Symbotic Reports Second Quarter Fiscal Year 2024 Results

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WILMINGTON, Mass., May 06, 2024 (GLOBE NEWSWIRE) -- Symbotic Inc. (Nasdaq: SYM), a leader in A.I.-enabled robotics technology for the supply chain, announced financial results for its second fiscal quarter of 2024 ended March 30, 2024. Symbotic posted revenue of $424 million, a net loss of $41 million and adjusted EBITDA[1] of $22 million for the second quarter of fiscal 2024. In the same quarter of fiscal 2023, Symbotic had revenue of $267 million, a net loss of $55 million and an adjusted EBITDA loss[1] of $11 million. Cash, cash equivalents and marketable securities on hand increased by $276 million from the prior quarter to $951 million at the end of the second quarter.

“This past quarter we executed well for our customers, made significant progress on our innovation roadmap and delivered solid financial results,” said Rick Cohen, Chairman and Chief Executive Officer of Symbotic. “We made significant advances in both software and hardware this quarter that will benefit customers, accelerate deployment times and increase our deployment capacity.”

“These advancements helped us to accelerate deployment progress during the quarter,” said Symbotic Chief Financial Officer Carol Hibbard. “We started three system deployments and completed three operational systems, while achieving faster revenue growth, higher margins and stronger cash generation than planned for the quarter.”

OUTLOOK

For the third quarter of fiscal 2024, Symbotic expects revenue of $450 million to $470 million, and adjusted EBITDA[2] of $27 million to $29 million.

WEBCAST INFORMATION

Symbotic will host a webcast today at 5:00 pm ET to discuss its second quarter fiscal 2024 results. The webcast link is: https://edge.media-server.com/mmc/go/Symbotic-Q2-2024.

ABOUT SYMBOTIC

Symbotic is an automation technology leader reimagining the supply chain with its end-to-end, A.I.-powered robotic and software platform. Symbotic reinvents the warehouse as a strategic asset for the world’s largest retail, wholesale, and food & beverage companies. Applying next-generation technology, high-density storage and machine learning to solve today's complex distribution challenges, Symbotic enables companies to move goods with unmatched speed, agility, accuracy and efficiency. As the backbone of commerce, Symbotic transforms the flow of goods and the economics of the supply chain for its customers. For more information, visit www.symbotic.com.

USE OF NON-GAAP FINANCIAL INFORMATION

Symbotic reports its financial results in accordance with Generally Accepted Accounting Principles in the United States (“U.S. GAAP”). This press release contains financial measures that are not recognized under U.S. GAAP (“non-GAAP financial measures”), including adjusted EBITDA, adjusted gross profit and adjusted gross profit margin. These non-GAAP financial measures have limitations as an analytical tool as they do not have a standardized meaning prescribed by U.S. GAAP. The non-GAAP financial measures Symbotic uses may not be the same non-GAAP financial measures, and may not be calculated in the same manner, as that of other companies and, therefore, are unlikely to be comparable to similar measures presented by other companies. Rather, these non-GAAP financial measures are provided as a supplement to corresponding U.S. GAAP measures to provide additional information regarding the results of operations from management’s perspective. Accordingly, non-GAAP financial measures should not be considered a substitute for, in isolation from, or superior to, the financial information prepared and presented in accordance with U.S. GAAP. All non-GAAP financial measures presented in this press release are reconciled to their closest reported U.S. GAAP financial measures. Symbotic recommends that investors review the reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures provided in the financial statement tables included below in this press release, and not rely on any single financial measure to evaluate its business.

Symbotic defines adjusted EBITDA, a non-GAAP financial measure, as GAAP net loss excluding the following items: interest income; income taxes; depreciation and amortization; stock-based compensation; CEO transition charges; joint venture formation fees; restructuring charges; equity financing transaction costs; and other non-recurring items that may arise from time to time. Symbotic defines adjusted gross profit, a non-GAAP financial measure, as GAAP gross profit excluding the following items: depreciation; stock-based compensation; and restructuring charges. Symbotic defines adjusted gross profit margin, a non-GAAP financial measure, as adjusted gross profit divided by revenue. In addition to Symbotic’s financial results determined in accordance with U.S. GAAP, Symbotic believes that adjusted EBITDA, adjusted gross profit and adjusted gross profit margin, non-GAAP financial measures, are useful in evaluating the performance of Symbotic’s business because they highlight trends in its core business.

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including, but not limited to, Symbotic’s expectations or predictions of future financial or business performance or conditions. Forward-looking statements are inherently subject to risks, uncertainties and assumptions. Generally, statements that are not historical facts, including statements concerning our possible or assumed future actions, business strategies, events, backlog or results of operations, are forward-looking statements. These statements may be preceded by, followed by or include the words “believes,” “estimates,” “expects,” “projects,” “forecasts,” “may,” “will,” “should,” “seeks,” “plans,” “scheduled,” “anticipates” or “intends” or similar expressions.

Forward-looking statements include, but are not limited to, statements about the ability of or expectations regarding Symbotic to:

- meet the technical requirements of existing or future supply agreements with its customers, including with respect to

existing backlog;
- expand its target customer base and maintain its existing customer base;
- realize the benefits expected from the GreenBox joint venture;
- anticipate industry trends;
- maintain and enhance its platform;
- maintain the listing of the Symbotic Class A Common Stock on Nasdaq;
- execute its growth strategy;
- develop, design and sell systems that are differentiated from those of competitors;
- execute its research and development strategy;
- acquire, maintain, protect and enforce intellectual property;
- attract, train and retain effective officers, key employees or directors;
- comply with laws and regulations applicable to its business;
- stay abreast of modified or new laws and regulations applying to its business;
- successfully defend litigation;
- issue equity securities in connection with future transactions;
- meet future liquidity requirements and, if applicable, comply with restrictive covenants related to long-term indebtedness;
- timely and effectively remediate any material weaknesses in our internal control over financial reporting;
- anticipate rapid technological changes; and
- effectively respond to general economic and business conditions.

Forward-looking statements also include, but are not limited to, statements with respect to:

- the future performance of our business and operations;
- expectations regarding revenues, expenses, adjusted EBITDA and anticipated cash needs;
- expectations regarding cash flow, liquidity and sources of funding;
- expectations regarding capital expenditures;
- the anticipated benefits of Symbotic's leadership structure;
- the effects of pending and future legislation;
- business disruption; disruption to the business due to the Symbotic's dependency on certain customers;
- increasing competition in the warehouse automation industry;
- any delays in the design, production or launch of our systems and products;
- the failure to meet customers' requirements under existing or future contracts or customer's expectations as to price or pricing structure;
- any defects in new products or enhancements to existing products;
- the fluctuation of operating results from period to period due to a number of factors, including the pace of customer adoption of our new products and services and any changes in our product mix that shift too far into lower gross margin products; and
- any consequences associated with joint ventures and legislative and regulatory actions and reforms.

Such forward-looking statements involve risks and uncertainties that may cause actual events, results or performance to differ materially from those indicated by such statements. Certain of these risks are identified and discussed in Symbotic's Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (the "SEC") on December 11, 2023, and Symbotic's Quarterly Report on Form 10-Q filed with the SEC on February 8, 2024. These risk factors will be important to consider in determining future results and should be reviewed in their entirety. These forward-looking statements are expressed in good faith, and Symbotic believes there is a reasonable basis for them. However, there can be no assurance that the events, results or trends identified in these forward-looking statements will occur or be achieved. Forward-looking statements are provided for the purposes of assisting the reader in understanding our financial performance, financial position and cash flows as of and for periods ended on certain dates and to present information about management's current expectations and plans relating to the future, and the reader is cautioned not to place undue reliance on these forward-looking statements because of their inherent uncertainty and to appreciate the limited purposes for which they are being used by management. While we believe that the assumptions and expectations reflected in the forward-looking statements are reasonable based on information currently available to management, there is no assurance that such assumptions and expectations will prove to have been correct. Forward-looking statements speak only as of the date they are made and are based on the beliefs, estimates, expectations and opinions of management on that date. Symbotic is not under any obligation, and expressly disclaims any obligation to update, alter or otherwise revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law. Readers should carefully review the statements set forth in the reports that Symbotic has filed or will file from time to time with the SEC.

In addition to factors previously disclosed in Symbotic's Annual Report on Form 10-K filed with the SEC on December 11, 2023, and Symbotic's Quarterly Report on Form 10-Q filed with the SEC on February 8, 2024, and those identified elsewhere in this press release, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: failure to realize the benefits expected from adding to our base of outsourcing partners; risks related to the GreenBox joint venture and the effects of pending and future legislation.

Any financial projections in this press release or discussed in the webcast are forward-looking statements that are based on assumptions that are inherently subject to significant uncertainties and contingencies, many of which are beyond Symbotic's control. While all projections are necessarily speculative, Symbotic believes that the preparation of prospective financial information involves increasingly higher levels of uncertainty the further out the projection extends from the date of preparation. The assumptions and estimates underlying the projected results are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially

from those contained in the projections. The inclusion of projections in this communication should not be regarded as an indication that Symbotic, or its representatives, considered or considers the projections to be a reliable prediction of future events.

Annualized, projected and estimated numbers are not forecasts and may not reflect actual results.

This communication is not intended to be all-inclusive or to contain all the information that a person may desire in considering an investment in Symbotic and is not intended to form the basis of an investment decision in Symbotic. The forward-looking statements contained in this press release and other reports we file with, or furnish to, the SEC and other regulatory agencies and made by our directors, officers, other employees and other persons authorized to speak on our behalf are expressly qualified in their entirety by these cautionary statements.

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Symbotic Inc. and Subsidiaries
Unaudited Condensed Consolidated Statements of Operations

(in thousands, except share and per share information)	Three Months Ended			Six Months Ended	
	March 30, 2024	December 30, 2023	March 25, 2023	March 30, 2024	March 25, 2023
Revenue:					
Systems	$ 401,662	$ 356,212	$ 257,603	$ 757,874	$ 455,504
Software maintenance and support	2,566	2,169	1,461	4,735	2,698
Operation services	20,073	10,069	7,790	30,142	14,964
Total revenue	424,301	368,450	266,854	792,751	473,166
Cost of revenue:					
Systems	359,151	286,403	213,060	645,555	373,991
Software maintenance and support	1,936	1,726	2,106	3,662	3,777
Operation services	19,052	10,214	8,841	29,266	17,357
Total cost of revenue	380,139	298,343	224,007	678,483	395,125
Gross profit	44,162	70,107	42,847	114,268	78,041
Operating expenses:					
Research and development expenses	46,462	42,144	49,666	88,606	100,406
Selling, general, and administrative expenses	48,652	47,012	50,898	95,663	104,921
Total operating expenses	95,114	89,156	100,564	184,269	205,327
Operating loss	(50,952)	(19,049)	(57,717)	(70,001)	(127,286)
Other income, net	9,812	6,199	2,284	16,011	4,118
Loss before income tax	(41,140)	(12,850)	(55,433)	(53,990)	(123,168)
Income tax benefit (expense)	188	(117)	17	71	(234)
Net loss	(40,952)	(12,967)	(55,416)	(53,919)	(123,402)
Net loss attributable to noncontrolling interests	(34,372)	(11,039)	(49,298)	(45,411)	(110,091)
Net loss attributable to common stockholders	$ (6,580)	$ (1,928)	$ (6,118)	$ (8,508)	$ (13,311)
Loss per share of Class A Common Stock:					
Basic and Diluted	$ (0.07)	$ (0.02)	$ (0.10)	$ (0.10)	$ (0.22)
Weighted-average shares of Class A Common Stock outstanding:					
Basic and Diluted	93,043,769	83,320,943	60,503,119	88,155,791	59,352,634

Symbotic Inc. and Subsidiaries
Reconciliation of Non-GAAP Financial Measures

The following table reconciles GAAP net loss to adjusted EBITDA:

	Three Months Ended	Six Months Ended

(in thousands)	March 30, 2024	December 30, 2023	March 25, 2023	March 30, 2024	March 25, 2023
Net loss	$ (40,952)	$ (12,967)	$ (55,416)	$ (53,919)	$ (123,402)
Interest income	(9,795)	(6,149)	(2,392)	(15,944)	(4,225)
Income tax (benefit) expense	(188)	117	(17)	(71)	234
Depreciation and amortization	2,468	2,565	1,680	5,033	3,375
Stock-based compensation	34,726	29,462	36,539	64,188	86,079
Joint venture formation fees	—	1,089	—	1,089	—
CEO transition charges	—	—	—	—	2,026
Restructuring charges	34,206	—	8,373	34,206	8,373
Equity financing transaction costs	1,985	—	—	1,985	—
Adjusted EBITDA	$ 22,450	$ 14,117	$ (11,233)	$ 36,567	$ (27,540)

The following table reconciles GAAP gross profit to adjusted gross profit:

	Three Months Ended			Six Months Ended	
(in thousands)	March 30, 2024	December 30, 2023	March 25, 2023	March 30, 2024	March 25, 2023
Gross profit	$ 44,162	$ 70,107	$ 42,847	$ 114,268	$ 78,041
Depreciation	88	93	189	181	375
Stock-based compensation	5,156	3,431	459	8,587	771
Restructuring charges	34,206	—	5,240	34,206	5,240
Adjusted gross profit	$ 83,612	$ 73,631	$ 48,735	$ 157,242	$ 84,427
Gross profit margin	10.4%	19.0%	16.1%	14.4%	16.5%
Adjusted gross profit margin	19.7%	20.0%	18.3%	19.8%	17.8%

Symbotic Inc. and Subsidiaries
Supplemental Common Share Information

Total Common Shares issued and outstandng at the end of each of the periods presented:

	March 30, 2024	September 30, 2023
Class A Common Shares issued and outstanding	101,195,288	82,112,881
Class V-1 Common Shares issued and outstanding	78,432,388	66,931,097
Class V-3 Common Shares issued and outstanding	404,334,196	407,528,941
	583,961,872	556,572,919

Symbotic Inc. and Subsidiaries
Unaudited Condensed Consolidated Balance Sheets

(in thousands, except share data)	March 30, 2024	September 30, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 901,382	$ 258,770
Marketable securities	49,978	286,736
Accounts receivable	127,677	69,206
Unbilled accounts receivable	173,995	121,149
Inventories	119,772	136,121
Deferred expenses	1,170	34,577
Prepaid expenses and other current assets	109,937	85,236
Total current assets	1,483,911	991,795
Property and equipment, net	75,038	34,507
Intangible assets, net	—	217
Other long-term assets	29,068	24,191
Total assets	$ 1,588,017	$ 1,050,710

LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 149,829	$ 109,918
Accrued expenses and other current liabilities	120,781	99,992
Sales tax payable	8,216	28,322
Deferred revenue	812,227	787,227
Total current liabilities	1,091,053	1,025,459
Deferred revenue	44,695	—
Other long-term liabilities	38,643	27,967
Total liabilities	1,174,391	1,053,426
Commitments and contingencies	—	—
Equity:		
Class A Common Stock, 3,000,000,000 shares authorized, 101,195,288 and 82,112,881 shares issued and outstanding at March 30, 2024 and September 30, 2023, respectively	12	8
Class V-1 Common Stock, 1,000,000,000 shares authorized, 78,432,388 and 66,931,097 shares issued and outstanding at March 30, 2024 and September 30, 2023, respectively	8	7
Class V-3 Common Stock, 450,000,000 shares authorized, 404,334,196 and 407,528,941 shares issued and outstanding at March 30, 2024 and September 30, 2023, respectively	40	41
Additional paid-in capital – warrants	—	58,126
Additional paid-in capital	1,738,317	1,254,022
Accumulated deficit	(1,318,943)	(1,310,435)
Accumulated other comprehensive loss	(2,373)	(1,687)
Total stockholders' equity	417,061	82
Noncontrolling interest	(3,435)	(2,798)
Total equity	413,626	(2,716)
Total liabilities and equity	$ 1,588,017	$ 1,050,710

Symbotic Inc. and Subsidiaries
Unaudited Condensed Consolidated Statements of Cash Flows

	Three Months Ended			Six Months Ended	
(in thousands)	March 30, 2024	December 30, 2023	March 25, 2023	March 30, 2024	March 25, 2023
Cash flows from operating activities:					
Net loss	$ (40,952)	$ (12,967)	$ (55,416)	$ (53,919)	$ (123,402)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:					
Depreciation and amortization	3,155	3,197	2,069	6,352	4,146
Foreign currency (gains) / losses	(30)	22	(16)	(8)	(6)
Loss on disposal of assets	—	—	123	—	123
(Gain) on investments	(8,745)	—	—	(8,745)	—
Provision for excess and obsolete inventory	34,206	70	6,001	34,276	6,160
Stock-based compensation	28,065	29,462	35,223	57,527	84,763
Changes in operating assets and liabilities:					
Accounts receivable	25,328	(83,789)	(72,178)	(58,461)	(121,137)
Inventories	(16,353)	(1,567)	(35,598)	(17,920)	(54,853)
Prepaid expenses and other current assets	(36,369)	(41,160)	24,123	(77,529)	25,372
Deferred expenses	2,106	(7,152)	(1,766)	(5,046)	(7,729)
Other long-term assets	440	(5,906)	624	(5,466)	(5,483)
Accounts payable	43,740	(3,830)	27,232	39,910	19,718
Accrued expenses and other current liabilities	(15,100)	14,687	450	(413)	34,583
Deferred revenue	(272)	69,966	99,374	69,694	263,464
Other long-term liabilities	1,853	8,817	1,067	10,670	6,645
Net cash provided by (used in) operating activities	21,072	(30,150)	31,312	(9,078)	132,364
Cash flows from investing activities:					

Purchases of property and equipment and capitalization of software development costs	(2,871)	(2,993)	(6,017)	(5,864)	(13,007)
Proceeds from maturities of marketable securities	140,000	150,000	—	290,000	—
Purchases of marketable securities	(343)	(48,317)	(106,327)	(48,660)	(203,140)
Net cash provided by (used in) investing activities	136,786	98,690	(112,344)	235,476	(216,147)
Cash flows from financing activities:					
Payment for taxes related to net share settlement of stock-based compensation awards	(3,125)	(56)	(11,713)	(3,181)	(11,713)
Net proceeds from issuance of common stock under employee stock purchase plan	3,435	—	987	3,435	987
Proceeds from issuance of Class A Common Stock	257,985	—	—	257,985	—
Proceeds from exercise of warrants	—	158,702	—	158,702	—
Net cash provided by (used in) financing activities	258,295	158,646	(10,726)	416,941	(10,726)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(13)	(2)	120	(15)	138
Net increase (decrease) in cash, cash equivalents, and restricted cash	416,140	227,184	(91,638)	643,324	(94,371)
Cash, cash equivalents, and restricted cash – beginning of period	488,102	260,918	350,724	260,918	353,457
Cash, cash equivalents, and restricted cash – end of period	$ 904,242	$ 488,102	$ 259,086	$ 904,242	$ 259,086
Reconciliation of cash, cash equivalents, and restricted cash:					
Cash and cash equivalents	$ 901,382	$ 485,952	$ 256,954	$ 901,382	$ 256,954
Restricted cash	2,860	2,150	2,132	2,860	2,132
Cash, cash equivalents, and restricted cash	$ 904,242	$ 488,102	$ 259,086	$ 904,242	$ 259,086

[1] Adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) is a non-GAAP financial measure as defined below under “Use of Non-GAAP Financial Information.” See the tables below for reconciliations to net loss, the most comparable GAAP measure.

[2] Symbotic is not providing guidance for net loss, which is the most comparable GAAP financial measure to adjusted EBITDA, because information reconciling forward-looking adjusted EBITDA to net loss is unavailable to it without unreasonable effort. Symbotic is not able to provide reconciliations of adjusted EBITDA to GAAP financial measures because certain items required for such reconciliations are outside of Symbotic’s control and/or cannot be reasonably predicted, such as the provision for stock-based compensation.