

# Ambiq Micro (AMBQ US)

## 1Q26:

Beat, Raise, and a Year Pulled Forward on the Edge AI Thesis

AMBQ US · SEMICONDUCTORS · EDGE AI

TICKER	AMBQ US
MARKET CAP	US\$1.42bn
CURRENT PRICE	US\$66.37
TARGET PRICE	NA
RATING	Non-rated

**Vincent Fernando, CFA**  
Executive Director  
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**+59.3%**

1Q26 REVENUE YOY  
(US\$25.1M)

**~ +75%**

2Q26 GUIDED  
REVENUE YOY  
(US\$31-32M)

**~ +100%**

NON-WEARABLE  
REVENUE YOY  
(MEDICAL,  
INDUSTRIAL, SMART  
HOME)

**US\$204.5m**

CASH, NO DEBT

### KEY TAKEAWAYS

**1 Beat and raise, with conviction on the new baseline.**

1Q26 revenue grew 59.3% year on year to US\$25.1m, exceeding the prior guidance range. Management guided 2Q26 to US\$31-32m, implying roughly 75% year-on-year growth, and explicitly framed that level as “a step up in the baseline rather than a peak.” More than 80% of units shipped in the quarter were running AI algorithms on the device, indicating the edge AI thesis is converting from forecast to revenue at pace.

**2 Profitability pulled forward by approximately a year.**

A 2H 2025 secondary funding round was deployed specifically to accelerate development of Apollo340 and Atomiq110. CFO Jeff Winzeler indicated the non-GAAP breakeven date, originally targeted for sometime in 2028, may now move into early 2028 or potentially the second half of 2027. Cash on the balance sheet is US\$204.5m with no debt.

**3 Diversification accelerating without the core slowing.**

Top-three customer concentration came down from 86% in 1Q25 to roughly 71% in 1Q26 while those same three customers continued to grow. Non-wearable revenue, covering medical, industrial, and smart home applications, grew approximately 100% year on year. A new customer entered mass production this quarter and may exceed 10% of full-year revenue.

**4 The product roadmap is widening addressable market on both ends.**

Apollo340 expands the unit-volume floor through display-less wearables, ECG patches, glucose monitors, smart pens, bike computers, and industrial sensors. Atomiq120 raises the average selling price ceiling through smart glasses and demanding edge AI workloads. Both are net-new addressable market, not Apollo5 cannibalization.

**About Ambiq Micro**

Ambiq Micro (AMBQ US) is a fabless Austin-based semiconductor company designing ultra-low-power systems-on-chip for edge AI in battery-powered devices. Its patented Subthreshold Power Optimized Technology (SPOT) platform enables operation at voltages as low as 300 millivolts, delivering 2-5x lower power consumption than conventional designs. Chips have shipped in more than 290 million devices to date, with named customers including Garmin, Google, and WHOOP. The current Apollo family powers smartwatches and consumer health devices; the upcoming Atomiq family targets higher-performance edge AI for smart glasses and smart cameras. Manufacturing partner: TSMC.

**1Q26 Results Snapshot**

METRIC	1Q26	YOY	2Q26 GUIDE / FY26E
Net Sales	US\$25.1m	+59.3%	US\$31-32m (+~75% YoY)
Non-GAAP Gross Margin	46.2%	-90bps headline; +210bps ex one-time <sup>1</sup>	45-46%
Non-GAAP Net Loss	US\$(5.0)m	+US\$0.2m better	—
Non-GAAP EPS	US\$(0.25)	—	US\$(0.29) to US\$(0.23)
Cash & Equivalents (no debt)	US\$204.5m	—	—
Top-3 Customer Concentration	~71%	down from 86%	High 60s to low 70s (FY26E)
China End-Customer % of Revenue	13.7%	up from 6.2%	Managed; “even if China gets zero”

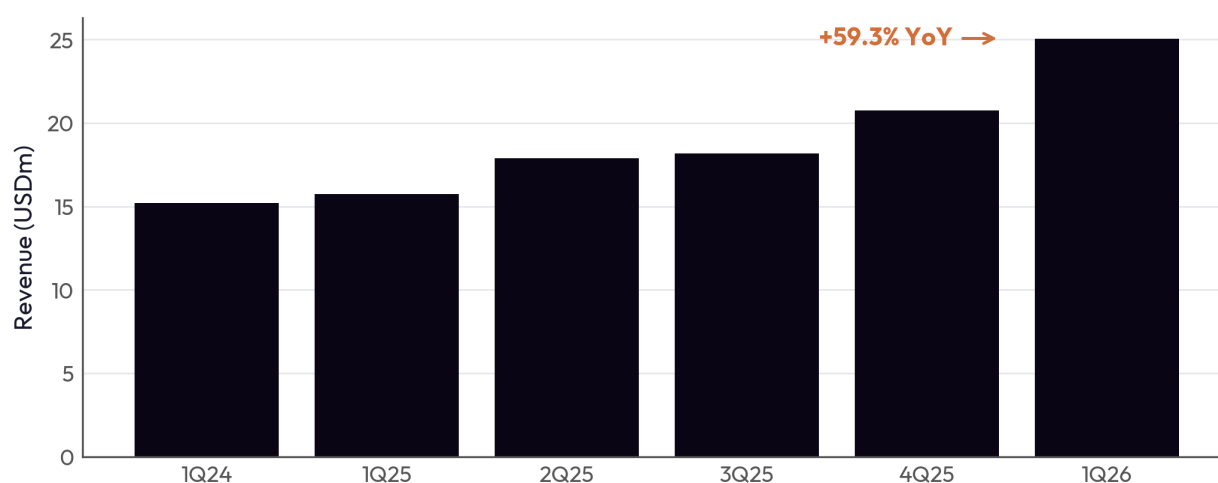
Source: Company disclosures, Zero One Investment Research

<sup>1</sup> Excludes a 1Q25 non-recurring credit; underlying gross margin expanded approximately 210 basis points year on year.

## 1Q26 Results: A Clean Beat

**Headline beat across the P&L.** Reported net sales were US\$25.1m, up 59.3% year on year, exceeding the prior guidance range. Non-GAAP gross profit rose 56.2% to US\$11.6m. Non-GAAP gross margin of 46.2% was 90 basis points lower year on year on the surface, but stripping out a Q1 2025 non-recurring credit, gross margin actually expanded 210 basis points year on year. That is consistent with the Apollo5 mix shift management has flagged across recent quarters.

### Ambiq Micro Quarterly Revenue



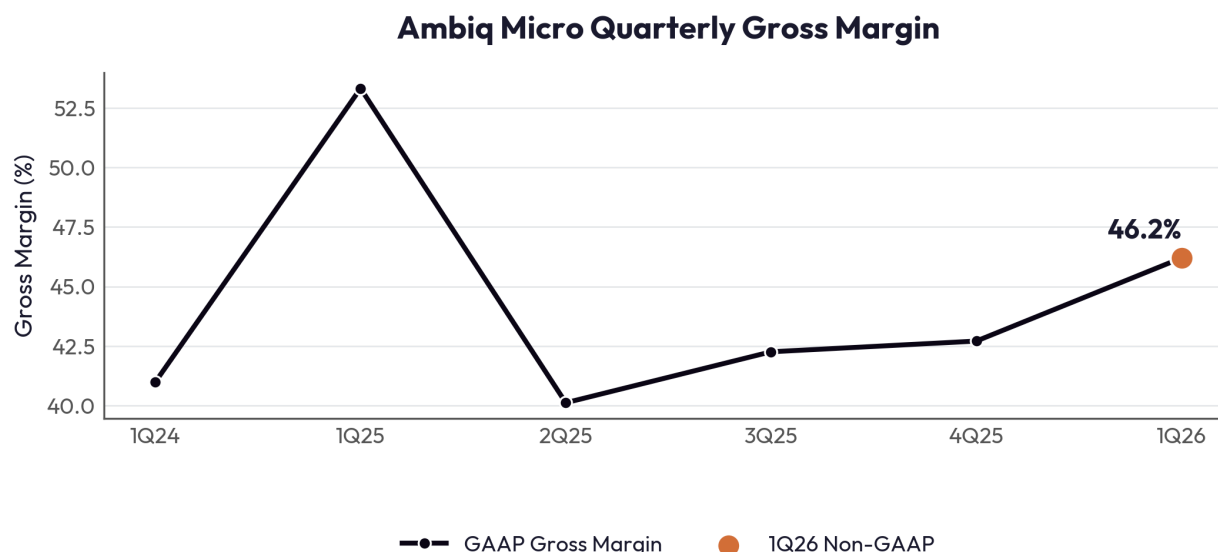
Source: Bloomberg, Ambiq 1Q26 earnings release, Zero One Investment Research

Chart 1. Ambiq quarterly revenue has accelerated through the past five quarters, with 1Q26 reaching US\$25.1m, up 59.3% year on year. Source: Bloomberg, Ambiq 1Q26 earnings release.

Operating expense rose as planned. Non-GAAP R&D was US\$10.1m (up 43.3% year on year), reflecting accelerated investment across the Apollo and Atomiq platforms. Non-GAAP SG&A was US\$8.1m (up 31.8%), driven by go-to-market capabilities and public company infrastructure. Non-GAAP net loss was US\$5.0m, or US\$0.25 per share. The balance sheet closed the quarter with US\$204.5m in cash and no debt, providing flexibility for the accelerated roadmap investment described below.

**Edge AI moved from forecast to revenue.** More than 80% of units shipped in the quarter were running AI algorithms on the device. Non-wearable revenue, covering medical devices, industrial sensing, and smart home and buildings applications, grew approximately 100% year on year. Both

data points indicate the company’s thesis is now visible in the reported numbers rather than the pipeline.



Source: Bloomberg (GAAP), Ambiq 1Q26 earnings release (Non-GAAP), Zero One Investment Research

Chart 2. GAAP gross margin trajectory, with the 1Q25 non-recurring credit clearly visible as the spike to 53.3%. 1Q26 non-GAAP gross margin of 46.2% is shown for reference; the GAAP figure will populate when the 10-Q is filed. Source: Bloomberg (GAAP); Ambiq 1Q26 earnings release (Non-GAAP).

The gross margin trajectory above strips out the 1Q25 one-time credit that flattered the headline comparable; on an underlying basis margin has been expanding through 2H 2025 and into the 1Q26 print, consistent with the Apollo5 mix shift commentary.

## Guidance: A New Baseline, Not a Peak

**Q2 guidance steps up to US\$31-32m.** Management guided 2Q26 net sales to US\$31-32m, implying roughly 75% year-on-year growth. Non-GAAP gross margin was guided to 45% to 46%. Non-GAAP operating expense was guided to US\$21-22m, including US\$1.7m of intellectual property purchases for product development. Non-GAAP loss per share was guided to a range of US\$0.29 to US\$0.23 on weighted average shares of 21.38m.

CFO Jeff Winzeler emphasised that the framing matters as much as the numbers. The second-quarter guide reflects the timing of multiple customer launches coming into production at the same time, and the company views this as “a step up in the baseline rather than a peak.” Those launching programs continue to scale, and management indicated additional ramps sit behind them.

**Second-half growth is set to match the first half.** Implied 1H26 year-on-year growth from the guide is roughly 67%. Management indicated 2H26 year-on-year growth should be similar to 1H. Fourth-quarter seasonality is preserved, with management noting Q2 and Q3 typically build for the Christmas wearables season and Q4 declines sequentially.

Full-year gross margin is expected to remain roughly flat year on year, as Apollo5 yield improvements are offset by industry-wide substrate and piece-part cost increases. Full-year operating expense remains tracked to approximately US\$85m, with US\$7-10m representing intellectual property purchases for Apollo340 and Atomiq110 development. The variable engineering spend is expected to weight to the second and third quarters and trail off in the fourth quarter.

## Profitability Pulled Forward by Roughly a Year

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**The breakeven math: roughly US\$47m per quarter.** CFO Winzeler walked through the math during Q&A. At full-year operating expense of US\$85m, annualised to roughly US\$21m per quarter, and at the current 46% gross margin, the company needs approximately US\$47m of quarterly revenue to reach non-GAAP profitability.

The original model targeted that point sometime in 2028. Management indicated that strong customer demand in the second half of 2025 prompted a secondary funding round to accelerate the development of Apollo340 and Atomiq110. The intent is to pull associated revenue from 2028 into the fourth quarter of 2027 and earlier. CFO Winzeler stated the company is “hopeful that investment will allow us to pull our cash flow breakeven and our P&L profitability point from, call it, mid 2028 into early 2028 or potentially into the second half of 2027.”

**The equity-story implication.** A year-earlier profitability date is a meaningful reset for pre-profit growth semiconductor names typically valued on a forward revenue multiple. Pulling the breakeven date forward by twelve months compresses the dilution runway, regardless of whether the secondary funding round itself adds incremental shares. Investors will need to weigh the dilution from the raise against the value created by the pulled-forward profitability date.

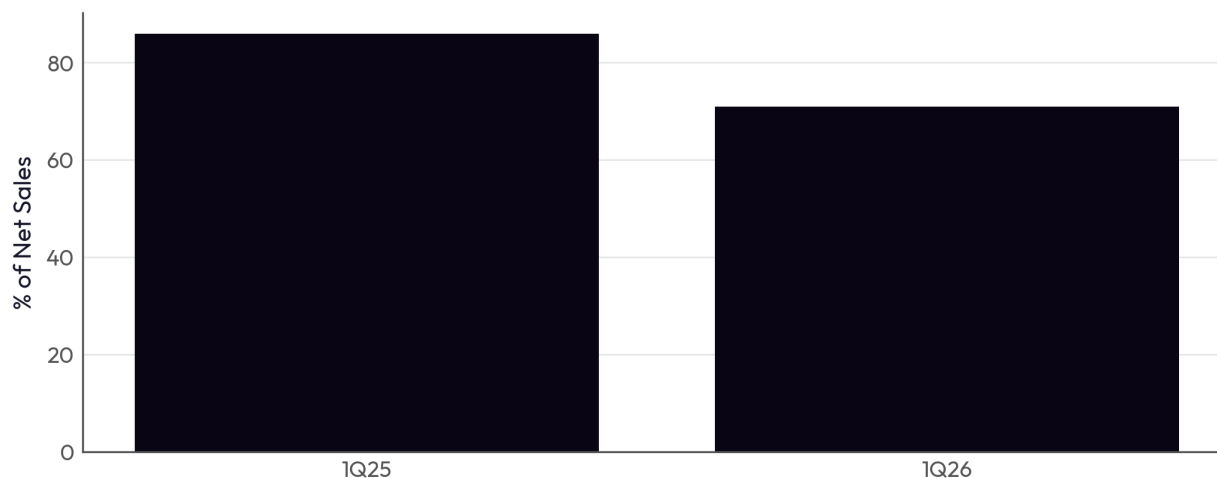
## Diversification Gaining on Concentration

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**Concentration fell while the core kept growing.** Top-three customer concentration came down from 86% in 1Q25 to roughly 71% in 1Q26. CFO Winzeler stated those three core customers were “as strong as it’s ever been” and continuing to grow, with the opportunities outside those three growing at a

faster rate. Management expects full-year 2026 top-three concentration to land in the high 60s to low 70s.

### Ambiq Micro Top-3 Customer Concentration



Source: Ambiq 1Q26 earnings call, Zero One Investment Research

Chart 3. Top-three customer share moved from 86% in 1Q25 to 71% in 1Q26 as non-top-3 customers grew faster than the core. Source: Ambiq 1Q26 earnings call.

A new major customer entered mass production during the quarter and could become more than 10% of full-year revenue. The new customer sits in the personal device category. Management separately disclosed that a 2027 design win was secured at one of Ambiq’s largest existing customers, for a next-generation product line.

**China rose to 13.7%, by design.** China end-customer revenue was 13.7% of total in 1Q26, compared with 6.2% in the prior-year period. Management framed the increase as a deliberate engagement with leading edge AI customers in China who pay premium pricing for the differentiated value of Ambiq’s technology. CEO Fumihide Esaka stated the company is structurally managing growth such that the business would continue to expand “even if China gets zero.” Tariff concerns among end customers have largely abated since earlier in 2026.

### Product Roadmap: Two Tiers Above and One Below Apollo5

Three new products are being developed in parallel, each opening a distinct part of the addressable market.

**Apollo340: widening the unit-volume floor.** This product targets display-less wearables and broader diversified applications including ECG patches, glucose monitors, smart pens, bike computers, and industrial sensors. CTO Scott Hanson described it as “an important enabler to expand into higher volume and more diverse opportunities” at a compelling price-to-value positioning. Sampling is set for 1H 2027, with initial customer ramps toward the end of 2027 and material revenue contribution from 2028. Management was explicit that it does not cannibalise Apollo5.

**Atomiq110: tape-out by year-end 2026.** This is the entry-tier of the new high-performance family, on track for tape-out toward the end of 2026 with initial customer ramp in late 2027.

**Atomiq120: raising the ASP ceiling, with smart glasses leading.** The upper tier of the new family is engaged with several alpha customers. Management indicated the strongest interest is in smart glasses applications where customers seek the combination of high performance and ultra-low power that Apollo cannot fully address. The company expects to share launch schedule detail in the relatively near term.

Read together, Apollo340 widens the addressable unit-volume floor while Atomiq120 raises the average selling price ceiling. Both expansions are net-new addressable market rather than cannibalisation of Apollo5, and both depend on the accelerated 2026-2027 development timeline for their pulled-forward revenue contribution.

## Key Risks

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- **Concentration risk remains.** Even at the expected year-end level of high 60s to low 70s, three customers will represent the majority of revenue. Any one losing a socket or delaying a launch would be material.
- **Margin sensitivity to supply chain costs.** Management has been candid that substrate and piece-part cost inflation is offsetting Apollo5 yield improvement. Pass-through to customers is selective rather than automatic.
- **Dilution from the secondary round.** The acceleration of Apollo340 and Atomiq110 was funded by a secondary offering. Quantifying the dilution against the pulled-forward breakeven date will determine whether the trade is value-accretive on a per-share basis.
- **Execution on roadmap timelines.** Atomiq110 tape-out at year-end 2026 and Apollo340 sampling in 1H 2027 are the gating events for the pulled-forward revenue. Slippage on either pushes the profitability date back out.
- **Geopolitical exposure.** China at 13.7% is a higher share than the prior trajectory implied, even if management has engineered the business to absorb a full China cutoff. The pricing premium associated with the China customer base means that a partial loss would be a margin event as well as a revenue event.

## The Bottom Line

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**Each pillar of the December 2025 thesis is now in the reported numbers.** Ultra-low-power edge AI demand is real, the customer base is broadening, and Apollo5 is driving average selling price expansion. The first quarter validated the Zero One Investment Research call faster than expected.

What changed in this print is **the speed**. Management is now framing the Q2 run rate as the new baseline rather than the peak, and they have pulled the profitability date in by approximately twelve

months by funding an accelerated product roadmap. The setup for the remainder of 2026 and into 2027 looks materially stronger than it did six months ago.

We remain constructive on Ambiq Micro.

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