

Airgain, Inc. NasdaqCM:AIRG

FQ1 2021 Earnings Call Transcripts

Thursday, May 06, 2021 9:00 PM GMT

S&P Global Market Intelligence Estimates

	-FQ1 2021-			-FQ2 2021-	-FY 2021-	-FY 2022-
	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS	CONSENSUS	CONSENSUS
EPS Normalized	0.03	0.03	0.00	0.05	0.31	0.62
Revenue (mm)	17.00	17.38	1.28	17.59	74.26	88.87

Currency: USD

Consensus as of Apr-22-2021 11:57 AM GMT



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Call Participants

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Presentation

Operator

Good afternoon. Welcome to Airgain First Quarter 2021 Earnings Conference Call. My name is Jody, and I will be your coordinator for today's call.

Joining us for today's call are Airgain's CEO, Jacob Suen; CFO, David Lyle; and Senior Vice President of Product and Marketing, Morad Sbahi. As a reminder, this call will be recorded and made available for replay via a link available in the Investor Relations section of Airgain's website at www.airgain.com. Following management's prepared remarks, the call will be opened up for questions from Airgain's publishing sell-side analysts.

I would now like to turn the call over to Mr. Lyle.

David B. Lyle
CFO & Secretary

Thank you, and good afternoon to everyone. I caution listeners that during this call, Airgain management will be making forward-looking statements about future events and Airgain's business strategy and future financial and operating performance. Actual results could differ materially from those stated or implied by these forward-looking statements due to risks and uncertainties associated with the company's business. These forward-looking statements are qualified by the cautionary statements contained in today's earnings release and Airgain's SEC filings.

This conference call contains time-sensitive information that is accurate only as of the date of this live broadcast, May 6, 2021. Airgain undertakes no obligation to revise or update any forward-looking statements to reflect events or circumstances after the date of this conference call.

In addition, this conference call may include a discussion of non-GAAP financial measures. Please see today's earnings release for further details, including a reconciliation of the GAAP to non-GAAP results.

Now I'd like to turn the call over to our CEO, Jacob Suen. Jacob?

Jacob Suen
President, CEO & Director

Thank you, Dave. Welcome, everyone, and thank you for joining us on the call today. I'll start with an update on the progress we've made on many fronts since the beginning of the year and review how we see our strategy playing out. Dave will then provide Q1 financial details as well as our Q2 2021 outlook and color on how we expect the year to play out.

But before I begin, I would like to point you to some exciting news we just released. Earlier this week, we announced that Dr. Ali Sadri has joined the management team as Senior Vice President of Engineering. Dr. Sadri is a seasoned engineering executive, and will help drive the next phase of growth for Airgain by bringing over 25 years of experience developing cutting-edge technology, most recently in millimeter wave technology for 5G and Wi-Fi. Prior to joining Airgain, Dr. Sadri held several executive positions at leading technology companies, and most prominently at Intel, where he spent over 18 years and served as head of the millimeter wave advanced technology development group.

Most recently, he served as Vice President of Engineering at SOLiD Inc, with the company's millimeter wave product strategy and development. In addition to his professional career, Dr. Sadri serves as an Industry International Adviser at Tokyo Institute of Technology, and earlier served as a Visiting Assistant Professor at Duke University. Prior to Intel, Dr. Sadri held executive positions at WiGig Alliance as Founder and Chairman of the Board, and as Director of Communications Standards at IBM. Dr. Sadri received his PhD in electrical engineering with a minor in business from North Carolina State University, and is a named inventor on over 150 domestic and international patents.

We are very excited and fortunate to be able to attract such amazing talent, as it is a testament to the innovation and talent we have here at Airgain. Ali's presence will be a force that pushes Airgain into future generations of integrated wireless solutions, and particularly for 5G millimeter wave technologies.

Now let's move on to quarter-end commentary. Let's begin with an update on the progress with our game-changing AirgainConnect platform's first product, which represents a \$500 million market opportunity for Airgain. AT&T tunnel informally launched the HPUE portions of the FirstNet network on January 26 of this year. AT&T rebranded the HPUE network MegaRange, so we will use those terms interchangeably.

In turn, Airgain released our first AirgainConnect product into general availability. Our product is specifically designed to work on the HPUE network, and is the only antenna modem product that currently works on that network. Since the January 26 launch, we have been providing products to prospective customers for demo purposes, and have generated an extensive and growing opportunity funnel.

We are seeing particular interest from large private ambulance companies; fire and rescue organizations, focused on preparing for the upcoming firefighting season; sheriff departments; federal and state governmental related agencies; as well as energy companies. We are starting to see a real uptick in lease, demos and sell-through in the past few weeks and believe it will translate to solid growth in the second half of the year.

In Q2, we expect to generate approximately \$1.5 million in revenue from AirgainConnect. On April 28, we announced AirgainConnect's availability on SYNEX corporation's GSA schedule contract. SYNEX is a Fortune 200 corporation, with its resellers serving government customers at the federal state and local levels. The availability of Airgain products through the U.S. government's GSA, or General Services Administration's, scheduled program difference against nationwide reach within the public sector and strengthens our channel program by enabling more customers to procure AirgainConnect to resellers.

Let's now move on to the progress we are making with our recent acquisitions of NimbeLink, which closed on January 7 of this year. If they are new to our story, We have been at a critical inflection point in our transition towards becoming a more system-level company by providing even higher levels of innovative solutions. The acquisitions of NimbeLink plays an important role in our overall growth strategy to broaden market diversification, especially within the industrial IoT space. NimbeLink has significantly advanced our strategic mission to deliver higher levels of integrated wireless system solutions globally.

We have made excellent progress with NimbeLink's integration, and believe we will see continued positive results throughout the year.

From a product perspective, on March 31, we announced the commercial availability of NimbeLink AT6 asset tracking device, a fully featured cellular-based asset tracker, enabling monitoring of assets in remote locations while in transit and outside of normal infrastructure.

The AT6 is also a battery-powered Bluetooth BLE gateway, facilitating hub and spoke implementations with BLE tags, making the AT6 well suited for supply chain, logistics and reusable packaging applications, where both individual packages as well as aggregate pilot or container tracking is desired. As we announced last month, our AT6 asset tracking device received a 2021 industrial IoT Product of the Year award by IoT Evolution World, the leading magazine and website covering IoT technologies.

We believe notable industry awards like this demonstrate the strength and capability of the NimbeLink team and its product. From a revenue perspective, NimbeLink outperformed our expectations in Q1, and we are seeing solid growth in momentum so far in Q2. We believe we will continue to see revenue growth from NimbeLink products through this year and beyond, despite pressure from the global chip shortage issue.

Regarding leveraging our international sales force, we have already secured a new design win and expect more to come. In terms of the integration effort, we are right on schedule, and our employees are excited about the prospects of the combined companies. We are also making good progress funneling Airgain antennas with NimbeLink Skywire modems and asset trackers, and expect to have offerings across multiple products in the coming months.

Now let's move on to our strategy. Over the past few years, we've been transitioning the company from primarily a consumer market-focused company towards the enterprise and automotive markets. In parallel, we have also been broadening our capabilities beyond antennas and into integrated wireless systems. We believe we have successfully executed on that plan and are already seeing growth this year. We expect we'll see growth from our enterprise and automotive markets, especially with the introductions of the AirgainConnect platform as well as with the additions of NimbeLink. If you look beyond those 2 major growth drivers, we believe we will see growth from our enterprise market as we begin to ramp products and design wins with our 2 traditional Wi-Fi enterprise global customers.

As we announced on April 13, Airgain was chosen by one of the world's leading enterprise networking equipment manufacturers as its connectivity provider for its first 5G enterprise network platform. Airgain designed and validated an innovative antenna system solution for a powerful new 5G FR1 enterprise software-defined wide area networking, or SD-WAN, branch router. With multi gigabit capabilities, it is designed for large indoor enterprise deployments with commercial 5G services with high throughput and low latency network services are required.

It's worth noting that our antenna solution was selected from competing solutions due to its optimized throughput and coverage performance, enabling enterprise-grade in building connectivity. We expect to ramp orders in the second half of the year and start generating meaningful revenue beginning in 2022.

Moving on to our auto market. Following a refresh of our automotive aftermarket products portfolio to 5G and with a renewed focus on selling our products into that market, we believe we will see growth out of our automotive fleet revenue this year as well.

In summary, with the additions of NimbeLink and the production launch of AirgainConnect, together with growth opportunities across our addressable markets, we believe Airgain is well positioned for accelerated growth in 2021 and the years ahead.

Now I would like to turn the call back over to Dave, who will walk us through financial highlights. Dave?

David B. Lyle
CFO & Secretary

Thank you, Jacob. First quarter 2021 revenue of \$17.4 million was above the midpoint of our previous guidance of \$17 million and up 35% sequentially from the fourth quarter. More importantly, \$17.4 million is the highest quarterly revenue ever recorded at Airgain.

Consumer revenue was \$10.3 million, up about \$700,000 from \$9.6 million in Q4, primarily due to our gateway design win at a large North American service provider and customer as well as a resurgence of ordering by our international service provider and customers following a soft year due to the impact of COVID last year.

Enterprise revenue was up materially from \$1.3 million in Q4 to \$4.4 million in Q1, early due to the addition of NimbeLink revenue. The NimbeLink revenue contribution was \$3.2 million for the quarter, exceeding our previous guidance of \$2.7 million.

Although we did see growth from our large traditional enterprise Wi-Fi customers, the global chip shortage delayed some of our growth in that market. Automotive revenue was \$2.7 million in Q1, up from \$1.9 million in Q4 due mainly to incremental revenue from AirgainConnect product shipments totaling about \$1 million versus about \$500,000 in Q4 as well as growth out of our aftermarket fleet market revenue, which grew sequentially in Q1.

Q1 non-GAAP gross margin of 42.2% was just below the low end of our previous guidance range, primarily due to a higher revenue contribution than expected from our lower gross margin NimbeLink products as well as higher costs associated with the ramp of products in our manufacturing facility. It is important to note that we saw a better-than-expected gross margins out of the NimbeLink products in Q1, demonstrating that our gross margin improvement plan is yielding results already.

Going into Q2, we expect to see continued improvement in gross margin from our NimbeLink product revenue. Excluded from non-GAAP gross margin was \$82,000 for amortization of purchased intangibles and \$352,000 in a onetime noncash inventory step-up charge associated with the purchase price accounting from the NimbeLink acquisition.

Non-GAAP operating expense in Q1 of \$7 million was right at the midpoint of our previous guidance range. Excluded from non-GAAP operating expense was \$928,000 in stock-based compensation expense, \$634,000 in amortization of intangible assets, mostly related to the NimbeLink acquisition and \$189,000 in NimbeLink transaction-related expenses. Adjusted EBITDA was \$428,000 in Q1.

Before moving to net income, I wanted to address taxes. In Q1, we recorded a total tax benefit of \$2.1 million driven primarily from the acquisition of NimbeLink. In connection with the acquisition, we recorded deferred tax liabilities associated with intangibles, which in turn resulted in a release of \$2.3 million of valuation allowance and therefore, a tax benefit. Note that we will exclude this benefit from our non-GAAP net income and non-GAAP earnings per share calculations as it is a onetime accounting benefit.

Moving on to net income. Non-GAAP net income in Q1 was \$297,000. Q1 GAAP net income was \$237,000 well ahead of previous guidance, due mainly to the tax benefit just described.

Moving to earnings per share. Our Q1 non-GAAP earnings per share was \$0.03, consistent with our previous guidance range midpoint. GAAP earnings per share was \$0.02. Finally, our Q1 cash, cash equivalents and restricted cash totaled approximately \$21.6 million, about \$1.4 million lower than our previous cash balance of \$23 million disclosed on January 7 with the acquisition of NimbeLink. The decline in cash was mostly related to the payout of year-end bonus and commissions as well as other working capital changes. We did not repurchase any shares during the quarter.

Now I would like to provide a preliminary outlook for the second quarter of 2021. In Q2, we expect revenue to grow and be in the range of \$17.25 million and \$19.25 million or \$18.25 million at the midpoint of the range. We expect both our enterprise and automotive markets to grow sequentially in Q2 and, primarily from NimbeLink product revenue growth and traditional enterprise Wi-Fi revenue growth, both in our enterprise market as well as growth from AirgainConnect in our automotive market.

We expect product revenue from our consumer market customers to see pressure in Q2 as a result of the global chip shortage. Already contemplated in our revenue guidance range is about \$1 million in revenue that we don't expect to ship this quarter due to the impact of the global chip shortage, mostly related to our consumer market end-customers.

We expect non-GAAP gross margin in the second quarter to be in the range of 41% to 43%. Excluded from non-GAAP gross margin was \$87,000 in acquisition-related amortization of purchased intangibles. We expect Q2 non-GAAP operating expense will be about \$7.2 million, plus or minus \$150,000. We expect hiring of new talent to support our revenue growth to be the primary contributor to higher corporate operating expense. Excluded from our non-GAAP operating expense estimate was about \$1 million in stock-based compensation expense and \$682,000 in acquisition-related amortization of purchased intangibles.

At the midpoint of guidance, adjusted EBITDA in Q2 would be about \$620,000. At the midpoint of guidance, we expect Q2 non-GAAP earnings per share to be about \$0.04. And on a GAAP basis, we expect a loss per share of \$0.13.

Summing up where we are today, we expect 2021 to be an exciting year for Airgain, as we have multiple catalysts for growth across all 3 of our primary target markets. Our strong balance sheet with more than \$21 million in cash and no debt, provide a durable and sustainable foundation to execute our growth plan and capitalize on the abundant opportunities in front of us.

Now I'll turn it back over to Jacob. Jacob?

Jacob Suen
President, CEO & Director

Thanks, Dave. We continue to be excited and confident about the prospects for us to grow in 2021, even in this challenging environment. With the formal release into general availability of our first AirgainConnect product, the expected revenue contribution and growth from our NimbeLink products, the ramp of products into our traditional global Wi-Fi enterprise customers, and the refresh of our auto aftermarket products to 5G, we believe we have positioned Airgain for a year of strong growth in 2021, especially after the record quarter that we just had in Q1.

With new and innovative products being developed for our targeted enterprise submarkets, multiple new products out of our AirgainConnect platform, we believe we are positioned for long-term profitable growth. Additionally, we are very appreciative of all the hard work our employees have put into our company during an unprecedented and difficult environment. We are also very appreciative of our supportive customers, suppliers and shareholders.

And with that, we are ready to open the call for your questions. Operator, please provide the appropriate instructions.

Question and Answer

Operator

[Operator Instructions] Our first question comes from the line of Karl Ackerman of Cowen.

Samuel Paul Reiff

Cowen and Company, LLC, Research Division

This is Sam on for Karl. We're glad to see that NimbeLink is off to such a hot start as part of your portfolio, and given that it comprises about 20% of your revenues this quarter and you still grow 42% gross margins, and AirgainConnect continues to gain steam through the year, why shouldn't we expect gross margins to stay at least above 42% for the remainder of the year? I mean does your guidance imply a very strong sequential growth for NimbeLink that's driving our margins?

David B. Lyle

CFO & Secretary

Yes, this is Dave. I'll take the beginning of that, maybe Jacob can chime in. But yes, gross margins are lower than our corporate gross margins for -- NimbeLink margins are lower than our corporate gross margin, so you're looking at this the right way. They're growing pretty nicely going into Q2, and we expect that growth to continue throughout the year.

That being said, we talked previously about the fact that NimbeLink had already started on a cost reduction program. They had implemented those -- that reduction to actually begin starting this quarter, but it happened a little early in Q1. So we got a little bit of benefit higher than expected on the gross margin side. We think that will continue through the year. I don't think it will come quite up to -- this year quite up to our corporate gross margins, but we'll certainly improve them. I think next year, we'll start to see that change.

There's also one more note on this, and it depends on the mix within the NimbeLink revenue. NimbeLink has some products that are lower gross margin and some that are higher gross margins. So that mix also matters, depending on which grows faster.

And then in terms of the overall corporate gross margin past Q2, we haven't talked -- disclosed or guided past Q2. But I think we're -- until we start seeing improvement on the ranges with NimbeLink, we're going to be somewhere in the ZIP code that we're in today throughout the rest of the year. We'll have to -- that's highly dependent on mix, so we'll have to see which direction that goes.

Samuel Paul Reiff

Cowen and Company, LLC, Research Division

Great. And then one on the AirgainConnect, if I may. It's great to see the growth this quarter, executing on doubling it quarter-over-quarter like you mentioned last call. But if you're willing to talk about it this far out, what kind of run rate could we expect AirgainConnect-related revenues to achieve exiting this calendar year, growing from about the \$6 million run rate you're estimating for this current quarter?

David B. Lyle

CFO & Secretary

So on Airgain -- you're talking about AirgainConnect. AirgainConnect in our guidance that we just shared was forecasted to be \$1.5 million in Q2. And the way I kind of look at this is that we are at the very beginning of this. This really launched AT&T's HPUE portion of the network called MegaRange, launched January 26 of this year. And most of the demonstration units were sent out after that point because we weren't necessarily allowed to do more than a small set before that.

So we have to get through this -- at least the first sales cycle to see how big this could be, which makes it hard to put a number on it through this year, except for the fact that this is a massive market opportunity for Airgain. We have currently the only antenna modem product that can service the MegaRange portion

of the spectrum for FirstNet. And really, it's going to be about getting those demos into sell-through, and once that happens, we think this will really open up for us.

Samuel Paul Reiff

Cowen and Company, LLC, Research Division

Understood. And then one last housekeeping one, if I may. Is the current \$7 million, \$7.5 million OpEx level that you executed on this quarter in the current quarter, representative of the steady-state costs you're going to have in the business for the near term? Or should it trend up from here as you continue to invest in NimbeLink in acquiring new talent?

David B. Lyle

CFO & Secretary

Yes. It's a good question. We did \$7 million in Q1 non-GAAP. We did -- we guided to \$7.2 million, so it's incrementing up a little bit in Q2. I think you'll see a little bigger uptick in Q3 and Q4. It doesn't take a lot of OpEx to get the leverage out of revenue for something like AirgainConnect, but we're going to invest there. So we'll see an uptick in -- starting probably more in the second half.

Operator

[Operator Instructions] And our next question comes from the line of Scott Searle of Roth Capital Partners.

Scott Wallace Searle

ROTH Capital Partners, LLC, Research Division

My apologies, I came on a little bit late, so I apologize if this is redundant. But of course, to dig in a little bit on AirgainConnect, you're starting to get up to a nice run rate, it sounds like, in the second quarter. Did you give a range for the year or provide other metrics in terms of how that pipeline is forming? I know you've been announcing various different relationships from a distribution standpoint, whether it's SYNEX or other partners with Assured.

Just wondering how big that pipeline and that reach looks right now, and where you expect to be exiting 2021.

Jacob Suen

President, CEO & Director

Scott, Jacob here. So as far as the pipeline, the funnel, we are seeing a strong interest. We have north of 300-plus leads as of last week. And when I say leads, customers leads, that means multiple units per customers. And we have almost close to -- almost close to 100 of demos ongoing and already got POs sell-through as well. So we do see a strong momentum.

And as I mentioned in the call earlier, look, with the wild fire season upon us, we do expect an even stronger interest in the coming weeks as the firefighters, they want to be -- they will prepare as well as the ambulances, EMS, for the upcoming season. So we do believe it's more of a timing issue than anything else, and we are very optimistic. But the projection, I think that at this point, it's too early for us to giving you a more concrete number, except that we feel pretty strongly about at least getting the \$1.5 million this quarter.

Scott Wallace Searle

ROTH Capital Partners, LLC, Research Division

Great. And in terms of NimbeLink, it sounds like that's off to a good start in the first quarter here. It sounds like you're not seeing any component availability issues necessarily in NimbeLink more on the consumer front. I'm wondering if you could flush that out a little bit in terms of the demand you're seeing for NimbeLink, some of the end markets and the applications where there's interest, whether it's for the tracker or other solutions there. Because it's -- universally, it sounds like demand has been good for these types of products, but some of your other competitors have been experiencing more component headwinds on that front. I wondered if you could talk about that a little bit.

David B. Lyle
CFO & Secretary

Yes. We are definitely seeing component headwinds on the chip side for NimbeLink's revenue specifically. I think we got a little -- we got ahead of that problem. I think I talked about that earlier. Back in the December, January time frame during the closing of the acquisition, we had the NimbeLink guys really look closely at this, and they did a really incredible job making sure they got in line for chips and are, therefore, able to fulfill the demand that's out there.

In fact, I would say the demand is actually -- exceeds even this quarter, what revenue we're expecting out of them. And I think that's still going to be the issue going on throughout the year. But I think I think that business quarter-to-quarter is going to continue to grow despite that pressure.

Scott Wallace Searle
ROTH Capital Partners, LLC, Research Division

Dave, did you quantify any -- not necessarily lost revenue, but revenue that got pushed out related to component availability in the first quarter? And then the current expectations for the second quarter?

David B. Lyle
CFO & Secretary

Yes. I talked about the second quarter being -- they're -- we're estimating, and this is based on our end customers' data that's coming through that it's an impact on us of about \$1 million, that we've already reflected into our guidance range.

Scott Wallace Searle
ROTH Capital Partners, LLC, Research Division

Great. And lastly, if I could. Jacob, I think in the past, you talked about some development in terms of fixed wireless access and what you're doing on that front. Combine that with, I think you brought on a new VP of Engineering, who has some expertise in the millimeter wave area, I was wondering if you could update us in terms of any thoughts on new product development in areas of interest going forward.

Jacob Suen
President, CEO & Director

Yes. Great questions, Scott. And I'll start and then maybe more can add some color. Certainly, we are thrilled to have someone with a caliber of Dr. Sadri, and you saw his background with the credential that he brings on the millimeter wave front and also just Wi-Fi in general. And we think that he's going to -- really been working on several projects for the different market based on 5G. And with his background, he's the perfect fit for where we're going to go with our next phase of the company, product and technology.

We are actively developing product, 5G for consumer, for enterprise and for outer -- and Morad can get in to more specific. But definitely, with Dr. Sadri joining us, we feel strongly about how we're going to be able to get this product out to market in a timely manner and with some innovation as well.

Morad Sbahi
Senior Vice President of Global Product & Marketing

So yes. So Scott, this is Morad. Just to kind of give a little bit more detail about the developments that are taking place in the fixed wireless access, in particular. Before Dr. Sadri came onboard, we had already started the development to address that market specifically. What's going to happen is with Ali joining the team, that development is going to get accelerated.

Now in terms of what products come out to market first and which ones would come out later, we're going to have to decide what the flavor of that is going to look like. Because right now, depending on what -- which operator you're talking to 5G, whether it's millimeter wave or sub-6 gigahertz, it's going to depend on how it's going to play out over the next 6 to 12 months.

But suffice to say that you will see products that are going to come out from Airgain that are going to position us and allow us to be a player and also give us the access to become active in this 5G space.

Operator

[Operator Instructions] And our next question comes from the line of Tim Savageaux of Northland Capital.

Timothy Paul Savageaux

Northland Capital Markets, Research Division

I have a question on the consumer side, actually. And you mentioned headwinds from chip shortages, and I think that's pretty kind of ubiquitous across that ecosystem. Although there also seems to be some very strong demand there, you have mentioned some results from some of the players across the broadband gateway space, even video.

And Dave, I think you referenced some sort of resurgence in ordering by some of your customers as well as a new design win. Could we be in a situation here where we see some kind of significant recovery in consumer revenue as we look to the second half of the year?

David B. Lyle

CFO & Secretary

Yes. Why don't I start, and Jacob can add some background on that, too. The service providers specifically are, as you know, they're moving into a lot of these Wi-Fi 6E gateways, and they're kind of mission critical for next-generation in-home service. And those are the devices -- there's one in particular, it's a very large service provider end customer who's doing that now, and this is pretty important for them to do it and do it quickly. So that demand is there.

I think it's -- a lot of these service providers are frustrated in trying to get what they can get to be able to deliver on their mission-critical delivery. So the demand -- you're right, there's a lot of demand out there, especially with the service providers. But they're struggling to get parts to meet the demand they'd really like to see. So at some point, yes, that could break out. That's going to depend on the -- when the chips shortage starts to release its grip a little bit.

Jacob Suen

President, CEO & Director

Yes. And Tim, and I'll add some color to that as well. Agree and concur with Dave's assessment that we're seeing the demand, just like you mentioned, which is great, right? I mean you're seeing the MSOs in particular, keep on adding hundreds of subs, new subs. So the demand is increasing. I think that even with the chipset shortage issue, what's fortunate about Airgain is that, yes, we're going to get impacted to a certain extent. But we are working mostly on the consumer side with the major Tier 1 service providers. And guess what? When they say chipset shortage issue, those guys have enough comps out there that they're going to get the priority.

So that's what's working for us, unlike some of the other guys out there that we're actually working with the top guys, and therefore, they always get the priority. So the impact is lessened versus the others.

Timothy Paul Savageaux

Northland Capital Markets, Research Division

Okay. Got it. And just going back to the discussion you were just having on fixed wireless access. Have you given any indications of when you think you might be bringing products to market? I mean I assume that's a '22 thing or beyond. Or are we in too early stage to be able to talk about that at this point?

Morad Sbahi

Senior Vice President of Global Product & Marketing

Yes. So what you're going to see is probably towards the latter part of the year, we'll have a first flavor of the -- what we would consider a product that's going to put us into trials. It's not something that I would expect that's going to generate any significant revenue for Airgain, and it's probably not in play until

probably the second half of 2022. But that being said, based on that product that we will have at the end of the year, you'll see other flavors that are targeting various operators, not only here in North America, but also worldwide.

Operator

Thank you. And at this time, this concludes our question-and-answer session.

If your question was not taken, you may contact Airgain's Investor relations airg@gatewayir.com. I'd now like to turn the call back over to Mr. Suen for his closing remarks.

Jacob Suen

President, CEO & Director

Thank you for joining us on today's call. We look forward to updating you on our next call. Operator?

Operator

Thank you for joining us today for our Airgain's First Quarter 2021 Earnings Call. You may now disconnect.

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