
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 29, 2024**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number **001-05560**

Skyworks Solutions, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

04-2302115

(I.R.S. Employer Identification No.)

5260 California Avenue

Irvine, California

(Address of principal executive offices)

92617

(Zip Code)

(949) 231-3000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.25 per share	SWKS	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of April 25, 2024, the registrant had 160,446,602 shares of common stock, par value \$0.25 per share, outstanding.

SKYWORKS SOLUTIONS, INC.

QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED MARCH 29, 2024

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PART 1. FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS.**

SKYWORKS SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited, in millions, except per share amounts)

	Three Months Ended		Six Months Ended	
	March 29, 2024	March 31, 2023	March 29, 2024	March 31, 2023
Net revenue	\$ 1,046.0	\$ 1,153.1	\$ 2,247.5	\$ 2,482.4
Cost of goods sold	625.7	625.7	1,320.7	1,317.4
Gross profit	420.3	527.4	926.8	1,165.0
Operating expenses:				
Research and development	154.4	148.2	307.3	312.0
Selling, general, and administrative	76.8	79.0	155.5	163.5
Amortization of intangibles	0.2	3.8	0.5	25.7
Restructuring, impairment, and other charges (benefits)	(0.3)	23.1	15.9	23.5
Total operating expenses	231.1	254.1	479.2	524.7
Operating income	189.2	273.3	447.6	640.3
Interest expense	(7.1)	(18.9)	(17.1)	(35.8)
Other income, net	10.8	5.4	14.1	6.0
Income before income taxes	192.9	259.8	444.6	610.5
Provision for income taxes	9.6	27.0	30.0	68.3
Net income	\$ 183.3	\$ 232.8	\$ 414.6	\$ 542.2
Earnings per share:				
Basic	\$ 1.14	\$ 1.46	\$ 2.59	\$ 3.40
Diluted	\$ 1.14	\$ 1.46	\$ 2.57	\$ 3.39
Weighted average shares:				
Basic	160.4	159.1	160.1	159.5
Diluted	161.4	159.9	161.3	160.1

See accompanying Notes to Consolidated Financial Statements.

SKYWORKS SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited, in millions)

	Three Months Ended		Six Months Ended	
	March 29, 2024	March 31, 2023	March 29, 2024	March 31, 2023
Net income	\$ 183.3	\$ 232.8	\$ 414.6	\$ 542.2
Other comprehensive income (loss), net of tax:				
Fair value of investments	—	—	0.1	—
Pension adjustments	—	—	(0.2)	(0.8)
Comprehensive income	<u>\$ 183.3</u>	<u>\$ 232.8</u>	<u>\$ 414.5</u>	<u>\$ 541.4</u>

See accompanying Notes to Consolidated Financial Statements.

SKYWORKS SOLUTIONS, INC.
CONSOLIDATED BALANCE SHEETS
(In millions, except per share amounts)

	As of	
	March 29, 2024	September 29, 2023
ASSETS	(unaudited)	
Current assets:		
Cash and cash equivalents	\$ 1,205.4	\$ 718.8
Marketable securities	12.9	15.6
Receivables, net of allowances of \$0.9 and \$0.8, respectively	615.3	864.3
Inventory	835.5	1,119.7
Other current assets	476.4	461.1
Total current assets	3,145.5	3,179.5
Property, plant, and equipment, net	1,301.4	1,390.1
Operating lease right-of-use assets	204.9	205.4
Goodwill	2,176.7	2,176.7
Intangible assets, net	1,119.5	1,222.1
Deferred tax assets, net	193.9	192.3
Marketable securities	3.0	4.1
Other long-term assets	164.8	56.5
Total assets	<u>\$ 8,309.7</u>	<u>\$ 8,426.7</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 149.8	\$ 159.2
Accrued compensation and benefits	106.7	94.3
Current portion of long-term debt	—	299.4
Other current liabilities	349.9	402.8
Total current liabilities	606.4	955.7
Long-term debt	993.6	992.9
Long-term tax liabilities	117.7	162.8
Long-term operating lease liabilities	196.2	188.7
Other long-term liabilities	36.6	43.9
Total liabilities	1,950.5	2,344.0
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Preferred stock, no par value: 25.0 shares authorized, no shares issued	—	—
Common stock, \$0.25 par value: 525.0 shares authorized; 160.4 shares issued and outstanding at March 29, 2024, and 159.5 shares issued and outstanding at September 29, 2023	40.1	39.9
Additional paid-in capital	252.2	172.4
Retained earnings	6,072.6	5,876.0
Accumulated other comprehensive loss	(5.7)	(5.6)
Total stockholders' equity	6,359.2	6,082.7
Total liabilities and stockholders' equity	<u>\$ 8,309.7</u>	<u>\$ 8,426.7</u>

See accompanying Notes to Consolidated Financial Statements.

SKYWORKS SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, in millions)

	Six Months Ended	
	March 29, 2024	March 31, 2023
Cash flows from operating activities:		
Net income	\$ 414.6	\$ 542.2
Adjustments to reconcile net income to net cash provided by operating activities:		
Share-based compensation	99.3	90.4
Depreciation	130.0	198.4
Amortization of intangible assets	93.6	123.4
Deferred income taxes	(3.1)	(57.0)
Asset impairment charges	16.1	17.0
Amortization of debt discount and issuance costs	1.6	2.0
Other, net	(2.1)	2.2
Changes in assets and liabilities:		
Receivables, net	249.0	409.0
Inventory	277.7	(49.4)
Accounts payable	(3.4)	(94.7)
Other current and long-term assets and liabilities	(198.1)	1.6
Net cash provided by operating activities	1,075.2	1,185.1
Cash flows from investing activities:		
Capital expenditures	(49.8)	(108.9)
Purchased intangibles	(15.2)	(15.1)
Purchases of marketable securities	(11.3)	(270.4)
Sales and maturities of marketable securities	15.4	65.1
Other	4.4	0.1
Net cash used in investing activities	(56.5)	(329.2)
Cash flows from financing activities:		
Repurchase of common stock - payroll tax withholdings on equity awards	(33.4)	(32.6)
Repurchase of common stock - stock repurchase program	—	(175.3)
Dividends paid	(218.0)	(198.0)
Net proceeds from exercise of stock options	1.1	1.1
Proceeds from employee stock purchase plan	18.2	15.5
Payments of debt	(300.0)	(200.0)
Net cash used in financing activities	(532.1)	(589.3)
Net increase in cash and cash equivalents	486.6	266.6
Cash and cash equivalents at beginning of period	718.8	566.0
Cash and cash equivalents at end of period	\$ 1,205.4	\$ 832.6
Supplemental cash flow disclosures:		
Income taxes paid	\$ 129.8	\$ 118.1
Interest paid	\$ 15.3	\$ 33.8
Incentives paid in common stock	\$ 1.2	\$ 19.2
Non-cash investing in capital expenditures, accrued but not paid	\$ 27.1	\$ 27.4
Operating lease assets obtained in exchange for new lease liabilities	\$ 12.6	\$ 3.4

See accompanying Notes to Consolidated Financial Statements.

SKYWORKS SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited, in millions)

	Shares of common stock	Par value of common stock	Shares of treasury stock	Value of treasury stock	Additional paid- in capital	Retained earnings	Accumulated other comprehensive loss	Total stockholders' equity
Balance at September 29, 2023	159.5	\$ 39.9	—	\$ —	\$ 172.4	\$ 5,876.0	\$ (5.6)	\$ 6,082.7
Net income	—	—	—	—	—	231.3	—	231.3
Exercise and settlement of share-based awards, net of shares withheld for taxes	0.7	0.2	0.4	(32.7)	2.1	—	—	(30.4)
Share-based compensation expense	—	—	—	—	52.6	—	—	52.6
Repurchase and retirement of common stock	—	—	(0.4)	32.7	(32.7)	—	—	—
Dividends declared	—	—	—	—	—	(108.9)	—	(108.9)
Other comprehensive loss	—	—	—	—	—	—	(0.1)	(0.1)
Balance at December 29, 2023	<u>160.2</u>	<u>\$ 40.1</u>	<u>—</u>	<u>\$ —</u>	<u>\$ 194.4</u>	<u>\$ 5,998.4</u>	<u>\$ (5.7)</u>	<u>\$ 6,227.2</u>
Net income	—	\$ —	—	\$ —	\$ —	\$ 183.3	\$ —	\$ 183.3
Exercise and settlement of share-based awards, net of shares withheld for taxes	0.2	—	—	(0.6)	18.1	—	—	17.5
Share-based compensation expense	—	—	—	—	40.3	—	—	40.3
Repurchase and retirement of common stock	—	—	—	0.6	(0.6)	—	—	—
Dividends declared	—	—	—	—	—	(109.1)	—	(109.1)
Balance at March 29, 2024	<u>160.4</u>	<u>\$ 40.1</u>	<u>—</u>	<u>\$ —</u>	<u>\$ 252.2</u>	<u>\$ 6,072.6</u>	<u>\$ (5.7)</u>	<u>\$ 6,359.2</u>
Balance at September 30, 2022	160.2	\$ 40.0	—	\$ —	\$ 11.9	\$ 5,421.9	\$ (4.8)	\$ 5,469.0
Net income	—	—	—	—	—	309.4	—	309.4
Exercise and settlement of share-based awards, net of shares withheld for taxes	0.7	0.2	0.3	(31.9)	20.0	—	—	(11.7)
Share-based compensation expense	—	—	—	—	49.7	—	—	49.7
Repurchase and retirement of common stock	(1.8)	(0.5)	(0.3)	31.9	(77.7)	(120.0)	—	(166.3)
Dividends declared	—	—	—	—	—	(99.4)	—	(99.4)
Other comprehensive loss	—	—	—	—	—	—	(0.8)	(0.8)
Balance at December 30, 2022	<u>159.1</u>	<u>\$ 39.7</u>	<u>—</u>	<u>\$ —</u>	<u>\$ 3.9</u>	<u>\$ 5,511.9</u>	<u>\$ (5.6)</u>	<u>\$ 5,549.9</u>
Net income	—	\$ —	—	\$ —	\$ —	\$ 232.8	\$ —	\$ 232.8
Exercise and settlement of share-based awards, net of shares withheld for taxes	0.2	—	—	(0.7)	15.6	—	—	14.9
Share-based compensation expense	—	—	—	—	43.0	—	—	43.0
Repurchase and retirement of common stock	(0.1)	—	—	0.7	(6.3)	(3.5)	—	(9.1)
Dividends declared	—	—	—	—	—	(98.6)	—	(98.6)
Balance at March 31, 2023	<u>159.2</u>	<u>\$ 39.7</u>	<u>—</u>	<u>\$ —</u>	<u>\$ 56.2</u>	<u>\$ 5,642.6</u>	<u>\$ (5.6)</u>	<u>\$ 5,732.9</u>

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF BUSINESS, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Skyworks Solutions, Inc., together with its consolidated subsidiaries ("Skyworks" or the "Company"), is empowering the wireless networking revolution. The Company's analog and mixed-signal semiconductors are connecting people, places, and things, spanning a number of new applications within the aerospace, automotive, broadband, cellular infrastructure, connected home, defense, entertainment and gaming, industrial, medical, smartphone, tablet, and wearable markets.

The accompanying unaudited interim consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") for interim financial reporting. Certain information and footnote disclosures, normally included in annual consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), have been condensed or omitted pursuant to those rules and regulations. However, in management's opinion, the financial information reflects all adjustments, including those of a normal recurring nature, necessary to present fairly the results of operations, financial position, and cash flows of the Company for the periods presented. The results of operations, financial position, and cash flows for the Company during the interim periods are not necessarily indicative of those expected for the full year. This information should be read in conjunction with the Company's financial statements and notes thereto contained in the Company's Annual Report on Form 10-K for the fiscal year ended September 29, 2023, filed with the SEC on November 17, 2023, as amended by Amendment No. 1 to such Annual Report on Form 10-K, filed with the SEC on January 26, 2024 ("2023 10-K"). Certain items in the prior period financial statements have been reclassified to conform to the current period presentation.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets, liabilities, revenue, expenses, comprehensive income, and accumulated other comprehensive loss that are reported during the reporting period. The Company evaluates its estimates on an ongoing basis using historical experience and other factors, including the current economic environment. Judgment is required in determining the reserves for, and fair value of, items such as overall fair value assessments of assets and liabilities, particularly those classified as Level 2 or Level 3 in the fair value hierarchy, marketable securities, inventory, intangible assets associated with business combinations, share-based compensation, revenue reserves, loss contingencies, and income taxes. In addition, judgment is required in determining whether a potential indicator of impairment of long-lived assets exists and in estimating future cash flows for any necessary impairment testing. Actual results could differ significantly from these estimates.

The Company's fiscal year ends on the Friday closest to September 30. The fiscal year ending on September 27, 2024 consists of 52 weeks ("fiscal 2024"). The fiscal year ended on September 29, 2023 consisted of 52 weeks ("fiscal 2023"). The three and six months ended March 29, 2024, and March 31, 2023, each consisted of 13 weeks and 26 weeks, respectively.

Property, Plant, and Equipment

Property, plant, and equipment are carried at cost less accumulated depreciation, with significant renewals and betterments being capitalized and retired equipment written off in the respective periods. Maintenance and repairs are expensed as incurred.

Depreciation is calculated using the straight-line method over the estimated useful lives, which range from five to forty years for buildings and improvements and from five to ten years for machinery and equipment. Leasehold improvements are depreciated over the lesser of the economic life or the life of the associated lease.

During the six months ended March 29, 2024, the Company changed its accounting estimate for the expected useful lives of certain machinery and equipment. The Company evaluated its current asset base and reassessed the estimated useful lives of certain machinery and equipment in connection with its recent usage of older equipment, including considering the technological and physical obsolescence of such machinery and equipment. Based on its ability to re-use equipment across generations of process technologies and historical usage trends, the Company determined that the expected useful lives for certain machinery and equipment should be increased by up to two years to reflect more closely the estimated economic lives of those assets. This change in estimate was applied prospectively effective during the first quarter of fiscal 2024 and resulted in a decrease in depreciation expense of \$18.9 million and \$37.7 million for the three and six months ended March 29, 2024, respectively. This benefit decreased cost of goods sold by \$ 1.8 million for each of the three and six months ended March 29, 2024, respectively, decreased research and development expenses by \$2.5 million and \$4.9 million for the three and six months ended March 29, 2024, respectively, and decreased ending inventory by \$31.0 million as of March 29, 2024. As a result of this change in accounting estimate, net income increased by \$4.3 million and \$6.7 million and diluted earnings per share increased by \$ 0.03 and \$0.04 for the three and six months ended March 29, 2024, respectively.

Recently Issued Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosure" ("ASU 2023-07"). ASU 2023-07 requires disclosure of incremental segment information on an annual and interim basis. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, on a retrospective basis. Early adoption is permitted. The Company is currently evaluating the impact of ASU 2023-07 on its consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" ("ASU 2023-09"). ASU 2023-09 includes amendments that further enhance income tax disclosures, primarily through standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. ASU 2023-09 is effective for annual periods beginning after December 15, 2024, on either a prospective or retrospective basis, with early adoption permitted. The Company is currently evaluating the impact of ASU 2023-09 on its consolidated financial statements and related disclosures.

2. REVENUE RECOGNITION

The Company presents net revenue by geographic area, based upon the location of the original equipment manufacturers' ("OEMs") headquarters, and by sales channel, as it believes that doing so best depicts how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. Individually insignificant OEMs are presented based upon the location of the Company's direct customer, which is typically a distributor.

Net revenue by geographic area is as follows (in millions):

	Three Months Ended		Six Months Ended	
	March 29, 2024	March 31, 2023	March 29, 2024	March 31, 2023
United States	\$ 795.1	\$ 846.6	\$ 1,764.3	\$ 1,874.9
China	76.9	89.0	156.8	195.3
Taiwan	74.1	85.2	145.4	170.9
South Korea	59.7	55.8	105.2	91.5
Europe, Middle East, and Africa	29.2	58.7	56.3	112.7
Other Asia-Pacific	11.0	17.8	19.5	37.1
Total net revenue	\$ 1,046.0	\$ 1,153.1	\$ 2,247.5	\$ 2,482.4

Net revenue by sales channel is as follows (in millions):

	Three Months Ended		Six Months Ended	
	March 29, 2024	March 31, 2023	March 29, 2024	March 31, 2023
Distributors	\$ 914.7	\$ 1,003.0	\$ 1,977.9	\$ 2,187.4
Direct customers	131.3	150.1	269.6	295.0
Total net revenue	\$ 1,046.0	\$ 1,153.1	\$ 2,247.5	\$ 2,482.4

The Company's revenue from external customers is generated principally from the sale of semiconductor products that facilitate various wireless communication applications. Accordingly, the Company considers its product offerings to be similar in nature and therefore not segregated for reporting purposes.

3. MARKETABLE SECURITIES

The Company's portfolio of available-for-sale marketable securities consists of the following (in millions):

	Current		Noncurrent	
	March 29, 2024	September 29, 2023	March 29, 2024	September 29, 2023
U.S. Treasury and government securities	\$ 12.4	\$ 15.1	\$ 3.0	\$ 4.1
Corporate bonds and notes	0.5	—	—	—
Municipal bonds	—	0.5	—	—
Total marketable securities	\$ 12.9	\$ 15.6	\$ 3.0	\$ 4.1

Neither gross unrealized gains and losses nor realized gains and losses were material as of March 29, 2024, or September 29, 2023.

4. FAIR VALUE

Assets and Liabilities Measured and Recorded at Fair Value on a Recurring Basis

The Company groups its financial assets and liabilities measured at fair value on a recurring basis in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets with insufficient volume or infrequent transactions (less-active markets), or model-driven valuations in which all significant inputs are observable or can be derived principally from, or corroborated with, observable market data.
- Level 3 - Fair value is derived from valuation techniques in which one or more significant inputs are unobservable, including assumptions and judgments made by the Company.

Assets and liabilities recorded at fair value on a recurring basis consisted of the following (in millions):

	As of								
	March 29, 2024				September 29, 2023				
	Fair Value Measurements				Fair Value Measurements				
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	
Assets									
Cash and cash equivalents (1)	\$ 1,205.4	\$ 1,205.4	\$ —	\$ —	\$ 718.8	\$ 718.5	\$ 0.3	\$ —	
U.S. Treasury and government securities	15.4	7.2	8.2	—	19.2	—	19.2	—	
Corporate bonds and notes	0.5	—	0.5	—	—	—	—	—	
Municipal bonds	—	—	—	—	0.5	—	0.5	—	
Total assets at fair value	\$ 1,221.3	\$ 1,212.6	\$ 8.7	\$ —	\$ 738.5	\$ 718.5	\$ 20.0	\$ —	

(1) Cash equivalents included in Levels 1 and 2 consist of money market funds and U.S. Treasury and government securities purchased with less than ninety days until maturity.

Assets Measured and Recorded at Fair Value on a Nonrecurring Basis

The Company's non-financial assets and liabilities, such as goodwill, intangible assets, and other long-lived assets resulting from business combinations, are measured at fair value using income approach valuation methodologies at the date of acquisition and are subsequently re-measured if there are indicators of impairment. During the three months ended March 29, 2024, there were no indicators of impairment identified. During the six months ended March 29, 2024, the Company abandoned a previously capitalized in-process research and development ("IPR&D") project and recorded an impairment charge of \$16.1 million. During the three and six months ended March 31, 2023, the Company recorded impairment charges of \$ 17.0 million.

Fair Value of Debt

The Company's debt is carried at amortized cost and is measured at fair value quarterly for disclosure purposes. The estimated fair values are based on Level 2 inputs as the fair value is based on quoted prices for the Company's debt and comparable instruments in inactive markets.

The carrying amount and estimated fair value of debt consists of the following (in millions):

	As of			
	March 29, 2024		September 29, 2023	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
1.80% Senior Notes due 2026	\$ 498.1	\$ 464.2	\$ 497.7	\$ 444.5
3.00% Senior Notes due 2031	495.5	422.2	495.2	390.4
Total debt under Senior Notes	\$ 993.6	\$ 886.4	\$ 992.9	\$ 834.9

5. INVENTORY

Inventory consists of the following (in millions):

	As of	
	March 29, 2024	September 29, 2023
Raw materials	\$ 33.9	\$ 57.2
Work-in-process	657.7	746.8
Finished goods	143.9	315.7
Total inventory	\$ 835.5	\$ 1,119.7

6. PROPERTY, PLANT, AND EQUIPMENT, NET

Property, plant, and equipment, net consists of the following (in millions):

	As of	
	March 29, 2024	September 29, 2023
Land and improvements	\$ 11.9	\$ 11.8
Buildings and improvements	590.7	588.2
Furniture and fixtures	76.6	74.8
Machinery and equipment	3,402.5	3,389.3
Construction in progress	69.1	107.6
Total property, plant, and equipment, gross	4,150.8	4,171.7
Accumulated depreciation	(2,849.4)	(2,781.6)
Total property, plant, and equipment, net	\$ 1,301.4	\$ 1,390.1

7. GOODWILL AND INTANGIBLE ASSETS

There were no changes to the carrying amount of goodwill during the three and six months ended March 29, 2024.

The Company tests its goodwill for impairment annually as of the first day of its fourth fiscal quarter and in interim periods if certain events occur indicating the carrying value of goodwill may be impaired. There were no indicators of impairment noted during the three and six months ended March 29, 2024.

Intangible assets consist of the following (in millions):

	Weighted Average Amortization Period (Years)	As of					
		March 29, 2024			September 29, 2023		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Developed technology and other	6.2	\$ 1,346.1	\$ (460.7)	\$ 885.4	\$ 1,290.4	\$ (379.4)	\$ 911.0
Technology licenses	3.2	70.6	(35.9)	34.7	75.8	(36.0)	39.8
In-process research and development		199.4	—	199.4	271.3	—	271.3
Total intangible assets		\$ 1,616.1	\$ (496.6)	\$ 1,119.5	\$ 1,637.5	\$ (415.4)	\$ 1,222.1

Fully amortized intangible assets are eliminated from both the gross and accumulated amortization amounts in the first quarter of each fiscal year. During each of the three and six months ended March 29, 2024, \$55.7 million of IPR&D assets were transferred to definite-lived intangible assets, and are being amortized over their useful lives of 8 years. During the three and six months ended March 31, 2023, \$ 1.8 million and \$9.5 million of IPR&D assets were transferred to definite-lived intangible assets, and are being amortized over their useful lives of 12 years, respectively. Amortization expense related to definite-lived intangible assets was \$45.5 million and \$93.6 million for the three and six months ended March 29, 2024, respectively. Amortization expense related to definite-lived intangible assets was \$51.4 million and \$123.4 million for the three and six months ended March 31, 2023, respectively.

Annual amortization expense for the next five fiscal years related to definite-lived intangible assets, excluding IPR&D, is expected to be as follows (in millions):

	Remaining 2024	2025	2026	2027	2028	Thereafter
Amortization expense	\$ 91.3	\$ 164.1	\$ 136.2	\$ 120.9	\$ 97.8	\$ 309.8

8. INCOME TAXES

The provision for income taxes consists of the following components (in millions):

	Three Months Ended		Six Months Ended	
	March 29, 2024	March 31, 2023	March 29, 2024	March 31, 2023
United States income taxes	\$ (4.6)	\$ 16.1	\$ 7.5	\$ 42.5
Foreign income taxes	14.2	10.9	22.5	25.8
Provision for income taxes	\$ 9.6	\$ 27.0	\$ 30.0	\$ 68.3
Effective tax rate	5.0 %	10.4 %	6.7 %	11.2 %

The difference between the Company's effective tax rate and the 21.0% United States federal statutory rate for the three and six months ended March 29, 2024 and March 31, 2023 resulted primarily from foreign earnings taxed at rates lower than the federal statutory rate, a benefit from foreign-derived intangible income deduction ("FDII"), and research and experimentation and foreign tax credits earned, partially offset by a tax on global intangible low-taxed income ("GILTI"), and tax expense related to share-based compensation shortfalls.

In August 2022, the U.S. government enacted the Inflation Reduction Act, which imposes a corporate alternative minimum tax ("CAMT") of 15% on corporations with three-year average annual adjusted financial statement income exceeding \$1.0 billion. The Company is subject to the provisions of CAMT in fiscal 2024. CAMT had no impact to the Company's consolidated financial statements for the three and six months ended March 29, 2024.

9. COMMITMENTS AND CONTINGENCIES

Legal Matters

From time to time, various lawsuits, claims, and proceedings have been, and may in the future be, instituted or asserted against the Company, including those pertaining to patent infringement, intellectual property, environmental hazards, product liability and warranty, safety and health, employment, and contractual matters.

The semiconductor industry is characterized by vigorous protection and pursuit of intellectual property rights. From time to time, third parties have asserted and may in the future assert patent, copyright, trademark, and other intellectual property rights to technologies that are important to the Company's business and have demanded and may in the future demand that the Company license their technology. The outcome of any such litigation cannot be predicted with certainty and some such lawsuits, claims, or proceedings may be disposed of unfavorably to the Company. Generally speaking, intellectual property disputes often have a risk of injunctive relief, which, if imposed against the Company, could materially and adversely affect the Company's financial condition or results of operations. From time to time the Company may also be involved in legal proceedings in the ordinary course of business.

The Company monitors the status of legal proceedings and other contingencies on an ongoing basis to assess whether loss contingencies should be recognized and disclosed in its financial statements and footnotes. The Company does not believe there are any pending legal proceedings that are reasonably possible to result in a material loss. The Company is engaged in various legal actions in the normal course of business and, while there can be no assurances, the Company believes the outcome of all pending litigation involving the Company will not have, individually or in the aggregate, a material adverse effect on its business or financial statements.

Guarantees and Indemnities

The Company has made no significant contractual guarantees for the benefit of third parties. However, the Company generally indemnifies its customers from third-party intellectual property infringement litigation claims related to its products and, on occasion, also provides other indemnities related to product sales. In connection with certain facility leases, the Company has indemnified its lessors for certain claims arising from the facility or the lease.

The Company indemnifies its directors and officers to the maximum extent permitted under the laws of the state of Delaware. The duration of the indemnities varies and in many cases is indefinite. The indemnities to customers in connection with product sales generally are subject to limits based upon the amount of the related product sales and in many cases are subject to geographic and other restrictions. In certain instances, the Company's indemnities do not provide for any limitation of the maximum potential future payments the Company could be obligated to make. The Company has not recorded any liability for these indemnities in the accompanying consolidated balance sheets and does not expect that such obligations will have a material adverse impact on its financial statements.

Purchase Commitments

The Company purchases materials primarily pursuant to individual purchase orders, some of which have underlying master purchase agreements. Some of these purchase commitments are cancellable, and some are non-cancelable, depending on the terms with each individual supplier. In the event of cancellation, the Company may be required to pay costs incurred through the date of cancellation or other fees. When cancellation would result in incurring costs or other fees, the Company has historically sought to negotiate amended terms to the original agreements and orders to limit its exposure. As such, the Company believes that purchase commitments as of any particular date may not be a reliable indicator of future commitments.

The Company maintains certain minimum purchase commitments under long-term capacity reservation agreements primarily with foundries for the purchase of wafers. Under these agreements, the Company has agreed to pay a combination of refundable deposits and prepayments to the suppliers in exchange for reserved manufacturing production capacity over the term of the agreements. As of March 29, 2024, the remaining deposits and prepayments under the long-term capacity reservation agreements were \$41.7 million and \$1.3 million, respectively, recorded within other current assets and \$100.0 million and \$15.8 million, respectively, recorded within other long-term assets.

10. STOCKHOLDERS' EQUITY

Stock Repurchase

On January 31, 2023, the Board of Directors approved a stock repurchase program ("January 31, 2023 stock repurchase program"), pursuant to which the Company is authorized to repurchase up to \$2.0 billion of its common stock from time to time through February 1, 2025, on the open market or in privately negotiated transactions, in compliance with applicable securities laws and other legal requirements. The January 31, 2023 stock repurchase program succeeds in its entirety the stock repurchase program approved by the Board of Directors on January 26, 2021 ("January 26, 2021 stock repurchase program"). The timing and amount of any shares of the Company's common stock that are repurchased under the January 31, 2023 stock repurchase program will be determined by the Company's management based on its evaluation of market conditions and other factors. The January 31, 2023 stock repurchase program may be suspended or discontinued at any time. The Company currently expects to fund the January 31, 2023 stock repurchase program using the Company's working capital.

During the three and six months ended March 29, 2024, the Company did not repurchase any shares of its common stock pursuant to the January 31, 2023 stock repurchase program. As of March 29, 2024, \$2.0 billion remained available under the January 31, 2023 stock repurchase program.

During the three months ended March 31, 2023, the Company paid \$ 9.1 million (including commissions) in connection with the repurchase of 0.1 million shares of its common stock (paying an average price of \$91.08 per share). During the six months ended March 31, 2023, the Company paid \$175.3 million (including commissions) in connection with the repurchase of 1.9 million shares of its common stock (paying an average price of \$ 90.60 per share), all of which shares were repurchased pursuant to the January 26, 2021 stock repurchase program.

Dividends

On April 30, 2024, the Company announced that the Board of Directors had declared a cash dividend on the Company's common stock of \$ 0.68 per share. This dividend is payable on June 11, 2024, to the Company's stockholders of record as of the close of business on May 21, 2024.

Dividends charged to retained earnings were as follows (in millions, except per share data):

	Fiscal Years Ended			
	September 27, 2024		September 29, 2023	
	Per Share	Total Amount	Per Share	Total Amount
First quarter	\$ 0.68	\$ 108.9	\$ 0.62	\$ 99.4
Second quarter	0.68	109.1	0.62	98.6
Total dividends	\$ 1.36	\$ 218.0	\$ 1.24	\$ 198.0

Share-based Compensation

The following table summarizes the share-based compensation expense by line item in the Consolidated Statements of Operations (in millions):

	Three Months Ended		Six Months Ended	
	March 29, 2024	March 31, 2023	March 29, 2024	March 31, 2023
Cost of goods sold	\$ 11.5	\$ 7.5	\$ 20.3	\$ 10.2
Research and development	19.9	17.4	45.2	45.3
Selling, general, and administrative	14.6	16.0	33.8	34.9
Total share-based compensation	\$ 46.0	\$ 40.9	\$ 99.3	\$ 90.4

11. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share (in millions, except per share amounts):

	Three Months Ended		Six Months Ended	
	March 29, 2024	March 31, 2023	March 29, 2024	March 31, 2023
Net income	\$ 183.3	\$ 232.8	\$ 414.6	\$ 542.2
Weighted average shares outstanding – basic	160.4	159.1	160.1	159.5
Dilutive effect of equity-based awards	1.0	0.8	1.2	0.6
Weighted average shares outstanding – diluted	161.4	159.9	161.3	160.1
Net income per share – basic	\$ 1.14	\$ 1.46	\$ 2.59	\$ 3.40
Net income per share – diluted	\$ 1.14	\$ 1.46	\$ 2.57	\$ 3.39
Anti-dilutive common stock equivalents	0.3	0.7	—	0.6

Basic earnings per share are calculated by dividing net income by the weighted average number of shares of the Company's common stock outstanding during the period. The calculation of diluted earnings per share includes the dilutive effect of equity-based awards that were outstanding during the three and six months ended March 29, 2024, and March 31, 2023, using the treasury stock method. Shares issuable upon the vesting of performance stock awards are likewise included in the calculation of diluted earnings per share as of the date the condition(s) have been satisfied, assuming the end of the reporting period was the end of the contingency period. Certain of the Company's outstanding share-based awards, noted in the table above, were excluded because they were anti-dilutive, but they could become dilutive in the future.

12. SUPPLEMENTAL FINANCIAL INFORMATION

Other current assets consist of the following (in millions):

	As of	
	March 29, 2024	September 29, 2023
Prepaid expenses	\$ 261.4	\$ 306.0
Other	215.0	155.1
Total other current assets	\$ 476.4	\$ 461.1

Other current liabilities consist of the following (in millions):

	As of	
	March 29, 2024	September 29, 2023
Accrued customer liabilities	\$ 226.7	\$ 270.9
Accrued taxes	59.8	58.8
Short-term operating lease liabilities	20.0	28.3
Other	43.4	44.8
Total other current liabilities	\$ 349.9	\$ 402.8

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

This report and other documents we have filed with the SEC contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), and are subject to the "safe harbor" created by those sections. Any statements that are not statements of historical fact should be considered to be forward-looking statements. Words such as "anticipates," "believes," "continues," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "projects," "seeks," "should," "targets," "will," "would," and similar expressions or variations or negatives of such words are intended to identify forward-looking statements but are not the exclusive means of identifying forward-looking statements in this report. Additionally, statements concerning future matters such as the possible impacts of geopolitical conflicts, inflation, recession, and global health crises, as well as the development of new products, enhancements of technologies, sales levels, expense levels, the benefits of acquisitions we have made or may make in the future, and other statements regarding matters that are not historical are forward-looking statements. Although forward-looking statements in this report reflect the good faith judgment of our management as of the date the statement is first made, such statements can only be based on facts and factors then known and understood by us. Consequently, forward-looking statements involve inherent risks and uncertainties, and actual financial results and outcomes may differ materially and adversely from the results and outcomes discussed in, or anticipated by, the forward-looking statements. A number of important factors could cause actual financial results to differ materially and adversely from those in the forward-looking statements. We urge you to consider the risks and uncertainties discussed in the 2023 10-K, under the heading "Risk Factors" and in the other documents filed by us with the SEC in evaluating our forward-looking statements. We have no plans, and undertake no obligation, to revise or update our forward-looking statements to reflect any event or circumstance that may arise after the date of the initial filing of this Quarterly Report on Form 10-Q. We caution readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made.

In this document, the words "we," "our," "ours," "us," and "the Company" refer only to Skyworks Solutions, Inc., and its subsidiaries and not any other person or entity.

RESULTS OF OPERATIONS

Three and Six Months Ended March 29, 2024, and March 31, 2023

The following table sets forth the results of our operations expressed as a percentage of net revenue:

	Three Months Ended		Six Months Ended	
	March 29, 2024	March 31, 2023	March 29, 2024	March 31, 2023
Net revenue	100.0 %	100.0 %	100.0 %	100.0 %
Cost of goods sold	59.8	54.3	58.8	53.1
Gross profit	40.2	45.7	41.2	46.9
Operating expenses:				
Research and development	14.8	12.9	13.7	12.6
Selling, general, and administrative	7.3	6.9	6.9	6.6
Amortization of intangibles	—	0.3	—	1.0
Restructuring, impairment, and other charges (benefits)	—	2.0	0.7	0.9
Total operating expenses	22.1	22.1	21.3	21.1
Operating income	18.1	23.7	19.9	25.8
Interest expense	0.7	1.6	0.8	1.4
Other income, net	1.0	0.5	0.7	0.2
Income before income taxes	18.4	22.5	19.8	24.6
Provision for income taxes	0.9	2.3	1.3	2.8
Net income	17.5 %	20.2 %	18.4 %	21.8 %

OVERVIEW

We, together with our consolidated subsidiaries, are empowering the wireless networking revolution. Our highly innovative analog and mixed-signal semiconductors are connecting people, places, and things spanning a number of new and previously unimagined applications within the aerospace, automotive, broadband, cellular infrastructure, connected home, defense, entertainment and gaming, industrial, medical, smartphone, tablet, and wearable markets.

General

During the three months ended March 29, 2024, the following key factors contributed to our overall results of operations, financial position, and cash flows:

- Net revenue decreased to \$1,046.0 million for the three months ended March 29, 2024, as compared to \$1,153.1 million for the corresponding period in fiscal 2023, driven primarily by a decrease in demand for our non-mobile analog and mixed-signal products.
- Our ending cash, cash equivalents, and marketable securities balance increased to \$1,221.3 million. The increase in cash, cash equivalents, and marketable securities during the three months ended March 29, 2024, was primarily due to cash generated from operations of \$300.2 million, partially offset by dividend payments of \$109.1 million, and capital expenditures of \$27.6 million.

Net Revenue

	Three Months Ended			Six Months Ended		
	March 29, 2024	Change	March 31, 2023	March 29, 2024	Change	March 31, 2023
(dollars in millions)						
Net revenue	\$ 1,046.0	(9.3)%	\$ 1,153.1	\$ 2,247.5	(9.5)%	\$ 2,482.4

We market and sell our products directly to OEMs of communications and electronics products, third-party original design manufacturers and contract manufacturers, and indirectly through electronic components distributors. We generally experience seasonal peaks during our fourth and first fiscal quarters (which correspond to the second half of the calendar year), primarily as a result of increased worldwide production of consumer electronics in anticipation of holiday sales, whereas our second and third fiscal quarters are typically lower and in line with seasonal industry trends.

The decrease in net revenue for the three and six months ended March 29, 2024, as compared with the corresponding periods in fiscal 2023, was driven primarily by a decrease in demand for our non-mobile analog and mixed-signal products.

Gross Profit

	Three Months Ended			Six Months Ended		
	March 29, 2024	Change	March 31, 2023	March 29, 2024	Change	March 31, 2023
(dollars in millions)						
Gross profit	\$ 420.3	(20.3)%	\$ 527.4	\$ 926.8	(20.4)%	\$ 1,165.0
% of net revenue	40.2 %		45.7 %	41.2 %		46.9 %

Gross profit represents net revenue less cost of goods sold. Our cost of goods sold consists primarily of purchased materials, labor, and overhead (including depreciation, share-based compensation expense, and amortization of acquisition intangibles) associated with product manufacturing. Erosion of average selling prices of established products is typical of the semiconductor industry. Consistent with trends in the industry, we anticipate that average selling prices for our established products will continue to decline over time. As part of our normal course of business, we intend to improve gross profit with efforts to increase unit volumes, improve manufacturing efficiencies, lower manufacturing costs of existing products, and by introducing new and higher value-added products.

The decrease in gross profit for the three and six months ended March 29, 2024, as compared with the corresponding periods in fiscal 2023, was primarily the result of an unfavorable product mix, lower unit volumes, and lower average selling prices.

Research and Development

	Three Months Ended			Six Months Ended		
	March 29, 2024	Change	March 31, 2023	March 29, 2024	Change	March 31, 2023
(dollars in millions)						
Research and development	\$ 154.4	4.2%	\$ 148.2	\$ 307.3	(1.5)%	\$ 312.0
% of net revenue	14.8 %		12.9 %	13.7 %		12.6 %

Research and development expenses consist primarily of direct personnel costs including share-based compensation expense, costs for pre-production evaluation, and testing of new devices, non-production masks, engineering prototypes, and design tool costs.

The increase in research and development expenses for the three months ended March 29, 2024, as compared with the corresponding period in fiscal 2023, was primarily related to an increase in certain headcount-related expenses, including share-based compensation, as a result of our increased investment in developing new technologies and products.

The decrease in research and development expenses for the six months ended March 29, 2024, as compared with the corresponding period in fiscal 2023, was primarily related to a decrease in depreciation expense as a result of extending the useful lives of certain machinery and equipment. For information regarding this change in accounting estimate, refer to Note 1 of the Notes to Consolidated Financial Statements.

Selling, General, and Administrative

	Three Months Ended			Six Months Ended		
	March 29, 2024	Change	March 31, 2023	March 29, 2024	Change	March 31, 2023
(dollars in millions)						
Selling, general, and administrative	\$ 76.8	(2.8)%	\$ 79.0	\$ 155.5	(4.9)%	\$ 163.5
% of net revenue	7.3 %		6.9 %	6.9 %		6.6 %

Selling, general, and administrative expenses include legal and related costs, accounting, treasury, human resources, information systems, customer service, bad debt expense, sales commissions, share-based compensation expense, advertising, marketing, costs associated with business combinations completed or contemplated during the period, and other costs.

The decrease in selling, general, and administrative expenses for the three and six months ended March 29, 2024, as compared with the corresponding periods in fiscal 2023, was primarily related to a decrease in headcount-related expenses, including share-based compensation and a decrease in professional services costs.

Amortization of Intangibles

	Three Months Ended			Six Months Ended		
	March 29, 2024	Change	March 31, 2023	March 29, 2024	Change	March 31, 2023
(dollars in millions)						
Amortization of intangibles	\$ 0.2	(94.7)%	\$ 3.8	\$ 0.5	(98.1)%	\$ 25.7
% of net revenue	— %		0.3 %	— %		1.0 %

The decrease in amortization expense for the three and six months ended March 29, 2024, as compared with the corresponding periods in fiscal 2023, was primarily due to certain intangible assets that were acquired in prior fiscal years reaching the end of their useful lives.

Restructuring, Impairment, and Other Charges (Benefits)

	Three Months Ended			Six Months Ended		
	March 29, 2024	Change	March 31, 2023	March 29, 2024	Change	March 31, 2023
(dollars in millions)						
Restructuring, impairment, and other charges (benefits)	\$ (0.3)	(101.3)%	\$ 23.1	\$ 15.9	(32.3)%	\$ 23.5
% of net revenue	— %		2.0 %	0.7 %		0.9 %

Restructuring, impairment, and other charges (benefits) for the three months ended March 29, 2024 was not material. Restructuring, impairment, and other charges (benefits) for the six months ended March 29, 2024 was primarily related to the abandonment of a previously capitalized IPR&D project.

Restructuring, impairment, and other charges (benefits) for the three and six months ended March 31, 2023 was primarily due to asset impairment charges of certain assets held for sale.

Interest Expense

	Three Months Ended			Six Months Ended		
	March 29, 2024	Change	March 31, 2023	March 29, 2024	Change	March 31, 2023
(dollars in millions)						
Interest expense	\$ 7.1	(62.4)%	\$ 18.9	\$ 17.1	(52.2)%	\$ 35.8
% of net revenue	0.7 %		1.6 %	0.8 %		1.4 %

The decrease in interest expense for the three and six months ended March 29, 2024, as compared with the corresponding periods in fiscal 2023, was due to the repayment of the outstanding balance on the Term Loans (as defined below).

Provision for Income Taxes

	Three Months Ended			Six Months Ended		
	March 29, 2024	Change	March 31, 2023	March 29, 2024	Change	March 31, 2023
(dollars in millions)						
Provision for income taxes	\$ 9.6	(64.4)%	\$ 27.0	\$ 30.0	(56.1)%	\$ 68.3
% of net revenue	0.9 %		2.3 %	1.3 %		2.8 %

We recorded a provision for income taxes of \$9.6 million (which consisted of a benefit of \$4.6 million and a provision of \$14.2 million related to United States and foreign income taxes, respectively) and \$30.0 million (which consisted of \$7.5 million and \$22.5 million related to United States and foreign income taxes, respectively) for the three and six months ended March 29, 2024, respectively.

The decrease in income tax expense for the three and six months ended March 29, 2024, as compared with the corresponding periods in fiscal 2023, was primarily due to lower income from operations and a lower tax on GILTI, partially offset by an increase in the shortfall in tax deductions for share-based compensation.

LIQUIDITY AND CAPITAL RESOURCES

	Six Months Ended	
	March 29, 2024	March 31, 2023
(in millions)		
Cash and cash equivalents at beginning of period	\$ 718.8	\$ 566.0
Net cash provided by operating activities	1,075.2	1,185.1
Net cash used in investing activities	(56.5)	(329.2)
Net cash used in financing activities	(532.1)	(589.3)
Cash and cash equivalents at end of period	\$ 1,205.4	\$ 832.6

Cash provided by operating activities:

Cash provided by operating activities consists of net income for the period adjusted for certain non-cash items and changes in certain operating assets and liabilities. The \$109.9 million decrease in cash provided by operating activities during the six months ended March 29, 2024, as compared with the corresponding period in fiscal 2023, was primarily related to lower net income and depreciation, partially offset by favorable changes in working capital of \$58.7 million, due primarily to a decrease in inventory.

Cash used in investing activities:

Cash used in investing activities consists primarily of capital expenditures, cash paid to acquire intangible assets, and cash paid to purchase marketable securities, offset by cash received related to the sale or maturity of marketable securities. The \$272.7 million decrease in cash used in investing activities during the six months ended March 29, 2024, as compared with the corresponding period in fiscal 2023, was primarily related to a decrease of \$259.1 million in purchases of marketable securities and a decrease of \$59.1 million in cash used for capital expenditures, partially offset by a decrease of \$49.7 million in sales of marketable securities.

Cash used in financing activities:

Cash used in financing activities consists primarily of proceeds and payments related to our long-term borrowings and cash transactions related to equity. The \$57.2 million decrease in cash used in financing activities during the six months ended March 29, 2024, as compared with the corresponding period in fiscal 2023, was primarily related to a decrease of 175.3 million in stock repurchase activity, partially offset by an increase of \$100.0 million for the repayment of debt, and an increase of \$20.0 million in dividend payments.

Liquidity:

Cash, cash equivalents, and marketable securities totaled \$1,221.3 million as of March 29, 2024, representing an increase of \$482.8 million from September 29, 2023.

We have outstanding \$500.0 million of Notes Due 2026 and \$500.0 million of Notes Due 2031 (the "Notes"). During the six months ended March 29, 2024, we repaid \$300.0 million of outstanding borrowings under the term loans (the "Term Loans") that the Company borrowed on July 26, 2021 under a \$1.0 billion term loan facility (the "Term Loan Facility"). As of March 29, 2024, there were no borrowings outstanding under the Term Loan Facility. We have a Revolving Credit Agreement (the "Revolving Credit Agreement") under which we may borrow up to \$750.0 million for general corporate purposes and working capital needs of

the Company and its subsidiaries. As of March 29, 2024, there were no borrowings outstanding under the revolving credit facility (the "Revolver"). The Revolving Credit Agreement expires July 26, 2026.

Based on our historical results of operations, we expect that our cash, cash equivalents, and marketable securities on hand, the cash we expect to generate from operations, and funds from our Revolver, will be sufficient to fund our short-term and long-term liquidity requirements primarily arising from: research and development, capital expenditures, potential acquisitions, working capital, quarterly cash dividend payments (if such dividends are declared by the Board of Directors), outstanding commitments, and other liquidity requirements associated with existing operations. However, we cannot be certain that our cash on hand, cash generated from operations, and funds from our Revolver will be available in the future to fund all of our capital and operating requirements. In addition, any future strategic investments and significant acquisitions may require additional cash and capital resources. If we are unable to obtain sufficient cash or capital to meet our needs on a timely basis and on favorable terms, our business and operations could be materially and adversely affected.

Our invested cash balances primarily consist of highly liquid marketable securities that are available to meet near-term cash requirements including: money market funds, U.S. Treasury and government securities, and corporate bonds and notes.

Our contractual obligations disclosure in the 2023 10-K has not materially changed since we filed that report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are subject to overall financial market risks, such as changes in market liquidity, credit quality, investment risk, interest rate risk, and foreign exchange rate risk as described below.

Investment and Interest Rate Risk

Our exposure to interest rate and general market risks relates to our investment portfolio. Our investment portfolio consists of cash and cash equivalents (money market funds and marketable securities purchased with less than ninety days until maturity) that total approximately \$1,205.4 million, and marketable securities (U.S. Treasury and government securities and corporate bonds and notes) that total approximately \$12.9 million and \$3.0 million within short-term and long-term marketable securities, respectively, as of March 29, 2024.

The main objectives of our investment activities are liquidity and preservation of capital. Our cash equivalent investments have short-term maturity periods that dampen the impact of market or interest rate risk. Our marketable securities have short-term maturity periods less than one year. Credit risk associated with our investments is not material because our investments are diversified across several types of securities with high credit ratings, which reduces the amount of credit exposure to any one investment.

Based on our results of operations for the three and six months ended March 29, 2024, a hypothetical reduction in the interest rates on our cash, cash equivalents, and other investments to zero would result in an immaterial reduction of interest income with a de minimis impact on income before taxes.

We do not believe that investment or interest rate risks currently pose material exposures to our business or results of operations.

Foreign Exchange Rate Risk

Substantially all sales to customers and arrangements with third-party manufacturers provide for pricing and payment in United States dollars, thereby reducing the impact of foreign exchange rate fluctuations on our results. A percentage of our international operational expenses are denominated in foreign currencies, and exchange rate volatility could positively or negatively impact those operating costs. Increases in the value of the United States dollar relative to other currencies could make our products more expensive, which could negatively impact our ability to compete. Conversely, decreases in the value of the United States dollar relative to other currencies could result in our suppliers raising their prices to continue doing business with us. Given the relatively small number of customers and arrangements with third-party manufacturers denominated in foreign currencies, we do not believe that foreign exchange volatility has a material impact on our current business or results of operations. However, fluctuations in currency exchange rates could have a greater effect on our business or results of operations in the future to the extent our expenses increasingly become denominated in foreign currencies.

We may enter into foreign currency forward and options contracts with financial institutions to protect against foreign exchange risks associated with certain existing assets and liabilities, certain firmly committed transactions, forecasted future cash flows, and net investments in foreign subsidiaries. However, we may choose not to hedge certain foreign exchange exposures for a variety of

reasons, including, but not limited to, accounting considerations and the prohibitive economic cost of hedging particular exposures. For the three and six months ended March 29, 2024 and March 31, 2023, we had no outstanding foreign currency forward or options contracts with financial institutions.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of March 29, 2024. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well-designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on management's evaluation of our disclosure controls and procedures as of March 29, 2024, our chief executive officer and chief financial officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There are no changes to our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the second quarter of fiscal 2024 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II. OTHER INFORMATION**ITEM 1. LEGAL PROCEEDINGS.**

Refer to Note 9 of the Notes to Consolidated Financial Statements for a detailed discussion.

ITEM 1A. RISK FACTORS.

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed in Part I, Item 1A Risk Factors in the 2023 10-K, which could materially affect our business, financial condition, or future results.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

The following table provides information regarding repurchases of common stock made during the three months ended March 29, 2024:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (1)
12/30/23 - 01/26/24	—	—	—	\$2.0 billion
01/27/24 - 02/23/24	5,986	(2)	\$105.57	\$2.0 billion
02/24/24 - 03/29/24	—	—	—	\$2.0 billion
Total	<u>5,986</u>		<u>—</u>	

(1) The stock repurchase program approved by the Board of Directors on January 31, 2023 authorized the repurchase of up to \$2.0 billion of our common stock from time to time on the open market or in privately negotiated transactions, in compliance with applicable securities laws and other legal requirements, and expires on February 1, 2025.

(2) Represents shares repurchased by us at the fair market value of the common stock as of the applicable purchase date, in connection with the satisfaction of tax withholding obligations under equity award agreements.

ITEM 6. EXHIBITS.

<u>Exhibit</u>	<u>Exhibit Description</u>	<u>Form</u>	<u>File No.</u>	<u>Incorporated by Reference</u>	<u>Exhibit</u>	<u>Filing Date</u>	<u>Filed Herewith</u>
<u>Number</u>							
10.1*	Cash Compensation Plan for Directors						X
31.1	Certification of the Company's Chief Executive Officer pursuant to Securities Exchange Act of 1934, as amended, Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002						X
31.2	Certification of the Company's Chief Financial Officer pursuant to Securities Exchange Act of 1934, as amended, Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002						X
32.1	Certification of the Company's Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002						X
32.2	Certification of the Company's Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002						X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.						
101.SCH	Inline XBRL Taxonomy Extension Schema Document						X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document						X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document						X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document						X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document						X
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101)						

* Indicates a management contract or compensatory plan or arrangement

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SKYWORKS SOLUTIONS, INC.

Date: April 30, 2024

By: /s/ Liam K. Griffin

Liam K. Griffin

Chairman, Chief Executive Officer and President
(Principal Executive Officer)

By: /s/ Kris Sennesael

Kris Sennesael

Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

By: /s/ Philip Carter

Philip Carter

Vice President and Corporate Controller
(Principal Accounting Officer)

**Skyworks Solutions, Inc.
Cash Compensation Plan for Directors**

Directors who are not employees of Skyworks Solutions, Inc. (the "Company"), are paid an annual retainer of \$90,000. Additional annual retainers are paid to any non-employee Chairman of the Board (\$130,000); the Lead Independent Director, if one has been appointed (\$50,000); the Chairman of the Audit Committee (\$30,000); the Chairman of the Compensation Committee (\$20,000); and the Chairman of the Nominating and Governance Committee (\$15,000). Additional annual retainers are also paid to directors who serve on committees in roles other than as Chairman as follows: Audit Committee (\$15,000); Compensation Committee (\$10,000); and Nominating and Corporate Governance Committee (\$7,500). All retainers are paid in quarterly installments. In addition, the Compensation Committee retains discretion to recommend to the full Board of Directors that additional cash payments be made to a non-employee director(s) for extraordinary service during a fiscal year.

CERTIFICATION OF THE CEO PURSUANT TO SECURITIES EXCHANGE ACT RULES 13a-14(a) OR 15d-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Liam K. Griffin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Skyworks Solutions, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2024

/s/ Liam K. Griffin

Liam K. Griffin

Chairman, Chief Executive Officer and President

CERTIFICATION OF THE CFO PURSUANT TO SECURITIES EXCHANGE ACT RULES 13a-14(a) OR 15d-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Kris Sennesael, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Skyworks Solutions, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2024

/s/ Kris Sennesael

Kris Sennesael

Senior Vice President and Chief Financial
Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Skyworks Solutions, Inc. (the "Company") on Form 10-Q for the period ended March 29, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Liam K. Griffin, Chairman, Chief Executive Officer and President of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Liam K. Griffin

Liam K. Griffin
Chairman, Chief Executive Officer and President

April 30, 2024

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Skyworks Solutions, Inc. (the "Company") on Form 10-Q for the period ended March 29, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kris Sennesael, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Kris Sennesael

Kris Sennesael
Senior Vice President and Chief Financial Officer
April 30, 2024