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## Smith Micro Software, Inc. Q1 2009 Earnings Call Transcript

### Question-and-Answer Session

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**Operator**

(Operator instructions) Our first question is from the line of Maynard Um with UBS. Please go ahead.

**Maynard Um – UBS**

Hi, thanks. Can you just start to (inaudible) GAAP to pro forma reconciliation between various OPEX line items?

**Andy Schmidt**

Yes, (inaudible) just put this in the script now. All right, let's start with stock comp, cost of sales of 72,000, selling and marketing 737,000, R&D 634,000, G&A 1.148 million for a total of 2.591 million. But with amortization, cost of sales 1.188 million, selling and marketing 629,000, R&D 330,000, for a total of 2.147 million.

**Maynard Um – UBS**

Okay, great. I just want to clarify that the corporate other gross margin you said was 68.7%?

**Andy Schmidt**

Yes.

**Maynard Um – UBS**

Okay. And then, Bill, you talked about new key customers wins across all your product groups, there will be stronger contributors in the back half of the year. You talked about new products like netbooks you are going to launch rolling out in the next quarter, but you also reiterated your prior annual guidance. I am just curious, are there other parts of the business that are seeing greater weakness that's offsetting this new business?

**Bill Smith**

No. Actually, I think that we are performing well. We are right on target with what we said at the start of the year. We anticipated a lot of the new technologies coming on online, you know so we feel very positive about everything and you know I don't really see any issues or significant weaknesses in the business phase going forward, other than what I said about that part of the business that is tied more

to the consumer channel, we basically say it is, you know we look at it as a 4 million to 4 million plus per quarter business for the balance of the year.

**Maynard Um – UBS**

Okay. So, if you – I guess that if you look at your pipeline and I mean there is still new customer wins potentially, how long do those typically take to ramp before they become more meaningful to your revenue stream?

**Bill Smith**

Well, you know, I said this a number of times. You know, OEM deals try to start out slow and grow overtime, you know some grow faster than others. So, I don't know that there is a rule finally you can say applies to all, but to the extent that (inaudible) get better quicker and grow faster, you know I am sure, we will have the opportunity to talk about those positive upside if and when they do occur.

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