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**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 1, 2022

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 29, 2022, the registrant had 160,445,593 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 1, 2022**

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

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

	Three Months Ended		Nine Months Ended	
	July 1, 2022	July 2, 2021	July 1, 2022	July 2, 2021
Net revenue	\$ 1,232.6	\$ 1,116.4	\$ 4,078.6	\$ 3,798.2
Cost of goods sold	649.3	557.8	2,142.9	1,899.5
Gross profit	583.3	558.6	1,935.7	1,898.7
Operating expenses:				
Research and development	156.5	130.8	468.4	383.1
Selling, general, and administrative	77.0	85.1	242.1	222.0
Amortization of intangibles	21.9	2.4	77.0	7.9
Restructuring, impairment, and other charges	2.1	0.5	9.3	0.5
Total operating expenses	257.5	218.8	796.8	613.5
Operating income	325.8	339.8	1,138.9	1,285.2
Interest expense	(11.3)	(2.6)	(33.6)	(2.6)
Other expense, net	(0.4)	(1.0)	(0.9)	(0.1)
Income before income taxes	314.1	336.2	1,104.4	1,282.5
Provision (benefit) for income taxes	46.8	(1.6)	131.4	110.5
Net income	\$ 267.3	\$ 337.8	\$ 973.0	\$ 1,172.0
Earnings per share:				
Basic	\$ 1.66	\$ 2.05	\$ 5.96	\$ 7.10
Diluted	\$ 1.66	\$ 2.02	\$ 5.93	\$ 7.02
Weighted average shares:				
Basic	160.9	165.1	163.3	165.2
Diluted	161.5	167.0	164.1	166.9

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 1, 2022	July 2, 2021	July 1, 2022	July 2, 2021
Net income	\$ 267.3	\$ 337.8	\$ 973.0	\$ 1,172.0
Other comprehensive income (loss), net of tax:				
Fair value of investments	0.2	(0.2)	(0.2)	(0.5)
Pension adjustments	—	—	3.3	0.3
Comprehensive income	\$ 267.5	\$ 337.6	\$ 976.1	\$ 1,171.8

See accompanying Notes to Consolidated Financial Statements.

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

	As of	
	July 1, 2022	October 1, 2021
<b>ASSETS</b>	(unaudited)	
Current assets:		
Cash and cash equivalents	\$ 643.0	\$ 882.9
Marketable securities	16.2	137.2
Receivables, net of allowances of \$0.8 and \$0.7, respectively	785.6	756.2
Inventory	1,102.0	885.0
Other current assets	361.2	204.1
Total current assets	2,908.0	2,865.4
Property, plant, and equipment, net	1,607.4	1,501.6
Operating lease right-of-use assets	208.3	166.1
Goodwill	2,176.7	2,176.7
Intangible assets, net	1,541.8	1,698.6
Deferred tax assets, net	101.5	119.5
Marketable securities	3.0	7.1
Other long-term assets	147.9	55.7
Total assets	<u>\$ 8,694.6</u>	<u>\$ 8,590.7</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 319.9	\$ 236.0
Accrued compensation and benefits	109.0	135.3
Current portion of long-term debt	498.8	—
Other current liabilities	298.4	287.2
Total current liabilities	1,226.1	658.5
Long-term debt	1,689.4	2,235.6
Long-term tax liabilities	227.8	222.8
Long-term operating lease liabilities	189.5	144.5
Other long-term liabilities	67.2	32.2
Total liabilities	3,400.0	3,293.6
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; 166.9 shares issued and 160.7 shares outstanding at July 1, 2022, and 165.3 shares issued and 165.3 shares outstanding at October 1, 2021	40.1	41.3
Additional paid-in capital	267.6	79.6
Treasury stock, at cost	(893.4)	(1.7)
Retained earnings	5,885.1	5,185.8
Accumulated other comprehensive loss	(4.8)	(7.9)
Total stockholders' equity	5,294.6	5,297.1
Total liabilities and stockholders' equity	<u>\$ 8,694.6</u>	<u>\$ 8,590.7</u>

See accompanying Notes to Consolidated Financial Statements.

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

	<b>Nine Months Ended</b>	
	<b>July 1, 2022</b>	<b>July 2, 2021</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 973.0	\$ 1,172.0
Adjustments to reconcile net income to net cash provided by operating activities:		
Share-based compensation	158.2	144.3
Depreciation	289.6	242.9
Amortization of intangible assets, including inventory step-up	219.1	23.8
Deferred income taxes	30.3	(2.6)
Amortization of debt discount and issuance costs	3.0	—
Other, net	(5.1)	0.2
Changes in assets and liabilities:		
Receivables, net	(29.4)	(176.9)
Inventory	(227.8)	(5.9)
Accounts payable	32.5	21.8
Other current and long-term assets and liabilities	(255.1)	(45.9)
<b>Net cash provided by operating activities</b>	<b>1,188.3</b>	<b>1,373.7</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(347.7)	(374.8)
Purchased intangibles	(16.3)	(7.4)
Purchases of marketable securities	(91.4)	(408.4)
Sales and maturities of marketable securities	216.2	689.6
Receipts from the sales of property, plant, and equipment	7.6	—
<b>Net cash used in investing activities</b>	<b>(231.6)</b>	<b>(101.0)</b>
<b>Cash flows from financing activities:</b>		
Repurchase of common stock - payroll tax withholdings on equity awards	(85.2)	(53.6)
Repurchase of common stock - stock repurchase program	(806.5)	(195.6)
Dividends paid	(273.7)	(248.1)
Net proceeds from exercise of stock options	3.2	7.8
Proceeds from employee stock purchase plan	15.6	12.7
Proceeds from issuance of long-term debt, net	—	1,489.7
Debt financing costs	—	(7.3)
Payments of debt	(50.0)	—
<b>Net cash provided by (used in) financing activities</b>	<b>(1,196.6)</b>	<b>1,005.6</b>
Net increase (decrease) in cash and cash equivalents	(239.9)	2,278.3
Cash and cash equivalents at beginning of period	882.9	566.7
Cash and cash equivalents at end of period	<b>\$ 643.0</b>	<b>\$ 2,845.0</b>
<b>Supplemental cash flow disclosures:</b>		
Income taxes paid	\$ 167.9	\$ 136.5
Interest paid	\$ 29.0	\$ —
Incentives paid in common stock	\$ 32.2	\$ 27.5
Non-cash investing in capital expenditures, accrued but not paid	\$ 127.3	\$ 149.9
Operating lease assets obtained in exchange for new lease liabilities	\$ 64.3	\$ 15.9
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 1, 2021	165.3	\$ 41.3	—	\$ (1.7)	\$ 79.6	\$ 5,185.8	\$ (7.9)	\$ 5,297.1
Net income	—	—	—	—	—	399.9	—	399.9
Exercise and settlement of share-based awards, net of shares withheld for taxes	0.9	0.2	0.5	(80.1)	33.8	—	—	(46.1)
Share-based compensation expense	—	—	—	—	42.0	—	—	42.0
Stock repurchase program	(1.7)	(0.4)	1.7	(269.4)	0.4	—	—	(269.4)
Dividends declared	—	—	—	—	—	(92.5)	—	(92.5)
Other comprehensive income	—	—	—	—	—	—	3.2	3.2
Balance at December 31, 2021	<u>164.5</u>	<u>\$ 41.1</u>	<u>2.2</u>	<u>\$ (351.2)</u>	<u>\$ 155.8</u>	<u>\$ 5,493.2</u>	<u>\$ (4.7)</u>	<u>\$ 5,334.2</u>
Net income	—	\$ —	—	\$ —	\$ —	305.8	—	305.8
Exercise and settlement of share-based awards, net of shares withheld for taxes	0.2	—	—	(3.5)	16.3	—	—	12.8
Share-based compensation expense	—	—	—	—	45.3	—	—	45.3
Stock repurchase program	(3.0)	(0.7)	3.0	(418.0)	0.7	—	—	(418.0)
Dividends declared	—	—	—	—	—	(91.2)	—	(91.2)
Other comprehensive loss	—	—	—	—	—	—	(0.3)	(0.3)
Balance at April 1, 2022	<u>161.7</u>	<u>\$ 40.4</u>	<u>5.2</u>	<u>\$ (772.7)</u>	<u>\$ 218.1</u>	<u>\$ 5,707.8</u>	<u>\$ (5.0)</u>	<u>\$ 5,188.6</u>
Net income	—	—	—	—	—	267.3	—	267.3
Exercise and settlement of share-based awards, net of shares withheld for taxes	—	—	—	(1.6)	0.6	—	—	(1.0)
Share-based compensation expense	—	—	—	—	48.6	—	—	48.6
Dividends declared	—	—	—	—	—	(90.0)	—	(90.0)
Stock repurchase program	(1.0)	(0.3)	1.0	(119.1)	0.3	—	—	(119.1)
Other comprehensive income	—	—	—	—	—	—	0.2	0.2
Balance at July 1, 2022	<u>160.7</u>	<u>\$ 40.1</u>	<u>6.2</u>	<u>\$ (893.4)</u>	<u>\$ 267.6</u>	<u>\$ 5,885.1</u>	<u>\$ (4.8)</u>	<u>\$ 5,294.6</u>
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)	30.1	—	—	(17.5)
Share-based compensation expense	—	—	—	—	37.4	—	—	37.4
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>

See accompanying Notes to Consolidated Financial Statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

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 1, 2021, filed with the SEC on November 24, 2021, as amended by Amendment No. 1 to such Annual Report on Form 10-K, filed with the SEC on January 28, 2022 (“2021 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 during the reporting period. The Company evaluates its estimates on an ongoing basis using historical experience and other factors, including the current economic environment. Judgment is required in determining the reserves for, and fair value of, items such as overall fair value assessments of assets and liabilities, particularly those classified as Level 2 or Level 3 in the fair value hierarchy, marketable securities, inventory, intangible assets associated with business combinations, share-based compensation, revenue reserves, loss contingencies, and income taxes. In addition, judgment is required in determining whether a potential indicator of impairment of long-lived assets exists and in estimating future cash flows for any necessary impairment testing. Actual results could differ significantly from these estimates.

The Company’s fiscal year ends on the Friday closest to September 30. Fiscal 2022 consists of 52 weeks and ends on September 30, 2022. Fiscal 2021 consisted of 52 weeks and ended on October 1, 2021. The three and nine months ended July 1, 2022, and July 2, 2021, each consisted of 13 weeks and 39 weeks, respectively.

### 2. REVENUE RECOGNITION

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

	Three Months Ended		Nine Months Ended	
	July 1, 2022	July 2, 2021	July 1, 2022	July 2, 2021
United States	\$ 813.0	\$ 636.0	\$ 2,630.9	\$ 2,372.6
China	98.9	262.0	487.8	759.6
South Korea	146.4	70.6	398.6	205.0
Taiwan	99.7	90.4	324.3	310.6
Europe, Middle East, and Africa	58.3	49.5	180.6	128.7
Other Asia-Pacific	16.3	7.9	56.4	21.7
Total net revenue	\$ 1,232.6	\$ 1,116.4	\$ 4,078.6	\$ 3,798.2

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

	Three Months Ended		Nine Months Ended	
	July 1, 2022	July 2, 2021	July 1, 2022	July 2, 2021
Distributors	\$ 947.8	\$ 982.7	\$ 3,309.3	\$ 3,396.1
Direct customers	284.8	133.7	769.3	402.1
Total net revenue	\$ 1,232.6	\$ 1,116.4	\$ 4,078.6	\$ 3,798.2

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

### 3. MARKETABLE SECURITIES

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

	Current		Noncurrent	
	July 1, 2022	October 1, 2021	July 1, 2022	October 1, 2021
U.S. Treasury and government	\$ 8.0	\$ 7.6	\$ 2.9	\$ 6.0
Corporate bonds and notes	—	117.0	—	—
Municipal bonds	8.2	12.6	0.1	1.1
Total marketable securities	\$ 16.2	\$ 137.2	\$ 3.0	\$ 7.1

The contractual maturities of noncurrent available-for-sale marketable securities were within two years or less of issuance of the applicable securities. Neither gross unrealized gains and losses nor realized gains and losses were material as of July 1, 2022, and October 1, 2021, respectively.

### 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 1, 2022				October 1, 2021			
	Total	Fair Value Measurements			Total	Fair Value Measurements		
Level 1		Level 2	Level 3	Level 1		Level 2	Level 3	
<b>Assets</b>								
Cash and cash equivalents*	\$ 643.0	\$ 643.0	\$ —	\$ —	\$ 882.9	\$ 882.9	\$ —	\$ —
U.S. Treasury and government securities	10.9	1.2	9.7	—	13.6	2.6	11.0	—
Corporate bonds and notes	—	—	—	—	117.0	—	117.0	—
Municipal bonds	8.3	—	8.3	—	13.7	—	13.7	—
<b>Total assets at fair value</b>	<b>\$ 662.2</b>	<b>\$ 644.2</b>	<b>\$ 18.0</b>	<b>\$ —</b>	<b>\$ 1,027.2</b>	<b>\$ 885.5</b>	<b>\$ 141.7</b>	<b>\$ —</b>

\* 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 1, 2022.

#### Fair Value of Debt

The Company's debt is carried at amortized cost and is measured at fair value quarterly for disclosure purposes. The estimated fair values are based on Level 2 inputs as the fair value is based on quoted prices for the Company's debt and comparable instruments in inactive markets. The carrying value of the Term Loan (as defined below) approximates its fair value as the Term Loan is carried at a market observable interest rate that resets periodically.

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

	As of			
	July 1, 2022		October 1, 2021	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
0.90% Senior Notes due 2023	\$ 498.8	\$ 486.4	\$ 498.2	\$ 501.0
1.80% Senior Notes due 2026	496.6	445.8	496.2	507.5
3.00% Senior Notes due 2031	494.4	414.6	494.0	514.6
<b>Total debt</b>	<b>\$ 1,489.8</b>	<b>\$ 1,346.8</b>	<b>\$ 1,488.4</b>	<b>\$ 1,523.1</b>

## 5. INVENTORY

Inventory consists of the following (in millions):

	As of	
	July 1, 2022	October 1, 2021
Raw materials	\$ 73.1	\$ 62.2
Work-in-process	770.8	595.9
Finished goods	254.5	224.4
Finished goods held on consignment by customers	3.6	2.5
<b>Total inventory</b>	<b>\$ 1,102.0</b>	<b>\$ 885.0</b>

## 6. PROPERTY, PLANT, AND EQUIPMENT, NET

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

	As of	
	July 1, 2022	October 1, 2021
Land and improvements	\$ 11.9	\$ 11.9
Buildings and improvements	535.9	470.7
Furniture and fixtures	70.4	60.2
Machinery and equipment	3,256.3	2,990.2
Construction in progress	174.6	177.0
Total property, plant, and equipment, gross	4,049.1	3,710.0
Accumulated depreciation	(2,441.7)	(2,208.4)
Total property, plant, and equipment, net	\$ 1,607.4	\$ 1,501.6

## 7. GOODWILL AND INTANGIBLE ASSETS

There were no changes to the carrying amount of goodwill during the three and nine months ended July 1, 2022.

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 1, 2022.

Intangible assets consist of the following (in millions):

	Weighted Average Amortization Period (Years)	As of July 1, 2022			As of October 1, 2021		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships and backlog	2.3	154.6	(100.6)	54.0	174.3	(44.0)	130.3
Developed technology and other	4.1	1,154.7	(160.6)	994.1	1,036.9	(88.0)	948.9
Technology licenses	2.8	103.4	(37.4)	66.0	48.4	(23.9)	24.5
In-process research and development		427.7	—	427.7	594.9	—	594.9
Total intangible assets		\$ 1,840.4	\$ (298.6)	\$ 1,541.8	\$ 1,854.5	\$ (155.9)	\$ 1,698.6

Fully amortized intangible assets are eliminated from both the gross and accumulated amortization amounts in the first quarter of each fiscal year. During the nine months ended July 1, 2022, \$167.2 million of in-process research and development (“IPR&D”) assets were transferred to definite-lived intangible assets, and are being amortized over their weighted-average useful lives of 6.6 years. Amortization expense related to definite-lived intangible assets was \$65.9 million and \$211.8 million for the three and nine months ended July 1, 2022, respectively. Amortization expense related to definite-lived intangible assets was \$6.3 million and \$23.8 million for the three and nine months ended July 2, 2021, respectively.

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

	Remaining 2022	2023	2024	2025	2026	Thereafter
Amortization expense	\$ 68.2	\$ 212.2	\$ 164.8	\$ 144.0	\$ 119.8	\$ 405.1

## 8. INCOME TAXES

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

	Three Months Ended		Nine Months Ended	
	July 1, 2022	July 2, 2021	July 1, 2022	July 2, 2021
United States income taxes	35.8	(13.8)	88.5	63.7
Foreign income taxes	11.0	12.2	42.9	46.8
Provision (benefit) for income taxes	<u>\$ 46.8</u>	<u>\$ (1.6)</u>	<u>\$ 131.4</u>	<u>\$ 110.5</u>
Effective tax rate	14.9 %	(0.5)%	11.9 %	8.6 %

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 1, 2022, and July 2, 2021, respectively, resulted primarily from foreign earnings taxed at rates lower than the federal statutory rate, 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"), and tax expense related to a change in the reserve for uncertain tax positions.

## 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

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 program 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 1, 2022, the Company paid \$119.1 million (including commissions) in connection with the repurchase of 1.0 million shares of its common stock (paying an average price of \$119.07 per share). During the nine months ended July 1, 2022, the Company paid \$806.5 million (including commissions) in connection with the repurchase of 5.7 million shares of its common stock (paying an average price of \$141.30 per share), all of which shares were repurchased pursuant to the January 26, 2021, stock repurchase program. As of July 1, 2022, \$1.2 billion remained available under the January 26, 2021, stock repurchase program.

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.

### Dividends

On August 4, 2022, the Company announced that the Board of Directors had declared a cash dividend on the Company's common stock of \$0.62 per share. This dividend is payable on September 15, 2022, to the Company's stockholders of record as of the close of business on August 25, 2022.

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

	2022		2021	
	Per Share	Total Amount	Per Share	Total Amount
First quarter	\$ 0.56	\$ 92.5	\$ 0.50	\$ 83.0
Second quarter	0.56	91.2	0.50	82.6
Third quarter	0.56	90.0	0.50	82.5
Total dividends	\$ 1.68	\$ 273.7	\$ 1.50	\$ 248.1

### Share-based Compensation

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

	Three Months Ended		Nine Months Ended	
	July 1, 2022	July 2, 2021	July 1, 2022	July 2, 2021
Cost of goods sold	\$ 8.0	\$ 4.9	\$ 22.9	\$ 24.0
Research and development	24.2	17.9	74.4	62.2
Selling, general, and administrative	19.9	20.6	60.9	58.1
Total share-based compensation	\$ 52.1	\$ 43.4	\$ 158.2	\$ 144.3

## 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 1, 2022	July 2, 2021	July 1, 2022	July 2, 2021
Net income	\$ 267.3	\$ 337.8	\$ 973.0	\$ 1,172.0
Weighted average shares outstanding – basic	160.9	165.1	163.3	165.2
Dilutive effect of equity-based awards	0.6	1.9	0.8	1.7
Weighted average shares outstanding – diluted	161.5	167.0	164.1	166.9
Net income per share – basic	\$ 1.66	\$ 2.05	\$ 5.96	\$ 7.10
Net income per share – diluted	\$ 1.66	\$ 2.02	\$ 5.93	\$ 7.02
Anti-dilutive common stock equivalents	1.3	—	0.8	—

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 1, 2022, and July 2, 2021, 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 1, 2022	October 1, 2021
Accrued taxes	\$ 68.6	\$ 88.6
Short-term operating lease liabilities	24.5	33.0
Accrued customer liabilities	169.0	119.7
Other	36.3	45.9
Total other current liabilities	\$ 298.4	\$ 287.2

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

	As of	
	July 1, 2022	October 1, 2021
Prepaid expenses	\$ 204.9	\$ 106.7
Other	156.3	97.4
Total other current assets	\$ 361.2	\$ 204.1

## 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 geopolitical conflicts, inflation, and the COVID-19 pandemic, as well as the development of new products, enhancements of technologies, sales levels, expense levels, the benefits of acquisitions we have made or may make in the future, and other statements regarding matters that are not historical are forward-looking statements. Although forward-looking statements in this report reflect the good faith judgment of our management as of the date the statement is first made, such statements can only be based on facts and factors then known 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 2021 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, as well as negative impacts to our financial condition. Like many companies in the semiconductor industry, we are experiencing various supply constraints due to the pandemic. While we are working with our global supply chain partners to mitigate this risk, the duration and extent of the supply chain disruptions remain uncertain.

**RESULTS OF OPERATIONS****Three and Nine Months Ended July 1, 2022, and July 2, 2021**

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

	Three Months Ended		Nine Months Ended	
	July 1, 2022	July 2, 2021	July 1, 2022	July 2, 2021
Net revenue	100.0 %	100.0 %	100.0 %	100.0 %
Cost of goods sold	52.7	50.0	52.5	50.0
Gross profit	47.3	50.0	47.5	50.0
Operating expenses:				
Research and development	12.7	11.7	11.5	10.1
Selling, general, and administrative	6.2	7.6	5.9	5.8
Amortization of intangibles	1.8	0.2	1.9	0.2
Restructuring, impairment, and other charges	0.2	0.1	0.2	0.1
Total operating expenses	20.9	19.6	19.5	16.2
Operating income	26.4	30.4	27.9	33.8
Interest expense	(0.9)	(0.2)	(0.8)	(0.1)
Other expense, net	—	(0.1)	—	—
Income before income taxes	25.5	30.1	27.1	33.7
Provision (benefit) for income taxes	3.8	(0.2)	3.2	2.8
Net income	21.7 %	30.3 %	23.9 %	30.9 %

**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 three months ended July 1, 2022, the following key factors contributed to our overall results of operations, financial position, and cash flows:

- Net revenue increased to \$1,232.6 million for the three months ended July 1, 2022, as compared to \$1,116.4 million for the corresponding period in fiscal 2021, driven primarily by our prior year fourth quarter acquisition to support high-growth market segments, such as automotive including electric and hybrid vehicles, industrial and motor control, power supply, 5G wireless infrastructure, optical data communication and data center, and smart home. The increase in net revenue was also driven in part by an increase in demand for next-generation wireless connectivity products, including 5G and advanced Wi-Fi solutions, from major OEMs and the associated increases in average content per device for these products, offset by a decrease in demand for our mobile products from smartphone customers in China.
- Our ending cash, cash equivalents, and marketable securities balance decreased to \$662.2 million. The decrease in cash, cash equivalents, and marketable securities during the three months ended July 1, 2022, was primarily due to the repurchase of 1.0 million shares of common stock for \$119.1 million, capital expenditures of \$125.1 million, and dividend payments of \$90.0 million, partially offset by cash generated from operations of \$213.9 million.

## Net Revenue

	Three Months Ended			Nine Months Ended		
	July 1, 2022	Change	July 2, 2021	July 1, 2022	Change	July 2, 2021
(dollars in millions)						
Net revenue	\$ 1,232.6	10.4%	\$ 1,116.4	\$ 4,078.6	7.4%	\$ 3,798.2

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 1, 2022, as compared with the corresponding periods in fiscal 2021, was driven primarily by our prior year fourth quarter acquisition to support high-growth market segments, such as automotive including electric and hybrid vehicles, industrial and motor control, power supply, 5G wireless infrastructure, optical data communication and data center, and smart home. The increase in net revenue was also driven in part by an increase in demand for next-generation wireless connectivity products, including 5G and advanced Wi-Fi solutions, from major OEMs and the associated increases in average content per device for these products, offset by a decrease in demand for our mobile products from smartphone customers in China.

## Gross Profit

	Three Months Ended			Nine Months Ended		
	July 1, 2022	Change	July 2, 2021	July 1, 2022	Change	July 2, 2021
(dollars in millions)						
Gross profit	\$ 583.3	4.4%	\$ 558.6	\$ 1,935.7	1.9%	\$ 1,898.7
% of net revenue	47.3 %		50.0 %	47.5 %		50.0 %

Gross profit represents net revenue less cost of goods sold. Our cost of goods sold consists primarily of purchased materials, labor, and overhead (including depreciation, share-based compensation, and amortization of acquisition intangibles, including inventory step-up expense) associated with product manufacturing. As part of our normal course of business, we intend to improve gross profit with efforts to increase unit volumes, improve manufacturing efficiencies, lower manufacturing costs of existing products, and by introducing new and higher value-added products.

The increase in gross profit for the three and nine months ended July 1, 2022, as compared with the corresponding periods in fiscal 2021, was primarily the result of a favorable product mix including volume increases for new product introductions with a gross profit impact of \$105.6 million and \$326.3 million, respectively, partially offset by lower comparable unit volumes and an increase in amortization of acquisition intangibles, including inventory step-up, due to additional intangible assets acquired during the fourth quarter of fiscal 2021.

## Research and Development

	Three Months Ended			Nine Months Ended		
	July 1, 2022	Change	July 2, 2021	July 1, 2022	Change	July 2, 2021
(dollars in millions)						
Research and development	\$ 156.5	19.6 %	\$ 130.8	\$ 468.4	22.3 %	\$ 383.1
% of net revenue	12.7 %		11.7 %	11.5 %		10.1 %

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 1, 2022, as compared with the corresponding periods in fiscal 2021, was primarily related to headcount-related expenses, including share-based compensation, as a result of our increased investment in developing new technologies and products. The increase in headcount was partially due to our acquisition in the fourth quarter of fiscal 2021.

### Selling, General, and Administrative

	Three Months Ended			Nine Months Ended		
	July 1, 2022	Change	July 2, 2021	July 1, 2022	Change	July 2, 2021
(dollars in millions)						
Selling, general, and administrative	\$ 77.0	(9.5)%	\$ 85.1	\$ 242.1	9.1 %	\$ 222.0
% of net revenue	6.2 %		7.6 %	5.9 %		5.8 %

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

The decrease in selling, general, and administrative expenses for the three months ended July 1, 2022, as compared with the corresponding period in fiscal 2021, was primarily related to a decrease in costs associated with our acquisition in the fourth quarter of fiscal 2021.

The increase in selling, general, and administrative expenses for the nine months ended July 1, 2022, as compared with the corresponding period in fiscal 2021, was primarily related to increases in headcount-related expenses, including share-based compensation. The increase in headcount was primarily due to our acquisition in the fourth quarter of fiscal 2021.

### Amortization of Intangibles

	Three Months Ended			Nine Months Ended		
	July 1, 2022	Change	July 2, 2021	July 1, 2022	Change	July 2, 2021
(dollars in millions)						
Amortization of intangibles	\$ 21.9	812.5 %	\$ 2.4	\$ 77.0	874.7 %	\$ 7.9
% of net revenue	1.8 %		0.2 %	1.9 %		0.2 %

The increase in amortization expense for the three and nine months ended July 1, 2022, as compared with the corresponding periods in fiscal 2021, was primarily due to the intangible assets acquired during the fourth quarter of fiscal 2021.

### Interest Expense

	Three Months Ended			Nine Months Ended		
	July 1, 2022	Change	July 2, 2021	July 1, 2022	Change	July 2, 2021
(dollars in millions)						
Interest expense	\$ (11.3)	334.6 %	\$ (2.6)	\$ (33.6)	1,192.3 %	\$ (2.6)
% of net revenue	(0.9)%		(0.2)%	(0.8)%		(0.1)%

The increase in interest expense for the three and nine months ended July 1, 2022, as compared with the corresponding periods in fiscal 2021, was due to the issuance of the Notes (as defined below) in May 2021 and the borrowing of the Term Loans (as defined below) in July 2021.

### Provision for Income Taxes

	Three Months Ended			Nine Months Ended		
	July 1, 2022	Change	July 2, 2021	July 1, 2022	Change	July 2, 2021
(dollars in millions)						
Provision (benefit) for income taxes	\$ 46.8	(3,025.0)%	\$ (1.6)	\$ 131.4	18.9 %	\$ 110.5
% of net revenue	3.8 %		(0.2)%	3.2 %		2.8 %

We recorded a provision for income taxes of \$46.8 million (which consisted of \$35.8 million and \$11.0 million related to United States and foreign income taxes, respectively) and \$131.4 million (which consisted of \$88.5 million and \$42.9 million related to United States and foreign income taxes, respectively) for the three and nine months ended July 1, 2022, respectively.

The increase in income tax expense for the three and nine months ended July 1, 2022, as compared with the corresponding periods in fiscal 2021, was primarily due to a prior period decrease in the reserve for uncertain tax positions, partially offset by a decrease in income from operations and an increase in windfall tax deductions in the current period.

## LIQUIDITY AND CAPITAL RESOURCES

(in millions)	Nine Months Ended	
	July 1, 2022	July 2, 2021
Cash and cash equivalents at beginning of period	\$ 882.9	\$ 566.7
Net cash provided by operating activities	1,188.3	1,373.7
Net cash used in investing activities	(231.6)	(101.0)
Net cash provided by (used in) financing activities	(1,196.6)	1,005.6
Cash and cash equivalents at end of period	\$ 643.0	\$ 2,845.0

### **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 \$185.4 million decrease in cash provided by operating activities during the nine months ended July 1, 2022, as compared with the corresponding period in fiscal 2021, was primarily related to unfavorable changes in working capital of \$272.9 million, due primarily to increases in inventory and cash deposits with suppliers.

### **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 \$130.6 million increase in cash used in investing activities during the nine months ended July 1, 2022, as compared with the corresponding period in fiscal 2021, was primarily related to a \$156.4 million decrease in the net sales of marketable securities, partially offset by a \$27.1 million decrease in cash used for capital expenditures.

### **Cash provided by (used in) financing activities:**

Cash used in financing activities consists primarily of proceeds and payments related to our long-term borrowings and cash transactions related to equity. The \$2,202.2 million increase in cash used in financing activities during the nine months ended July 1, 2022, as compared with the corresponding period in fiscal 2021, was primarily related to a decrease of \$1,490.0 million in cash provided by long-term borrowings, an increase of \$610.9 million in stock repurchase activity, a \$50.0 million repayment of Term Loans, an increase of \$31.6 million related to the minimum statutory payroll tax withholdings upon vesting of employee performance and restricted stock awards, and an increase of \$25.6 million in dividend payments.

### **Liquidity:**

Cash, cash equivalents, and marketable securities totaled \$662.2 million as of July 1, 2022, representing a decrease of \$365.0 million from October 1, 2021. The decrease during the nine months ended July 1, 2022, resulted primarily from the repurchase of 5.7 million shares of common stock for \$806.5 million, capital expenditures of \$347.7 million, and dividend payments of \$273.7 million, partially offset by cash generated from operations of \$1,188.3 million.

We have outstanding \$500.0 million of Notes Due 2023, \$500.0 million of Notes Due 2026, and \$500.0 million of Notes Due 2031 (the "Notes"). We have a term credit agreement (the "Term Credit Agreement") providing for a \$1.0 billion term loan facility (the "Term Loan Facility"). 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 to acquire the Infrastructure and Automotive business of Silicon Laboratories Inc. and to pay fees and expenses incurred in connection therewith. During the nine months ended July 1, 2022, we repaid \$50.0 million of outstanding borrowings under the Term Loans. As of July 1, 2022, there were \$700.0 million of borrowings outstanding under the Term Credit Agreement. We have a Revolving Credit Agreement (the "Revolving Credit Agreement") under which we may borrow up to \$750.0 million for general corporate purposes and working capital needs of the Company and its subsidiaries. As of July 1, 2022, there were no borrowings outstanding under the revolving credit facility (the "Revolver"). The Revolving Credit Agreement expires July 26, 2026.

Based on our historical results of operations, we expect that our cash, cash equivalents, and marketable securities on hand, the cash we expect to generate from operations, and funds from our Revolver, will be sufficient to fund our short-term and long-term liquidity requirements primarily arising from: research and development, capital expenditures, potential acquisitions, working

capital, quarterly cash dividend payments (if such dividends are declared by the Board of Directors), outstanding commitments, and other liquidity requirements associated with existing operations. However, we cannot be certain that our cash on hand, cash generated from operations, and funds from our Revolver will be available in the future to fund all of our capital and operating requirements. In addition, any future strategic investments and significant acquisitions may require additional cash and capital resources. If we are unable to obtain sufficient cash or capital to meet our needs on a timely basis and on favorable terms, our business and operations could be materially and adversely affected.

Our invested cash balances primarily consist of highly liquid marketable securities that are available to meet near-term cash requirements including: term deposits, certificates of deposit, money market funds, U.S. Treasury securities, agency securities, corporate debt securities, and commercial paper.

Our contractual obligations disclosure in the 2021 10-K has not materially changed since we filed that report.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

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

#### ***Investment and Interest Rate Risk***

Our exposure to interest rate and general market risks relates to our Term Credit Facility, which has variable interest rates, and our investment portfolio. As of July 1, 2022, there were \$700.0 million of borrowings outstanding under the Term Credit Agreement, and a potential change in the associated interest rates would be immaterial to the results of our operations. Our investment portfolio consists of cash and cash equivalents (money market funds and marketable securities purchased with less than ninety days until maturity) that total approximately \$643.0 million, and marketable securities (U.S. Treasury and government securities, corporate bonds and notes, and municipal bonds) that total approximately \$16.2 million and \$3.0 million within short-term and long-term marketable securities, respectively, as of July 1, 2022.

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 1, 2022, 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 and nine months ended July 1, 2022, 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 1, 2022. 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 1, 2022, 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 2022 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

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

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

**ITEM 1A. RISK FACTORS.**

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed in Part I, Item 1A Risk Factors in the 2021 10-K, which could materially affect our business, financial condition, or future results.

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

The following table provides information regarding repurchases of common stock made during the three months ended July 1, 2022:

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)
04/02/22 - 04/29/22	754,212	(2)	\$124.90	750,000	\$1.2 billion
04/30/22 - 05/27/22	256,907	(3)	\$101.57	250,000	\$1.2 billion
05/28/22 - 07/01/22	3,685	(4)	\$107.27	—	\$1.2 billion
Total	<u>1,014,804</u>			<u>1,000,000</u>	

(1) The stock repurchase program approved by the Board of Directors on January 26, 2021, 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 is scheduled to expire on January 26, 2023.

(2) 750,000 shares were repurchased at an average price of \$124.92 per share as part of our stock repurchase program, and 4,212 shares were 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 with an average price of \$122.92 per share.

(3) 250,000 shares were repurchased at an average price of \$101.52 per share as part of our stock repurchase program, and 6,907 shares were 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 with an average price of \$103.48 per share.

(4) 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>Incorporated by Reference</u>		<u>Filed Herewith</u>
		<u>Form</u>	<u>File No.</u>	
31.1	<a href="#">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</a>			X
31.2	<a href="#">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</a>			X
32.1	<a href="#">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</a>			X
32.2	<a href="#">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</a>			X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.			
101.SCH	Inline XBRL Taxonomy Extension Schema Document			X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document			X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document			X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document			X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document			X
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101)			

**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: August 4, 2022

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)

## 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: August 4, 2022

/s/ Liam K. Griffin

Liam K. Griffin  
Chairman, Chief Executive Officer and President

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

I, Kris Sennesael, certify that:

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

Date: August 4, 2022

/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 1, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Liam K. Griffin, Chairman, Chief Executive Officer and President of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ Liam K. Griffin

Liam K. Griffin  
Chairman, Chief Executive Officer and President  
August 4, 2022

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 1, 2022 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

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Kris Sennesael  
Senior Vice President and Chief Financial Officer  
August 4, 2022