
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 January 1, 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 January 22, 2021, the registrant had 164,900,017 shares of common stock, par value \$0.25 per share, outstanding.

SKYWORKS SOLUTIONS, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED JANUARY 1, 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 STOCKHOLDERS' EQUITY</u>	<u>6</u>
<u>CONSOLIDATED STATEMENTS OF CASH FLOWS</u>	<u>5</u>
<u>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS</u>	<u>7</u>
<u>ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	<u>13</u>
<u>ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	<u>19</u>
<u>ITEM 4: CONTROLS AND PROCEDURES</u>	<u>19</u>
<u>PART II. OTHER INFORMATION</u>	<u>21</u>
<u>ITEM 1: LEGAL PROCEEDINGS</u>	<u>21</u>
<u>ITEM 1A: RISK FACTORS</u>	<u>21</u>
<u>ITEM 2: UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</u>	<u>21</u>
<u>ITEM 6: EXHIBITS</u>	<u>23</u>
<u>SIGNATURES</u>	<u>24</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	
	January 1, 2021	December 27, 2019
Net revenue	\$ 1,510.0	\$ 896.1
Cost of goods sold	748.3	451.8
Gross profit	761.7	444.3
Operating expenses:		
Research and development	121.6	107.7
Selling, general, and administrative	66.6	55.4
Amortization of intangibles	2.8	3.1
Restructuring, impairment, and other charges	—	0.8
Total operating expenses	191.0	167.0
Operating income	570.7	277.3
Other income, net	0.2	1.4
Income before income taxes	570.9	278.7
Provision for income taxes	61.6	21.6
Net income	\$ 509.3	\$ 257.1
Earnings per share:		
Basic	\$ 3.08	\$ 1.51
Diluted	\$ 3.05	\$ 1.50
Weighted average shares:		
Basic	165.4	170.2
Diluted	167.0	171.6
Cash dividends declared and paid per share	\$ 0.50	\$ 0.44

See accompanying Notes to Consolidated Financial Statements.

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

	Three Months Ended	
	January 1, 2021	December 27, 2019
Net income	\$ 509.3	\$ 257.1
Other comprehensive income (loss), net of tax		
Fair value of investments	(0.2)	(0.1)
Pension adjustments	0.3	—
Comprehensive income	<u>\$ 509.4</u>	<u>\$ 257.0</u>

See accompanying Notes to Consolidated Financial Statements.

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

	As of	
	January 1, 2021	October 2, 2020
ASSETS	(unaudited)	
Current assets:		
Cash and cash equivalents	\$ 617.2	\$ 566.7
Marketable securities	401.4	408.1
Receivables, net of allowance of \$0.6 and \$0.6, respectively	689.9	393.6
Inventory	718.5	806.0
Other current assets	148.2	143.2
Total current assets	2,575.2	2,317.6
Property, plant, and equipment, net	1,305.4	1,249.5
Operating lease right-of-use assets	172.4	167.9
Goodwill	1,189.8	1,189.8
Intangible assets, net	46.4	53.5
Deferred tax assets, net	56.4	55.3
Marketable securities	0.7	5.2
Other long-term assets	73.5	67.9
Total assets	\$ 5,419.8	\$ 5,106.7
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 264.6	\$ 226.9
Accrued compensation and benefits	85.0	113.5
Other current liabilities	158.0	108.0
Total current liabilities	507.6	448.4
Long-term tax liabilities	310.6	311.3
Long-term operating lease liabilities	154.9	150.7
Other long-term liabilities	31.8	32.1
Total liabilities	1,004.9	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; 233.4 shares issued and 164.9 shares outstanding at January 1, 2021, and 232.3 shares issued and 165.6 shares outstanding at October 2, 2020	41.2	41.4
Additional paid-in capital	3,471.6	3,403.7
Treasury stock, at cost	(4,336.9)	(4,093.5)
Retained earnings	5,246.7	4,820.4
Accumulated other comprehensive loss	(7.7)	(7.8)
Total stockholders' equity	4,414.9	4,164.2
Total liabilities and stockholders' equity	\$ 5,419.8	\$ 5,106.7

See accompanying Notes to Consolidated Financial Statements.

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

	Three Months Ended	
	January 1, 2021	December 27, 2019
Cash flows from operating activities:		
Net income	\$ 509.3	\$ 257.1
Adjustments to reconcile net income to net cash provided by operating activities:		
Share-based compensation	44.5	33.6
Depreciation	78.4	79.8
Amortization of intangible assets	8.0	11.4
Deferred income taxes	(0.7)	0.9
Changes in assets and liabilities:		
Receivables, net	(296.3)	38.5
Inventory	88.9	7.9
Accounts payable	22.4	(6.7)
Other current and long-term assets and liabilities	30.6	(24.1)
Net cash provided by operating activities	485.1	398.4
Cash flows from investing activities:		
Capital expenditures	(118.9)	(111.2)
Purchased intangibles	(4.3)	—
Purchases of marketable securities	(99.4)	(131.5)
Sales and maturities of marketable securities	111.6	62.2
Net cash used in investing activities	(111.0)	(180.5)
Cash flows from financing activities:		
Repurchase of common stock - payroll tax withholdings on equity awards	(47.7)	(26.6)
Repurchase of common stock - stock repurchase program	(195.6)	(74.2)
Dividends paid	(83.0)	(75.1)
Net proceeds from exercise of stock options	2.7	34.9
Net cash used in financing activities	(323.6)	(141.0)
Net increase in cash and cash equivalents	50.5	76.9
Cash and cash equivalents at beginning of period	566.7	851.3
Cash and cash equivalents at end of period	\$ 617.2	\$ 928.2
Supplemental cash flow disclosures:		
Income taxes paid	\$ 8.1	\$ 26.1
Incentives paid in common stock	\$ 27.5	\$ —
Non-cash investing in capital expenditures, accrued but not paid	\$ 94.3	\$ 70.1
Operating lease assets obtained in exchange for new lease liabilities	\$ 12.5	\$ 20.7

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>
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>

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 2, 2020, filed with the SEC on November 17, 2020 (“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 first quarters of fiscal 2021 and 2020 each consisted of 13 weeks and ended on January 1, 2021, and December 27, 2019, respectively.

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	
	January 1, 2021	December 27, 2019
United States	\$ 1,101.6	\$ 590.4
China	212.6	168.4
Taiwan	87.5	42.0
South Korea	68.0	59.0
Europe, Middle East, and Africa	33.8	30.3
Other Asia-Pacific	6.5	6.0
Total	\$ 1,510.0	\$ 896.1

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	
	January 1, 2021	October 2, 2020	January 1, 2021	October 2, 2020
Available for sale:				
U.S. Treasury and government	\$ 128.4	\$ 129.4	\$ 0.7	\$ 5.0
Corporate bonds and notes	258.1	276.8	—	—
Municipal bonds	14.9	1.9	—	0.2
Total	\$ 401.4	\$ 408.1	\$ 0.7	\$ 5.2

The contractual maturities of noncurrent available-for-sale marketable securities were due within two years or less. There were gross unrealized gains of \$0.2 million on U.S. Treasury securities and \$0.1 million on corporate bonds and notes as of January 1, 2021, and 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 January 1, 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*	\$ 617.2	\$ 602.4	\$ 14.8	\$ —	\$ 566.7	\$ 561.2	\$ 5.5	\$ —
U.S. Treasury and government securities	129.1	38.1	91.0	—	134.4	43.2	91.2	—
Corporate bonds and notes	258.1	—	258.1	—	276.8	—	276.8	—
Municipal bonds	14.9	—	14.9	—	2.1	—	2.1	—
Total	\$ 1,019.3	\$ 640.5	\$ 378.8	\$ —	\$ 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 months ended January 1, 2021.

5. INVENTORY

Inventory consists of the following (in millions):

	As of	
	January 1, 2021	October 2, 2020
Raw materials	\$ 39.9	\$ 37.8
Work-in-process	547.0	566.4
Finished goods	129.7	198.9
Finished goods held on consignment by customers	1.9	2.9
Total inventory	<u>\$ 718.5</u>	<u>\$ 806.0</u>

6. PROPERTY, PLANT, AND EQUIPMENT, NET

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

	As of	
	January 1, 2021	October 2, 2020
Land and improvements	\$ 11.8	\$ 11.8
Buildings and improvements	431.9	424.8
Furniture and fixtures	49.1	46.5
Machinery and equipment	2,642.5	2,556.1
Construction in progress	167.3	140.7
Total property, plant, and equipment, gross	3,302.6	3,179.9
Accumulated depreciation	(1,997.2)	(1,930.4)
Total property, plant, and equipment, net	<u>\$ 1,305.4</u>	<u>\$ 1,249.5</u>

7. GOODWILL AND INTANGIBLE ASSETS

There were no changes to the carrying amount of goodwill during the three months ended January 1, 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 months ended January 1, 2021.

Intangible assets consist of the following (in millions):

	Weighted Average Amortization Period (Years)	As of January 1, 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	\$ (16.7)	\$ 1.5	\$ 18.2	\$ (15.8)	\$ 2.4
Developed technology and other	5.0	60.9	(46.3)	14.6	101.0	(81.6)	19.4
Trademarks	3.0	—	—	—	1.6	(1.5)	0.1
Technology licenses	3.1	27.3	(16.5)	10.8	26.3	(14.2)	12.1
IPR&D		19.5	—	19.5	19.5	—	19.5
Total intangible assets		<u>\$ 125.9</u>	<u>\$ (79.5)</u>	<u>\$ 46.4</u>	<u>\$ 166.6</u>	<u>\$ (113.1)</u>	<u>\$ 53.5</u>

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	\$ 3.0	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 1.7
Amortization expense, operating expense	\$ 12.2	\$ 5.3	\$ 1.3	\$ 1.0	\$ 1.0	\$ 1.0
Total amortization expense	\$ 15.2	\$ 5.4	\$ 1.4	\$ 1.1	\$ 1.1	\$ 2.7

8. INCOME TAXES

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

	Three Months Ended	
	January 1, 2021	December 27, 2019
United States income taxes	\$ 41.0	\$ 11.5
Foreign income taxes	20.6	10.1
Provision for income taxes	\$ 61.6	\$ 21.6
Effective tax rate	10.8 %	7.8 %

The difference between the Company's effective tax rate and the 21.0% United States federal statutory rate for the three months ended January 1, 2021 and December 27, 2019, 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.

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 30, 2019, 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 30, 2021, on the open market or in privately negotiated transactions, as permitted by securities laws and other legal requirements. During the three months ended January 1, 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). During the three months ended December 27, 2019, the Company paid \$74.2 million (including commissions) in connection with the repurchase of 0.7 million shares of its common stock (paying an average price of \$100.01 per share). As of January 1, 2021, \$0.78 billion remained available under the January 30, 2019, stock repurchase authorization.

On January 26, 2021, the Board of Directors approved a new 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 newly authorized stock repurchase plan replaces in its entirety the aforementioned January 30, 2019, plan. The timing and amount of any shares of the Company's common stock that are repurchased under the new repurchase program will be determined by the Company's management based on its evaluation of market conditions and other factors. The repurchase program may be suspended or discontinued at any time. The Company currently expects to fund the repurchase program using the Company's working capital.

Dividends

On January 28, 2021, the Company announced that the Board of Directors had declared a cash dividend on the Company's common stock of \$0.50 per share. This dividend is payable on March 9, 2021, to the Company's stockholders of record as of the close of business on February 16, 2021.

During the three months ended January 1, 2021, the Company declared and paid a \$0.50 dividend per share of common stock with a total charge to retained earnings of \$83.0 million.

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	
	January 1, 2021	December 27, 2019
Cost of goods sold	\$ 6.4	\$ 4.2
Research and development	20.3	14.8
Selling, general and administrative	17.8	14.6
Total share-based compensation	<u>\$ 44.5</u>	<u>\$ 33.6</u>

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	
	January 1, 2021	December 27, 2019
Net income	\$ 509.3	\$ 257.1
Weighted average shares outstanding – basic	165.4	170.2
Dilutive effect of equity-based awards	1.6	1.4
Weighted average shares outstanding – diluted	167.0	171.6
Net income per share – basic	\$ 3.08	\$ 1.51
Net income per share – diluted	\$ 3.05	\$ 1.50
Anti-dilutive common stock equivalents	—	0.5

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 months ended January 1, 2021, and December 27, 2019, 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. 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 BALANCE SHEET INFORMATION

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

	As of	
	January 1, 2021	October 2, 2020
Accrued taxes	80.5	31.2
Operating lease liability	30.8	28.2
Accrued customer liabilities	21.5	20.3
Other	25.2	28.3
Total other current liabilities	158.0	108.0

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, 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 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 Months Ended January 1, 2021, and December 27, 2019**

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

	Three Months Ended	
	January 1, 2021	December 27, 2019
Net revenue	100.0 %	100.0 %
Cost of goods sold	49.6	50.4
Gross profit	50.4	49.6
Operating expenses:		
Research and development	8.1	12.0
Selling, general, and administrative	4.4	6.2
Amortization of intangibles	0.2	0.3
Restructuring, impairment, and other charges	—	0.1
Total operating expenses	12.7	18.6
Operating income	37.7	31.0
Other income, net	—	0.2
Income before income taxes	37.7	31.2
Provision for income taxes	4.1	2.4
Net income	33.6 %	28.8 %

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 January 1, 2021, the following key factors contributed to our overall results of operations, financial position, and cash flows:

- Net revenue increased by 68.5% to \$1,510.0 million for the three months ended January 1, 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 4.0% to \$1,019.3 million as of January 1, 2021, from \$980.0 million as of October 2, 2020. This increase in cash, cash equivalents and marketable securities during the three months ended January 1, 2021, was primarily the result of cash generated from operations of \$485.1 million, partially offset by the repurchase of 1.4 million shares of common stock for \$195.6 million, capital expenditures of \$118.9 million, and dividend payments of \$83.0 million.

Net Revenue

	Three Months Ended		
	January 1, 2021	Change	December 27, 2019
(dollars in millions)			
Net revenue	\$ 1,510.0	68.5%	\$ 896.1

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 months ended January 1, 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		
	January 1, 2021	Change	December 27, 2019
(dollars in millions)			
Gross profit	\$ 761.7	71.4%	\$ 444.3
% of net revenue	50.4 %		49.6 %

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 January 1, 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 \$332.1 million, partially offset by lower average selling prices. Gross profit margin increased to 50.4% of net revenue for the three months ended January 1, 2021, as compared with 49.6% in the corresponding period in fiscal 2020.

Research and Development

	Three Months Ended		
	January 1, 2021	Change	December 27, 2019
(dollars in millions)			
Research and development	\$ 121.6	12.9%	\$ 107.7
% of net revenue	8.1 %		12.0 %

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 months ended January 1, 2021, as compared with the corresponding period in fiscal 2020, was primarily related to an increase in employee-related compensation expense, including higher performance achievement with respect to performance stock awards.

Selling, General, and Administrative

	Three Months Ended		
	January 1, 2021	Change	December 27, 2019
(dollars in millions)			
Selling, general, and administrative	\$ 66.6	20.2%	\$ 55.4
% of net revenue	4.4 %		6.2 %

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 months ended January 1, 2021, as compared with the corresponding period in fiscal 2020, was primarily related to increases in employee-related compensation expense, including higher performance achievement with respect to performance stock awards.

Amortization of Intangibles

	Three Months Ended		
	January 1, 2021	Change	December 27, 2019
(dollars in millions)			
Amortization of intangibles	2.8	(9.7)%	3.1
% of net revenue	0.2 %		0.3 %

The decrease in amortization expense for the three months ended January 1, 2021, as compared with the corresponding period in fiscal 2020, was primarily due to the end of the useful lives of certain intangible assets that were acquired in prior fiscal years.

Provision for Income Taxes

	Three Months Ended		
	January 1, 2021	Change	December 27, 2019
(dollars in millions)			
Provision for income taxes	\$ 61.6	185.2%	\$ 21.6
% of net revenue	4.1 %		2.4 %

We recorded a provision for income taxes of \$61.6 million (which consisted of \$41.0 million and \$20.6 million related to United States and foreign income taxes, respectively) for the three months ended January 1, 2021.

The increase in income tax expense for the three months ended January 1, 2021, as compared with the corresponding period 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.

LIQUIDITY AND CAPITAL RESOURCES

(in millions)	Three Months Ended	
	January 1, 2021	December 27, 2019
Cash and cash equivalents at beginning of period	\$ 566.7	\$ 851.3
Net cash provided by operating activities	485.1	398.4
Net cash used in investing activities	(111.0)	(180.5)
Net cash used in financing activities	(323.6)	(141.0)
Cash and cash equivalents at end of period	\$ 617.2	\$ 928.2

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 \$86.7 million increase in cash provided by operating activities during the three months ended January 1, 2021, as compared with the corresponding period in fiscal 2020, was primarily related to a \$252.2 million increase in net income, partially offset by \$170.0 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 \$69.5 million decrease in cash used in investing activities during the three months ended January 1, 2021, as compared with the corresponding period in fiscal 2020, was primarily related to an \$81.5 million difference in the net purchase and sale of marketable securities, partially offset by a \$7.7 million increase in cash used for capital expenditures.

Cash used in financing activities:

Cash used in financing activities consists primarily of cash transactions related to equity. The \$182.6 million increase in cash used in financing activities during the three months ended January 1, 2021, as compared with the corresponding period in fiscal 2020, was related to an increase of \$121.4 million in stock repurchase activity, a decrease of \$32.2 million in net proceeds from employee stock option exercises, an increase of \$21.1 million related to the minimum statutory payroll tax withholdings upon vesting of employee performance and restricted stock awards, and an increase of \$7.9 million in dividend payments.

Liquidity:

Cash, cash equivalents and marketable securities totaled \$1,019.3 million as of January 1, 2021, representing an increase of \$39.3 million from October 2, 2020. The increase resulted primarily from \$485.1 million in cash generated from operations, partially offset by \$195.6 million used to repurchase 1.4 million shares of stock, \$118.9 million in capital expenditures, and \$83.0 million in cash dividend payments. Based on our historical results of operations, we expect that our cash, cash equivalents, and marketable securities on hand and the cash we expect to generate from operations 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 and cash generated from operations will be available in the future to fund all of our capital and operating requirements. In addition, any future strategic investments and 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, certificate of deposits, money market funds, U.S. Treasury securities, agency securities, corporate debt securities and commercial paper.

CONTRACTUAL OBLIGATIONS

Our contractual obligations disclosure in the 2020 10-K has not materially changed since we filed that report.

OFF-BALANCE SHEET ARRANGEMENTS

We have no material off-balance sheet arrangements as defined in SEC Regulation S-K Item 303(a)(4)(ii).

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 \$617.2 million and marketable securities (U.S. Treasury and government securities, corporate bonds and notes, municipal bonds) that total approximately \$401.4 million and \$0.7 million within short-term and long-term marketable securities, respectively, as of January 1, 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 months ended January 1, 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 option 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 January 1, 2021, we had no outstanding foreign currency forward or option 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 January 1, 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 January 1, 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 first 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. There have been no material changes from the risk factors previously disclosed in the 2020 10-K.

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 January 1, 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)
10/3/20-10/30/20	3,739 (2)	\$140.62	3,447	\$0.98 billion
10/31/20-11/27/20	1,544,450 (3)	\$140.81	1,223,498	\$0.81 billion
11/28/20-01/1/21	185,203 (4)	\$136.68	181,808	\$0.78 billion
Total	<u>1,733,392</u>		<u>1,408,753</u>	

(1) The stock repurchase program approved by the Board of Directors on January 30, 2019, 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. On January 26, 2021, the Board of Directors approved a new \$2.0 billion stock repurchase program that expires on January 26, 2023, and replaces in its entirety the January 30, 2019, plan.

(2) 3,447 shares were repurchased at an average price of \$139.85 per share as part of our stock repurchase program, and 292 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 \$149.74 per share.

(3) 1,223,498 shares were repurchased at an average price of \$139.20 per share as part of our stock repurchase program, and 320,952 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 \$146.94 per share.

(4) 181,808 shares were repurchased at an average price of \$136.47 per share as part of our stock repurchase program, and 3,395 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 \$148.18 per share.

ITEM 6. EXHIBITS.

<u>Exhibit Number</u>	<u>Exhibit Description</u>	<u>Incorporated by Reference</u>				
		<u>Form</u>	<u>File No.</u>	<u>Exhibit</u>	<u>Filing Date</u>	<u>Filed Herewith</u>
10.1*+	Fiscal Year 2021 Executive Incentive Plan					X
31.1	Certification of the Company's Chief Executive Officer pursuant to Securities Exchange Act of 1934, as amended, Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of the Company's Chief Financial Officer pursuant to Securities Exchange Act of 1934, as amended, Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1	Certification of the Company's Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.2	Certification of the Company's Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101)					

* Indicates a management contract or compensatory plan or arrangement.

+Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

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: January 29, 2021

By: /s/ Liam K. Griffin
Liam K. Griffin
President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ Kris Sennesael
Kris Sennesael
Senior Vice President and Chief Financial Officer
(Principal Accounting and Financial Officer)

Certain identified information has been excluded from the exhibit because it is both (i) not material and (ii) would likely cause competitive harm to the Company if publicly disclosed. Double asterisks denote omissions.



SKYWORKS®

FY21 Executive Incentive Plan

- Purpose:** The FY21 Executive Incentive Plan (the “FY21 Plan”) is designed to reward key management for achieving certain financial and business objectives.
- Plan Period:** The FY21 Plan covers the Company’s fiscal year 2021 (i.e., October 3, 2020, through October 1, 2021). There will be two performance periods, the first consisting of the first half of the fiscal year (i.e., October 3, 2020, through April 2, 2021), and the second consisting of the second half of the fiscal year (i.e., April 3, 2021, through October 1, 2021).
- Eligibility:** This program applies to the Chief Executive Officer and his direct reporting senior executives. Other key employees may be added based upon the recommendation of the Chief Executive Officer and subsequent approval of the Compensation Committee. Those employees not covered by this FY21 Plan may be eligible for other programs established by Skyworks.
- Incentive Targets:** Participants are eligible to earn an incentive bonus equal to a percentage of their base salary based on the Company’s achievement of certain performance metrics as set forth below. Nominal, target and stretch incentive awards have been established as follows (shown as a percentage of the participant’s base salary):

Name	Incentive At Nominal	Incentive At Target	Incentive At Stretch
CEO	80%	160%	320%
CFO	50%	100%	200%
Other SVP/VPs	40%	80%	160%

- Metrics:** The performance metrics for FY21 are as follows:

Metric	Nominal	Target	Stretch
1st Half Metrics (\$M)			
Corporate EBITDA Dollars ¹	**	**	**
Corporate Revenue	**	**	**
2nd Half Metrics (\$M)²			
Corporate EBITDA Dollars ¹	TBD	TBD	TBD
Corporate Revenue	TBD	TBD	TBD

¹ Non-GAAP operating income plus depreciation and amortization

² 2nd Half targets will be reassessed, and approved, in May 2021

Each performance metric above anticipates normal operations. Any changes or adjustments to the performance metrics (or metric weightings) to take account of extraordinary, unusual, or special items (e.g., restructurings, acquisitions and/or dispositions), or such other items as the Compensation Committee may determine in its sole discretion, will be made in the sole discretion

of the Compensation Committee. Payments to be made with respect to the metrics will be weighted based on performance as follows, with percentages representing percentages of the participant's target award:

	1 st Half EBITDA	2 nd Half EBITDA	1 st Half Revenue	2 nd Half Revenue
All Participants	25%	25%	25%	25%

6. How the Plan Works: Upon completion of the applicable performance period, the Chief Executive Officer will provide the Compensation Committee with recommendations for incentive award payments to all named participants of the plan except himself. The Chief Executive Officer may recommend awards below a participant's nominal incentive award or above a participant's stretch incentive award. The Chief Executive Officer may also recommend modifications to incentive payments (including, but not limited to, the delivery of equity awards in lieu of cash) to ensure an equitable distribution of incentives. The Committee will review the recommendations and approve the actual amount (and form) of the payment to be made to each participant, including the Chief Executive Officer. All incentive award payments under the FY21 Plan, if earned, will be paid by March 15th of the calendar year following the end of the calendar year in which the performance period ends.

7. Administration: If actual performance achieved for the applicable performance period falls between the applicable Nominal and Target levels, or between the Target and Stretch levels, the achievement with respect to such metric shall be calculated based on a straight-line, mathematical interpolation between the applicable vesting percentages.

In order to fund the incentive plans and ensure the Company's overall financial performance, the following terms apply:

- Payments with respect to the 1st Half metrics will be capped at 100% of the target level attributed to such metric, with any amounts over such level to be paid out after the end of the fiscal year provided that the Company meets its minimum operating income goal (in dollars) after accounting for any incentive award payments ("Minimum Operating Level of Performance"). Similarly, no incentive payments will be made with respect to the 2nd Half metrics unless the Company meets the Minimum Operating Level of Performance.
- Any payment shall be conditioned upon the Participant's employment by the Company on the date of payment; provided, however, that the Compensation Committee may make exceptions to this requirement, in its sole discretion, including, without limitation, in the case of a participant's termination of employment, retirement, death or disability.
- Any payments made under this FY21 Plan will be subject to the provisions of the compensation clawback policy that Skyworks implements to comply with applicable law following the SEC's adoption of final rules related to compensation clawback policies as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act.

8. Taxes: All awards are subject to applicable taxes, including federal, state, local, and social security taxes. Payments under this FY21 Plan will not affect the participant's base salary, which is used as the basis for Skyworks' benefits program.

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: January 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: January 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 January 1, 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

January 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 January 1, 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

January 29, 2021