
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 July 2, 2021

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

92617

(Address of principal executive offices)

(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 July 23, 2021, the registrant had 165,144,931 shares of common stock, par value \$0.25 per share, outstanding.

SKYWORKS SOLUTIONS, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED JULY 2, 2021

TABLE OF CONTENTS

	<u>PAGE NO.</u>
<u>PART I. FINANCIAL INFORMATION</u>	
<u>ITEM 1: FINANCIAL STATEMENTS (UNAUDITED)</u>	<u>2</u>
<u>CONSOLIDATED STATEMENTS OF OPERATIONS</u>	<u>2</u>
<u>CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME</u>	<u>3</u>
<u>CONSOLIDATED BALANCE SHEETS</u>	<u>4</u>
<u>CONSOLIDATED STATEMENTS OF CASH FLOWS</u>	<u>5</u>
<u>CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY</u>	<u>6</u>
<u>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS</u>	<u>8</u>
<u>ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	<u>17</u>
<u>ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	<u>22</u>
<u>ITEM 4: CONTROLS AND PROCEDURES</u>	<u>23</u>
<u>PART II. OTHER INFORMATION</u>	<u>24</u>
<u>ITEM 1: LEGAL PROCEEDINGS</u>	<u>24</u>
<u>ITEM 1A: RISK FACTORS</u>	<u>24</u>
<u>ITEM 2: UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</u>	<u>25</u>
<u>ITEM 6: EXHIBITS</u>	<u>27</u>
<u>SIGNATURES</u>	<u>29</u>

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		Nine Months Ended	
	July 2, 2021	June 26, 2020	July 2, 2021	June 26, 2020
Net revenue	\$ 1,116.4	\$ 736.8	\$ 3,798.2	\$ 2,398.9
Cost of goods sold	557.8	402.7	1,899.5	1,244.9
Gross profit	558.6	334.1	1,898.7	1,154.0
Operating expenses:				
Research and development	130.8	117.0	383.1	337.9
Selling, general, and administrative	85.1	55.0	222.0	169.1
Amortization of intangibles	2.4	2.8	7.9	9.0
Restructuring, impairment, and other charges	0.5	11.8	0.5	13.8
Total operating expenses	218.8	186.6	613.5	529.8
Operating income	339.8	147.5	1,285.2	624.2
Interest expense	(2.6)	—	(2.6)	—
Other income (expense), net	(1.0)	(3.5)	(0.1)	1.4
Income before income taxes	336.2	144.0	1,282.5	625.6
Provision (benefit) for income taxes	(1.6)	14.3	110.5	57.7
Net income	\$ 337.8	\$ 129.7	\$ 1,172.0	\$ 567.9
Earnings per share:				
Basic	\$ 2.05	\$ 0.78	\$ 7.10	\$ 3.36
Diluted	\$ 2.02	\$ 0.77	\$ 7.02	\$ 3.33
Weighted average shares:				
Basic	165.1	167.0	165.2	169.1
Diluted	167.0	168.3	166.9	170.3

See accompanying Notes to Consolidated Financial Statements.

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

	Three Months Ended		Nine Months Ended	
	July 2, 2021	June 26, 2020	July 2, 2021	June 26, 2020
Net income	\$ 337.8	\$ 129.7	\$ 1,172.0	\$ 567.9
Other comprehensive income, net of tax				
Fair value of investments	(0.2)	(0.1)	(0.5)	0.3
Pension adjustments	—	—	0.3	—
Comprehensive income	\$ 337.6	\$ 129.6	\$ 1,171.8	\$ 568.2

See accompanying Notes to Consolidated Financial Statements.

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

	As of	
	July 2, 2021	October 2, 2020
ASSETS	(unaudited)	
Current assets:		
Cash and cash equivalents	\$ 2,845.0	\$ 566.7
Marketable securities	129.2	408.1
Receivables, net of allowances of \$0.7 and \$0.6, respectively	570.5	393.6
Inventory	808.7	806.0
Other current assets	168.5	143.2
Total current assets	4,521.9	2,317.6
Property, plant, and equipment, net	1,452.2	1,249.5
Operating lease right-of-use assets	162.6	167.9
Goodwill	1,189.8	1,189.8
Intangible assets, net	34.7	53.5
Deferred tax assets, net	58.0	55.3
Marketable securities	3.9	5.2
Other long-term assets	63.1	67.9
Total assets	<u>\$ 7,486.2</u>	<u>\$ 5,106.7</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 319.5	\$ 226.9
Accrued compensation and benefits	108.5	113.5
Other current liabilities	150.3	108.0
Total current liabilities	578.3	448.4
Long-term debt	1,487.1	—
Long-term tax liabilities	243.8	311.3
Long-term operating lease liabilities	142.7	150.7
Other long-term liabilities	31.5	32.1
Total liabilities	2,483.4	942.5
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; 165.1 shares issued and 165.1 shares outstanding at July 2, 2021, and 232.3 shares issued and 165.6 shares outstanding at October 2, 2020	41.3	41.4
Additional paid-in capital	17.5	3,403.7
Treasury stock, at cost	(0.1)	(4,093.5)
Retained earnings	4,952.1	4,820.4
Accumulated other comprehensive loss	(8.0)	(7.8)
Total stockholders' equity	5,002.8	4,164.2
Total liabilities and stockholders' equity	<u>\$ 7,486.2</u>	<u>\$ 5,106.7</u>

See accompanying Notes to Consolidated Financial Statements.

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

	Nine Months Ended	
	July 2, 2021	June 26, 2020
Cash flows from operating activities:		
Net income	\$ 1,172.0	\$ 567.9
Adjustments to reconcile net income to net cash provided by operating activities:		
Share-based compensation	144.3	111.6
Depreciation	242.9	238.2
Amortization of intangible assets	23.8	35.4
Deferred income taxes	(2.6)	(1.8)
Asset impairment charges	—	11.8
Other, net	0.2	2.8
Changes in assets and liabilities:		
Receivables, net	(176.9)	119.2
Inventory	(5.9)	(83.5)
Accounts payable	21.8	12.7
Other current and long-term assets and liabilities	(45.9)	(76.8)
Net cash provided by operating activities	<u>1,373.7</u>	<u>937.5</u>
Cash flows from investing activities:		
Capital expenditures	(374.8)	(243.5)
Purchased intangibles	(7.4)	(7.6)
Purchases of marketable securities	(408.4)	(439.9)
Sales and maturities of marketable securities	689.6	300.0
Net cash used in investing activities	<u>(101.0)</u>	<u>(391.0)</u>
Cash flows from financing activities:		
Repurchase of common stock - payroll tax withholdings on equity awards	(53.6)	(30.9)
Repurchase of common stock - stock repurchase program	(195.6)	(416.5)
Dividends paid	(248.1)	(223.5)
Net proceeds from exercise of stock options	7.8	52.2
Proceeds from employee stock purchase plan	12.7	12.2
Proceeds from issuance of long-term debt, net	1,489.7	—
Debt financing costs	(7.3)	—
Net cash provided by (used in) financing activities	<u>1,005.6</u>	<u>(606.5)</u>
Net increase (decrease) in cash and cash equivalents	2,278.3	(60.0)
Cash and cash equivalents at beginning of period	566.7	851.3
Cash and cash equivalents at end of period	<u>\$ 2,845.0</u>	<u>\$ 791.3</u>
Supplemental cash flow disclosures:		
Income taxes paid	\$ 136.5	\$ 103.4
Incentives paid in common stock	\$ 27.5	\$ —
Non-cash investing in capital expenditures, accrued but not paid	\$ 149.9	\$ 105.8
Operating lease assets obtained in exchange for new lease liabilities	\$ 15.9	\$ 30.5
Retirement of treasury stock	\$ 4,342.6	\$ —

See accompanying Notes to Consolidated Financial Statements.

SKYWORKS SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(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 October 2, 2020	165.6	\$ 41.4	66.7	\$ (4,093.5)	\$ 3,403.7	\$ 4,820.4	\$ (7.8)	\$ 4,164.2
Net income	—	—	—	—	—	509.3	—	509.3
Exercise and settlement of share-based awards, net of shares withheld for taxes	0.7	0.2	0.4	(47.8)	2.6	—	—	(45.0)
Share-based compensation expense	—	—	—	—	64.9	—	—	64.9
Stock repurchase program	(1.4)	(0.4)	1.4	(195.6)	0.4	—	—	(195.6)
Dividends declared	—	—	—	—	—	(83.0)	—	(83.0)
Other comprehensive income	—	—	—	—	—	—	0.1	0.1
Balance at January 1, 2021	<u>164.9</u>	<u>\$ 41.2</u>	<u>68.5</u>	<u>\$ (4,336.9)</u>	<u>\$ 3,471.6</u>	<u>\$ 5,246.7</u>	<u>\$ (7.7)</u>	<u>\$ 4,414.9</u>
Net income	—	\$ —	—	\$ —	\$ —	325.0	—	325.0
Exercise and settlement of share-based awards, net of shares withheld for taxes	0.2	0.1	—	(3.6)	16.9	—	—	13.4
Share-based compensation expense	—	—	—	—	41.7	—	—	41.7
Dividends declared	—	—	—	—	—	(82.6)	—	(82.6)
Other comprehensive loss	—	—	—	—	—	—	(0.1)	(0.1)
Balance at April 2, 2021	<u>165.1</u>	<u>\$ 41.3</u>	<u>68.5</u>	<u>\$ (4,340.5)</u>	<u>\$ 3,530.2</u>	<u>\$ 5,489.1</u>	<u>\$ (7.8)</u>	<u>\$ 4,712.3</u>
Net income	—	—	—	—	—	337.8	—	337.8
Exercise and settlement of share-based awards, net of shares withheld for taxes	—	—	—	(2.2)	0.7	—	—	(1.5)
Share-based compensation expense	—	—	—	—	36.9	—	—	36.9
Retirement of treasury stock	—	—	(68.5)	4,342.6	(3,550.3)	(792.3)	—	—
Dividends declared	—	—	—	—	—	(82.5)	—	(82.5)
Other comprehensive loss	—	—	—	—	—	—	(0.2)	(0.2)
Balance at July 2, 2021	<u>165.1</u>	<u>\$ 41.3</u>	<u>—</u>	<u>\$ (0.1)</u>	<u>\$ 17.5</u>	<u>\$ 4,952.1</u>	<u>\$ (8.0)</u>	<u>\$ 5,002.8</u>
Balance at September 27, 2019	170.1	\$ 42.5	60.1	\$ (3,412.9)	\$ 3,188.0	\$ 4,312.6	\$ (7.9)	\$ 4,122.3
Net income	—	—	—	—	—	257.1	—	257.1
Exercise and settlement of share-based awards, net of shares withheld for taxes	1.1	0.3	0.3	(26.7)	34.6	—	—	8.2
Share-based compensation expense	—	—	—	—	29.1	—	—	29.1
Stock repurchase program	(0.7)	(0.2)	0.7	(74.2)	0.2	—	—	(74.2)
Dividends declared	—	—	—	—	—	(75.1)	—	(75.1)
Other comprehensive loss	—	—	—	—	—	—	(0.1)	(0.1)
Balance at December 27, 2019	<u>170.5</u>	<u>\$ 42.6</u>	<u>61.1</u>	<u>\$ (3,513.8)</u>	<u>\$ 3,251.9</u>	<u>\$ 4,494.6</u>	<u>\$ (8.0)</u>	<u>\$ 4,267.3</u>
Net income	—	—	—	—	—	181.1	—	181.1
Exercise and settlement of share-based awards, net of shares withheld for taxes	0.3	0.1	—	(2.0)	20.4	—	—	18.5
Share-based compensation expense	—	—	—	—	34.1	—	—	34.1
Stock repurchase program	(3.2)	(0.8)	3.2	(283.8)	0.8	—	—	(283.8)
Dividends declared	—	—	—	—	—	(74.9)	—	(74.9)
Other comprehensive income	—	—	—	—	—	—	0.5	0.5
Balance at March 27, 2020	<u>167.6</u>	<u>\$ 41.9</u>	<u>64.3</u>	<u>\$ (3,799.6)</u>	<u>\$ 3,307.2</u>	<u>\$ 4,600.8</u>	<u>\$ (7.5)</u>	<u>\$ 4,142.8</u>
Net income	—	—	—	—	—	129.7	—	129.7
Exercise and settlement of share-based awards, net of shares withheld for taxes	0.2	0.1	—	(2.2)	8.9	—	—	6.8

Share-based compensation expense	—	—	—	—	35.2	—	—	35.2
Stock repurchase program	(0.7)	(0.2)	0.7	(58.5)	0.2	—	—	(58.5)
Dividends declared	—	—	—	—	—	(73.5)	—	(73.5)
Other comprehensive loss	—	—	—	—	—	—	(0.1)	(0.1)
Balance at June 26, 2020	<u>167.1</u>	<u>\$ 41.8</u>	<u>65.0</u>	<u>\$ (3,860.3)</u>	<u>\$ 3,351.5</u>	<u>\$ 4,657.0</u>	<u>\$ (7.6)</u>	<u>\$ 4,182.4</u>

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF BUSINESS, BASIS OF PRESENTATION, AND 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 semiconductors are connecting people, places, and things, spanning a number of new applications within the aerospace, automotive, broadband, cellular infrastructure, connected home, entertainment and gaming, industrial, medical, military, 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 October 2, 2020, filed with the SEC on November 17, 2020, as amended by Amendment No. 1 to such Annual Report on Form 10-K, filed with the SEC on January 29, 2021 (“2020 10-K”).

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 in these unaudited consolidated financial statements and accompanying disclosures. 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, 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. Fiscal 2021 consists of 52 weeks and ends on October 1, 2021. Fiscal 2020 consisted of 53 weeks and ended on October 2, 2020. The three and nine months ended July 2, 2021, and June 26, 2020, each consisted of 13 weeks and 39 weeks, respectively.

Treasury Stock

The Company accounts for treasury stock using the cost method. The Company accounts for the retirement of treasury stock by charging any excess of cost over par value as a deduction from additional paid-in capital and the remaining excess as a deduction to retained earnings on the consolidated balance sheets. Retired treasury shares revert to the status of authorized but unissued shares.

2. REVENUE RECOGNITION

The Company presents net revenue by geographic area based upon the location of the original equipment manufacturers’ (“OEMs”) headquarters 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. Net revenue by geographic area is as follows (in millions):

	Three Months Ended		Nine Months Ended	
	July 2, 2021	June 26, 2020	July 2, 2021	June 26, 2020
United States	\$ 636.0	\$ 425.2	\$ 2,372.6	\$ 1,431.0
China	262.0	166.5	759.6	512.9
Taiwan	90.4	64.9	310.6	165.9
South Korea	70.6	46.0	205.0	178.9
Europe, Middle East, and Africa	49.5	29.0	128.7	91.9
Other Asia-Pacific	7.9	5.2	21.7	18.3
Total	\$ 1,116.4	\$ 736.8	\$ 3,798.2	\$ 2,398.9

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):

Available for sale:	Current		Noncurrent	
	July 2, 2021	October 2, 2020	July 2, 2021	October 2, 2020
U.S. Treasury and government	\$ 10.5	\$ 129.4	\$ 3.3	\$ 5.0
Corporate bonds and notes	106.8	276.8	—	—
Municipal bonds	11.9	1.9	0.6	0.2
Total	\$ 129.2	\$ 408.1	\$ 3.9	\$ 5.2

The contractual maturities of noncurrent available-for-sale marketable securities were due within two years or less. There were no gross unrealized gains or losses as of July 2, 2021. There were gross unrealized gains of \$0.3 million on U.S. Treasury securities and \$0.2 million on corporate bonds and notes as of October 2, 2020.

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 July 2, 2021				As of October 2, 2020			
	Total	Fair Value Measurements			Total	Fair Value Measurements		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Assets								
Cash and cash equivalents*	\$ 2,845.0	\$ 2,845.0	\$ —	\$ —	\$ 566.7	\$ 561.2	\$ 5.5	\$ —
U.S. Treasury and government securities	13.8	4.4	9.4	—	134.4	43.2	91.2	—
Corporate bonds and notes	106.8	—	106.8	—	276.8	—	276.8	—
Municipal bonds	12.5	—	12.5	—	2.1	—	2.1	—
Total	\$ 2,978.1	\$ 2,849.4	\$ 128.7	\$ —	\$ 980.0	\$ 604.4	\$ 375.6	\$ —

* Cash equivalents included in Levels 1 and 2 consist of money market funds and corporate bonds and notes, commercial paper, and agency 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. There were no indicators of impairment identified during the three and nine months ended July 2, 2021.

5. INVENTORY

Inventory consists of the following (in millions):

	As of	
	July 2, 2021	October 2, 2020
Raw materials	\$ 56.0	\$ 37.8
Work-in-process	593.8	566.4
Finished goods	157.4	198.9
Finished goods held on consignment by customers	1.5	2.9
Total inventory	\$ 808.7	\$ 806.0

6. PROPERTY, PLANT, AND EQUIPMENT, NET

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

	As of	
	July 2, 2021	October 2, 2020
Land and improvements	\$ 11.8	\$ 11.8
Buildings and improvements	443.3	424.8
Furniture and fixtures	54.6	46.5
Machinery and equipment	2,897.0	2,556.1
Construction in progress	186.0	140.7
Total property, plant, and equipment, gross	3,592.7	3,179.9
Accumulated depreciation	(2,140.5)	(1,930.4)
Total property, plant, and equipment, net	\$ 1,452.2	\$ 1,249.5

7. GOODWILL AND INTANGIBLE ASSETS

There were no changes to the carrying amount of goodwill during the three and nine months ended July 2, 2021.

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 nine months ended July 2, 2021.

Intangible assets consist of the following (in millions):

	Weighted Average Amortization Period (Years)	As of July 2, 2021			As of October 2, 2020		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	5.0	\$ 18.2	\$ (18.2)	\$ —	\$ 18.2	\$ (15.8)	\$ 2.4
Developed technology and other	4.6	76.6	(55.1)	21.5	101.0	(81.6)	19.4
Trademarks	3.0	—	—	—	1.6	(1.5)	0.1
Technology licenses	2.7	31.5	(22.1)	9.4	26.3	(14.2)	12.1
IPR&D		3.8	—	3.8	19.5	—	19.5
Total intangible assets		\$ 130.1	\$ (95.4)	\$ 34.7	\$ 166.6	\$ (113.1)	\$ 53.5

Fully amortized intangible assets are eliminated from both the gross and accumulated amortization amounts in the first quarter of each fiscal year.

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 2021	2022	2023	2024	2025	Thereafter
Amortization expense, cost of goods sold	\$ 1.3	\$ 5.4	\$ 5.4	\$ 1.9	\$ 0.1	\$ 1.7
Amortization expense, operating expense	\$ 3.5	\$ 6.2	\$ 1.8	\$ 1.4	\$ 1.1	\$ 1.1
Total amortization expense	\$ 4.8	\$ 11.6	\$ 7.2	\$ 3.3	\$ 1.2	\$ 2.8

8. INCOME TAXES

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

	Three Months Ended		Nine Months Ended	
	July 2, 2021	June 26, 2020	July 2, 2021	June 26, 2020
United States income taxes	\$ (13.8)	\$ 4.1	\$ 63.7	\$ 27.3
Foreign income taxes	12.2	10.2	46.8	30.4
Provision (benefit) for income taxes	\$ (1.6)	\$ 14.3	\$ 110.5	\$ 57.7
Effective tax rate	(0.5)%	9.9 %	8.6 %	9.2 %

The difference between the Company's effective tax rate and the 21.0% United States federal statutory rate for the three and nine months ended July 2, 2021, and June 26, 2020, respectively, resulted primarily from foreign earnings taxed at rates lower than the federal statutory rate, a benefit related to a change in the reserve for uncertain tax positions, a benefit from foreign-derived intangible income deduction ("FDII"), windfall tax deductions, and research and experimentation and foreign tax credits earned, partially offset by a tax on global intangible low-taxed income ("GILTI").

During fiscal 2021, the Company concluded an Internal Revenue Service ("IRS") examination of its federal income tax returns for fiscal 2015 and 2016. With the conclusion of the audit, the Company decreased the reserve for uncertain tax positions, which resulted in the recognition of an income tax benefit of \$42.8 million and \$34.8 million during the three and nine months ended July 2, 2021, respectively.

The Company operates under a tax holiday in Singapore, which is effective through September 30, 2030. The current tax holiday is conditioned upon the Company's compliance with certain employment and investment thresholds in Singapore.

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 ensure loss contingencies are recognized and/or 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.

10. STOCKHOLDERS' EQUITY

Stock Repurchase Program

On January 26, 2021, the Board of Directors approved a 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 prior to January 26, 2023, on the open market or in privately negotiated transactions, as permitted by securities laws and other legal requirements. This authorized stock repurchase plan replaced in its entirety the January 30, 2019, stock repurchase program. The timing and amount of any shares of the Company's common stock that are repurchased under the repurchase program are determined by the Company's management based on its evaluation of market conditions and other factors.

During the three months ended July 2, 2021, the Company did not repurchase any shares of its common stock. During the nine months ended July 2, 2021, the Company paid \$195.6 million (including commissions) in connection with the repurchase of 1.4 million shares of its common stock (paying an average price of \$138.85 per share), all of which shares were repurchased pursuant to the January 30, 2019, stock repurchase program. As of July 2, 2021, \$2.0 billion remained available under the January 26, 2021, stock repurchase program. In connection with the Asset Purchase and the debt incurred to finance the Asset Purchase (as discussed in Notes 13 and 14 of the Notes to Consolidated Financial Statements), the Company has temporarily suspended repurchase activities under the January 26, 2021, stock repurchase program.

During the three and nine months ended July 2, 2021, the Board of Directors approved the retirement of 68.5 million shares of treasury stock at an aggregated historical cost of \$4,342.6 million.

During the three months ended June 26, 2020, the Company paid \$58.5 million (including commissions) in connection with the repurchase of 0.7 million shares of its common stock (paying an average price of \$87.42 per share). During the nine months ended June 26, 2020, the Company paid \$416.5 million (including commissions) in connection with the repurchase of 4.6 million shares of its common stock (paying an average price of \$89.56 per share).

Dividends

On July 29, 2021, the Company announced that the Board of Directors had declared a cash dividend on the Company's common stock of \$0.56 per share. This dividend is payable on September 7, 2021, to the Company's stockholders of record as of the close of business on August 17, 2021.

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

	2021		2020	
	Per Share	Total Amount	Per Share	Total Amount
First quarter	\$ 0.50	\$ 83.0	\$ 0.44	\$ 75.1
Second quarter	0.50	82.6	0.44	74.9
Third quarter	0.50	82.5	0.44	73.5
Total	\$ 1.50	\$ 248.1	\$ 1.32	\$ 223.5

Share-based Compensation

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

	Three Months Ended		Nine Months Ended	
	July 2, 2021	June 26, 2020	July 2, 2021	June 26, 2020
Cost of goods sold	\$ 4.9	\$ 4.7	\$ 24.0	\$ 16.1
Research and development	17.9	17.0	62.2	49.0
Selling, general, and administrative	20.6	16.1	58.1	46.5
Total share-based compensation	\$ 43.4	\$ 37.8	\$ 144.3	\$ 111.6

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		Nine Months Ended	
	July 2, 2021	June 26, 2020	July 2, 2021	June 26, 2020
Net income	\$ 337.8	\$ 129.7	\$ 1,172.0	\$ 567.9
Weighted average shares outstanding – basic	165.1	167.0	165.2	169.1
Dilutive effect of equity-based awards	1.9	1.3	1.7	1.2
Weighted average shares outstanding – diluted	167.0	168.3	166.9	170.3
Net income per share – basic	\$ 2.05	\$ 0.78	\$ 7.10	\$ 3.36
Net income per share – diluted	\$ 2.02	\$ 0.77	\$ 7.02	\$ 3.33
Anti-dilutive common stock equivalents	—	—	—	0.2

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 nine months ended July 2, 2021, and June 26, 2020, 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 liabilities consist of the following (in millions):

	As of	
	July 2, 2021	October 2, 2020
Accrued taxes	\$ 65.0	\$ 31.2
Operating lease liability	31.5	28.2
Accrued customer liabilities	28.8	20.3
Other	25.0	28.3
Total other current liabilities	\$ 150.3	\$ 108.0

Other income (expense), net consists of the following (in millions):

	Three Months Ended		Nine Months Ended	
	July 2, 2021	June 26, 2020	July 2, 2021	June 26, 2020
Interest income	\$ 0.3	\$ 1.2	\$ 1.1	\$ 8.8
Net gains (losses) on marketable securities	0.1	—	0.1	0.1
Other income	1.2	5.4	4.0	7.4
Other expense	(2.6)	(10.1)	(5.3)	(14.9)
Total other income (expense), net	\$ (1.0)	\$ (3.5)	\$ (0.1)	\$ 1.4

13. DEBT

Long-term debt consists of the following (in millions, except percentages):

	Effective Interest Rate	As of	
		July 2, 2021	October 2, 2020
0.90% Senior Notes due 2023	1.15 %	\$ 500.0	\$ —
1.80% Senior Notes due 2026	1.97 %	500.0	—
3.00% Senior Notes due 2031	3.13 %	500.0	—
Unamortized debt discount and issuance costs		(12.9)	—
Total debt		\$ 1,487.1	\$ —

Senior Notes

On May 26, 2021, the Company issued \$500.0 million of its 0.90% Senior Notes due 2023 (the "2023 Notes"), \$500.0 million of its 1.80% Senior Notes due 2026 (the "2026 Notes"), and \$500.0 million of its 3.00% Senior Notes due 2031 (the "2031 Notes" and, together with the 2023 Notes and the 2026 Notes, the "Notes"). The Notes are senior unsecured obligations of the Company and rank equally in right of payment with all of its existing and future senior unsecured debt but effectively junior to any of the Company's senior secured debt to the extent of the value of collateral securing such debt, and are structurally subordinated to all existing and future obligations of the Company's subsidiaries. The Notes will mature on each respective maturity date, unless earlier redeemed in accordance with their terms. Interest on the Notes is payable on June 1 and December 1 of each year.

The Company may redeem all or a portion of the 2023 Notes at any time after June 1, 2022, and all or a portion of the 2026 Notes and the 2031 Notes at any time and from time to time prior to maturity, in whole or in part, for cash at the applicable redemption prices set forth in the respective supplemental indenture. If the Company undergoes a change of control repurchase event, as defined in the indenture governing the Notes (as supplemented, the "Indenture"), holders may require the Company to repurchase the Notes in whole or in part for cash at a price equal to 101% of the principal amount of the Notes to be purchased, plus any accrued and unpaid interest.

The terms of the Indenture provided that, if (i) the consummation of the Asset Purchase (as defined in Note 14 of the Notes to Consolidated Financial Statements) had not occurred prior to 5:00 p.m., New York City time, on October 29, 2021, (ii) the Company had notified the trustee and the holders of the 2023 Notes that it would not pursue the consummation of the Asset Purchase or (iii) the Asset Purchase Agreement had been terminated without the consummation of the Asset Purchase, the 2023 Notes would be subject to a special mandatory redemption at 101% of the principal amount of the Notes then outstanding plus accrued interest. The 2026 Notes and the 2031 Notes were not subject to any special mandatory redemption if the Asset Purchase had not been completed. As of July 2, 2021, the Company considered the likelihood of acceleration and recorded the Notes as long-term debt, net of discount and issuance costs, which are amortized to interest expense over the respective terms of these borrowings.

The Indenture contains customary events of default, including failure to make required payments of principal and interest, certain events of bankruptcy and insolvency, and default in the performance or breach of any covenant or warranty contained in the Indenture or the Notes.

Term Credit Agreement

On May 21, 2021, the Company entered into a term credit agreement (the “Term Credit Agreement”) providing for a \$1.0 billion term loan facility (the “Term Loan Facility”). As of July 2, 2021, there were no borrowings outstanding under the Term Credit Agreement.

Borrowings under the Term Loan Facility are not currently guaranteed by any of the Company’s subsidiaries.

The Term Credit Agreement contains customary representations and warranties and covenants, including restrictions on the incurrence of indebtedness by non-guarantor subsidiaries and the creation of liens, and a financial covenant consisting of a limitation on leverage, defined as consolidated total indebtedness divided by consolidated earnings before interest, taxes, depreciation, and amortization for the period of four consecutive quarters not to exceed a ratio of 3.0 to 1.0. The Term Credit Agreement also contains customary events of default, which include failure to make required payments of principal and interest, breaches of representations and warranties, changes of control or failures to pay money judgments and certain defaults in respect of specified material indebtedness, upon the occurrence of which, among other remedies, the lenders may accelerate the maturity of the indebtedness and other obligations under the Term Credit Agreement.

Revolving Credit Agreement

On May 21, 2021, the Company entered into a revolving credit agreement (the “Revolving Credit Agreement”) providing for a \$750 million revolving credit facility (the “Revolver”). The proceeds of the Revolver will be used for general corporate purposes and working capital needs of the Company and its subsidiaries.

The Revolver provides for revolving credit borrowings and letters of credit, with sublimits for letters of credit. The Revolver may be increased in specified circumstances by up to \$250 million at the discretion of the lenders. The Revolver matures on July 26, 2026, and all unpaid borrowings, together with accrued and unpaid interest thereon, are repayable at maturity.

The Revolving Credit Agreement contains customary representations and warranties and covenants, including restrictions on the incurrence of indebtedness by non-guarantor subsidiaries and the creation of liens, and a financial covenant consisting of a limitation on leverage, defined as consolidated total indebtedness divided by consolidated earnings before interest, taxes, depreciation, and amortization for the period of four consecutive quarters not to exceed a ratio of 3.0 to 1.0. As of July 2, 2021, there were no borrowings outstanding under the Revolver.

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 estimated fair value of debt consists of the following (in millions):

	As of	
	July 2, 2021	October 2, 2020
0.90% Senior Notes due 2023	\$ 501.6	\$ —
1.80% Senior Notes due 2026	507.0	—
3.00% Senior Notes due 2031	513.1	—
Total debt	<u>\$ 1,521.7</u>	<u>\$ —</u>

14. SUBSEQUENT EVENTS

On July 26, 2021, the Company completed the acquisition of certain assets, rights, and properties, and the assumption of certain liabilities, comprising Silicon Laboratories Inc. (“Silicon Labs”) Infrastructure and Automotive business (the “Business”) in an all-cash transaction valued at \$2.75 billion (the “Asset Purchase”).

The Company expects to account for the Asset Purchase as a business combination and is currently evaluating the purchase price allocation. It is not practicable to disclose the preliminary purchase price allocation or unaudited pro forma combined financial information for this transaction, given the short period of time between the acquisition date and the issuance of these consolidated financial statements.

In connection with the Asset Purchase, on July 26, 2021, the Company borrowed \$1.0 billion in aggregate principal amount of term loans (the “Term Loans”) under the Term Loan Facility to finance a portion of the purchase price for the Asset Purchase and to pay fees and expenses incurred in connection therewith. Interest on the Term Loans is based on the applicable floating interest rate, plus an applicable margin based on the Company’s public debt credit ratings. The Term Loans mature on July 26, 2024, and all amounts then-outstanding under the Term Loans, together with accrued and unpaid interest thereon, are repayable at maturity. There is no premium or penalty for prepayment.

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. Words such as “anticipates,” “believes,” “continue,” “could,” “estimates,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “seek,” “should,” “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 the COVID-19 pandemic, the development of new products, enhancements of technologies, sales levels, expense levels, the benefits of the acquisition of Silicon Labs’ Infrastructure and Automotive business, 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 by us. Consequently, forward-looking statements involve inherent risks and uncertainties, and actual 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 results to differ materially and adversely from those in the forward-looking statements. We urge you to consider the risks and uncertainties discussed in this Quarterly Report on Form 10-Q and the 2020 10-K, under the heading “Risk Factors” and in the other documents we have filed 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.

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

Impact of COVID-19

The COVID-19 pandemic and the resulting economic downturn are affecting business conditions in our industry. The duration, severity, and future impact of the pandemic, including as a result of more contagious variants of the virus that causes COVID-19, continue to be highly uncertain and could still result in significant disruptions to our business operations, including our supply chain, as well as negative impacts to our financial condition. A renewed suspension of our operations in Mexicali, Mexico, similar to what we experienced in April 2020, or a continued reduction in our production capacity due to employee quarantines, employee absenteeism, and restrictions on certain of our employees’ ability to work, would negatively impact our future operating results.

RESULTS OF OPERATIONS**Three and Nine Months Ended July 2, 2021, and June 26, 2020**

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

	Three Months Ended		Nine Months Ended	
	July 2, 2021	June 26, 2020	July 2, 2021	June 26, 2020
Net revenue	100.0 %	100.0 %	100.0 %	100.0 %
Cost of goods sold	50.0	54.7	50.0	51.9
Gross profit	50.0	45.3	50.0	48.1
Operating expenses:				
Research and development	11.7	15.9	10.1	14.1
Selling, general, and administrative	7.6	7.5	5.8	7.0
Amortization of intangibles	0.2	0.4	0.2	0.4
Restructuring, impairment, and other charges	0.1	1.6	0.1	0.6
Total operating expenses	19.6	25.4	16.2	22.1
Operating income	30.4	19.9	33.8	26.0
Interest expense	(0.2)	—	(0.1)	—
Other income (expense), net	(0.1)	(0.5)	—	—
Income before income taxes	30.1	19.4	33.7	26.0
Provision (benefit) for income taxes	(0.2)	1.9	2.8	2.4
Net income	30.3 %	17.5 %	30.9 %	23.6 %

OVERVIEW

We, together with our consolidated subsidiaries, are empowering the wireless networking revolution. Our highly innovative analog 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, entertainment and gaming, industrial, medical, military, smartphone, tablet, and wearable markets.

General

During the nine months ended July 2, 2021, the following key factors contributed to our overall results of operations, financial position, and cash flows:

- Net revenue increased by 58.3% to \$3,798.2 million for the nine months ended July 2, 2021, as compared with the corresponding period in fiscal 2020. This increase in revenue was driven primarily by an increase in overall demand for wireless connectivity products coupled with the onset of technology upgrade cycles, including for 5G and Wi-Fi 6 solutions. Additionally, our average content per device for these next-generation solutions increased.
- Our ending cash, cash equivalents, and marketable securities balance increased 203.9% to \$2,978.1 million as of July 2, 2021, from \$980.0 million as of October 2, 2020. The increase in cash, cash equivalents and marketable securities during the nine months ended July 2, 2021, was primarily due to the issuance of \$500.0 million of Senior Notes due 2023 (the “2023 Notes”), \$500.0 million of Senior Notes due 2026 (the “2026 Notes”), and \$500.0 million of Senior Notes due 2031 (the “2031 Notes” and, together with the 2023 Notes and the 2026 Notes, the “Notes”) in order to fund the anticipated Asset Purchase. The remaining increase was primarily the result of cash generated from operations of \$1,373.7 million, partially offset by capital expenditures of \$374.8 million, the repurchase of 1.4 million shares of common stock for \$195.6 million, and dividend payments of \$248.1 million.

Net Revenue

	Three Months Ended			Nine Months Ended		
	July 2, 2021	Change	June 26, 2020	July 2, 2021	Change	June 26, 2020
(dollars in millions)						
Net revenue	\$ 1,116.4	51.5%	\$ 736.8	\$ 3,798.2	58.3%	\$ 2,398.9

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 increased holiday sales, whereas our second and third fiscal quarters are typically lower and in line with seasonal industry trends.

The increase in net revenue for the three and nine months ended July 2, 2021, as compared with the corresponding period in fiscal 2020, was driven primarily by an increase in overall demand for wireless connectivity products coupled with the onset of technology upgrade cycles, including for 5G and Wi-Fi 6 solutions. Additionally, our average content per device for these next-generation solutions increased.

Gross Profit

	Three Months Ended			Nine Months Ended		
	July 2, 2021	Change	June 26, 2020	July 2, 2021	Change	June 26, 2020
(dollars in millions)						
Gross profit	\$ 558.6	67.2%	\$ 334.1	\$ 1,898.7	64.5%	\$ 1,154.0
% of net revenue	50.0 %		45.3 %	50.0 %		48.1 %

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 and share-based compensation expense) associated with product manufacturing. Erosion of average selling prices of established products is typical of the semiconductor industry. As part of our normal course of business, we mitigate the gross margin impact of declining average selling prices with efforts to increase unit volumes, reduce material costs, improve manufacturing efficiencies, lower manufacturing costs of existing products, and by introducing new and higher value-added products.

The increase in gross profit for the three months ended July 2, 2021, as compared with the corresponding period in fiscal 2020, was primarily the result of a favorable product mix and higher unit volumes with a gross profit impact of \$197.9 million, partially offset by lower average selling prices. In addition, there was a \$23.4 million production utilization charge in the three months ended June 26, 2020, due to the temporary suspension of our operations in Mexicali in the government's effort to contain the COVID-19 pandemic. Gross profit margin increased to 50.0% of net revenue for the three months ended July 2, 2021, as compared with 45.3% in the corresponding period in fiscal 2020.

The increase in gross profit for the nine months ended July 2, 2021, as compared with the corresponding period in fiscal 2020, was primarily the result of a favorable product mix and higher unit volumes with a gross profit impact of \$766.0 million, partially offset by lower average selling prices. In addition, there was a \$23.4 million production utilization charge in the nine months ended June 26, 2020, due to the temporary suspension of our operations in Mexicali in the government's effort to contain the COVID-19 pandemic. Gross profit margin increased to 50.0% of net revenue for the nine months ended July 2, 2021, as compared with 48.1% in the corresponding period in fiscal 2020.

Research and Development

	Three Months Ended			Nine Months Ended		
	July 2, 2021	Change	June 26, 2020	July 2, 2021	Change	June 26, 2020
(dollars in millions)						
Research and development	\$ 130.8	11.8 %	\$ 117.0	\$ 383.1	13.4 %	\$ 337.9
% of net revenue	11.7 %		15.9 %	10.1 %		14.1 %

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, masks, engineering prototypes, and design tool costs.

The increase in research and development expenses for the three and nine months ended July 2, 2021, as compared with the corresponding periods in fiscal 2020, was primarily related to headcount-related expenses as a result of our increased investment in developing new technologies and products.

Selling, General, and Administrative

	Three Months Ended			Nine Months Ended		
	July 2, 2021	Change	June 26, 2020	July 2, 2021	Change	June 26, 2020
(dollars in millions)						
Selling, general, and administrative	\$ 85.1	54.7 %	\$ 55.0	\$ 222.0	31.3 %	\$ 169.1
% of net revenue	7.6 %		7.5 %	5.8 %		7.0 %

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 increase in selling, general, and administrative expenses for the three and nine months ended July 2, 2021, as compared with the corresponding periods in fiscal 2020, was primarily related to increases in costs associated with business combinations contemplated during the period and increases in employee-related compensation expense, including share-based compensation expense.

Amortization of Intangibles

	Three Months Ended			Nine Months Ended		
	July 2, 2021	Change	June 26, 2020	July 2, 2021	Change	June 26, 2020
(dollars in millions)						
Amortization of intangibles	\$ 2.4	(14.9)%	\$ 2.8	\$ 7.9	(11.9)%	\$ 9.0
% of net revenue	0.2 %		0.4 %	0.2 %		0.4 %

The decrease in amortization expense for the three and nine months ended July 2, 2021, as compared with the corresponding periods in fiscal 2020, was primarily due to the end of the useful lives of certain intangible assets that were acquired in prior fiscal years.

Interest Expense

	Three Months Ended			Nine Months Ended		
	July 2, 2021	Change	June 26, 2020	July 2, 2021	Change	June 26, 2020
(dollars in millions)						
Interest expense	\$ (2.6)	100.0 %	\$ —	\$ (2.6)	100.0 %	\$ —
% of net revenue	(0.2)%		— %	(0.1)%		— %

The increase in interest expense for the three and nine months ended July 2, 2021, as compared with the corresponding periods in fiscal 2020, was due to the issuance of the Notes in May 2021.

Provision for Income Taxes

	Three Months Ended			Nine Months Ended		
	July 2, 2021	Change	June 26, 2020	July 2, 2021	Change	June 26, 2020
(dollars in millions)						
Provision (benefit) for income taxes	\$ (1.6)	(111.2)%	\$ 14.3	\$ 110.5	91.4 %	\$ 57.7
% of net revenue	(0.2)%		1.9 %	2.8 %		2.4 %

We recorded a benefit for income taxes of \$1.6 million (which consisted of a benefit of \$13.8 million and a provision of \$12.2 million related to United States and foreign income taxes, respectively) and a provision of \$110.5 million (which consisted

of \$63.7 million and \$46.8 million related to United States and foreign income taxes, respectively) for the three and nine months ended July 2, 2021, respectively.

During fiscal 2021, we concluded an IRS examination of our federal income tax returns for fiscal 2015 and 2016. With the conclusion of the audit, we decreased the reserve for uncertain tax positions, which resulted in the recognition of an income tax benefit of \$42.8 million and \$34.8 million during the three and nine months ended July 2, 2021, respectively.

The decrease in income tax expense for the three months ended July 2, 2021, as compared with the corresponding periods in fiscal 2020, was primarily due to a decrease in the reserve for uncertain tax positions, partially offset by increased income from operations, a reduction in the relative amount of benefits related to foreign income taxed at rates lower than the federal statutory rate, and a reduction in the relative amount of windfall tax deductions as compared to income from operations.

The increase in income tax expense for the nine months ended July 2, 2021, as compared with the corresponding periods in fiscal 2020, was primarily due to increased income from operations, a reduction in the relative amount of benefits related to foreign income taxed at rates lower than the federal statutory rate, and a reduction in the relative amount of windfall tax deductions as compared to income from operations, partially offset by a decrease in the reserve for uncertain tax positions.

LIQUIDITY AND CAPITAL RESOURCES

(in millions)	Nine Months Ended	
	July 2, 2021	June 26, 2020
Cash and cash equivalents at beginning of period	\$ 566.7	\$ 851.3
Net cash provided by operating activities	1,373.7	937.5
Net cash used in investing activities	(101.0)	(391.0)
Net cash provided by (used in) financing activities	1,005.6	(606.5)
Cash and cash equivalents at end of period	\$ 2,845.0	\$ 791.3

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 \$436.2 million increase in cash provided by operating activities during the nine months ended July 2, 2021, as compared with the corresponding period in fiscal 2020, was primarily related to a \$604.1 million increase in net income, partially offset by \$178.5 million of unfavorable changes in working capital, due primarily to an increase in net cash outflows for accounts receivable which correlates with higher sales during the period.

Cash used in investing activities:

Cash used in investing activities consists primarily of capital expenditures and cash paid related to the purchase of marketable securities, offset by cash received related to the sale or maturity of marketable securities. The \$290.0 million decrease in cash used in investing activities during the nine months ended July 2, 2021, as compared with the corresponding period in fiscal 2020, was primarily related to a \$421.1 million increase in the net sale of marketable securities, partially offset by a \$131.3 million increase in cash used for capital expenditures.

Cash provided by financing activities:

Cash provided by financing activities consists primarily of proceeds and payments related to our long-term borrowings and cash transactions related to equity. The \$1,612.1 million net increase in cash provided by financing activities during the nine months ended July 2, 2021, as compared with the corresponding period in fiscal 2020, was primarily related to an increase of \$1,489.7 million in long-term debt issued and a decrease of \$220.9 million in stock repurchase activity, partially offset by an increase of \$24.6 million in dividend payments, a decrease of \$44.4 million in net proceeds from employee stock option exercises, and an increase of \$22.7 million related to the minimum statutory payroll tax withholdings upon vesting of employee performance and restricted stock awards.

Liquidity:

Cash, cash equivalents, and marketable securities totaled \$2,978.1 million as of July 2, 2021, representing an increase of \$1,998.1 million from October 2, 2020. The increase resulted from \$1,489.7 million in long-term debt issued, \$1,373.7 million in cash generated from operations, partially offset by \$374.8 million in capital expenditures, \$195.6 million used to repurchase 1.4 million shares of stock, and \$248.1 million in cash dividend payments.

We have outstanding \$500 million of Notes Due 2023, \$500 million of Notes Due 2026, and \$500 million of Notes Due 2031. We have a Revolving Credit Agreement (the “Revolving Credit Agreement”) under which we may borrow up to \$750 million for general corporate purposes and working capital needs of the Company and its subsidiaries. As of July 2, 2021, there were no borrowings outstanding under the revolving credit facility (the “Revolver”). The Revolving Credit Agreement expires July 26, 2026. On May 21, 2021, we entered into a term credit agreement (the “Term Credit Agreement”) providing for a \$1.0 billion term loan facility (the “Term Loan Facility”). As of July 2, 2021, there were no borrowings outstanding under the Term Credit Agreement. On July 26, 2021, we borrowed \$1.0 billion in aggregate principal amount of term loans under the Term Loan Facility to finance a portion of the purchase price for the Asset Purchase and to pay fees and expenses incurred in connection therewith.

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, proceeds from the Term Loan Facility, and funds from our Revolver will be sufficient to fund our 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 for at least the next 12 months. 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: term deposits, certificates of deposits, money market funds, U.S. Treasury securities, agency securities, corporate debt securities and commercial paper.

We are exposed to interest rate risk via the terms of our Revolver and Term Loan Facility, which have variable interest rates. See Note 13 of the Notes to Consolidated Financial Statements for further information. A potential change in the associated interest rates would be immaterial to the results of our operations.

CONTRACTUAL OBLIGATIONS

Except for the issuance of our Notes, our contractual obligations disclosure in the 2020 10-K has not materially changed since we filed that report. Refer to Note 13 of the Notes to Consolidated Financial Statements for further information.

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 principally to our investment portfolio, which consists of cash and cash equivalents (money market funds and marketable securities purchased with less than ninety days until maturity) that total approximately \$2,845.0 million and marketable securities (U.S. Treasury and government securities, corporate bonds and notes, and municipal bonds) that total approximately \$129.2 million and \$3.9 million within short-term and long-term marketable securities, respectively, as of July 2, 2021.

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 consist of short-term and long-term maturity periods between 90 days and two years. 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 nine months ended July 2, 2021, 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.

Given the low interest rate environment, the objectives of our investment activities, and the relatively low interest income generated from our cash, cash equivalents, and other investments, 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 months ended July 2, 2021, 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 July 2, 2021. 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 July 2, 2021, 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 third quarter of fiscal 2021 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.

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 ensure loss contingencies are recognized and/or 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.

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 2020 10-K, which could materially affect our business, financial condition, or future results.

Risks Related to the Acquisition of the Infrastructure and Automotive Business of Silicon Labs

We may not achieve the anticipated benefits of the acquisition of the Infrastructure and Automotive business of Silicon Labs.

On July 26, 2021, the Company completed the acquisition of certain assets, rights, and properties, and assumed certain liabilities, comprising Silicon Labs' Infrastructure and Automotive business (the "Acquisition").

Achieving the anticipated benefits of the Acquisition is subject to a number of uncertainties, including the Company's ability to successfully integrate the assets acquired and employees transferred in connection with the Acquisition. Failure to achieve the anticipated benefits of the Acquisition in the expected timeframe or at all could result in increased costs and diversion of management's time and energy and could materially adversely affect our business, financial condition, and results of operations.

We incurred significant indebtedness in connection with the Acquisition, which could reduce our flexibility to operate our business.

On May 21, 2021, the Company, as borrower, entered into a term credit agreement with various financial institutions, as lenders, and JPMorgan Chase Bank, N.A., as administrative agent, providing for a \$1.0 billion Term Loan Facility. Additionally, on May 26, 2021, the Company issued \$500 million of its 0.900% 2023 Notes, \$500 million of its 1.800% 2026 Notes, and \$500 million of its 3.000% 2031 Notes in a public offering. The proceeds of the Term Loan Facility and the issuance of Notes were used to finance a portion of the purchase price for the Acquisition.

Additionally, on May 21, 2021, the Company entered into the Revolving Credit Agreement with various financial institutions, as lenders, and JPMorgan Chase Bank, N.A., as administrative agent, providing for a \$750 million Revolver. Borrowings under the Revolving Credit Facility will be used for general corporate purposes and working capital needs of the Company and its subsidiaries.

This indebtedness could have the effect, among other things, of reducing our flexibility to respond to changing business and economic conditions. We also have incurred, and will continue to incur, various costs and expenses associated with our indebtedness. Our ability to make payments of principal and interest on our indebtedness when due depends upon our future performance, which will be subject to general economic conditions, industry cycles, and financial, business, and other factors affecting our operations, many of which are beyond our control. The incurrence of this or any additional indebtedness could reduce funds available for working capital, capital expenditures, acquisitions, and other general corporate purposes and may create competitive disadvantages relative to other companies with lower debt levels. Further, if we do not achieve the anticipated benefits from the Acquisition, our ability to service our indebtedness may be adversely impacted. Even if we achieve the anticipated benefits from the Acquisition, we may be required to raise substantial additional financing to fund working capital, capital expenditures, acquisitions, or other general corporate purposes. Our ability to arrange additional financing and make payments of principal and interest on our indebtedness will depend on our future performance, which will be subject to general economic, financial, and business conditions as well as other factors affecting our operations, many of which are beyond our control.

In addition, our credit ratings affect the cost and availability of future borrowings and, accordingly, our cost of capital. Our ratings reflect each rating organization's opinion of our financial strength, operating performance, and ability to meet our debt obligations. There can be no assurance that we will achieve a particular rating or maintain a particular rating in the future. An inability to obtain or maintain a rating could increase the cost of future borrowings or refinancings of our indebtedness, limit our access to sources of financing in the future, or lead to other potentially adverse consequences.

The agreements that govern our indebtedness contain various covenants that impose restrictions that may affect our ability to operate our businesses.

The agreements that govern the Term Loan Facility, the Notes, and the Revolver contain various affirmative and negative covenants that, subject to certain significant exceptions, restrict our ability to, among other things, have liens on our property, change the nature of our business, and/or merge or consolidate with any other person or sell or convey certain assets to any one person. In addition, some of the agreements contain a financial covenant consisting of a limitation on leverage. Our ability to comply with these provisions may be affected by events beyond our control. Failure to comply with these covenants could result in an event of default, which, if not cured or waived, could accelerate our repayment obligations. Any such acceleration of our repayment obligations could have a material adverse effect on our business, financial condition, results of operations, cash flows, and/or stock price.

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 July 2, 2021:

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)
04/3/21-04/30/21	2,200 (2)	\$188.73	—	\$2.0 billion
05/1/21-05/28/21	10,469 (2)	\$164.16	—	\$2.0 billion
05/29/21-07/2/21	448 (2)	\$173.23	—	\$2.0 billion
Total	13,117		—	

(1) We announced on January 28, 2021, that our Board of Directors had approved a stock repurchase program on January 26, 2021, which authorizes 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 as permitted by securities laws and other legal requirements and which expires on January 26, 2023.

(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 Number</u>	<u>Exhibit Description</u>	<u>Form</u>	<u>File No.</u>	<u>Incorporated by Reference</u>		<u>Filed Herewith</u>
				<u>Exhibit</u>	<u>Filing Date</u>	
2.1	Asset Purchase Agreement, dated as of April 22, 2021, by and between Skyworks Solutions, Inc., and Silicon Laboratories Inc.**	8-K	001-05560	2.1	4/22/2021	
4.1	Indenture, dated as of May 26, 2021, by and between the Company and U.S. Bank National Association	8-K	001-05560	4.1	5/26/2021	
4.2	First Supplemental Indenture, dated as of May 26, 2021, by and between the Company and U.S. Bank National Association	8-K	001-05560	4.2	5/26/2021	
4.3	Second Supplemental Indenture, dated as of May 26, 2021, by and between the Company and U.S. Bank National Association	8-K	001-05560	4.3	5/26/2021	
4.4	Third Supplemental Indenture, dated as of May 26, 2021, by and between the Company and U.S. Bank National Association	8-K	001-05560	4.4	5/26/2021	
10.1	Debt Commitment Letter, dated as of April 22, 2021, by and between Skyworks Solutions, Inc., and JPMorgan Chase Bank, N.A.	8-K	001-05560	10.1	4/22/2021	
10.2	Skyworks Solutions, Inc. Amended and Restated 2015 Long-Term Incentive Plan*					X
10.3	Term Credit Agreement, dated as of May 21, 2021, among the Company, the lenders party thereto and JPMorgan Chase Bank, N.A., as the administrative agent**	8-K	001-05560	10.1	5/26/2021	
10.4	Revolving Credit Agreement, dated as of May 21, 2021, among the Company, the Borrowing Subsidiaries party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., as the administrative agent**	8-K	001-05560	10.2	5/26/2021	
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

<u>Exhibit Number</u>	<u>Exhibit Description</u>	<u>Form</u>	<u>File No.</u>	<u>Incorporated by Reference</u>		<u>Filed Herewith</u>
				<u>Exhibit</u>	<u>Filing Date</u>	
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.

**Schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company will furnish the omitted schedules and exhibits to the Securities and Exchange Commission upon request.

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: July 29, 2021

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 Accounting and Financial Officer)



SKYWORKS SOLUTIONS, INC.

AMENDED AND RESTATED 2015 LONG-TERM INCENTIVE PLAN

1. Purpose

The purpose of this Amended and Restated 2015 Long-Term Incentive Plan (the “**Plan**”) of Skyworks Solutions, Inc., is to advance the interests of the Company’s stockholders by enhancing the Company’s ability to attract, retain and motivate persons who are expected to make important contributions to the Company and by providing such persons with equity ownership opportunities and performance-based incentives that are intended to align their interests with those of the Company’s stockholders. The Plan amends and restates the 2015 Long-Term Incentive Plan, as amended, that was originally adopted by the Board on November 11, 2014, approved by the Company’s stockholders on May 19, 2015, and amended by the Board on May 8, 2019. The Plan, as amended and restated, was approved by the Board on November 11, 2020, and by the Company’s stockholders on May 12, 2021.

2. Certain Definitions

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates.

(a) “**Administrator**” shall mean the entity that conducts the general administration of the Plan as provided in Section 3. With reference to the duties of the Committee under the Plan that have been delegated to one or more persons pursuant to Section 3(d) or Section 3(e), or as to which the Board has assumed, the term “Administrator” shall refer to such person(s) unless the Committee or the Board has revoked such delegation or the Board has terminated the assumption of such duties.

(b) “**Award**” shall mean an Option, a Restricted Stock award, a Restricted Stock Unit award, a Performance Award, a Dividend Equivalent award, an Other Stock Unit Award, or a Stock Appreciation Right, which may be awarded or granted under the Plan (collectively, “**Awards**”).

(c) “**Award Agreement**” shall mean any written notice, agreement, terms and conditions, contract or other instrument or document evidencing an Award, including through electronic medium, which shall contain such terms and conditions with respect to an Award that are consistent with the Plan.

(d) “**Award Limit**” shall mean, with respect to Awards that shall be payable in shares of Common Stock or in cash, as the case may be, the respective per-Participant limit set forth in Section 4(e).

(e) “**Board**” shall mean the Board of Directors of the Company.

(f) “**Cause**” shall have the meaning given in an employment agreement, severance agreement, change in control agreement, consulting agreement or other similar agreement, if any, between the Company and the Participant, or

if there is no such agreement (or if such agreement does not define “Cause”), then except as otherwise provided by the Administrator in an Award Agreement with respect to an Award, “Cause” shall mean the determination by the Administrator or by the Company’s appropriate management personnel that any of the following acts or events exists or has occurred with respect to a Participant:

- (i) the Participant’s deliberate dishonesty that is significantly detrimental to the best interests of the Company;
- (ii) conduct by the Participant constituting an act of moral turpitude;
- (iii) the Participant’s willful disloyalty to the Company or refusal or failure to obey the directions of the Board, the Company’s Chief Executive Officer or President, or the Participant’s direct supervisor; or
- (iv) the Participant’s incompetent performance or substantial or continuing inattention to or neglect of duties assigned to the Participant.

(g) “**Change in Control**” shall mean an event or occurrence set forth in any one or more of subsections (i) through (iv) below (including an event or occurrence that constitutes a Change in Control under one of such subsections but is specifically exempted from another such subsection):

(i) the acquisition by an individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act (a “**Person**”) of beneficial ownership of any capital stock of the Company if, after such acquisition, such Person beneficially owns (within the meaning of Rule 13d-3 promulgated under the Exchange Act) 40% or more of either (x) the then-outstanding shares of Common Stock (the “**Outstanding Company Common Stock**”) or (y) the combined voting power of the then-outstanding securities of the Company entitled to vote generally in the election of directors (the “**Outstanding Company Voting Securities**”); provided, however, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change in Control: (A) any acquisition directly from the Company (excluding an acquisition pursuant to the exercise, conversion or exchange of any security exercisable for, convertible into or exchangeable for common stock or voting securities of the Company, unless the Person exercising, converting or exchanging such security acquired such security directly from the Company or an underwriter or agent of the Company), (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (D) any acquisition by any corporation pursuant to a transaction that complies with clauses (A) and (B) of subsection (iii) of this Section 2(g); or

(ii) such time as the Continuing Directors (as defined below) do not constitute a majority of the Board (or, if applicable, the Board of Directors of a successor corporation to the Company), where the term “**Continuing Director**” means at any date a member of the Board (A) who was a member of the Board on the Effective Date or (B) who was nominated or elected subsequent to the Effective Date by at least a majority of the directors who were Continuing Directors at the time of such nomination or election or whose election to the Board was recommended or endorsed by at least a majority of the directors who were Continuing Directors at the time of such nomination or election; provided, however, that there shall be excluded from this clause (B) any individual whose initial assumption of office occurred as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents, by or on behalf of a person other than the Board; or

(iii) the consummation of a merger, consolidation, reorganization, recapitalization or statutory share exchange involving the Company or a sale or other disposition of all or substantially all of the assets of the Company in one or a series of transactions (a “**Business Combination**”), unless, immediately following such Business Combination, each of the following two conditions is satisfied: (A) all or substantially all of the individuals and entities who were the beneficial owners of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares

of Common Stock and the combined voting power of the then-outstanding securities entitled to vote generally in the election of directors, respectively, of the resulting or acquiring corporation in such Business Combination (which shall include, without limitation, a corporation that as a result of such transaction owns the Company or substantially all of the Company's assets either directly or through one or more subsidiaries) (such resulting or acquiring corporation is referred to herein as the "**Acquiring Corporation**") in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, respectively; and (B) no Person (excluding any employee benefit plan (or related trust) maintained or sponsored by the Company or by the Acquiring Corporation) beneficially owns, directly or indirectly, 40% or more of the then-outstanding shares of common stock of the Acquiring Corporation, or of the combined voting power of the then-outstanding securities of such corporation entitled to vote generally in the election of directors (except to the extent that such ownership existed prior to the Business Combination); or

(iv) approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

For the avoidance of doubt, all references to the "Company" in this Section 2(g) shall mean Skyworks Solutions, Inc. Notwithstanding anything herein to the contrary, to the extent that any payment or benefit under the Plan constitutes nonqualified deferred compensation within the meaning of Section 409A, then, with respect to such payment or benefit, any event constituting a Change in Control above must also constitute a "change in control event" within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(i).

(h) "**Code**" shall mean the Internal Revenue Code of 1986, as amended from time to time.

(i) "**Committee**" shall mean the Compensation Committee of the Board, or another committee or subcommittee of the Board, appointed as provided in Section 3(a).

(j) "**Common Stock**" shall mean the common stock of Skyworks Solutions, Inc., par value \$0.25 per share.

(k) "**Company**" shall mean Skyworks Solutions, Inc., a Delaware corporation. Except where the context otherwise requires, the term "Company" shall include any present or future Subsidiary or parent corporation (as "parent corporation" is defined in Section 424(e) of the Code and any regulations promulgated thereunder) of the Company and any other business venture (including, without limitation, joint venture or limited liability company) in which the Company has a controlling interest, as determined by the Board.

(l) "**Consultant**" shall mean any consultant or adviser that qualifies as a consultant under the applicable rules of the Securities and Exchange Commission for registration of shares on a Form S-8 Registration Statement.

(m) "**Designated Beneficiary**" shall mean the beneficiary designated, in a manner determined by the Company, by a Participant to receive amounts due or exercise rights of the Participant in the event of the Participant's death. In the absence of an effective designation by a Participant, "Designated Beneficiary" shall mean the Participant's estate.

(n) "**Disability**" shall mean that the Participant is "permanently and totally disabled" within the meaning of Section 22(e)(3) of the Code. Notwithstanding anything herein to the contrary, to the extent that a payment or benefit under the Plan constitutes nonqualified deferred compensation within the meaning of Section 409A, then, with respect to such payment or benefit, the Participant must also be "disabled" within the meaning of Section 409A(a)(2)(C) of the Code.

(o) "**Dividend Equivalent**" shall mean a right to receive the equivalent value (in cash or Common Stock) of dividends paid on Common Stock, granted under Section 8(b).

- (p) “**Effective Date**” shall mean May 19, 2015.
- (q) “**Eligible Individual**” shall mean any person who is an Employee or a Consultant, as determined by the Administrator.
- (r) “**Employee**” shall mean any officer or other employee (as defined in accordance with Section 3401(c) of the Code) of the Company.
- (s) “**Equity Acceleration Date**” shall mean, with respect to an Award held by a Participant:
- (i) the effective date of a Change in Control, in the event that the Participant experiences a Qualifying Termination that is within the period of time commencing three (3) months prior to the Change in Control and ending on the effective date of the Change in Control; or
- (ii) the effective date of the Participant’s Termination of Service, in the event that the Participant experiences a Qualifying Termination that is within the period of time commencing on the effective date of a Change in Control and ending twelve (12) months following the Change in Control.
- (t) “**Expiration Date**” shall mean November 10, 2030.
- (u) “**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended from time to time.
- (v) “**Fair Market Value**” shall mean, as of any given date, the value of a share of Common Stock determined as follows:
- (i) If the Common Stock is listed on any established stock exchange, national market system or automated quotation system (such as Nasdaq), its Fair Market Value shall be the closing sales price for a share of Common Stock as quoted on such exchange or system for such date or, if there is no closing sales price for a share of Common Stock on the date in question, the closing sales price for a share of Common Stock on the last preceding date for which such quotation exists, as reported by Nasdaq or such other source as the Administrator deems reliable, such as *The Wall Street Journal*;
- (ii) If the Common Stock is regularly quoted by a recognized securities dealer but closing sales prices are not reported, its Fair Market Value shall be the mean of the high bid and low asked prices for such date or, if there are no high bid and low asked prices for a share of Common Stock on such date, the high bid and low asked prices for a share of Common Stock on the last preceding date for which such information exists, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; or
- (iii) If the Common Stock is neither listed on an established stock exchange or a national market system nor regularly quoted by a recognized securities dealer, its Fair Market Value shall be established by the Administrator in good faith.
- (w) “**Full Value Award**” shall mean any Award other than an Option, Stock Appreciation Right or other Award for which the Participant pays the Fair Market Value of the Common Stock as of the date of grant (whether directly or by forgoing a right to receive a payment from the Company or any Subsidiary).
- (x) “**Good Reason**” shall have the meaning given in an employment agreement, severance agreement, change in control agreement or other similar agreement, if any, between the Company and the Participant, or if there is no such agreement (or if such agreement does not define “Good Reason”), then except as otherwise provided by the

Administrator in an Award Agreement with respect to an Award, “Good Reason” shall mean either of the following actions, if taken without the express written consent of the Participant:

(i) A reduction of 5% or more in the Participant’s base salary in effect immediately prior to the Change in Control; or

(ii) A change in the Participant’s principal place of employment in effect immediately prior to the Change in Control to a location that is more than fifty (50) miles from such principal place of employment.

A Participant’s Termination of Service shall not be deemed to be for Good Reason unless, within sixty (60) days of the occurrence of the event constituting Good Reason, the Participant has provided the Company (or the acquiring entity) with (A) at least thirty (30) days’ advance written notice of the Participant’s decision to terminate his or her employment for Good Reason, and (B) a period of not less than thirty (30) days to cure the event or condition described in subsection (i) or (ii), and the Company (or the acquiring entity) has failed to so cure the event or has waived its right to cure the event, to the extent it is then subject to cure.

(y) “**Measurement Date**” shall mean, with respect to a Performance Award, the last day of the applicable Performance Period over which Performance Goals are measured pursuant to the terms of the Performance Award.

(z) “**Nasdaq**” shall mean the Nasdaq Global Select Market.

(aa) “**Option**” shall mean a right to purchase shares of Common Stock at a specified exercise price, granted under Section 5. Any Option granted pursuant to the Plan is intended not to be an incentive stock option as described in Section 422 of the Code and shall be designated a “Nonqualified Stock Option.”

(ab) “**Other Stock Unit Award**” shall mean an Award of shares of Common Stock, or other Award that is valued in whole or in part by reference to, or is otherwise based on, shares of Common Stock or other property, granted under Section 8.

(ac) “**Participant**” shall mean a person who has been granted an Award under the Plan.

(ad) “**Performance Award**” shall mean a Restricted Stock Award, an Other Stock Unit Award, a cash bonus award, a stock bonus award, or any other Award under the Plan that is made subject to the achievement of Performance Goals pursuant to Section 8 and is paid in cash, Common Stock or a combination of both.

(ae) “**Performance Criteria**” shall mean the criteria (and adjustments) that the Administrator selects for an Award for purposes of establishing the Performance Goal or Performance Goals for a Performance Period, determined as follows:

(i) The Performance Criteria that shall be used to establish Performance Goals shall include one or more of the following: Revenues, net income (loss), operating income (loss), gross profit, earnings before or after discontinued operations, interest, taxes, depreciation and/or amortization, operating profit before or after discontinued operations and/or depreciation and/or amortization, earnings (loss) per share, net cash flow, cash flow from operations, free cash flow, revenue growth, earnings growth, gross margins, operating margins, net margins, inventory management (including, but not limited to, reductions in inventory, inventory turns, and inventory levels), working capital (including a specific component thereof), return on sales, return on assets, return on stockholders’ equity, return on investment or working capital, cash or cash equivalents position, achievement of balance sheet or income statement objectives or total stockholder return, stock price, improvement in financial ratings, completion of strategic acquisitions/dispositions, manufacturing efficiency, product quality, customer satisfaction, market share and/or product design wins, a specific cost or expense item, and implementation or completion of a specified key business project, or any other criteria established by

the Administrator, any of which may be measured with respect to an individual Participant, the Company, or any one or more of the Company's Subsidiaries, divisions or business units, and in absolute or relative terms (including, but not limited to, (A) as compared to any incremental increase or decrease, (B) as compared to results of a peer group or other individuals or companies comparably, similarly or otherwise situated, or (C) as compared to a business plan, budget or forecast).

(ii) The Administrator may, in its sole discretion, provide that one or more adjustments be made to one or more of the Performance Goals, including the exclusion of one or more of the following: (A) extraordinary and/or nonrecurring items, (B) the cumulative effects of changes in accounting principles or applicable laws, (C) gains or losses on the dispositions of discontinued operations, (D) the write-down of any asset, (E) charges for restructuring and rationalization programs, (F) amortization of purchased intangibles associated with acquisitions, (G) compensation expenses related to acquisitions, (H) other acquisition-related charges (including, but not limited to, items attributable to the business operations of any entity acquired by the Company during the Performance Period), (I) impairment charges, (J) gain or loss on minority equity investments, (K) noncash income tax expenses, (L) equity-based compensation expenses, (M) items relating to financing activities; (N) other nonoperating items; (O) items related to the disposal of a business or segment of a business; (P) items attributable to any stock dividend, stock split, combination or exchange of shares occurring during the Performance Period; or (Q) any other adjustment as determined by the Administrator.

(af) "**Performance Goals**" shall mean, for a Performance Period, one or more goals established in writing by the Administrator for the Performance Period based upon one or more Performance Criteria or other measures.

(ag) "**Performance Period**" shall mean one or more periods of time, which may be of varying and overlapping durations, as the Administrator may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to, and the payment of, a Performance Award.

(ah) "**Plan**" shall mean this Skyworks Solutions, Inc. Amended and Restated 2015 Long-Term Incentive Plan, as it may be amended or restated from time to time.

(ai) "**Prior Plan**" shall mean the Skyworks Solutions, Inc. Amended and Restated 2005 Long-Term Incentive Plan.

(aj) "**Qualifying Termination**" shall mean a Participant's Termination of Service by the Company without Cause or by the Participant for Good Reason, in either case within the period of time commencing three (3) months prior to and ending twelve (12) months following the Change in Control. For the avoidance of doubt, the term "Qualifying Termination" shall apply only to an Employee's Termination of Service. In the case of a Consultant, no Termination of Service shall be a "Qualifying Termination" unless the Administrator, in its sole discretion, provides otherwise.

(ak) "**Reorganization Event**" shall mean:

(i) any merger or consolidation of the Company with or into another entity as a result of which all of the Common Stock of the Company is converted into or exchanged for the right to receive cash, securities or other property or is cancelled;

(ii) any exchange of all of the Common Stock of the Company for cash, securities or other property pursuant to a share exchange transaction; or

(iii) any liquidation or dissolution of the Company.

(al) "**Restricted Stock**" shall mean Common Stock granted under Section 7 that is subject to certain restrictions and may be subject to risk of forfeiture or repurchase.

(am) “**Restricted Stock Award**” shall mean an Award for Restricted Stock or Restricted Stock Units.

(an) “**Restricted Stock Units**” shall mean the right to receive Common Stock granted under Section 7.

(ao) “**Section 409A**” shall mean Section 409A of the Code or any successor provision thereto, and the regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date.

(ap) “**Stock Appreciation Right**” or “**SAR**” shall mean a stock appreciation right granted under Section 6.

(aq) “**Subsidiary**” shall mean any entity (other than the Company), whether domestic or foreign, in an unbroken chain of entities beginning with the Company if each of the entities other than the last entity in the unbroken chain beneficially owns, at the time of the determination, securities or interests representing more than fifty percent (50%) of the total combined voting power of all classes of securities or interests in one of the other entities in such chain.

(ar) “**Substitute Award**” shall mean an Award granted under the Plan upon the assumption of, or in substitution for, outstanding equity awards previously granted by a company or other entity in connection with a corporate transaction, such as a merger, combination, consolidation or acquisition of property or stock; provided, however, that in no event shall the term “Substitute Award” be construed to refer to an award made in connection with the cancellation and repricing of an Option or Stock Appreciation Right.

(as) “**Termination of Service**” shall mean,

(i) As to a Consultant, the time when the engagement of a Participant as a Consultant to the Company or a Subsidiary is terminated for any reason, with or without Cause, including, without limitation, by resignation, discharge, death or retirement, but excluding terminations where there is a simultaneous commencement of employment with the Company or any Subsidiary or service as a nonemployee director of the Company.

(ii) As to an Employee, the time when the employee-employer relationship between a Participant and the Company or any Subsidiary is terminated for any reason, including, without limitation, a termination by resignation, discharge, death, Disability or retirement; but excluding: (A) terminations where there is a simultaneous reemployment or continuing employment of a Participant by the Company or any Subsidiary, (B) terminations that are followed by the simultaneous establishment of a consulting relationship by the Company or a Subsidiary with the former employee, and (C) at the sole discretion of the Administrator, terminations that result in a temporary severance of the employee-employer relationship.

The Administrator, in its sole discretion, shall determine the effect of all matters and questions relating to a Termination of Service, including, without limitation, the question of whether a Termination of Service resulted from a discharge for Cause, and all questions of whether a particular leave of absence constitutes a Termination of Service. For purposes of the Plan, a Participant’s employee-employer relationship or consultancy relations shall be deemed to be terminated in the event that the Subsidiary employing or contracting with such Participant ceases to remain a Subsidiary following any merger, sale of stock or other corporate transaction or event (including, without limitation, a spinoff).

3. Administration and Delegation

(a) *Administrator.* The Committee (or another committee or a subcommittee of the Board assuming the functions of the Committee under the Plan) shall administer the Plan (except as otherwise permitted herein) and shall consist solely of two or more nonemployee directors appointed by and holding office at the pleasure of the Board, each of whom is intended to qualify as a “non-employee director” as defined by Rule 16b-3 under the Exchange Act or any successor rule and an “independent director” under the rules of Nasdaq (or other securities exchange or automated

quotation system on which shares of Common Stock are listed, quoted or traded); provided, that any action taken by the Committee shall be valid and effective, whether or not members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership set forth in this Section 3(a) or otherwise provided in any charter of the Committee. Notwithstanding the foregoing, the Committee may delegate its authority hereunder to the extent permitted by Sections 3(d) and 3(e). In its sole discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan.

(b) *Duties and Powers of Administrator.* The Administrator shall have authority to grant Awards and to adopt, amend and repeal such administrative rules, guidelines and practices relating to the Plan as it shall deem advisable. The Administrator may correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem expedient to carry the Plan into effect and it shall be the sole and final judge of such expediency. All decisions by the Administrator shall be made in the Administrator's sole discretion and shall be final and binding on all persons having or claiming any interest in the Plan or in any Award. No director or person acting pursuant to the authority delegated by the Administrator shall be liable for any action or determination relating to or under the Plan made in good faith.

(c) *Award Eligibility.* The Administrator may, from time to time, select from among all Eligible Individuals those to whom an Award shall be granted under the Plan and shall determine the nature and amount of the Award, consistent with the requirements of the Plan.

(d) *Delegation to Committees or Subcommittees.* To the extent permitted by applicable law, the Board or Committee may delegate any or all of its powers under the Plan to one or more committees or subcommittees of the Board.

(e) *Delegation to Officers.* Subject to any requirements of applicable law (including as applicable Sections 152 and 157(c) of the General Corporation Law of the State of Delaware), the Administrator may delegate to one or more officers of the Company the power to grant Awards (subject to any limitations under the Plan) to employees or officers of the Company and to exercise such other powers under the Plan as the Administrator may determine, provided that the Administrator shall fix the terms of the Awards to be granted by such officers, the maximum number of shares subject to Awards that the officers may grant, and the time period in which such Awards may be granted; and provided further, that no officer shall be authorized to grant Awards to the following individuals: (i) any "executive officer" of the Company (as defined by Rule 3b-7 under the Exchange Act), (ii) any "officer" of the Company (as defined by Rule 16a-1 under the Exchange Act), or (iii) officers of the Company to whom authority to grant or amend Awards has been delegated hereunder. Any delegation under this Section 3(e) shall be subject to any other restrictions and limits that the Administrator specifies at the time of such delegation, and the Administrator may at any time rescind the authority so delegated or appoint a new delegatee.

4. Stock Available for Awards

(a) *Number of Shares.* Subject to adjustment under Section 10, Awards may be made under the Plan for a number of shares of Common Stock that is equal to the sum of: (i) 14.75 million shares of Common Stock; and (ii) such additional number of shares of Common Stock (up to 22.3 million shares) as is equal to the sum of (x) the number of shares of Common Stock reserved for issuance under the Prior Plan that remained available for grant under the Prior Plan as of the Effective Date, and (y) the number of shares of Common Stock subject to awards granted under the Prior Plan which awards expire, terminate or are otherwise surrendered, canceled, forfeited or repurchased by the Company at their original issuance price pursuant to a contractual repurchase right after the Effective Date.

(b) *Counting of Shares.* Subject to adjustment under Section 10, an Option or Stock Appreciation Right shall be counted against the share limit specified in Section 4(a) as one share for each share of Common Stock subject to such

Award, and a Full Value Award shall be counted against the share limit specified in Section 4(a) as one and one-half (1.5) shares for each share of Common Stock issued upon settlement of such Full Value Award.

(c) *Lapses.* If any Award expires or is terminated, surrendered or canceled without having been fully exercised or is forfeited in whole or in part (including as the result of shares of Common Stock subject to such Award being repurchased by the Company at the original issuance price pursuant to a contractual repurchase right) or results in any Common Stock not being issued, the unused Common Stock covered by such Award shall again be available for the grant of Awards under the Plan. To the extent that a Full Value Award (which, for purposes of this Section 4(c) shall include any equivalent award granted under the Prior Plan) is forfeited or expires or such Full Value Award is settled for cash (in whole or in part), the shares of Common Stock available under the Plan shall be increased by one and one-half (1.5) shares of Common Stock subject to such Full Value Award that is forfeited, expired, or settled in cash. Notwithstanding the foregoing, shares delivered (either by actual delivery, attestation or net exercise) to the Company by a Participant (i) to purchase shares of Common Stock upon the exercise of an Award or (ii) to satisfy tax withholding obligations with respect to any Awards (including shares retained from the Award creating the tax obligation) shall not be added back to the number of shares available for the future grant of Awards. In the case of the exercise of a SAR for shares, the number of shares counted against the shares available under the Plan shall be the full number of shares subject to the SAR multiplied by the percentage of the SAR actually exercised, regardless of the number of shares actually used to settle such SAR upon exercise. Shares of Common Stock issued under the Plan may consist in whole or in part of authorized but unissued shares, treasury shares, or shares purchased on the open market; provided, however, that shares of Common Stock repurchased by the Company on the open market using the proceeds from the exercise of an Award shall not increase the number of shares available for future grant of Awards. The payment of Dividend Equivalents in cash in conjunction with any outstanding Award shall not be counted against the number of shares of Common Stock available for issuance under the Plan. Awards settleable only in cash shall not be counted against the number of shares of Common Stock available for issuance under the Plan.

(d) *Substitute Awards.* To the extent permitted by applicable law, Substitute Awards shall not reduce the number of shares of Common Stock authorized for grant under the Plan or count against the Award Limit with respect to any Participant. Substitute Awards may be granted on such terms as the Administrator deems appropriate in the circumstances, notwithstanding any limitations on Awards contained in the Plan.

(e) *Per-Participant Limit.* Without regard to the share-counting rules in Section 4(b) hereof, the maximum number of shares of Common Stock with respect to which Awards may be granted to any Participant under the Plan during any calendar year shall be 1,500,000 and the maximum aggregate amount of cash that may be paid during any calendar year with respect to one or more Awards payable in cash shall be \$5,000,000. For purposes of the foregoing limits, the combination of an Option in tandem with an SAR shall be treated as a single Award. The fungible share counting rules in Section 4(b) shall not apply for purposes of this Section 4(e) and instead, each share subject to any type of Award shall be counted as one share for purposes of this Section 4(e).

5. Stock Options

(a) *General.* The Administrator may grant Options and determine the number of shares of Common Stock to be covered by each Option, the exercise price of each Option and the conditions and limitations applicable to the exercise of each Option, including conditions relating to applicable federal or state securities laws, as it considers necessary or advisable.

(b) *Exercise Price.* The Administrator shall establish the exercise price of each Option and specify such exercise price in the applicable option agreement; provided, however, that the exercise price shall not be less than 100% of the Fair Market Value at the time the Option is granted.

(c) *Option Vesting.* The period during which the right to exercise, in whole or in part, an Option vests in the Participant shall be set by the Administrator and the Administrator may determine that an Option may not be exercised in whole or in part for a specified period after it is granted. Such vesting may be based on service with the Company or any Subsidiary, any of the Performance Criteria, or any other criteria selected by the Administrator. At any time after grant of an Option, the Administrator may, in its sole discretion and subject to whatever terms and conditions it selects, accelerate the period during which an Option vests. No portion of an Option that is unexercisable at a Participant's Termination of Service shall thereafter become exercisable, except as may be otherwise provided in the Plan or by the Administrator either in the Award Agreement or by action of the Administrator following the grant of the Option.

(d) *Termination of Service.* Except as otherwise provided (i) in Sections 5(e), 11(d), 11(e), (ii) in an employment agreement, severance agreement, change in control agreement or other similar agreement, if any, between the Company and the Participant, (iii) by the Administrator in an Award Agreement, or (iv) by action of the Administrator following the grant of an Option, all outstanding Options held by a Participant that are exercisable upon the Participant's Termination of Service, shall remain exercisable for a period of time expiring on the earlier of (a) the three (3) month anniversary of the Participant's Termination of Service, and (b) the final expiration date of such Options as set forth in the applicable Award Agreement, subject to the other terms and conditions of such Award Agreement; provided that such Options shall be exercisable only to the extent that the Participant was entitled to exercise such Options on the date of the Termination of Service. Notwithstanding the foregoing, if the Participant violates the non-solicitation, non-competition or confidentiality provisions of any employment contract, confidentiality and nondisclosure agreement or other agreement between such Participant and the Company, the right to exercise Options under this Section 5(d) shall terminate immediately upon written notice to the Participant from the Company describing such violation.

(e) *Termination of Service for Cause.* Except as otherwise provided (i) in an employment agreement, severance agreement, change in control agreement or other similar agreement, if any, between the Company and the Participant, (ii) by the Administrator in an Award Agreement, or (iii) by action of the Administrator following the grant of an Option, all outstanding Options that were exercisable by the Participant immediately prior to the Participant's Termination of Service for Cause, shall terminate immediately upon the effective date of such Termination of Service and shall not be exercisable. The Participant shall be considered to have been discharged for Cause if the Company determines, within 30 days after the Participant's resignation, that discharge for Cause was warranted.

(f) *Limitation on Repricing.* Unless such action is approved by the Company's stockholders, the Company may not (except as provided for under Section 10): (i) amend any outstanding Option granted under the Plan to provide an exercise price per share that is lower than the then-current exercise price per share of such outstanding Option, (ii) cancel any outstanding option (whether or not granted under the Plan) and grant in substitution therefor new Awards under the Plan covering the same or a different number of shares of Common Stock and having an exercise price per share lower than the then-current exercise price per share of the cancelled option, (iii) cancel in exchange for a cash payment any outstanding Option with an exercise price per share above the then-current Fair Market Value, or (iv) take any other action under the Plan that constitutes a "repricing" within the meaning of the rules of Nasdaq (or other securities exchange or automated quotation system on which shares of Common Stock are listed, quoted or traded).

(g) *No Reload Rights.* No Option granted under the Plan shall contain any provision entitling the optionee to the automatic grant of additional Options in connection with any exercise of the original Option.

(h) *Duration of Options.* Each Option shall be exercisable at such times and subject to such terms and conditions as the Administrator may specify in the applicable option agreement; provided, however, that no Option will be granted for a term in excess of seven (7) years. The Administrator shall determine the time period, including the time period following a Termination of Service, during which the Participant has the right to exercise the vested Options, which time period may not extend beyond the term of the Option.

(i) *Exercise of Option.* Options may be exercised by delivery to the Company of a written notice of exercise signed by the proper person or by any other form of notice (including electronic notice) approved by the Administrator together with payment in full as specified in Section 12(g) for the number of shares for which the Option is exercised. Shares of Common Stock subject to the Option will be delivered by the Company following exercise as soon as practicable.

(j) *Partial Exercise.* An exercisable Option may be exercised in whole or in part. However, an Option shall not be exercisable with respect to fractional shares and the Administrator may require that, by the terms of the Option, a partial exercise be with respect to a minimum number of shares.

(k) *Substitute Awards.* In connection with a merger or consolidation of an entity with the Company or the acquisition by the Company of property or stock of an entity, the Administrator may grant Options in substitution for any options or other stock or stock-based awards granted by such entity or an affiliate thereof. An Option that is a Substitute Award may be granted on such terms as the Administrator deems appropriate in the circumstances, notwithstanding any limitations on Options contained in this Section 5 or in Section 3(c). Notwithstanding the foregoing provisions of this Section 5 to the contrary, in the case of an Option that is a Substitute Award, the price per share of the shares of Common Stock subject to such Option may be less than the Fair Market Value per share on the date of grant, provided, that such price per share shall be determined in accordance with Section 409A (and, if applicable, with Section 424 of the Code and the regulations thereunder).

6. Stock Appreciation Rights

(a) *General.* A Stock Appreciation Right, or SAR, is an Award entitling the holder, upon exercise, to receive Common Stock determined in whole or in part by reference to appreciation, from and after the date of grant, in the Fair Market Value of a share of Common Stock. SARs may be based solely on appreciation in the Fair Market Value of Common Stock or on a comparison of such appreciation with some other measure of market growth such as (but not limited to) appreciation in a recognized market index. The date as of which such appreciation or other measure is determined shall be the exercise date unless another date is specified by the Administrator in the SAR Award. SARs may not be granted with a term in excess of seven (7) years from the date of grant.

(b) *Grants.* Stock Appreciation Rights may be granted in tandem with, or independently of, Options granted under the Plan.

(i) *Tandem Awards.* When Stock Appreciation Rights are expressly granted in tandem with Options, (A) the Stock Appreciation Right will be exercisable only at such time or times, and to the extent, that the related Option is exercisable (except to the extent designated by the Administrator in connection with a Reorganization Event and will be exercisable in accordance with the procedure required for exercise of the related Option); (B) the Stock Appreciation Right will terminate and no longer be exercisable upon the termination or exercise of the related Option, except to the extent designated by the Administrator in connection with a Reorganization Event and except that a Stock Appreciation Right granted with respect to less than the full number of shares covered by an Option will not be reduced until the number of shares as to which the related Option has been exercised or has terminated exceeds the number of shares not covered by the Stock Appreciation Right; (C) the Option will terminate and no longer be exercisable upon the exercise of the related Stock Appreciation Right; and (D) the Stock Appreciation Right will be transferable only with the related Option.

(ii) *Independent SARs.* A Stock Appreciation Right not expressly granted in tandem with an Option will become exercisable at such time or times, and on such conditions, as the Administrator may specify in the SAR Award.

(c) *Exercise.* Stock Appreciation Rights may be exercised by delivery to the Company of a written notice of exercise signed by the proper person or by any other form of notice (including electronic notice) approved by the Administrator, together with any other documents required by the Administrator.

(d) *Limitation on Repricing.* Unless such action is approved by the Company's stockholders, the Company may not (except as provided for under Section 10): (i) amend any outstanding SAR granted under the Plan to provide an exercise price per share that is lower than the then-current exercise price per share of such outstanding SAR, (ii) cancel any outstanding stock appreciation right (whether or not granted under the Plan) and grant in substitution therefor new Awards under the Plan covering the same or a different number of shares of Common Stock and having an exercise price per share lower than the then-current exercise price per share of the cancelled stock appreciation right, (iii) cancel in exchange for a cash payment any outstanding SAR with an exercise price per share above the then-current Fair Market Value, or (iv) take any other action under the Plan that constitutes a "repricing" within the meaning of the rules of Nasdaq (or other securities exchange or automated quotation system on which shares of Common Stock are listed, quoted or traded).

7. Restricted Stock; Restricted Stock Units

(a) *General.* The Administrator may grant Awards of Restricted Stock to Eligible Individuals entitling recipients to acquire shares of Common Stock, subject to the right of the Company to repurchase all or part of such shares at their issue price or other stated or formula price (or to require forfeiture of such shares if issued at no cost) from the recipient in the event that conditions specified by the Administrator in the applicable Award are not satisfied prior to the end of the applicable restriction period or periods established by the Administrator for such Award. Instead of granting Awards of Restricted Stock, the Administrator may grant Awards of Restricted Stock Units to Eligible Individuals entitling recipients to receive shares of Common Stock to be delivered at the time such shares of Common Stock vest subject to such terms and conditions on the delivery of the shares of Common Stock as the Administrator shall determine. The Administrator shall determine the terms and conditions of a Restricted Stock Award, including the conditions for repurchase, forfeiture, or vesting, and the issue price, if any.

(b) *Stock Certificates; Dividends.* Subject to Section 12(l), any stock certificates issued in respect of an award of Restricted Stock shall be registered in the name of the Participant and, unless otherwise determined by the Administrator, deposited by the Participant, together with a stock power endorsed in blank, with the Company (or its designee). At the expiration of the applicable restriction periods, the Company (or such designee) shall deliver the certificates no longer subject to such restrictions to the Participant or if the Participant has died, to the Designated Beneficiary. Unless otherwise provided in the applicable Award Agreement, any dividends (whether paid in cash, stock or property) declared and paid by the Company with respect to unvested shares of Restricted Stock shall be subject to accrual as provided in Section 12(h).

8. Performance Awards, Dividend Equivalents, and Other Stock Unit Awards

(a) *Performance Awards.* The Administrator may grant Performance Awards under the Plan to any Eligible Individual. The value of Performance Awards shall be subject to the achievement of Performance Goals over a specified Performance Period. The Performance Goals applicable to a Performance Award may (i) vary by Participant, (ii) be different for different Awards, or (iii) be particular to a Participant or the Subsidiary, division, business unit, department, branch, or other unit in which the Participant works. The Administrator, in its discretion, may adjust the cash or number of shares of Common Stock payable pursuant to any Performance Award, and the Administrator may, at any time, waive the achievement of the applicable Performance Goals, including in the case of the death or Disability of the Participant or a Change in Control of the Company.

(b) *Dividend Equivalents.* The Administrator may grant Dividend Equivalents under the Plan to any Eligible Individual based on dividends declared on the Common Stock, to be credited as of dividend payment dates during the period between the date an Award is granted to a Participant and the date such Award vests, is distributed or expires, as determined by the Administrator. Such Dividend Equivalents shall be converted to cash or additional shares of Common Stock by such formula and at such time and subject to such limitations as may be determined by the Administrator. Notwithstanding the foregoing, no Dividend Equivalents shall be payable with respect to Options or Stock Appreciation Rights. Unless otherwise provided in the applicable Award Agreement, any Dividend Equivalents shall be subject to accrual as provided in Section 12(h).

(c) *Other Stock Unit Awards.* The Administrator may grant Other Stock Unit Awards under the Plan to any Eligible Individual. Such Other Stock Unit Awards shall be available as a form of payment in the settlement of other Awards granted under the Plan or as payment in lieu of compensation to which a Participant is otherwise entitled. Other Stock Unit Awards may be paid in shares of Common Stock or cash, as the Administrator shall determine. Subject to the provisions of the Plan, the Administrator shall determine the conditions of each Other Stock Unit Award, including any purchase price applicable thereto and any conditions applicable thereto, including without limitation, performance-based conditions.

9. Effect of a Change in Control

(a) *Qualifying Termination Prior to Change in Control.* Notwithstanding anything in this Plan to the contrary, in the event that a Participant experiences a Qualifying Termination that is within the period of time commencing three (3) months prior to the Change in Control and ending on the effective date of the Change in Control, then on the date of the Termination of Service, each outstanding and unvested Award held by such Participant as of the day prior to the date of the Participant's Termination of Service shall

(i) remain outstanding for the period of three (3) months following the Participant's Termination of Service with any vesting of such Award being suspended until it is determined whether there is a Change in Control during the three (3) month period following the Participant's Termination of Service;

(ii) if a Change in Control occurs within the three (3) month period following the Participant's Termination of Service, be treated as if the Participant had remained employed by the Company through the effective date of the Change in Control and notwithstanding any vesting schedule, forfeiture provisions, or anything else to the contrary in the respective Award Agreement governing such Award, subject to the same terms and conditions as in effect immediately prior to the Participant's Termination of Service and subject to any applicable provisions of this Section 9; and

(iii) if no Change in Control occurs within the three (3) month period following the Participant's Termination of Service, terminate and be of no further force or effect except as otherwise provided by the Administrator or in a written agreement between the Company and the Participant.

(b) *Treatment of Awards upon a Change in Control.* In the event of a Change in Control (without regard to whether such event also constitutes a Reorganization Event), the following provisions shall apply to all then-outstanding Awards (including any Awards that remain outstanding as of the Change in Control pursuant to Section 9(a)):

(i) *Performance Awards.* If the Change in Control occurs prior to the Measurement Date for a Performance Award that vests based upon the achievement of Performance Goals and upon a Participant providing continued service to the Company, then upon the effective date of the Change in Control such Award shall be earned as to the greater of (A) the "Target" level of shares for such Award, or (B) the number of shares that would have been earned pursuant to the terms of such Award based upon performance up through and including the day prior to the date of the

Change in Control; provided, however, that if the Administrator determines in its sole discretion that it is impracticable to calculate the number of shares that would have been earned under clause (B) above with respect to one or more of the applicable Performance Goals of the Award, then such Award shall be earned as to the “Target” level of shares covered by such Performance Goal(s). For the avoidance of doubt, any deemed satisfaction of Performance Goals as described in this Section 9(b)(i) shall occur prior to the assumption, substitution, or accelerated vesting of such Award as provided in this Section 9(b) or in Section 9(c).

(ii) *Awards Not Assumed.* In the event that the successor or surviving company in the Change in Control does not agree to assume, or substitute for, an outstanding Award (or in the event that the Company is the ultimate parent corporation in the Change in Control and does not agree to continue the Award) on substantially similar terms with substantially equivalent economic benefits (which benefits shall include, for the avoidance of doubt, the liquidity of the securities underlying the assumed or substituted award following the Change in Control) as exist for such Award immediately prior to the Change in Control, as determined in the sole discretion of the Administrator, then such Award shall, immediately prior to the Change in Control, automatically become vested, exercisable, and issuable, and any forfeiture restrictions thereon shall immediately lapse, as applicable, in each case, with respect to one-hundred percent (100%) of that number of then-unvested shares underlying such Award, after giving effect to any deemed satisfaction of Performance Goals as described in Section 9(b)(i). If an Award becomes exercisable pursuant to this Section 9(b)(ii), the Administrator shall notify the Participant that the Award shall be fully exercisable beginning prior to the Change in Control contingent on the occurrence of the Change in Control, and the Award shall terminate on the Change in Control.

(iii) *Awards Assumed.* In the event that the successor or surviving company in the Change in Control agrees to assume, or substitute for, an outstanding Award (or in the event that the Company is the ultimate parent corporation in the Change in Control and agrees to continue the Award) on substantially similar terms with substantially equivalent economic benefits (which benefits shall include, for the avoidance of doubt, the liquidity of the securities underlying the assumed or substituted award following the Change in Control) as exist for such Award immediately prior to the Change in Control (but after giving effect to any deemed satisfaction of Performance Goals as described in Section 9(b)(i)), as determined in the sole discretion of the Administrator, then for the avoidance of doubt, such Award shall, following the Change in Control, continue to be subject to the same time-based vesting schedule to which the Award was subject immediately prior to the Change in Control.

(c) *Treatment of Awards upon a Qualifying Termination.* Subject to the provisions of Section 13(f), in the event that a Participant experiences a Qualifying Termination, each outstanding and unvested Award under the Plan held by the Participant on the Equity Acceleration Date that, pursuant to its terms and after giving effect to any deemed satisfaction of Performance Goals as described in Section 9(b)(i) and any deemed continued employment through the effective date of the Change in Control as described in Section 9(a), vests solely based upon providing continued service to the Company (or, if applicable, a successor corporation to the Company), including, without limitation, Options, SARs, Restricted Stock Awards, and Performance Awards that are earned but unissued, shall on the Equity Acceleration Date automatically become vested, exercisable, and issuable, and any forfeiture restrictions thereon shall immediately lapse, as applicable, in each case, with respect to one-hundred percent (100%) of that number of then-unvested shares underlying such Award. For the avoidance of doubt, the reference in this Section 9(c) to “Performance Awards that are earned but unissued” shall include any Awards (i) for which the Measurement Date occurs on or prior to the effective date of the Change in Control, and (ii) for which the Change in Control occurs prior to the Measurement Date and which are upon the Change in Control converted into, or substituted by, Awards vesting solely based upon providing continued service to the Company or its successor, pursuant to Section 9(b) above.

(d) *Share Issuance.* Subject to Section 12(f), any shares of Common Stock that are issued pursuant to Section 9(b)(ii) or Section 9(c) shall be issued to the applicable Participant on, or as soon as practicable (but not more than sixty (60) days) after, the Equity Acceleration Date (or such later date as may be required by Section 13(f)).

10. Effect of Changes in Common Stock and Reorganization Events

(a) *Changes in Capitalization.* In the event of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spinoff or other similar change in capitalization or event, or any distribution to holders of Common Stock other than an ordinary cash dividend, (i) the number and class of securities available under this Plan, (ii) the Award Limit set forth in Section 4(e), (iii) the number and class of securities and exercise price per share of each outstanding Option, (iv) the share- and per-share provisions of each Stock Appreciation Right, (v) the repurchase price per share subject to each outstanding award of Restricted Stock and (vi) the share- and per-share provisions of each outstanding Restricted Stock Unit Award and each outstanding Other Stock Unit Award, shall be appropriately adjusted by the Company (or substituted Awards may be made, if applicable) to the extent determined by the Board.

(b) *Consequences of a Reorganization Event on Awards Other than Restricted Stock.* In connection with a Reorganization Event, the Board shall take any one or more of the following actions as to all or any outstanding Awards other than Restricted Stock on such terms as the Board determines: (i) provide that Awards shall be assumed, or substantially equivalent Awards shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof), (ii) upon written notice to a Participant, provide that the Participant's unexercised Options or other unexercised Awards shall become exercisable in full and will terminate immediately prior to the consummation of such Reorganization Event unless exercised by the Participant within a specified period following the date of such notice, (iii) provide that outstanding Awards shall become realizable or deliverable, or restrictions applicable to an Award shall lapse, in whole or in part prior to or upon such Reorganization Event, (iv) in the event of a Reorganization Event under the terms of which holders of Common Stock will receive upon consummation thereof a cash payment for each share surrendered in the Reorganization Event (the "**Acquisition Price**"), make or provide for a cash payment to a Participant equal to (A) the Acquisition Price times the number of shares of Common Stock subject to the Participant's Options or other Awards (to the extent the exercise price does not exceed the Acquisition Price) minus (B) the aggregate exercise price of all such outstanding Options or other Awards, in exchange for the termination of such Options or other Awards, (v) provide that, in connection with a liquidation or dissolution of the Company, Awards shall convert into the right to receive liquidation proceeds (if applicable, net of the exercise price thereof) and (vi) any combination of the foregoing.

For purposes of subsection (i) above, an Option shall be considered assumed if, following consummation of the Reorganization Event, the Option confers the right to purchase, for each share of Common Stock subject to the Option immediately prior to the consummation of the Reorganization Event, the consideration (whether cash, securities or other property) received as a result of the Reorganization Event by holders of Common Stock for each share of Common Stock held immediately prior to the consummation of the Reorganization Event (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Common Stock); provided, however, that if the consideration received as a result of the Reorganization Event is not solely common stock of the acquiring or succeeding corporation (or an affiliate thereof), the Company may, with the consent of the acquiring or succeeding corporation, provide for the consideration to be received upon the exercise of Options to consist solely of common stock of the acquiring or succeeding corporation (or an affiliate thereof) equivalent in fair market value to the per share consideration received by holders of outstanding shares of Common Stock as a result of the Reorganization Event.

To the extent all or any portion of an Option becomes exercisable solely as a result of subsection (ii) above, the Board may provide that upon exercise of such Option the Participant shall receive shares subject to a right of repurchase by the Company or its successor at the Option exercise price; such repurchase right (x) shall lapse at the same rate as the Option would have become exercisable under its terms and (y) shall not apply to any shares subject to the Option that were exercisable under its terms without regard to subsection (ii) above.

(c) *Consequences of a Reorganization Event on Awards of Restricted Stock.* Upon the occurrence of a Reorganization Event other than a liquidation or dissolution of the Company, the repurchase and other rights of the

Company under each outstanding Award of Restricted Stock shall inure to the benefit of the Company's successor and shall apply to the cash, securities or other property that the Common Stock was converted into or exchanged for pursuant to such Reorganization Event in the same manner and to the same extent as they applied to the Common Stock subject to such Award of Restricted Stock. Upon the occurrence of a Reorganization Event involving the liquidation or dissolution of the Company, except to the extent specifically provided to the contrary in the instrument evidencing any Award of Restricted Stock or any other agreement between a Participant and the Company, all restrictions and conditions on all Awards of Restricted Stock then outstanding shall automatically be deemed terminated or satisfied.

11. Termination of Service Due to Death or Disability

(a) *Acceleration of Awards.* In the event that a Participant experiences a Termination of Service due to death or Disability, on the date of such Termination of Service each outstanding and unvested Award under the Plan held by the Participant that, pursuant to its terms, vests solely based upon providing continued service to the Company, including, without limitation, Options, SARs, Restricted Stock Awards, and Performance Awards that are earned but unissued, shall automatically become vested, exercisable, and issuable, and any forfeiture restrictions thereon shall immediately lapse, as applicable, in each case, with respect to one-hundred percent (100%) of that number of then-unvested shares underlying such Award.

(b) *Performance Awards.* In the event that a Participant holds a Performance Award that vests based upon the achievement of Performance Goals and upon providing continued service to the Company and the Participant's Termination of Service due to death or Disability occurs prior to the Measurement Date for such Award, then such Award shall, as of the Measurement Date, (i) be earned as to the greater of (A) the "Target" level of shares for such Award, or (B) the number of shares that would have been earned pursuant to the terms of such Award had the Participant remained employed through the Measurement Date, and (ii) automatically become vested, exercisable, and issuable, and any forfeiture restrictions thereon shall immediately lapse, as applicable, in each case, as of the Measurement Date, with respect to one-hundred percent (100%) of that number of then-unvested shares underlying such equity Award that are earned pursuant to subsection (i) above.

(c) *Share Issuance.* Subject to Section 12(f), any shares of Common Stock that are issued pursuant to Section 11(a) shall be issued to the Participant (or to the Participant's estate, if applicable) on, or as soon as practicable (but not more than sixty (60) days) after, the date of the Participant's Termination of Service (or such later date as may be required by Section 13(f)). Subject to Section 12(f), any shares of Common Stock that are issued pursuant to Section 11(b) shall be issued to the Participant (or to the Participant's estate, if applicable) on, or as soon as practicable (but not more than sixty (60) days) after, the Measurement Date.

(d) *Exercise Period of Options Upon Death.* Except as otherwise provided (i) in an employment agreement, severance agreement, change in control agreement or other similar agreement, if any, between the Company and the Participant, (ii) by the Administrator in an Award Agreement, or (iii) by action of the Administrator following the grant of an Option, all outstanding Options held by a Participant that are exercisable upon the Participant's Termination of Service due to death (including any Options that become vested and exercisable pursuant to Section 11(a)) shall remain exercisable for a period of time expiring on the earlier of (a) the one (1) year anniversary of the Participant's Termination of Service due to death, and (b) the final expiration date of such Options as set forth in the applicable Award Agreement, subject to the other terms and conditions of such Award Agreement.

(e) *Exercise Period of Options Upon Disability.* Except as otherwise provided (i) in an employment agreement, severance agreement, change in control agreement or other similar agreement, if any, between the Company and the Participant, (ii) by the Administrator in an Award Agreement, or (iii) by action of the Administrator following the grant of an Option, all outstanding Options held by a Participant that are exercisable upon the Participant's Termination of Service due to Disability (including any Options that become vested and exercisable pursuant to Section 11(a)) shall

remain exercisable for a period of time expiring on the earlier of (a) the six (6) month anniversary of the Participant's Termination of Service due to Disability, and (b) the final expiration date of such Options as set forth in the applicable Award Agreement, subject to the other terms and conditions of such Award Agreement.

12. General Provisions Applicable to Awards

(a) *Transferability of Awards.* Except as the Administrator may otherwise determine or provide in an Award, Awards shall not be sold, assigned, transferred, pledged or otherwise encumbered by the person to whom they are granted, either voluntarily or by operation of law, except by will or the laws of descent and distribution and, during the life of the Participant, shall be exercisable only by the Participant. References to a Participant, to the extent relevant in the context, shall include references to authorized transferees.

(b) *Award Agreement.* Each Award shall be evidenced by an Award Agreement (which may be electronic).

(c) *Limitations Applicable to Section 16 Persons.* Notwithstanding any other provision of the Plan, the Plan and any Award granted or awarded to any individual who is then subject to Section 16 of the Exchange Act shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including Rule 16b-3 under the Exchange Act or any successor rule) that are requirements for the application of such exemptive rule. To the extent permitted by applicable law, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

(d) *Administrator Discretion.* Except as otherwise provided by the Plan, each Award may be made alone or in addition or in relation to any other Award. The terms of each Award need not be identical, and the Administrator need not treat Participants uniformly.

(e) *Termination of Service.* Subject to the provisions of Sections 9 and 11, the Administrator in its sole discretion shall determine the effect on an Award of the Disability, death, or other Termination of Service or change in the employment or other status of a Participant and the extent to which, and the period during which, the Participant, or the Participant's legal representative, conservator, guardian or Designated Beneficiary, may exercise rights under the Award.

(f) *Withholding.* The Company shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, local and foreign taxes (including applicable income and payroll taxes) required by law to be withheld with respect to any taxable event concerning a Participant arising as a result of the Plan. The Administrator may in its sole discretion and in satisfaction of the foregoing requirement allow a Participant to elect to have the Company withhold shares of Common Stock otherwise issuable under an Award (or allow the surrender of shares of Common Stock). The number of shares of Common Stock which may be so withheld or surrendered shall be limited to the number of shares which have a Fair Market Value on the date of withholding or repurchase equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such supplemental taxable income, except that, to the extent that the Company is able to withhold or receive surrendered shares of Common Stock having a Fair Market Value that exceeds the applicable minimum statutory withholding tax without financial accounting implications or the Company is withholding in a jurisdiction that does not have a minimum statutory withholding tax, the Company may withhold or allow the surrender of such number of shares of Common Stock (up to the number of shares having a Fair Market Value equal to the applicable maximum individual statutory rate of tax (determined by, or in a manner approved by, the Company)) as the Company shall determine in its sole discretion to satisfy the tax liability associated with any Award. The Administrator shall determine the fair market value of the Common Stock, consistent with applicable provisions of the Code, for tax withholding obligations due in connection with a broker-assisted cashless Option or Stock Appreciation Right exercise involving the sale of shares to pay the Option or Stock Appreciation Right exercise price or any tax withholding obligation.

(g) *Payment.* The Administrator shall determine the methods by which payments shall be made by any Participant with respect to any Awards granted under the Plan, including, without limitation:

(i) in cash or by check, payable to the order of the Company;

(ii) except as the Administrator may otherwise provide in an option agreement, by (A) delivery of an irrevocable and unconditional undertaking by a creditworthy broker to deliver promptly to the Company sufficient funds to pay the exercise price and/or any required tax withholding, or (B) delivery by the Participant to the Company of a copy of irrevocable and unconditional instructions to a creditworthy broker to deliver promptly to the Company cash or a check sufficient to pay the exercise price and/or any required tax withholding, provided, in either case, that delivery of such required payments is then made to the Company upon settlement of such sale;

(iii) when the Common Stock is registered under the Exchange Act, by delivery of shares of Common Stock owned by the Participant valued at their Fair Market Value, provided (A) such method of payment is then permitted under applicable law, (B) such Common Stock, if acquired directly from the Company, was owned by the Participant for such minimum period of time, if any, as may be established by the Administrator in its discretion and (C) such Common Stock is not subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements;

(iv) to the extent permitted by applicable law and by the Administrator, by payment of such other lawful consideration as the Administrator may determine; or

(v) by any combination of the above-permitted forms of payment.

(h) *Accrued Dividends.* Unless otherwise provided in the applicable Award Agreement, any dividends (whether paid in cash, stock or property) declared and paid by the Company with respect to shares of Restricted Stock or Dividend Equivalents granted with respect to Restricted Stock Units or other Awards (either, "**Accrued Dividends**") shall be paid to the Participant only if and when such shares become free from the restrictions on transferability and forfeitability that apply to such shares or, in the case of a Restricted Stock Unit or other Award, the Award vests and the shares are delivered to the Participant. In addition, Accrued Dividends with respect to an Award with performance-based vesting that are based on dividends paid prior to the vesting of such Award shall be paid out to the Participant only to the extent that the performance-based vesting conditions are subsequently satisfied and the Award vests. Each payment of Accrued Dividends will be made no later than the end of the calendar year in which the dividends are paid to stockholders of that class of stock or, if later, the 15th day of the third month following the lapsing of the restrictions on transferability and the forfeitability provisions applicable to the Restricted Stock Award. No interest will be paid on Accrued Dividends.

(i) *Fractional Shares.* No fractional shares of Common Stock shall be issued pursuant to Awards granted under the Plan, and the Administrator shall determine, in its sole discretion, whether cash shall be given in lieu of fractional shares or whether such fractional shares shall be eliminated by rounding down.

(j) *Amendment of Award.* Except as provided in Sections 5 and 6, the Administrator may amend, modify or terminate any outstanding Award, including but not limited to, substituting therefor another Award of the same or a different type and changing the date of exercise or realization, provided that the Participant's consent to such action shall be required unless the Administrator determines that the action, taking into account any related action, would not materially and adversely affect the Participant.

(k) *Conditions on Delivery of Stock.* The Company will not be obligated to deliver any shares of Common Stock pursuant to the Plan or to remove restrictions from shares previously delivered under the Plan until (i) all conditions of the Award have been met or removed to the satisfaction of the Company, (ii) in the opinion of the Company's counsel, the shares of Common Stock are covered by an effective registration statement or applicable exemption from registration and all other legal matters in connection with the issuance and delivery of such shares have been satisfied, including any

applicable securities laws and any applicable stock exchange or stock market rules and regulations, and (iii) the Participant has executed and delivered to the Company such representations or agreements as the Company may consider appropriate to satisfy the requirements of any applicable laws, rules or regulations.

(l) *Book Entry.* Notwithstanding any other provision of the Plan, unless otherwise determined by the Administrator or required by any applicable law, rule or regulation, the Company shall not deliver to any Participant certificates evidencing shares of Common Stock issued in connection with any Award and instead such shares of Common Stock shall be recorded in the books of the Company (or, as applicable, its transfer agent or stock plan administrator).

(m) *Acceleration.* Except as otherwise provided in the Plan, the Administrator may at any time provide that any Award shall become immediately exercisable in full or in part, free of some or all restrictions or conditions, or otherwise realizable in full or in part, as the case may be.

13. Miscellaneous

(a) *No Right To Employment or Other Status.* No person shall have any claim or right to be granted an Award, and the grant of an Award shall not be construed as giving a Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan, except as expressly provided in the applicable Award.

(b) *No Rights as Stockholder.* Subject to the provisions of the applicable Award, no Participant or Designated Beneficiary shall have any rights as a stockholder with respect to any shares of Common Stock to be distributed with respect to an Award until becoming the record holder of such shares. Notwithstanding the foregoing, in the event the Company effects a split of the Common Stock by means of a stock dividend and the exercise price of and the number of shares subject to such Option are adjusted as of the date of the distribution of the dividend (rather than as of the record date for such dividend), then an optionee who exercises an Option between the record date and the distribution date for such stock dividend shall be entitled to receive, on the distribution date, the stock dividend with respect to the shares of Common Stock acquired upon such Option exercise, notwithstanding the fact that such shares were not outstanding as of the close of business on the record date for such stock dividend.

(c) *Term of Plan.* No Awards shall be granted under the Plan on or after the Expiration Date. Any Awards that are outstanding on the Expiration Date shall remain in force according to the terms of the Plan and the applicable Award Agreement.

(d) *Amendment of Plan.* The Board or the Committee may amend, suspend or terminate the Plan or any portion thereof at any time; provided that, without approval of the Company's stockholders, no amendment may (i) increase the number of shares authorized under the Plan (other than pursuant to Section 10), (ii) materially increase the benefits provided under the Plan, (iii) materially expand the class of participants eligible to participate in the Plan, (iv) expand the types of Awards provided under the Plan or (v) make any other changes that require stockholder approval under the rules of Nasdaq (or other securities exchange or automated quotation system on which shares of Common Stock are listed, quoted or traded). No amendment, suspension or termination of the Plan shall, without the consent of the Participant, impair any rights or obligations under any Award theretofore granted or awarded, unless the applicable Award Agreement itself otherwise expressly so provides. No Awards may be granted or awarded under the Plan during any period of suspension or after termination of the Plan.

(e) *Provisions for Foreign Participants.* The Administrator may modify Awards or Options granted to Participants who are foreign nationals or employed outside the United States or establish subplans or procedures under the

Plan to recognize differences in laws, rules, regulations or customs of such foreign jurisdictions with respect to tax, securities, currency, employee benefit or other matters.

(f) *Compliance with Section 409A.* If and to the extent (A) any portion of any payment, compensation or other benefit provided to a Participant pursuant to the Plan in connection with his or her Termination of Service constitutes “nonqualified deferred compensation” within the meaning of Section 409A, and (B) the Participant is a specified employee as defined in Section 409A(a)(2)(B)(i) of the Code, in each case as determined by the Company in accordance with its procedures, by which determinations the Participant (through accepting the Award) agrees that he or she is bound, such portion of the payment, compensation or other benefit shall not be paid before the day that is six months plus one day after the date of “separation from service” (as determined under Section 409A) (the “**New Payment Date**”), except as Section 409A may then permit. The aggregate of any payments that otherwise would have been paid to the Participant during the period between the date of separation from service and the New Payment Date shall be paid to the Participant in a lump sum on such New Payment Date, and any remaining payments will be paid on their original schedule.

(g) *Governing Law.* The provisions of the Plan and all Awards made hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, without giving effect to any choice or conflict of law provision or rule (whether of Delaware or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of Delaware.

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: July 29, 2021

/s/ Liam K. Griffin

Liam K. Griffin
President and Chief Executive Officer

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: July 29, 2021

/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 July 2, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Liam K. Griffin, President and Chief Executive 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/ Liam K. Griffin

Liam K. Griffin
President and Chief Executive Officer

July 29, 2021

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 July 2, 2021 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

July 29, 2021