

Impinj First-Quarter 2026 Earnings Conference Call
Wednesday, April 29, 2026
5:00 p.m. ET / 2:00 p.m. PT

Andy Cobb, Impinj VP Corporate Finance and IR

Thank you, Nick.

Good afternoon and thank you all for joining us to discuss Impinj's first-quarter 2026 results. On today's call, Chris Diorio, Impinj's co-founder and CEO, will provide a brief overview of our market opportunity and performance. Cary Baker, Impinj's CFO, will follow with a detailed review of our first-quarter financial results and second-quarter outlook. We will then open the call for questions. You can find management's prepared remarks, plus trended financial data, on the company's investor-relations website.

We will make statements in this call about financial performance and future expectations that are based on our outlook as of today. Any such statements are forward-looking under the Private Securities Litigation Reform Act of 1995. Whereas we believe we have a reasonable basis for making these forward-looking statements, our actual results could differ materially because any such statements are subject to risks and uncertainties. We describe these risks and uncertainties in the annual and quarterly reports we file with the SEC. We do not undertake, and expressly disclaim, any obligation to update or alter our forward-looking statements except as required by law.

On today's call, all financial metrics except for revenue, or where we explicitly state otherwise, are non-GAAP. All balance-sheet and cash-flow metrics except for free cash flow are GAAP. Please refer to our earnings release for a reconciliation of non-GAAP financial metrics to the most comparable GAAP metrics.

Before turning to our results and outlook, note that we will participate in the 2026 Evercore TMT Global Conference on June 2nd in San Francisco. We look forward to connecting with many of you this quarter.

I will now turn the call over to Chris.

Chris Diorio, Impinj Co-Founder and Chief Executive Officer

Thank you, Andy. And thank you all for joining the call.

Our first-quarter results were solid, with revenue and adjusted EBITDA exceeding the top end of our guide range. Endpoint IC bookings hit an all-time record, driven by the custom ASIC ramp at our second large North American supply chain and logistics end user, our market-leading share position, retailer rebuys and customers booking beyond our standard lead times amid lengthening competitor lead times. Looking further out, we are approaching second-half 2026 prudently, hedging against multiple possible macro scenarios.

Starting with endpoint ICs, the RAIN Alliance has now released the 2025 industry volumes, and our market share grew 1700 basis points over 2024. That share gain is a springboard for strong second-quarter demand. We believe we can meet that demand in the multiple scenarios we are modeling. Looking forward, we are focused on using Gen2X and enterprise solutions to spur preference for our endpoint ICs and grow our share further. First-quarter inlay-partner inventory declined sequentially, as expected, so we enter the second quarter with healthy channel inventory and clear air to execute our strategy.

Turning to our opportunities, in supply chain and logistics we shipped meaningful volumes of the custom ASIC in the first quarter and expect those volumes to more than double in the second, with the end user on track to fully convert to that ASIC before year end. That ASIC opens the door for us to migrate upstream to our customer's customers, delivering ICs, readers and solutions software that improve item visibility and traceability at a double-digit number of accounts.

In retail apparel, we expect endpoint IC demand to increase in the second quarter. Multiple new end users are speaking openly about RAIN adoption, including a large European brand with whom we are closely engaged. And we are proving the benefits of Gen2X in retail, for example, by using it to dramatically improve item readability at a large Asia-based lifestyle brand and unlock a significant share-shift opportunity.

In general merchandise, we are focused on cosmetics, personal care and health, with the goal of unlocking significant incremental endpoint IC opportunities and again demonstrating the benefits of Gen2X. Food volumes are growing modestly as expected, with the bakery rollout on track to double the number of deployed stores this year. Also in food, we and our partners beat the self-checkout readability targets set by the European grocer to progress to a store pilot. Although still early, full-store grocery self-checkout, enabled by our endpoint ICs and software, is a massive opportunity. Overall, we are making strong progress advancing supply chain and logistics, general merchandise and food to fill in behind retail apparel which is now in mainstream adoption.

On the development front, we are growing our software and solutions teams to help solve end-to-end enterprise systems problems. We upgraded the processor and memory in our flagship reader to better support machine learning at the edge, helping us address those enterprise systems problems. And because the solutions almost invariably need Gen2X, we drive preference for our endpoint ICs at the same time. We also continue advancing Gen2X, for example with a forthcoming update to our readers and reader ICs that improve M800 tag read range by up to 25%.

In closing, we have an enviable market position, endless opportunities in front of us, good product supply and a strong wind at our backs. As we continue driving our bold vision, I remain confident in our market position and energized by the opportunities ahead. But faced with today's unpredictable macro, we are approaching the second half prudently even as we pursue market share, solutions successes and growth.

As always, before I turn the call over to Cary for our financial review and second-quarter outlook, I'd like to again thank every member of the Impinj team for your tireless effort. I feel honored by my incredible good fortune to work with you. Cary.

Cary Baker, Impinj Chief Financial Officer

Thank you Chris, and good afternoon everyone.

First-quarter revenue was \$74.3 million, down 20% sequentially from \$92.8 million in fourth-quarter 2025 and flat year-over-year from \$74.3 million in first-quarter 2025.

First-quarter endpoint IC revenue was \$63.2 million, down 16% sequentially from \$75.2 million in fourth-quarter 2025 and up 3% year-over-year from \$61.2 million in first-quarter 2025. Endpoint IC revenue exceeded our expectations, driven by turns orders. Looking forward, we expect second-quarter endpoint IC product revenue to increase sequentially, on the favorable side of normal seasonality.

First-quarter systems revenue was \$11.0 million, down 37% sequentially from \$17.7 million in fourth-quarter 2025 and down 15% year-over-year from \$13.1 million in first-quarter 2025. Systems revenue fell short of our expectations, due primarily to the timing of lighthouse enterprise capex spend. Looking forward, we expect second-quarter systems revenue to increase sequentially.

First-quarter gross margin was 52.4%, compared with 54.5% in fourth-quarter 2025 and 52.7% in first-quarter 2025. The sequential decline was driven primarily by higher indirect costs, annual endpoint IC price declines and revenue mix. The year-over-year decline was driven primarily by higher indirect costs and revenue mix, partially offset by the continued M800 ramp. Looking forward, we expect second-quarter product gross margin to increase sequentially.

Total first-quarter operating expense was \$35.5 million, compared with \$34.2 million in fourth-quarter 2025 and \$32.6 million in first-quarter 2025. Operating expense was below our expectations, driven primarily by good fiscal discipline and timing of spend. Research and development expense was \$20.4 million. Sales and marketing expense was \$7.3 million. General and administrative expense was \$7.8 million. Looking to second quarter, we expect similar operating expense to first quarter.

First-quarter adjusted EBITDA was \$3.4 million, compared with \$16.4 million in fourth-quarter 2025 and \$6.5 million in first-quarter 2025. First-quarter adjusted EBITDA margin was 4.5%.

First-quarter GAAP net loss was \$25.3 million. First-quarter non-GAAP net income was \$4.4 million, or 14¢ per share on a fully diluted basis.

Turning to the balance sheet, we ended the first quarter with cash, cash equivalents and investments of \$235.2 million, compared with \$279.1 million in fourth-quarter 2025 and \$232.5 million in first-quarter 2025. Inventory totaled \$86.3 million, up \$1.3 million from the prior quarter.

First-quarter capital expenditures totaled \$1.7 million. Free cash flow was \$2.2 million.

Before turning to our guidance, I want to highlight a few items specific to our results and outlook.

First, in March, we opportunistically repurchased \$40.2 million aggregate principal of our 1.125% convertible notes, due May 2027, using cash on hand. This repurchase highlights our commitment to minimize dilution, in this case by roughly 400 thousand shares, as we manage our convertible debt.

Second, our indirect cost-of-goods-sold increased in the first quarter, driven by a short-term endpoint IC production issue that reduced our backend capacity utilization. That issue is fixed and behind us.

Third, as Chris highlighted, our inlay partners exited first quarter with healthy endpoint IC channel inventory. In second quarter, we anticipate strong sequential endpoint IC product revenue growth, driven primarily by underlying demand and, to a lesser extent, by no channel inventory burndown.

Turning to our outlook, we expect second-quarter revenue between \$103.0 and \$106.0 million, compared with revenue of \$97.9 million in second-quarter 2025, a year-over-year increase of 7% at the midpoint. We expect adjusted EBITDA between \$27.8 and \$29.3 million. On the bottom line, we expect non-GAAP net income between \$24.6 and \$26.1 million, reflecting non-GAAP fully diluted earnings-per-share between 77¢ and 82¢.

In closing, I want to thank the Impinj team, our customers, our suppliers and you, our investors, for your ongoing support. I will now turn the call to the operator to open the question-and-answer session. Nick.