



SILICON LABS

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Silicon Labs Acquires Telegesis, a Leading Provider of ZigBee Modules

Acquisition Accelerates Company's Roadmap for ZigBee® and Thread-Ready Modules and Strengthens Leadership in IoT Mesh Networking

AUSTIN, Texas--(BUSINESS WIRE)-- [Silicon Labs](#) (NASDAQ: SLAB) has announced the acquisition of [Telegesis](#), a leading supplier of wireless mesh networking modules based on Silicon Labs' market-leading [ZigBee® technology](#). A privately held company founded in 1998 and based near London, Telegesis has established itself as a ZigBee expert with strong momentum in the smart energy market, providing ZigBee module solutions to many of the world's top smart metering manufacturers.

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This strategic acquisition accelerates Silicon Labs' roadmap for ZigBee and Thread-ready modules and enhances the company's ability to support customer needs with comprehensive mesh networking solutions ranging from wireless system-on-chip (SoC) devices to plug-and-play modules backed by best-in-class 802.15.4 software stacks and development tools. Telegesis modules integrate the antenna and provide a pre-certified RF design that reduces certification costs, compliance efforts and time to market. Customers can migrate later from modules to cost-efficient SoC-based designs with minimal system redesign and full software reuse.

The market for ZigBee modules is large and growing. According to IHS Technology, 20 percent of all ZigBee PRO integrated circuits shipping today are used in modules, and ZigBee module shipments are expected to grow at a compounded rate of 24.6 percent between now and 2019.

Telegesis exclusively uses Silicon Labs' ZigBee technology in its module products, which are deployed in smart meters, USB adapters and gateways for smart energy applications. Additional target applications include home automation, connected lighting, security and industrial automation. The modules come with Silicon Labs' rigorously tested, field-proven EmberZNet PRO ZigBee protocol stack, which sets the bar for ZigBee stack reliability and has been deployed in more connected products than any other ZigBee PRO stack. Telegesis also offers comprehensive development and evaluation kits to help developers streamline their ZigBee-based applications.

"The addition of Telegesis's successful module business strengthens Silicon Labs' position as the market leader in mesh networking solutions for the Internet of Things," said James Stansberry, senior vice president and general manager of Silicon Labs' IoT products. "The combination of Telegesis modules, Silicon Labs mesh networking SoCs, best-in-class 802.15.4 software stacks and easy-to-use wireless development tools provides customers with a seamless migration path from modules to SoCs and from ZigBee to [Thread-based networks](#)."

Telegesis's leadership in the ZigBee module market complements Silicon Labs' 11 years of experience in developing, certifying and shipping standards-based mesh networking solutions. As strategic partners, both companies share a deep understanding of not only 802.15.4 mesh networking technology but also the certification process.

"The Telegesis team is truly excited to become an integral part of Silicon Labs," said Ollie Smith, director of business development at Telegesis. "Together, our hardware and software engineering teams will drive innovation in wireless mesh networking while giving customers a flexible choice of module and SoC-based designs leveraging both ZigBee and Thread technology."

Terms and Guidance

Silicon Labs completed the acquisition of Telegesis on November 20, 2015, for a cash purchase price of approximately \$20 million (USD). Telegesis is expected to contribute incremental revenue at an annual run-rate of approximately \$8-\$10 million for the remainder of Q4 2015 and also for fiscal 2016. Silicon Labs expects the acquisition to be slightly accretive on a non-GAAP basis, including the addition of approximately 20 Telegesis employees.

About Telegesis

Founded in 1998 and based near London, Telegesis is a market-leading ZigBee module specialist offering a wide range of 2.4 GHz IEEE 802.15.4 modules based on Silicon Labs' [EM35x and EM358x mesh networking SoCs](#). Available in a variety of formats and form factors, the modules can be easily integrated into mesh network designs without complex software engineering or RF expertise. A strategic Silicon Labs partner and a member of the ZigBee Alliance since 2004, Telegesis is also a contributor member of the Thread Group and has been collaborating with Silicon Labs in the development of Thread-ready modules.

Silicon Labs

Silicon Labs (NASDAQ: SLAB) is a leading provider of silicon, software and system solutions for the Internet of Things, Internet infrastructure, industrial automation, consumer and automotive markets. We solve the electronics industry's toughest problems, providing customers with significant advantages in performance, energy savings, connectivity and design simplicity. Backed by our world-class engineering teams with strong software and mixed-signal design expertise, Silicon Labs empowers developers with the tools and technologies they need to advance quickly and easily from initial idea to final product. www.silabs.com

Cautionary Language

This press release contains forward-looking statements based on Silicon Labs' current expectations. The words "believe," "estimate," "expect," "intend," "anticipate," "plan," "project," "will," "expanding," "growing," and similar phrases as they relate to Silicon Labs or Telegesis are intended to identify such forward-looking statements. These forward-looking statements reflect the current views and assumptions of Silicon Labs and are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Among the factors that could cause actual results to differ materially from those in the forward-looking statements are the following: risks related to the successful completion of the development and implementation of Telegesis's technology; risks associated with the development of modules and the Company's limited operating history with modules; risks that the acquisition may not yield the expected benefits due to the failure to properly integrate the acquired business and employees; risks that our competitors that supply products incorporated in Telegesis's modules may disrupt such supply; risks that the acquired business's products and processes under development may fail to achieve market acceptance; risks of disputes regarding the acquired business and intellectual property; risks that the performance of Silicon Labs' existing business may not offset the dilutive effects of the acquisition; risks associated with the competitive and cyclical nature of the semiconductor industry and other factors that are detailed in Silicon Labs' filings with the SEC. Silicon Labs disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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