto -20%' stress scenario for the Q3 FY26 board pack.

2. **Retention + Account Growth Program**
Dedicated Stellar Dynamics retention plan: executive sponsor, 3-year commitment, QBR cadence. Set a 'top 100' target: 25 new accounts reaching $20M+ by FY27 outside top 5.

3. **Fab Node Migration Study**
Commission study to migrate one internal fab to 40nm (vs today's 65/90/130nm Mature). Secondary-qualify 5-7nm at a 2nd foundry. Protects against foundry allocation/geopolitical risk.

Cycle Recovery Confirmed

B:B recovered: FY23 0.94 → FY24 0.98 → FY25 1.08 → FY26 1.13 (partial).
FY23 inventory correction fully absorbed. Continue TSMC Fab 14/18 CAPEX ramp.



Pipeline & Conversion Health

$1.24B weighted pipeline · $468M late-stage (Qual + Prod)
Avg design-in → revenue cycle: 14.2 months · Eval → Design conversion 59% (biggest leak)