

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

May 23, 2018
(Date of earliest event reported)



Qorvo, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-36801
(Commission File
Number)

46-5288992
(I.R.S. Employer
Identification No.)

7628 Thorndike Road, Greensboro, North Carolina 27409-9421

(Address of principal executive offices)
(Zip Code)

(336) 664-1233
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 7.01. Regulation FD Disclosure.

On May 23, 2018, Qorvo, Inc. (the “Company”) hosted an Investor Day in New York City. A copy of the Investor Day presentation materials is furnished as Exhibit 99.1 to this Form 8-K. Exhibit 99.1 shall not be deemed “filed” for purpose of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities under the Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Qorvo, Inc. Investor Day Presentation dated May 23, 2018

SIGNATURE

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 hereunto duly authorized.

Qorvo, Inc.

By: /s/ Mark J. Murphy

Mark J. Murphy
Chief Financial Officer

Date: May 23, 2018

QORVO
all around you

Investor Day | May 23, 2018

© Qorvo, Inc.



Doug DeLieto

Vice President, Investor Relations



Safe Harbor

Forward-looking statements

This presentation contains “forward-looking statements” within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about our plans, objectives, representations and contentions and are not historical facts and typically are identified by use of terms such as “may,” “will,” “should,” “could,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “forecast,” “predict,” “potential,” “continue” and similar words, although some forward-looking statements are expressed differently. You should be aware that the forward-looking statements included herein represent management’s current judgment and expectations, but our actual results, events and performance could differ materially from those expressed or implied by forward-looking statements. We do not intend to update any of these forward-looking statements or publicly announce the results of any revisions to these forward-looking statements, other than as is required under U.S. federal securities laws. Qorvo’s business is subject to numerous risks and uncertainties, including those relating to fluctuations in our operating results; our dependence on a few large customers for a substantial portion of our revenue; a loss of revenue if contracts with the U.S. government or defense and aerospace contractors are canceled or delayed; our ability to implement innovative technologies; our ability to bring new products to market and achieve design wins; the efficient and successful operation of our wafer fabrication and other facilities; our ability to adjust production capacity in a timely fashion in response to changes in demand for our products; variability in manufacturing yields; industry overcapacity; inaccurate product forecasts and corresponding inventory and manufacturing costs; our dependence on third parties; our dependence on international sales and operations; our ability to finance our operations and business strategy and to service our debt obligations; our ability to attract and retain skilled personnel and develop leaders; the possibility that future acquisitions may dilute our stockholders’ ownership and cause us to incur debt and assume contingent liabilities; fluctuations in the price of our common stock; fluctuations in the repurchases of our common stock; our ability to protect our intellectual property; claims of intellectual property infringement and other lawsuits; security breaches and other disruptions compromising our information; our ability to protect personal data; decisions about the scope of our future operations; changes in our effective tax rate and in tax laws and regulations, including the impact of the recently enacted Tax Cuts and Jobs Act in the U.S.; and the impact of government and environmental, health and safety regulations. These and other risks and uncertainties, which are described in more detail in Qorvo’s most recent Annual Report on Form 10-K and in other reports and statements filed with the Securities and Exchange Commission, could cause actual results and developments to be materially different from those expressed or implied by any of these forward-looking statements.

For more information regarding non-GAAP financial measures, including reconciliations to the nearest GAAP measures, see the Supplemental Information on Non-GAAP Financial Measures included with this presentation and our earnings releases available on our website at www.qorvo.com.



Agenda

Bob Bruggeworth	Overview	8:30 am
James Klein	Infrastructure & Defense	8:35 am
Cees Links	Internet of Things	9:00 am
	Break	9:25 am
Eric Creviston	Mobile Products	9:40 am
Todd Gillenwater	Mobile Technology	10:05 am
Steve Grant	Operations	10:20 am
Mark Murphy	Financials	10:40 am
	Q&A	10:50 am





Bob Bruggeworth

President and CEO

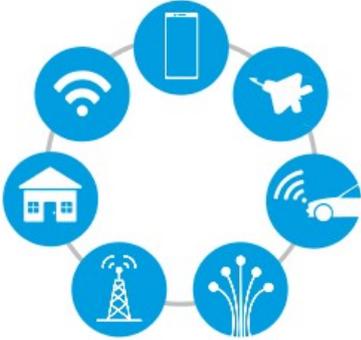


Connectivity is Changing Lives



Qorvo is Uniquely Positioned to Lead

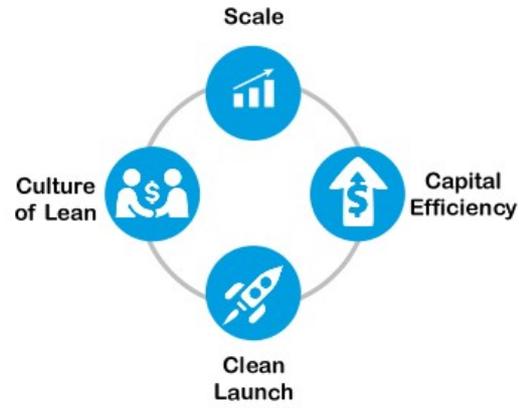
Clear Market Focus



Premier Technology Portfolio



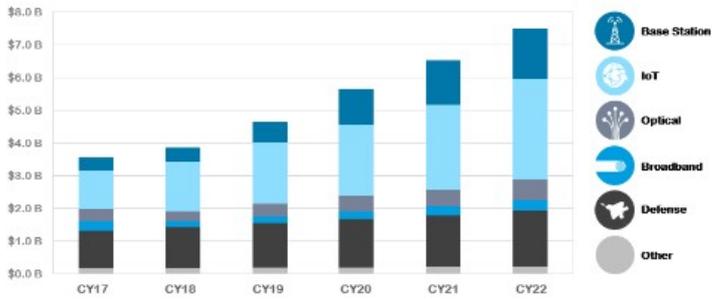
Operational Excellence



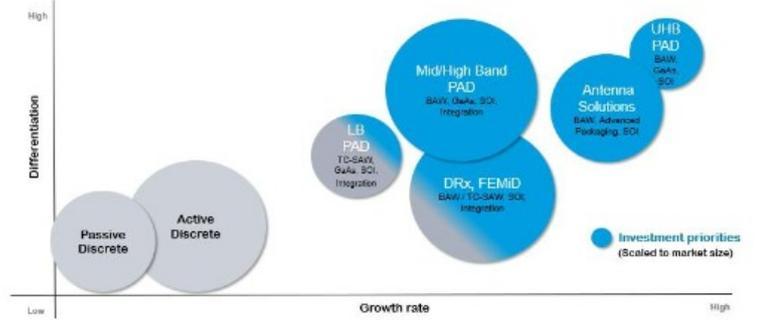
Clear Market Focus

Targeting the highest growth, most complex opportunities

IDP



Mobile Products

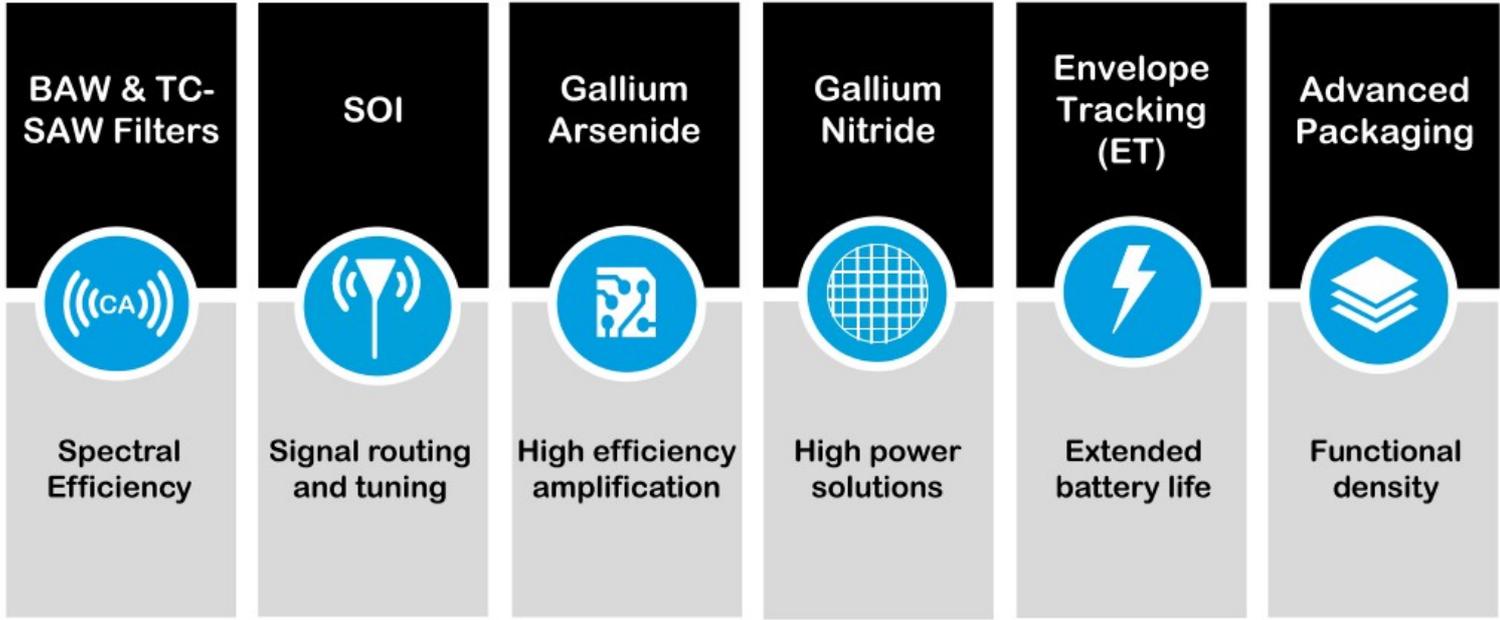


Source: Qorvo and Industry Estimates



Premier Technology Portfolio

Product and technology leadership where performance matters

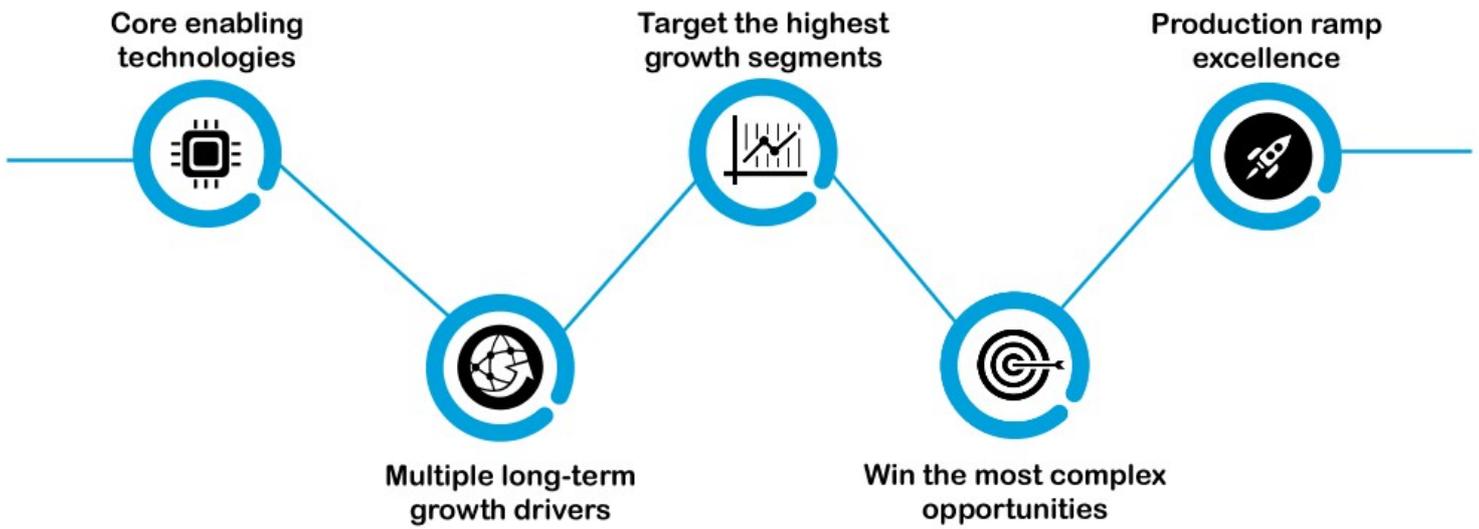


Operational Excellence



Putting It All Together To Win

Creating value through growth, expanding margins, increasing FCF



Another strong year for IDP

IDP Sales Conference 2018

[Photo of Bob Bruggeworth and James Klein shaking hands]





Infrastructure & Defense Products

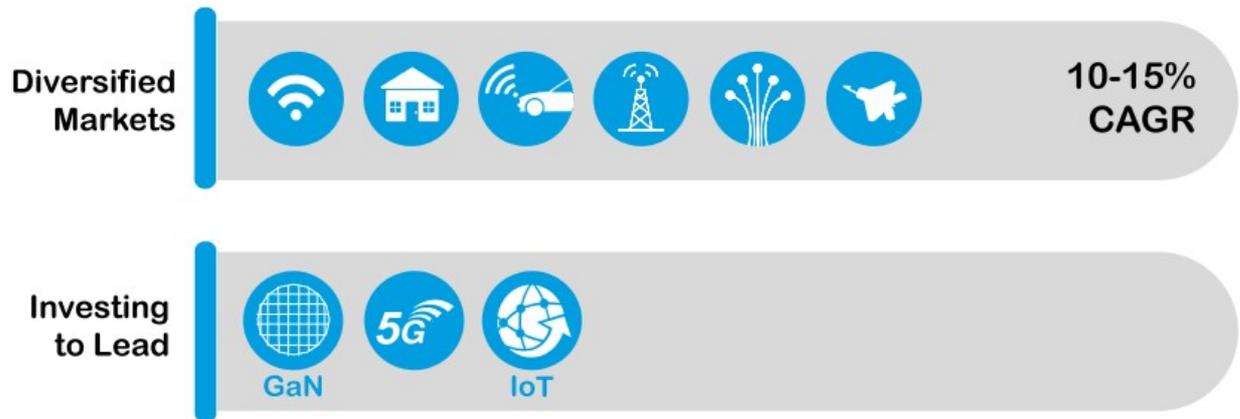
James Klein, President



Leading in Markets that *Connect & Protect*TM

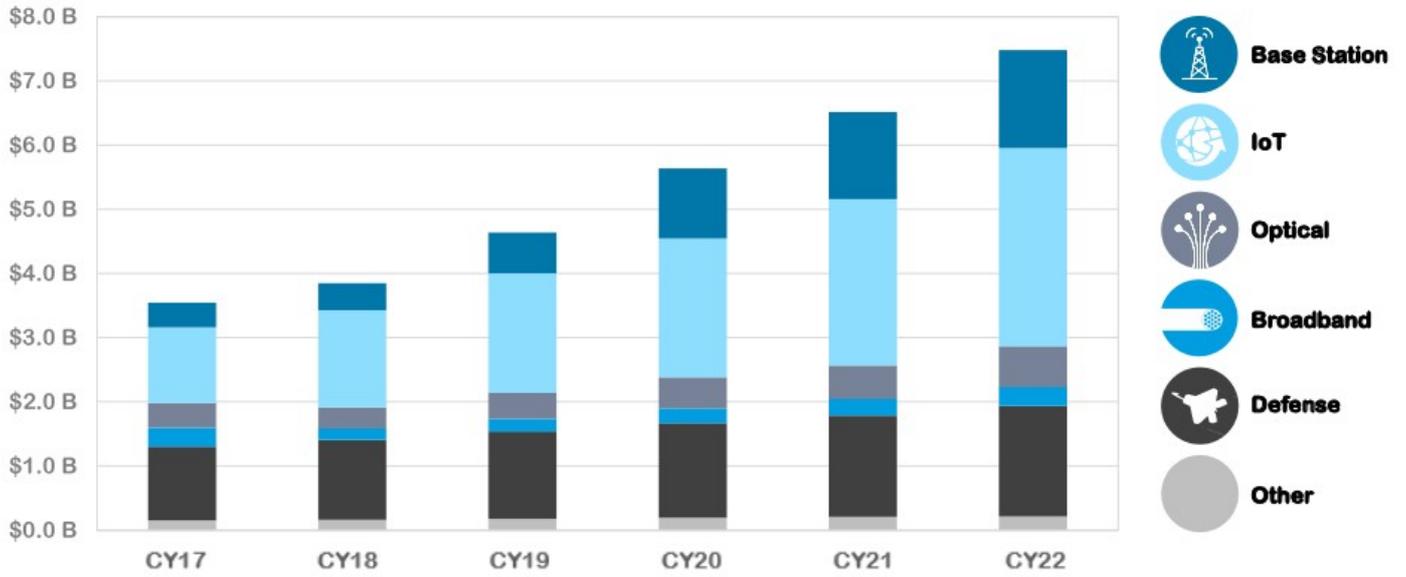


Optimized for Growth & Value Creation



Robust Underlying Markets

Foundation for growth

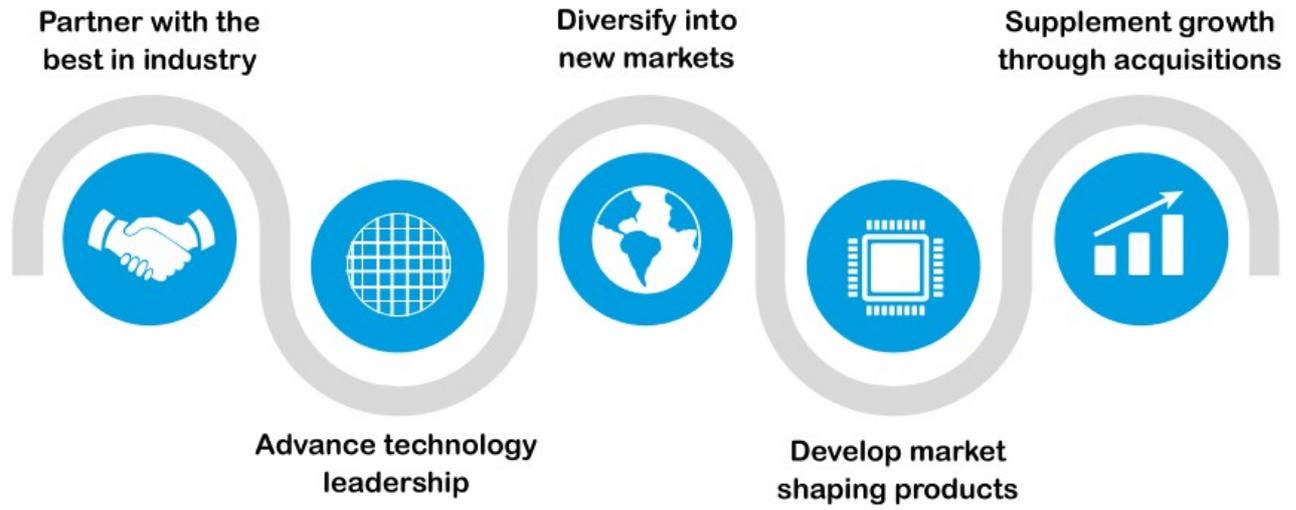


Source: Qorvo and Industry Estimates



IDP Strategy

Driving sustainable growth



Partnering with Industry Leaders



ERICSSON

NORTHROP GRUMMAN

NETGEAR

NOKIA

SAMSUNG



SONOS



PHICOMM

SAGEMCOM



GARMIN

BAE SYSTEMS

eero

HUGHES

HARRIS

FINISAR



ViaSat

Rockwell
Collins

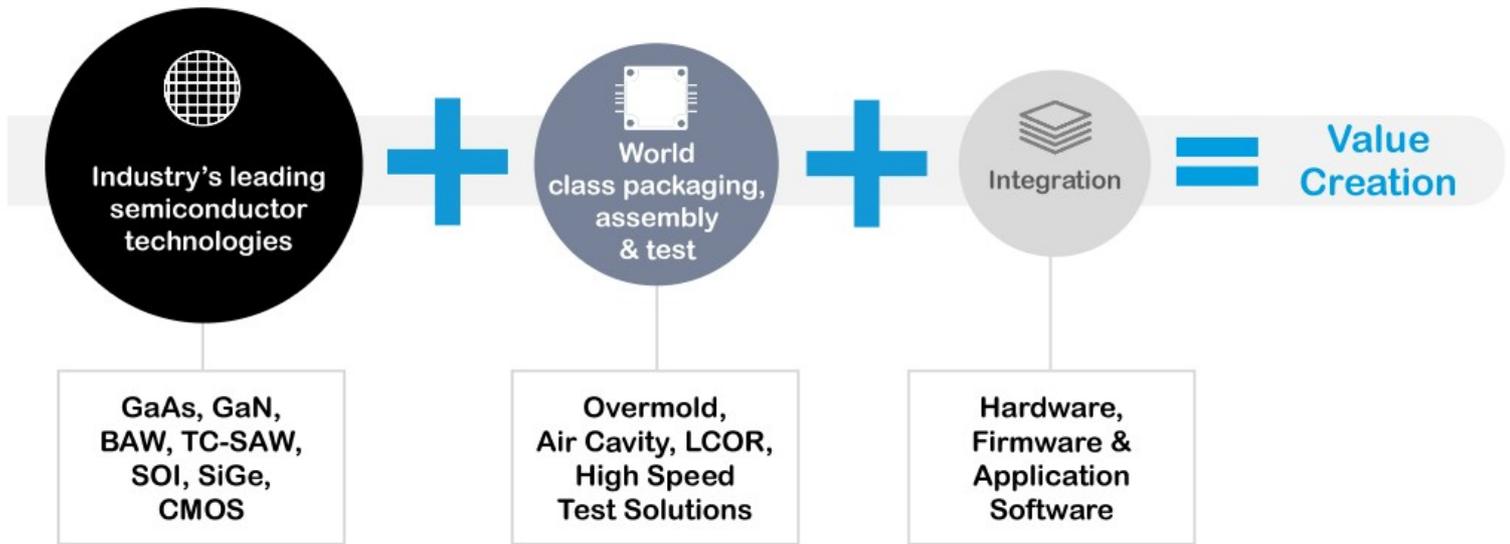
Raytheon



HUMAX



Key Technology Advantages



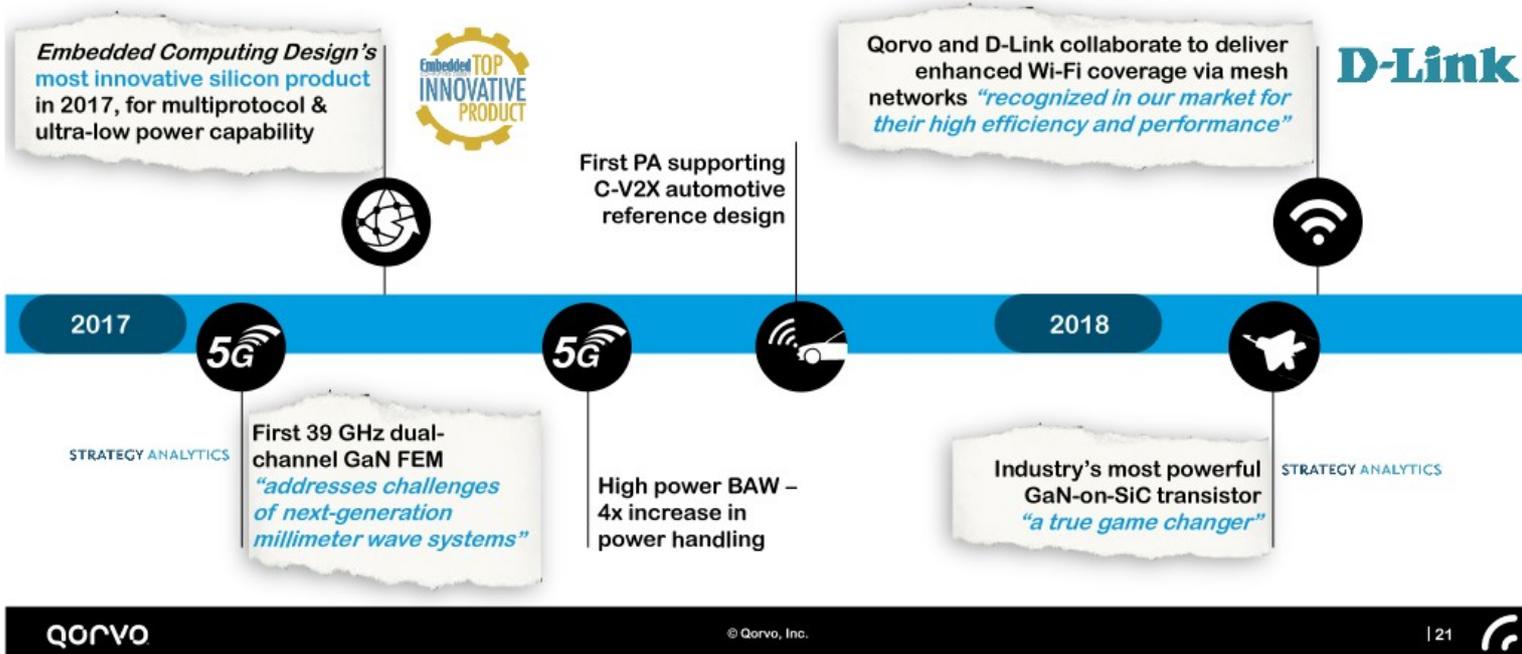
Diversification

Balanced growth & profitability



Product Development Engine

122 best-in-class products released last year

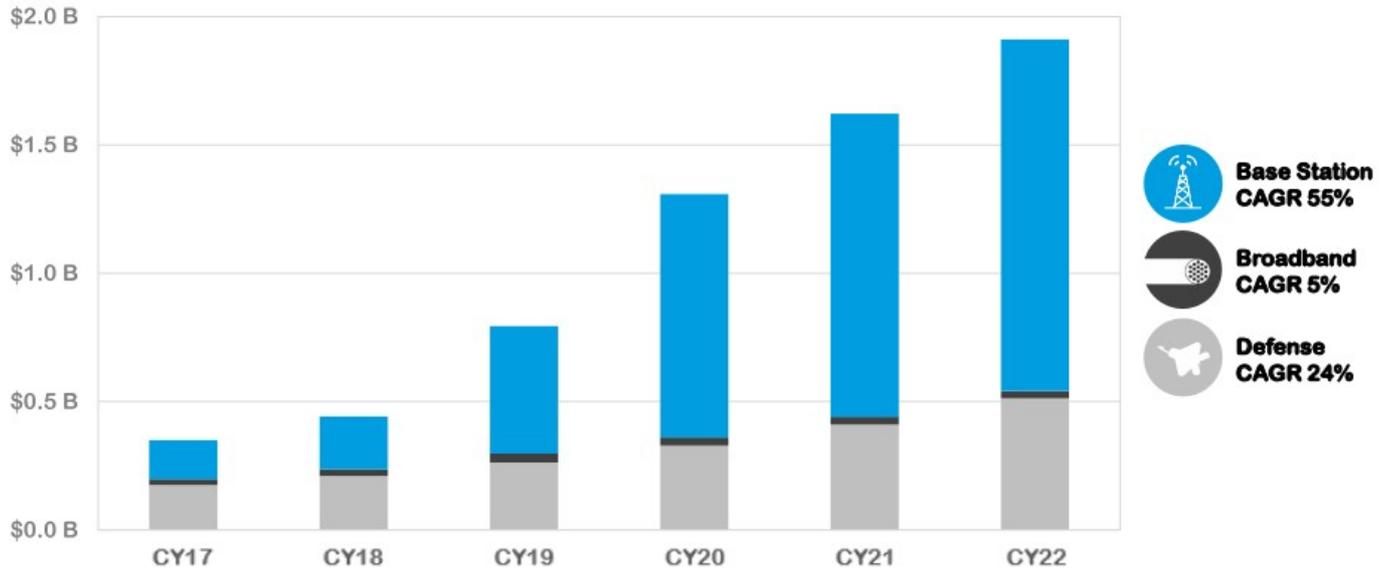


Optimized for Growth & Value Creation



GaN Adoption Accelerating

Customers are demanding improved performance



Source: Qorvo and Industry Estimates



Why GaN?

GaN provides clear customer value

Customers Need...

GaN Solutions Provide...

Lower Operating Cost

Lower Power Consumption

Lower Capital Cost

Higher Power Density & Smaller Arrays

Reliability

100x Longer Life

Higher Data Throughput

M-MIMO, Broad Bandwidth & Higher Frequency



Qorvo is Leading in GaN

Continued success as markets expand



INNOVATION

- GaN pioneer since 1998
- Continued investment from US DoD



SOLUTIONS

- Broadest portfolio: 20 MHz to 100 GHz
- >60 GaN products released annually



SCALE

- >9 million products shipped
- Manufacturing scale to meet future demands



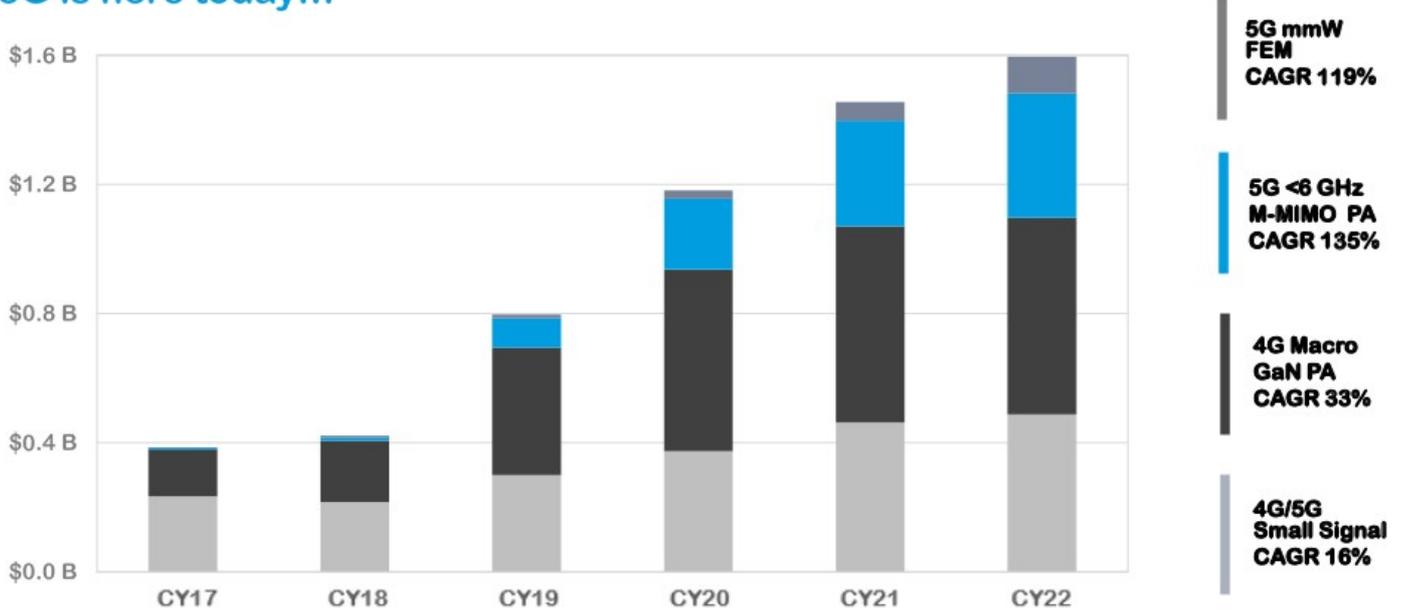
POSITION

- Top 3 supplier in each segment
- Trusted DoD foundry



Base Station Market Opportunity

5G is here today...



Source: Qorvo and Industry Estimates



5G Infrastructure Customer Needs

Customer needs align to Qorvo strengths

Customers Need...

Qorvo Solutions Provide...

New Frequency Bands

Largest 3-6 GHz Portfolio; 28 and 39 GHz FEMs

Small Form Factors

Technology-optimized Integrated Solutions

Lower Capital Costs

Integrated Multichannel Modules

Lower Power Consumption

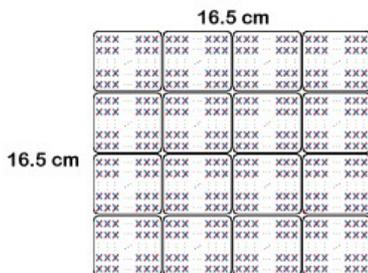
GaN-based Arrays Consume 40% Less Energy than SiGe



GaN Advantages for mmW 5G Infrastructure

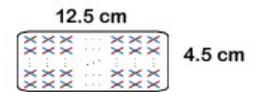
Simplifies base station architecture

SiGe Only
MIMO Antenna



40% Less Power Consumed
94% Smaller Die Area
80% Lower Cost

GaN-based
MIMO Antenna



- 1024 elements
- Die area: 4096 mm²
- 65 dBm radiated power (EIRP)

- 192 elements
- Die area: 250 mm²
- 65 dBm radiated power (EIRP)



Industry First 5G GaN FEMs

Commercial solutions for 28 GHz and 39 GHz

28 GHz



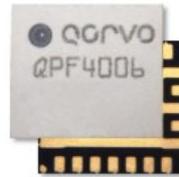
QPF4001/4002	
Rx Noise Figure	3.5 dB
Rx Small Signal Gain	18 dB
Tx Small Signal Gain	25 dB
Tx Saturated Power	30/33 dBm
Tx PAE	10%



39 GHz



QPF4005/4006	
Rx Noise Figure	4.2 dB
Rx Small Signal Gain	18 dB
Tx Small Signal Gain	23 dB
Tx Saturated Power	33 dBm
Tx PAE	7%



Qorvo is Leading in 5G

Broad portfolio of validated solutions



INNOVATION

- GaN, BAW, GaAs, SOI, SiGe
- Packaged module integration – industry's 1st mmW 5G GaN FEMs



SOLUTIONS

- Broad RF portfolio supporting all 5G frequency bands
- Integrated products simplify customer experience



SCALE

- > 150 million base station modules shipped per year
- Active in dozens of field trials such as 2018 Olympics



POSITION

- Strong customer relationships
- Leading share in base station small signal
- Winning in GaN >3 GHz today



Optimized for Growth & Value Creation



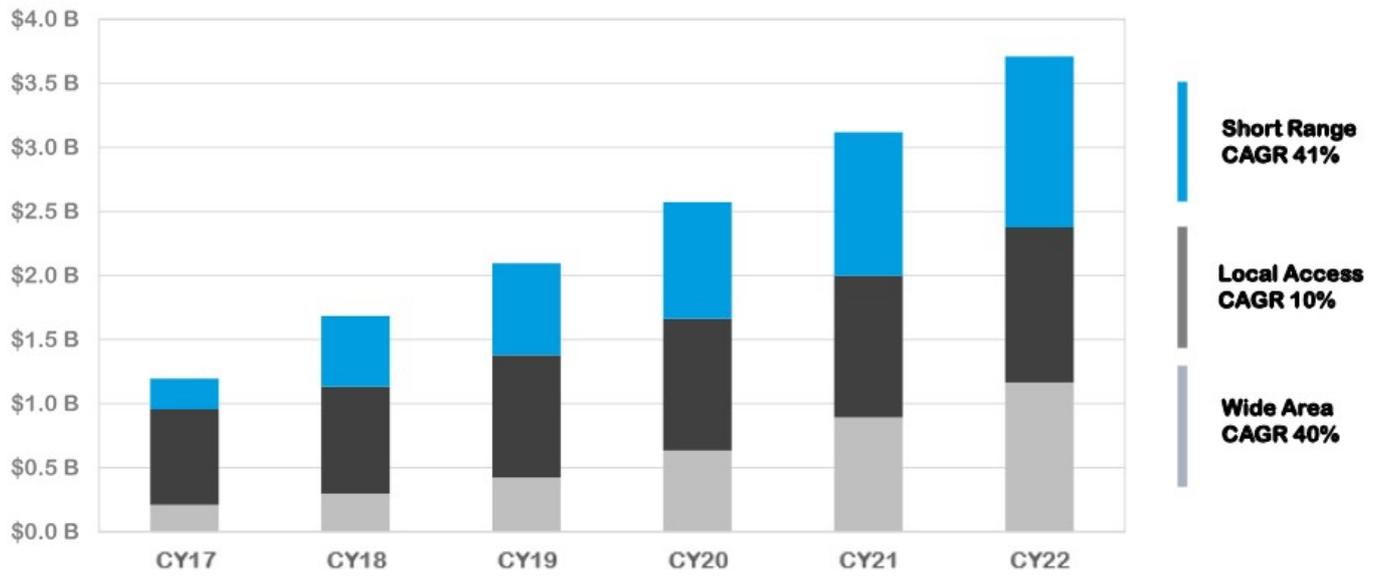
IoT

Cees Links, GM Wireless Connectivity



IoT RF Opportunity

Strong growth across multiple market segments

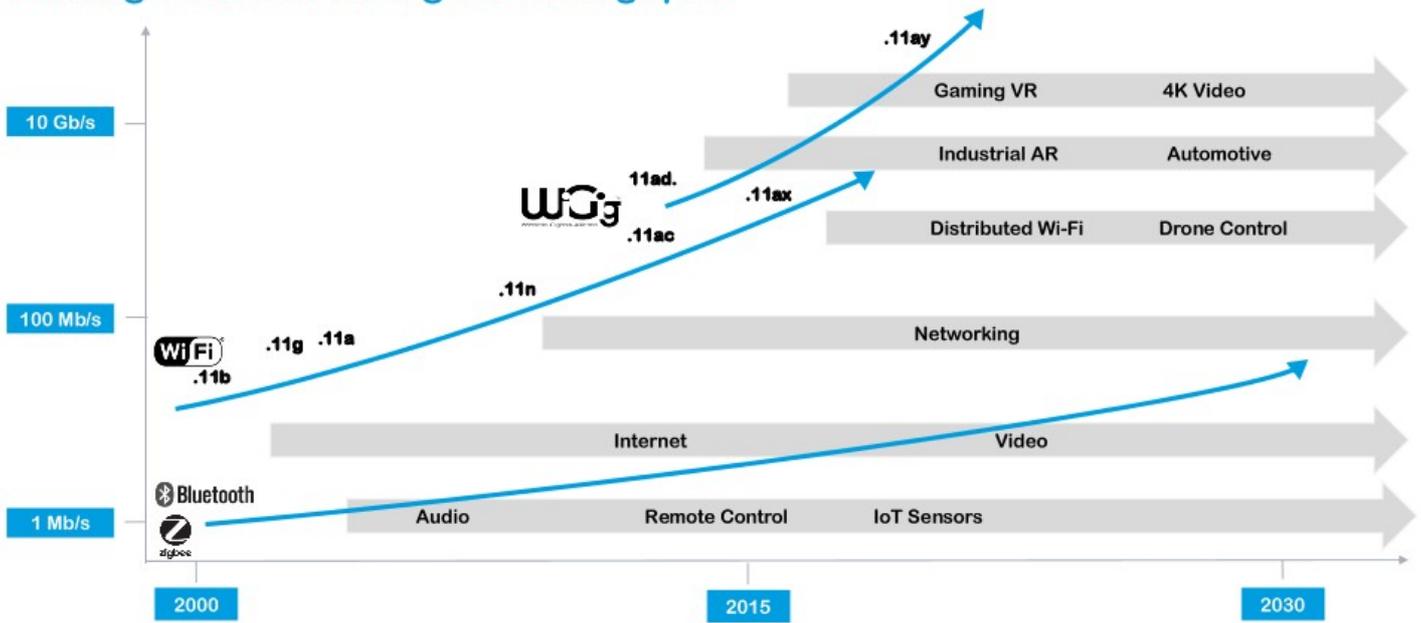


Source: Qorvo and Industry Estimates



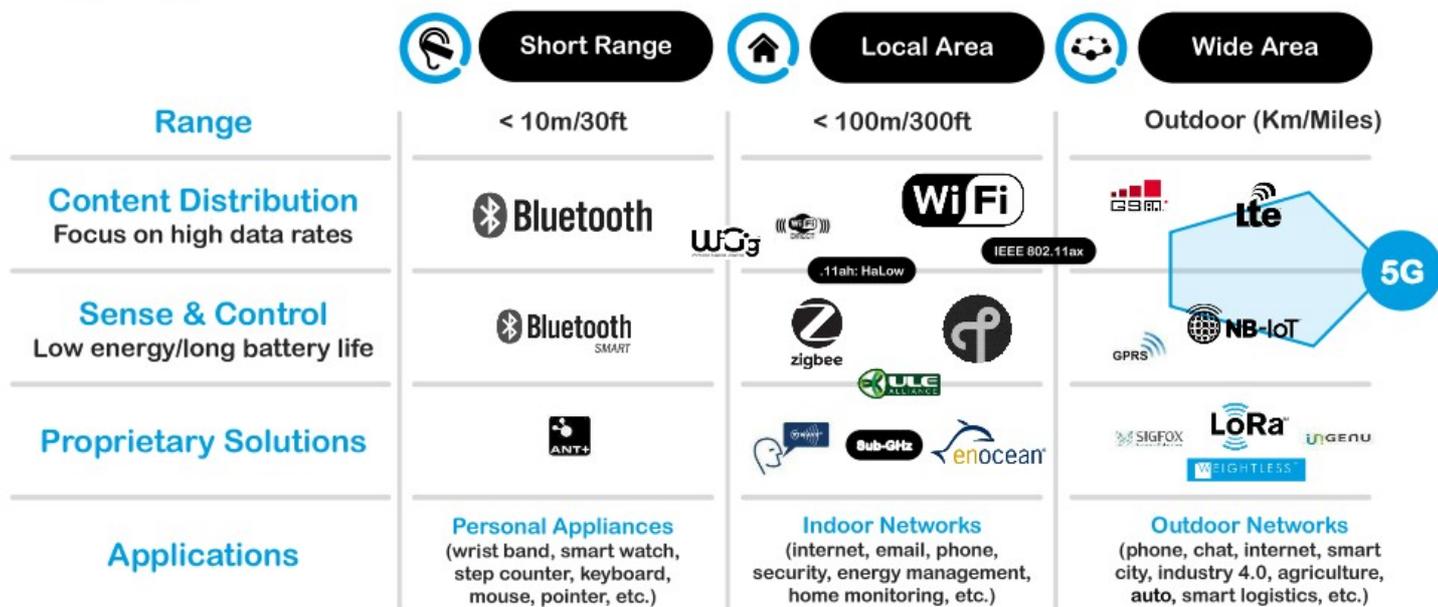
Appetite for Data

Driving the need for higher throughput



Fragmented Technology Landscape

Early stages of IoT



Open Standards Will Predominate

Qorvo actively engaged in standard setting

	 Short Range	 Local Area	 Wide Area
Range	< 10m/30ft	< 100m/300ft	Outdoor (Km/Miles)
Content	 Bluetooth		 
Sense & Control	 Bluetooth <small>SMART</small>	 zigbee  THREAD	 NB-IoT



Qorvo Connectivity Spanning the IoT

Four ways to connect



Bluetooth

Personal connectivity
integrated solutions

System on Chip

Short Range



Wi-Fi

Smart home/office
requiring compact,
high bandwidth RF

Wi-Fi Front-End
with BAW Filters

Local Area



Zigbee/Thread

Ubiquitous sensors with
maintenance-free
battery operation

Ultra Low Power
System on Chip



LTE/NB-IoT

Long-range connectivity
for auto telematics and
high-value sensors

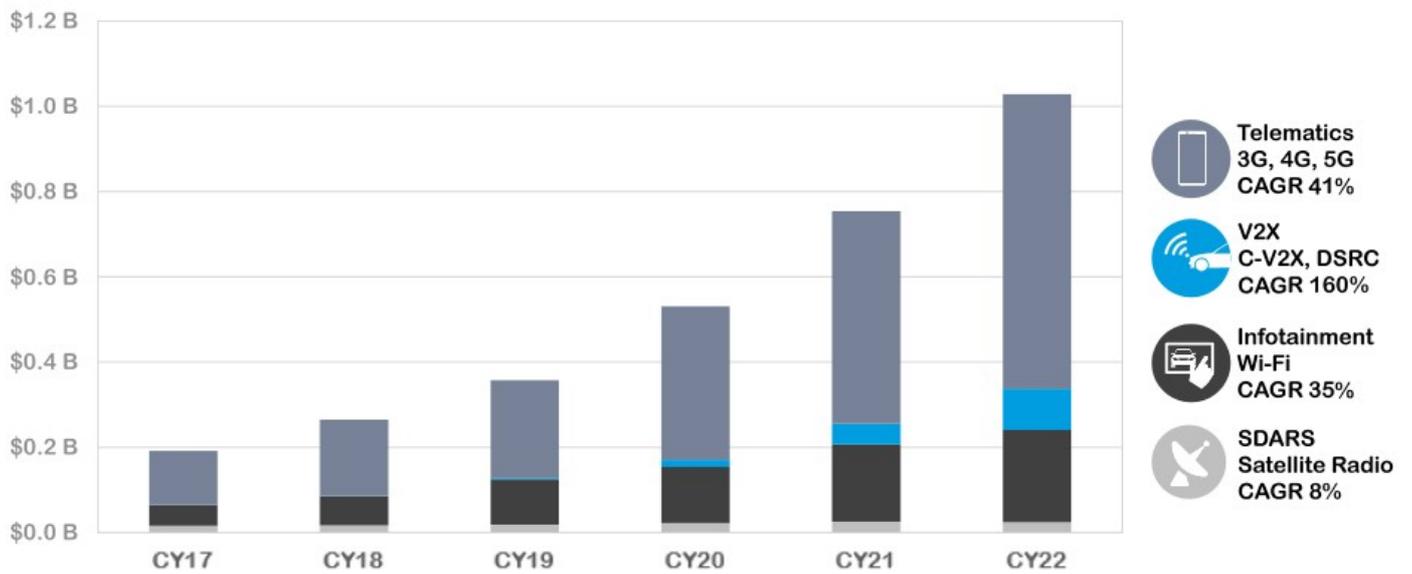
Large Scale
RF Integration

Wide Area



Automotive Connectivity Opportunity

Smart cars getting smarter

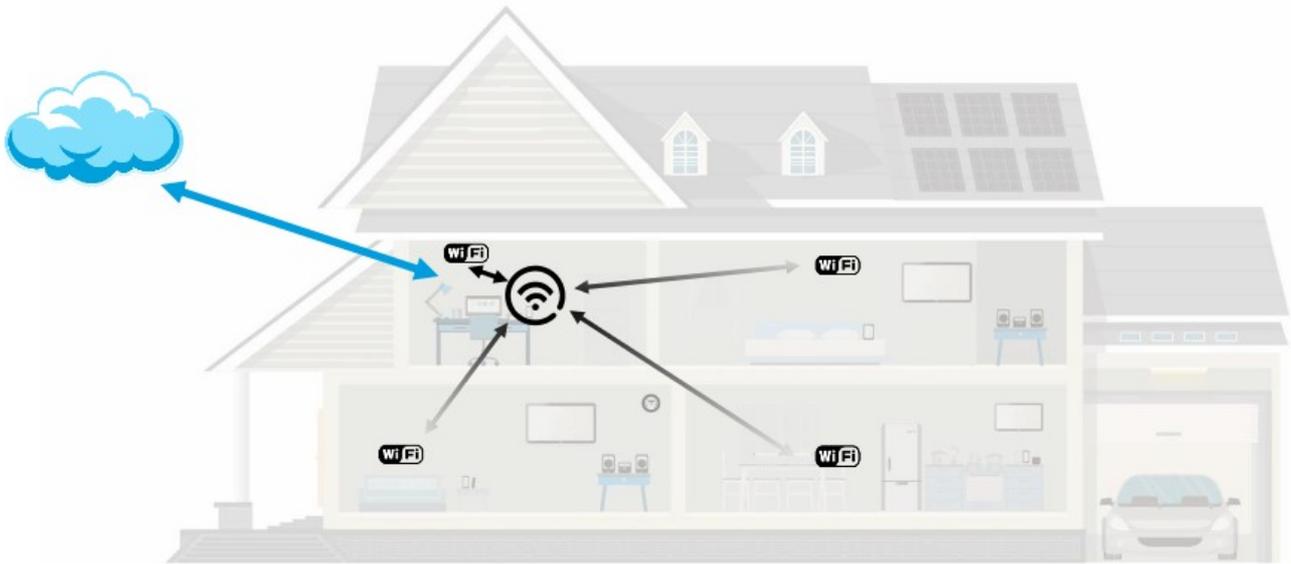


Source: Qorvo and Industry Estimates



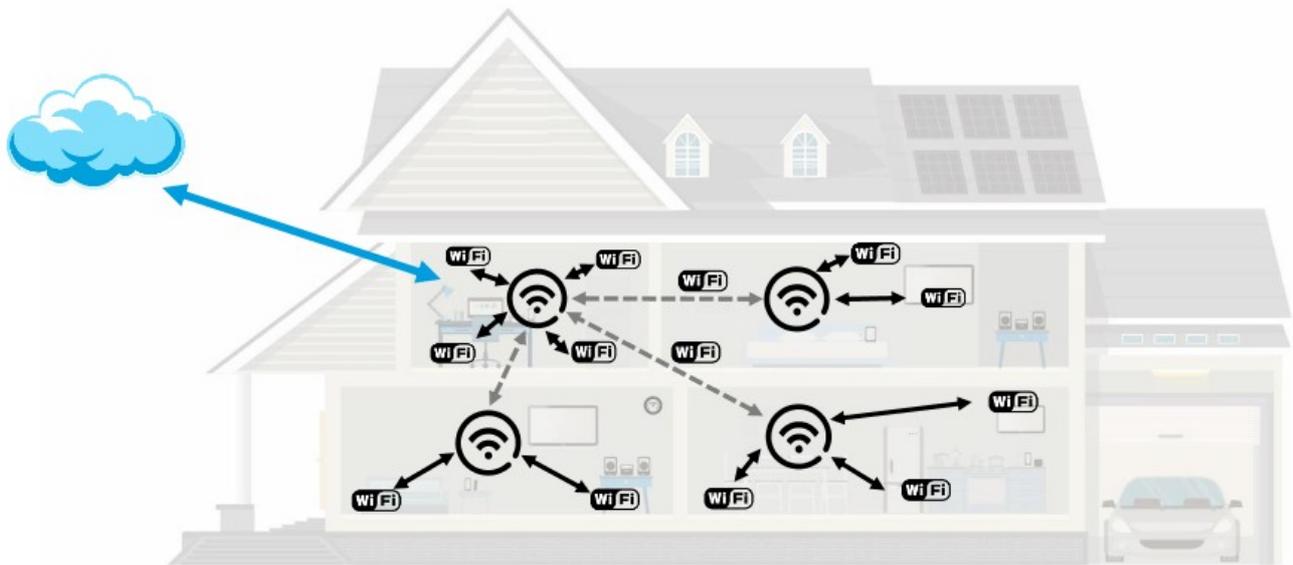
Legacy Connected Home

Only a few connections



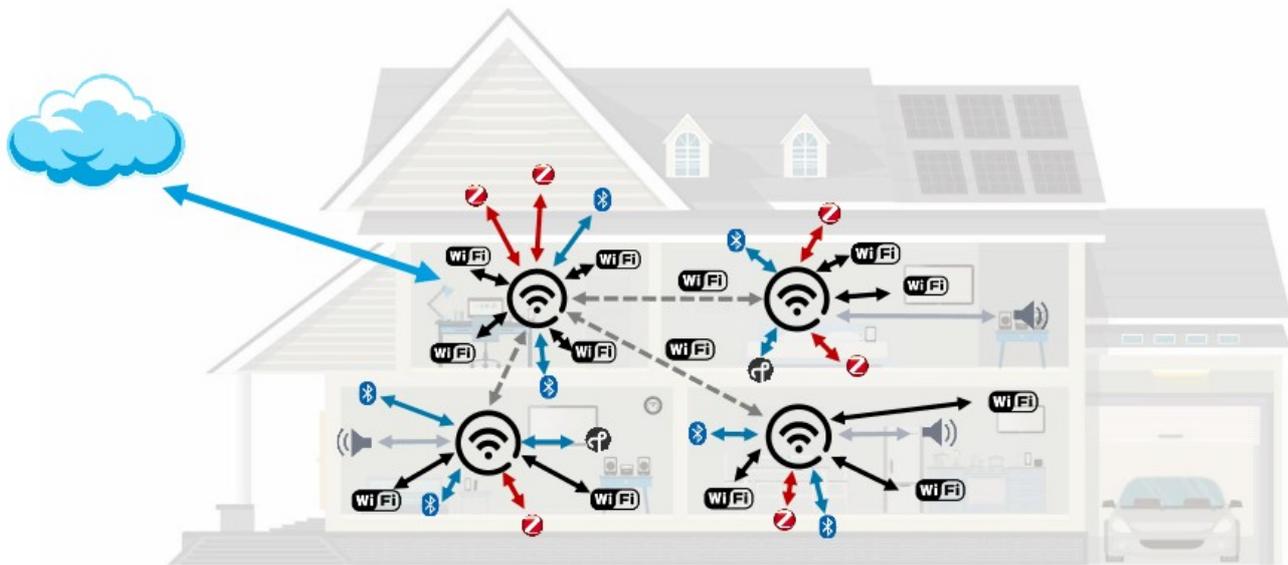
Distributed Wi-Fi Emerges

Connections increase, a lot!



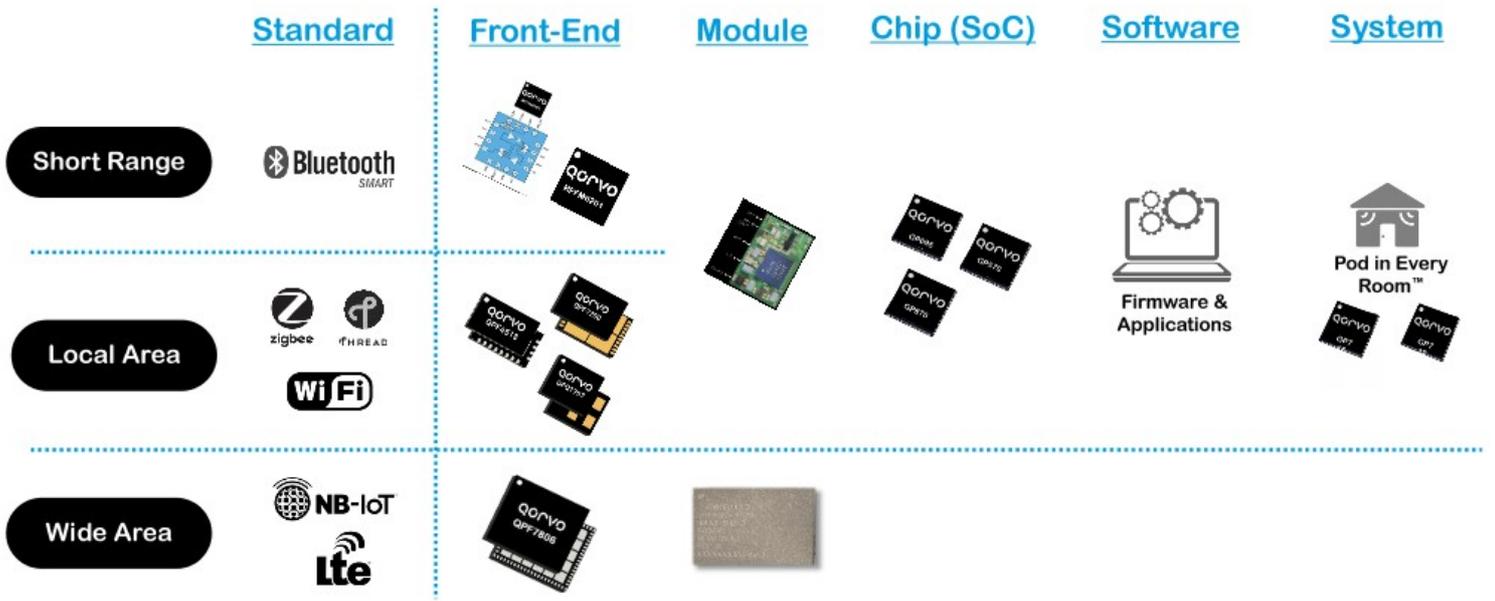
A Pod in Every Room™

The vision is complete, the smart home is a reality!



Qorvo Products Span the IoT

From front-ends to systems



Qorvo's Key IoT Differentiators

Bringing value to the market



SUPERIOR CAPACITY

- Widest bandwidth, highest linearity front-end modules
- Unique antenna diversity solution



HIGHLY INTEGRATED

- Concurrent radio
- Active devices including filtering



ROBUST COEXISTENCE

- Separating LTE/Wi-Fi/Zigbee/BLE
- Superior coexistence performance with BAW



ENERGY EFFICIENT

- Maintenance-free battery operation
- Smallest form factor



Putting it All Together to Win in IDP

Products that Connect & Protect™





Mobile Products

Eric Creviston, President

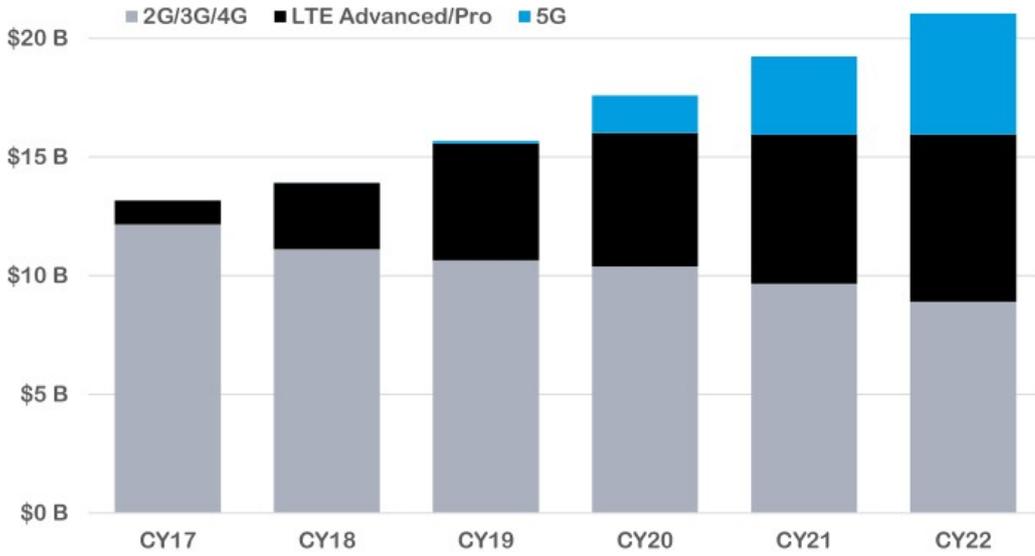




Enabling the Next Wave

RF Value Increases With Each Generation

RF TAM expected to exceed \$20B in 2022



5G will offer diversified market opportunities

LTE Advanced/Pro, with CA, MIMO, drives current growth

Legacy handset users are transitioning to LTE Advanced/Pro

Source: Qorvo and Industry Estimates



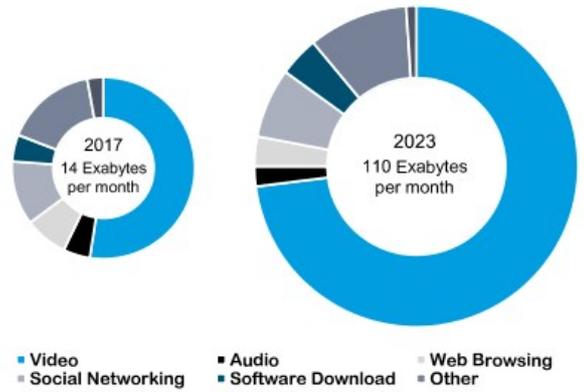
More Video, More Apps, More Hours, More Live

75% of all mobile data expected to be video in 2023



Image : CNN

Mobile Data Traffic by Application Category per Month (Exabytes)



Source: Ericsson Mobility Report



... Makes RF Complexity Multi-Dimensional

Market Requirements



4x4 MIMO



Ultra High Bands



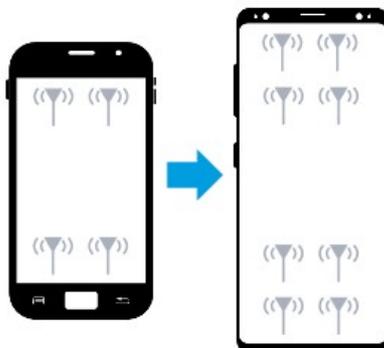
256 QAM



High/Mid CA

Demand for more and better RF

Form Factor



Less space available for required RF functions

Device Performance

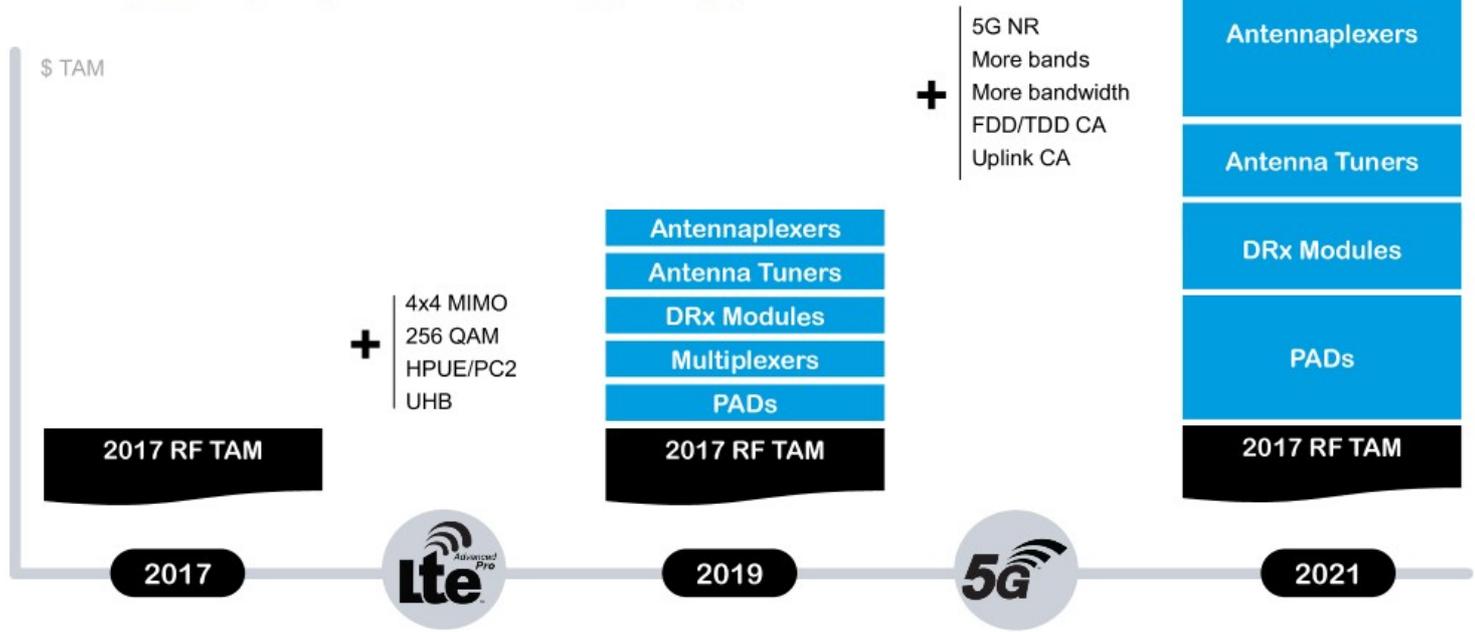


New and more stringent power standards

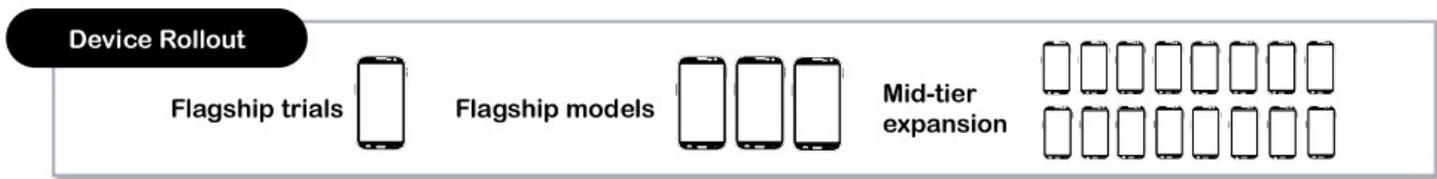


RF Complexity Accelerates With 5G

Adding \$1B per year of TAM beginning in 2020

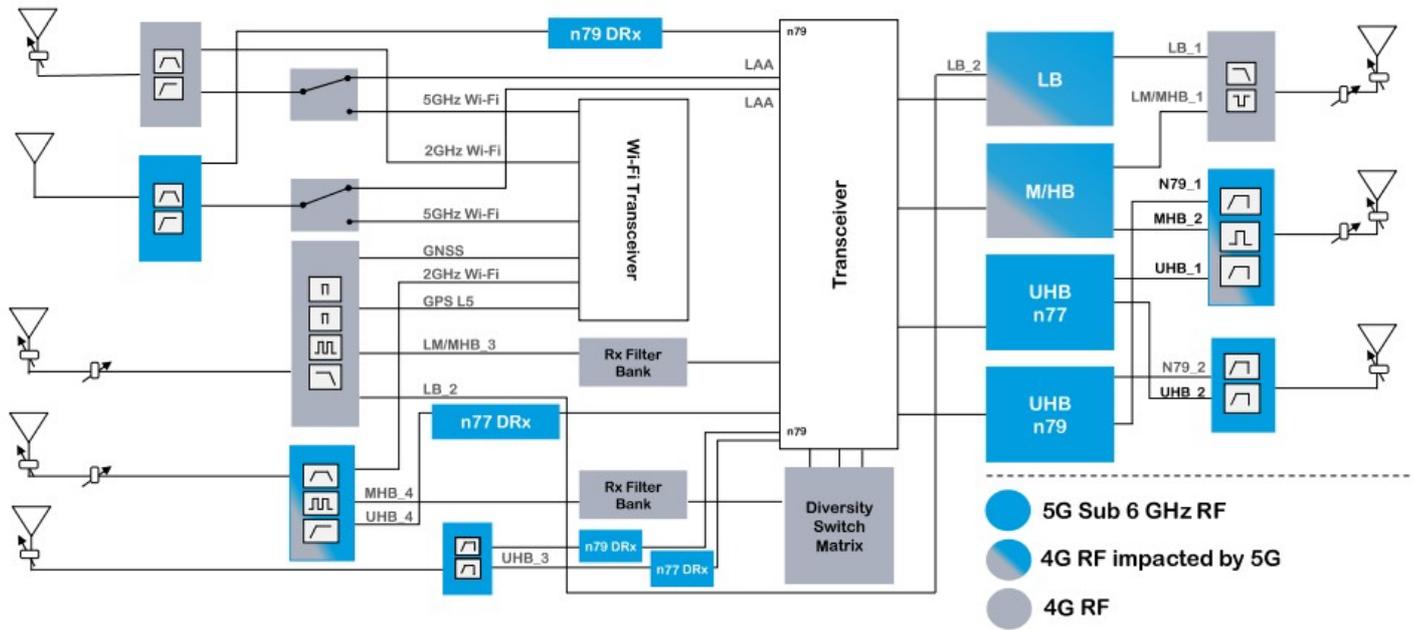


5G Will Be Implemented In 3 Distinct Phases



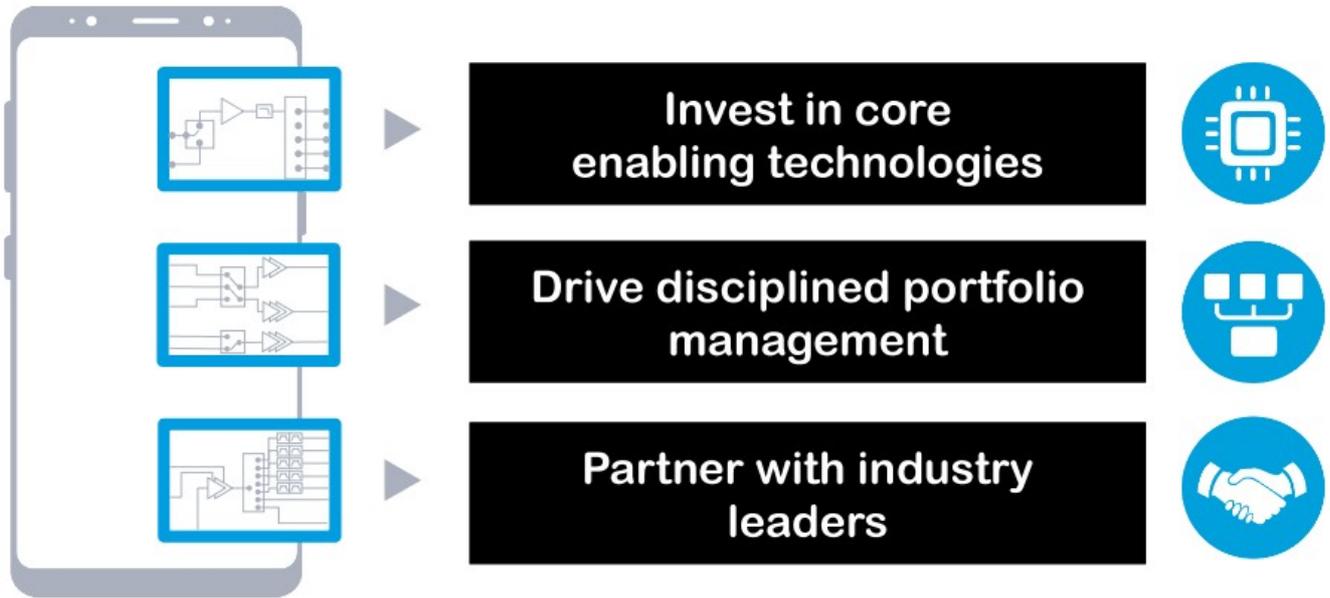
5G Transforms the RF Front End

4G must evolve to enable 5G



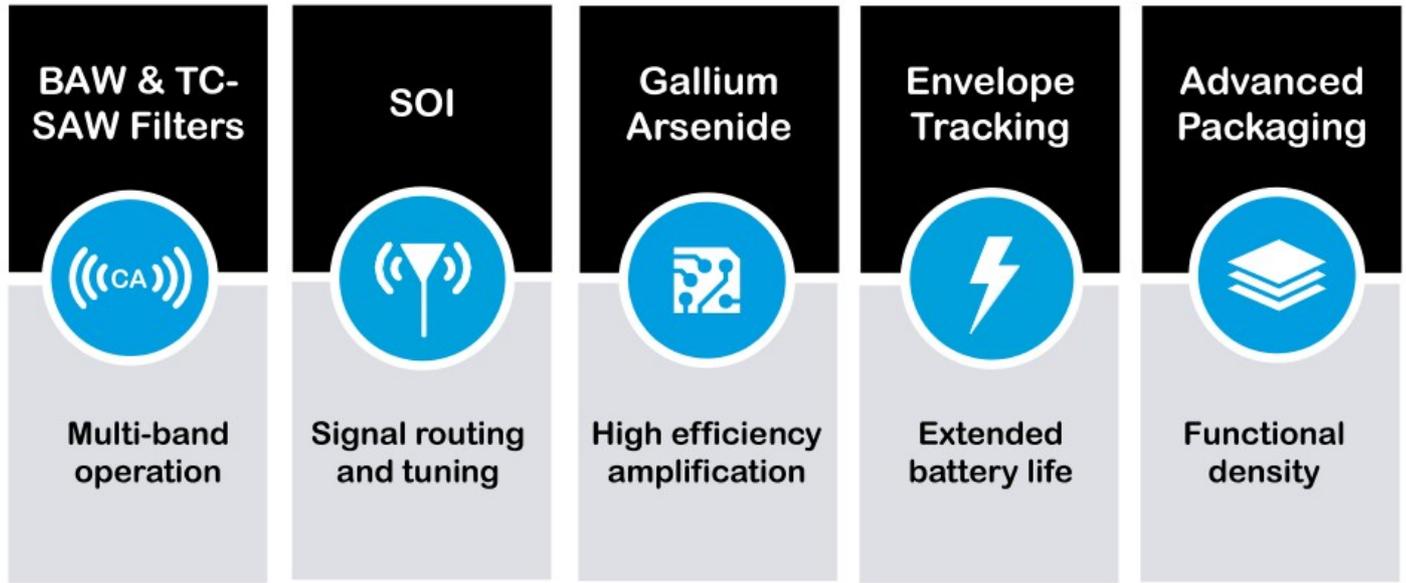
Mobile Strategy

Delivering on the industry's need for more and better RF



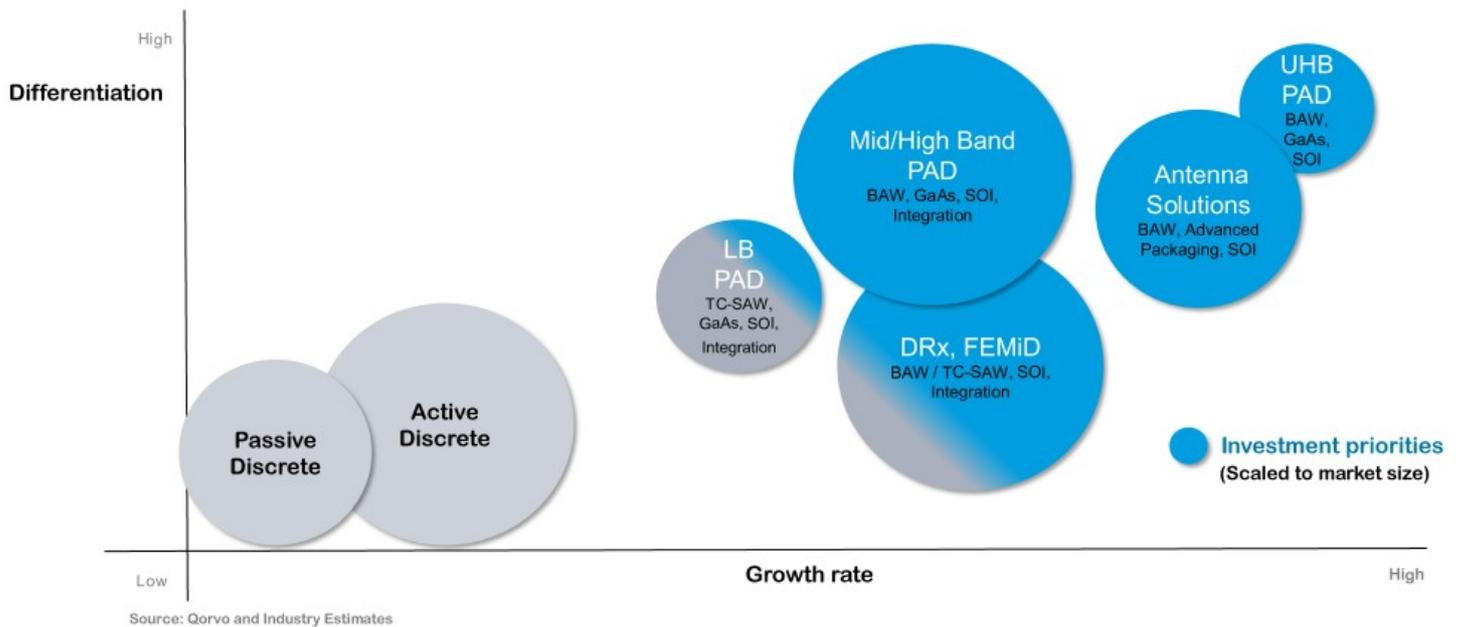
Investing in Core Enabling Technologies

Delivering performance, solving complexity



Targeting highest growth, most complex placements

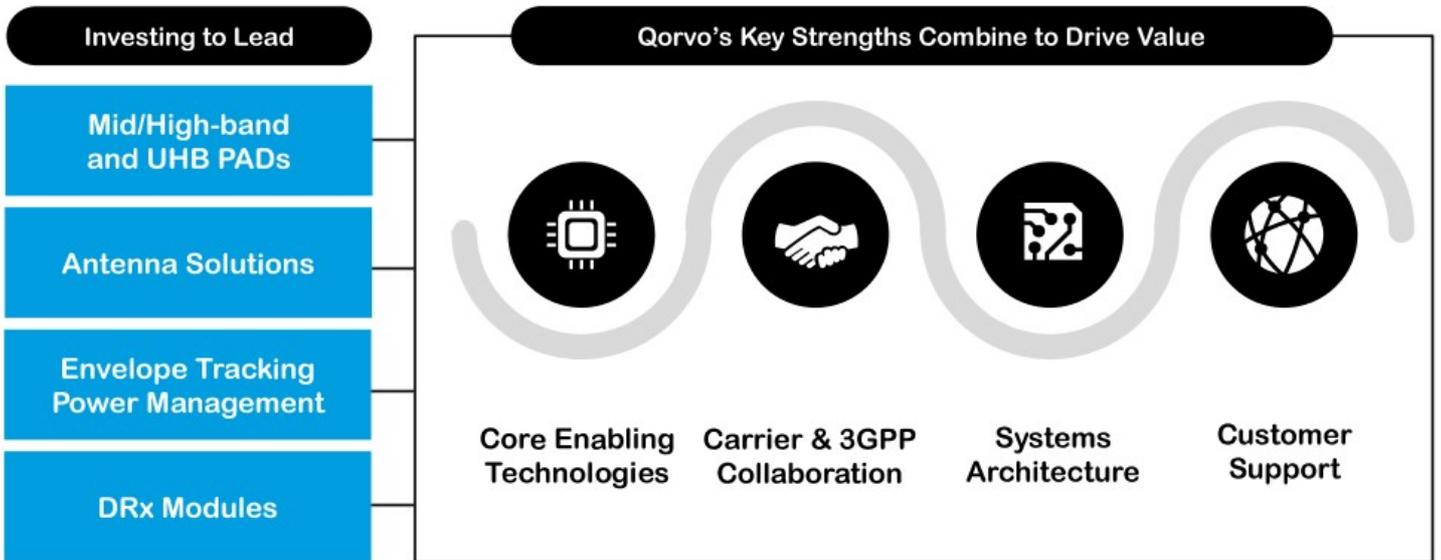
Leveraging core enabling technologies to transform our business



Source: Qorvo and Industry Estimates



Putting It All Together To Win in Mobile



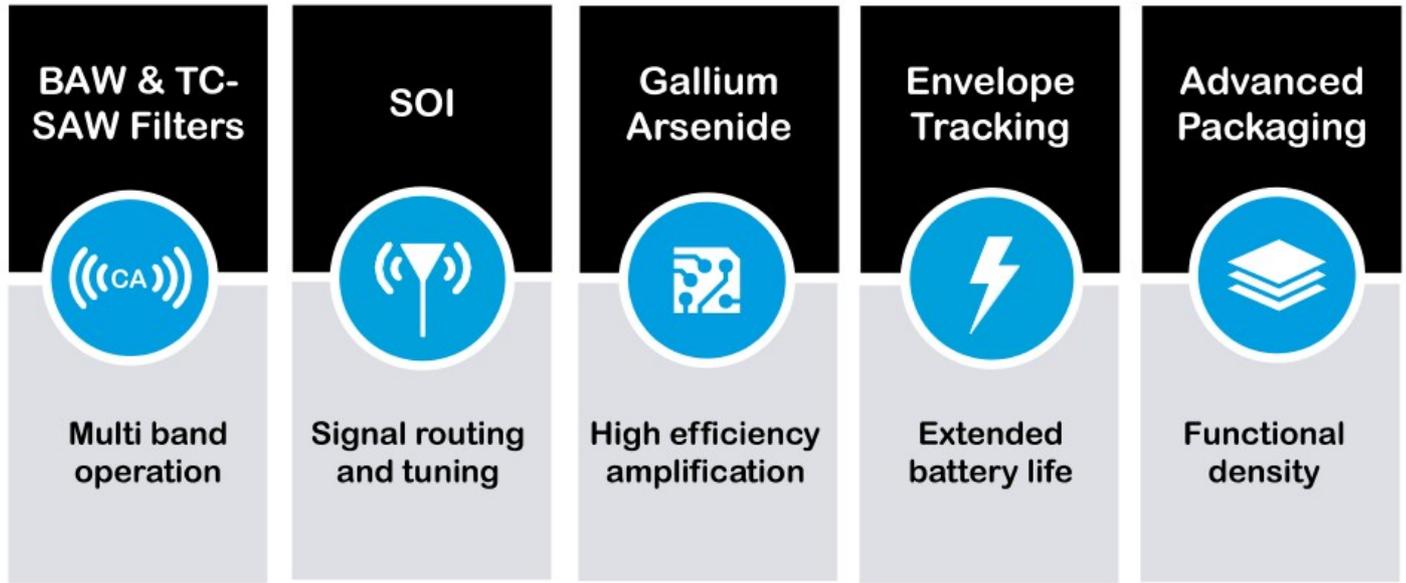
Mobile Technology

Todd Gillenwater, Mobile Products CTO



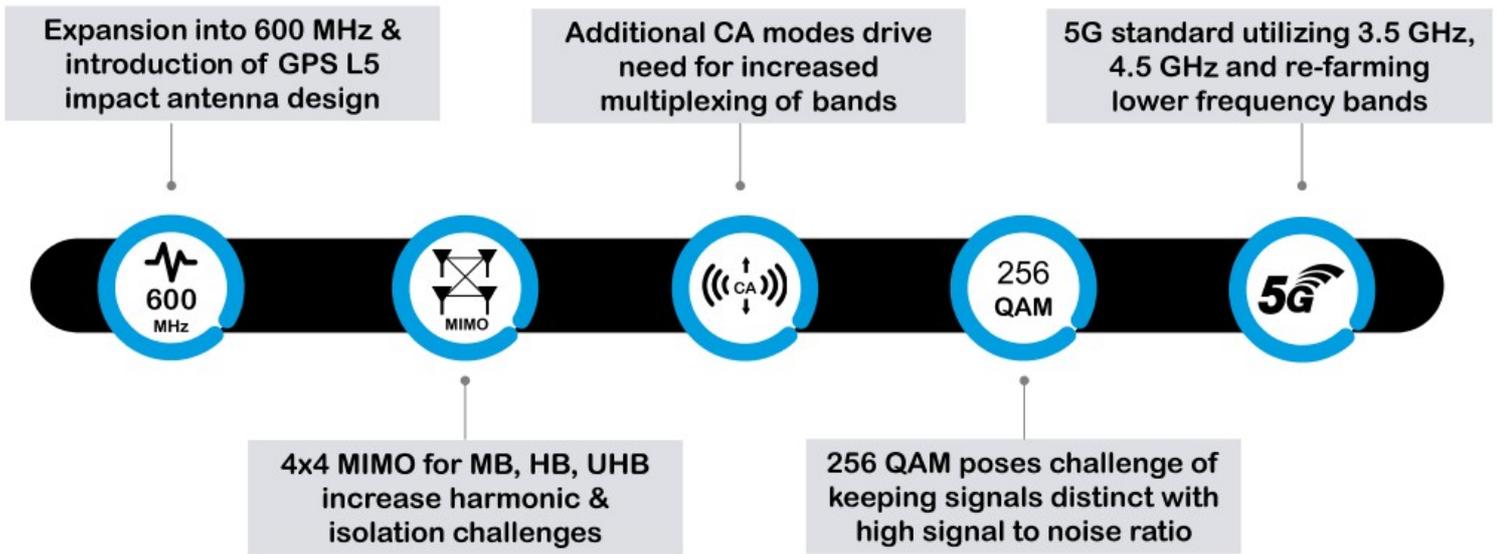
Investing in Core Enabling Technologies

Delivering performance, solving complexity



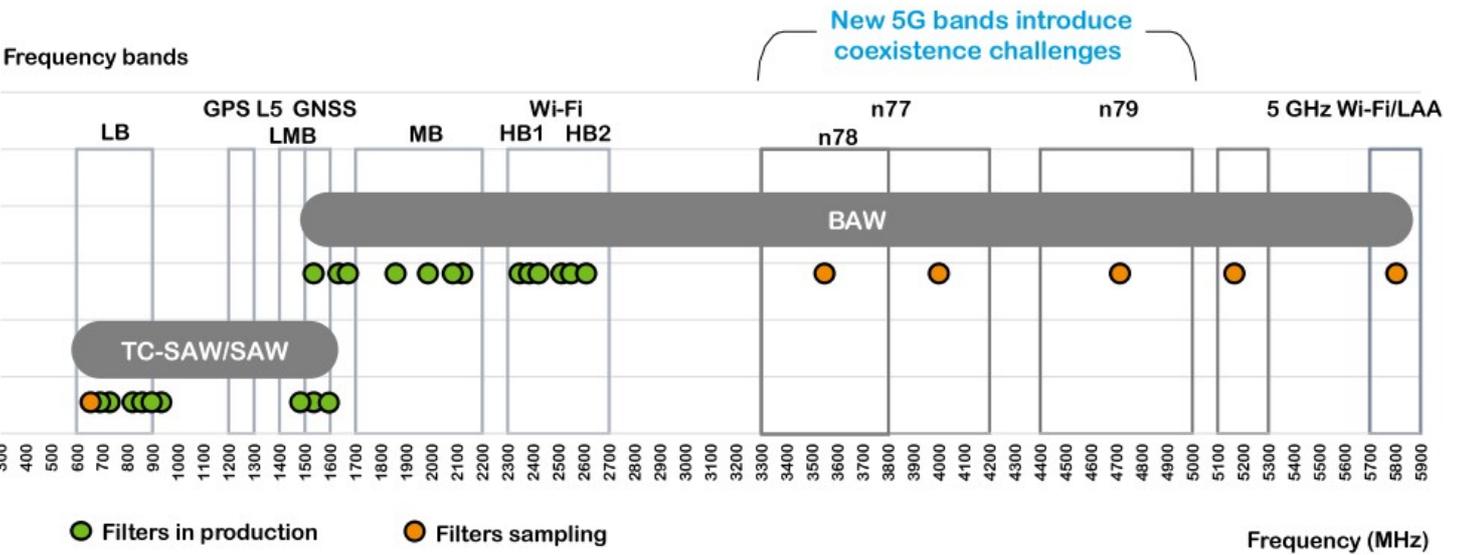
New Standards are Driving Higher Throughput

Faster data rates require improved RF solutions



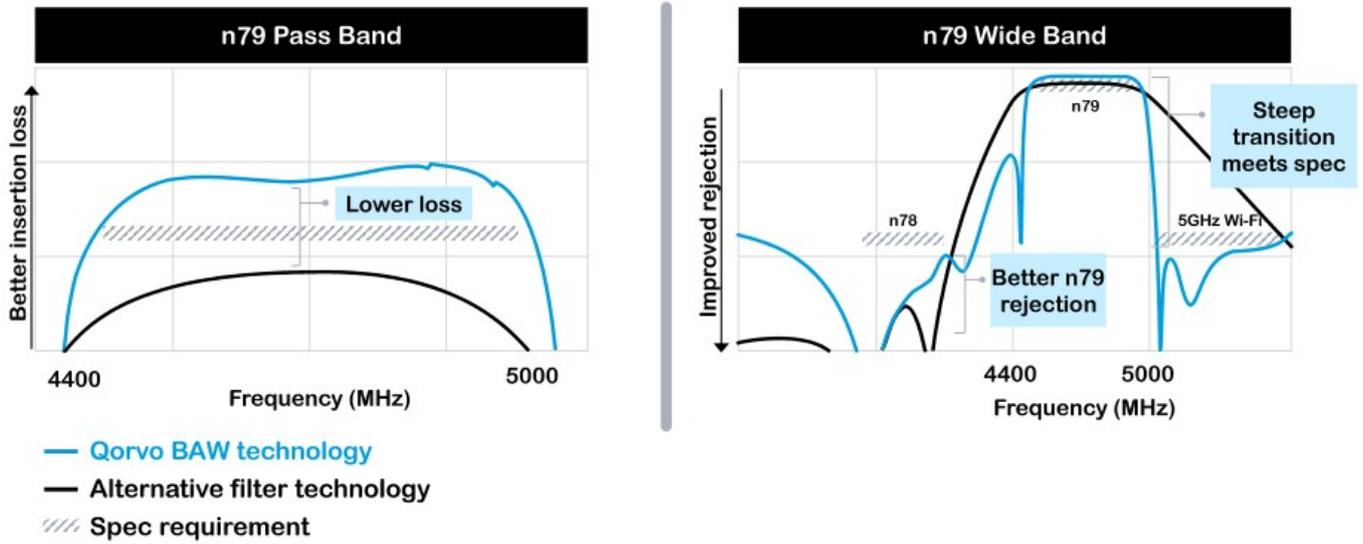
Filtering: Managing Crowded Frequency Spectrum

5G increases requirements for high-performance BAW filters

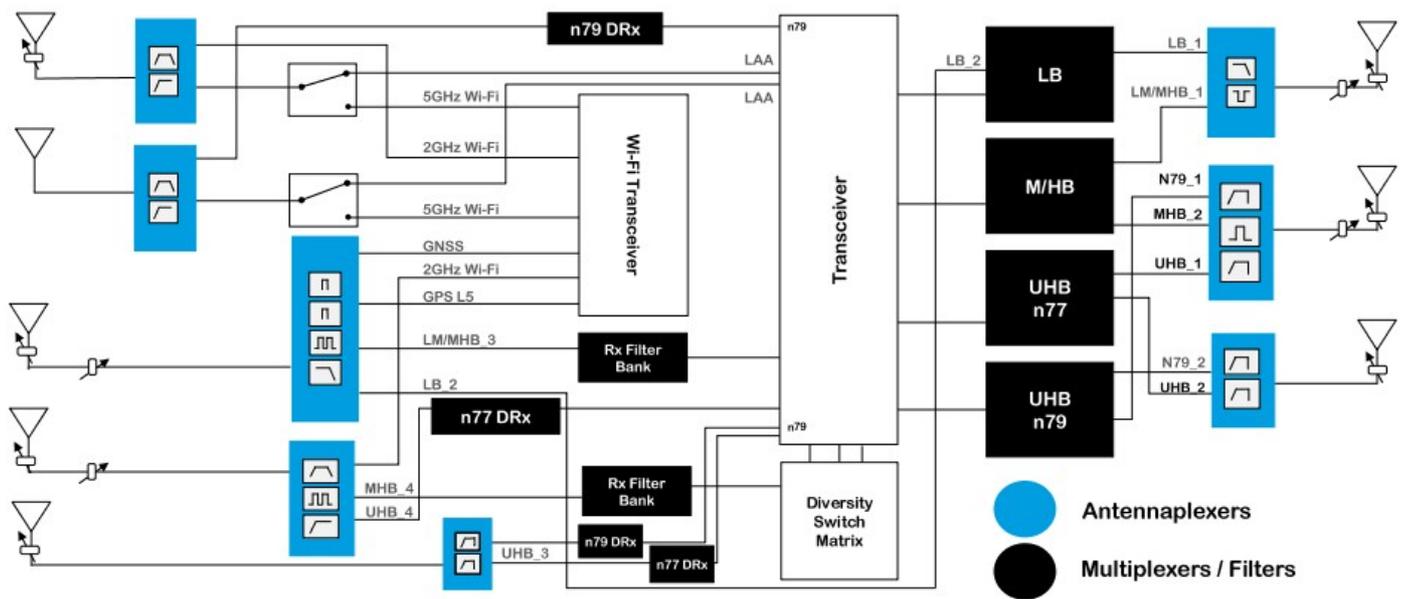


BAW Filters Meet Stringent 5G Specifications

Qorvo BAW filters deliver better loss & rejection performance



Antennaplexing, Multiplexing & 5G Drive Filter Growth



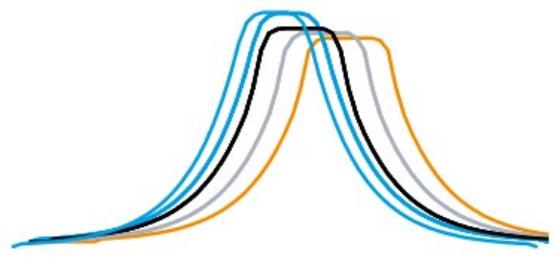
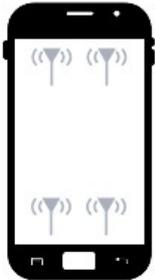
SOI: More Antenna Tuning To Maintain User Experience

Reduced space with more antennas = smaller, more sensitive antennas

Use cases cause frequency shift, impacting antenna efficiency

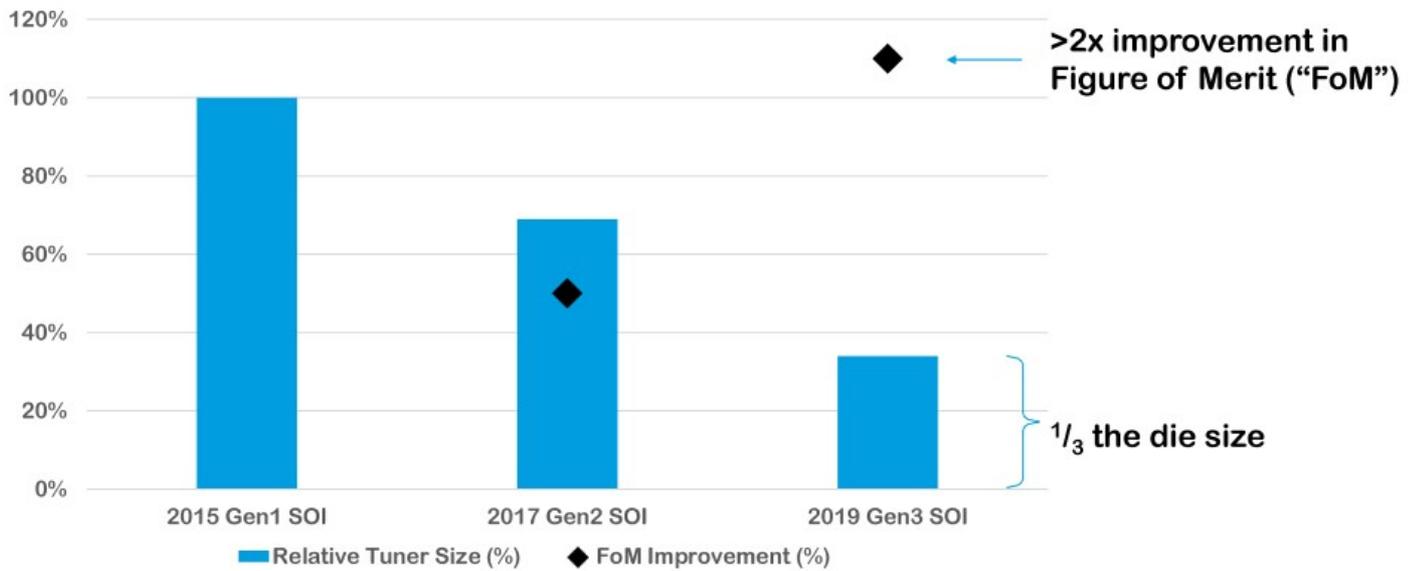
2017-18
2 - 4 antennas

2020-21
7 - 8 antennas



SOI Technology Advancements for Antenna Tuning

Qorvo's Gen3 SOI delivers breakthrough results



5G mmW in Mobile Devices?

Qorvo's GaAs consumes less than half the power and half the area of SOI

16 Element Array
SOI

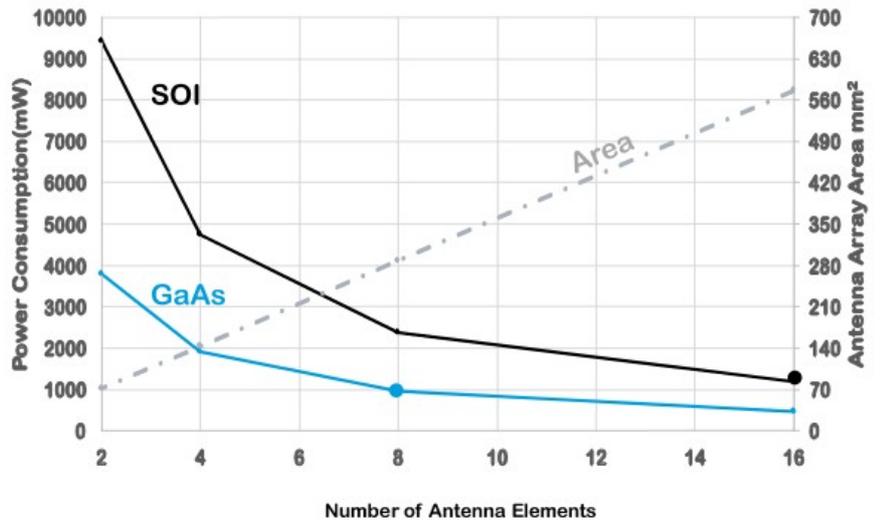


32 dBm EIRP

8 Element Array
GaAs

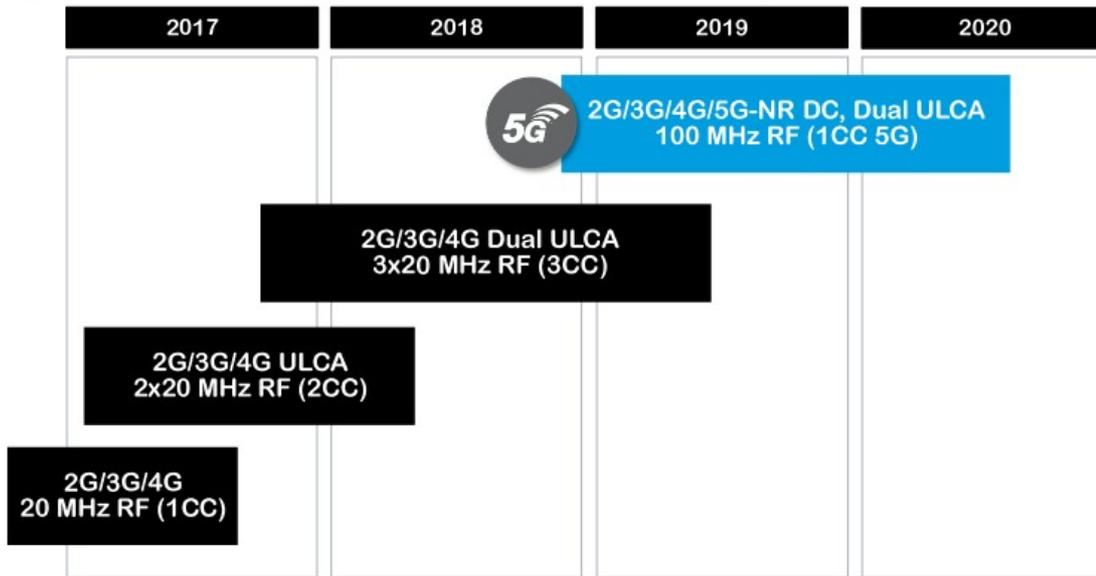


32 dBm EIRP



Power Management: ET Increasingly Critical

Improves thermal performance and battery life



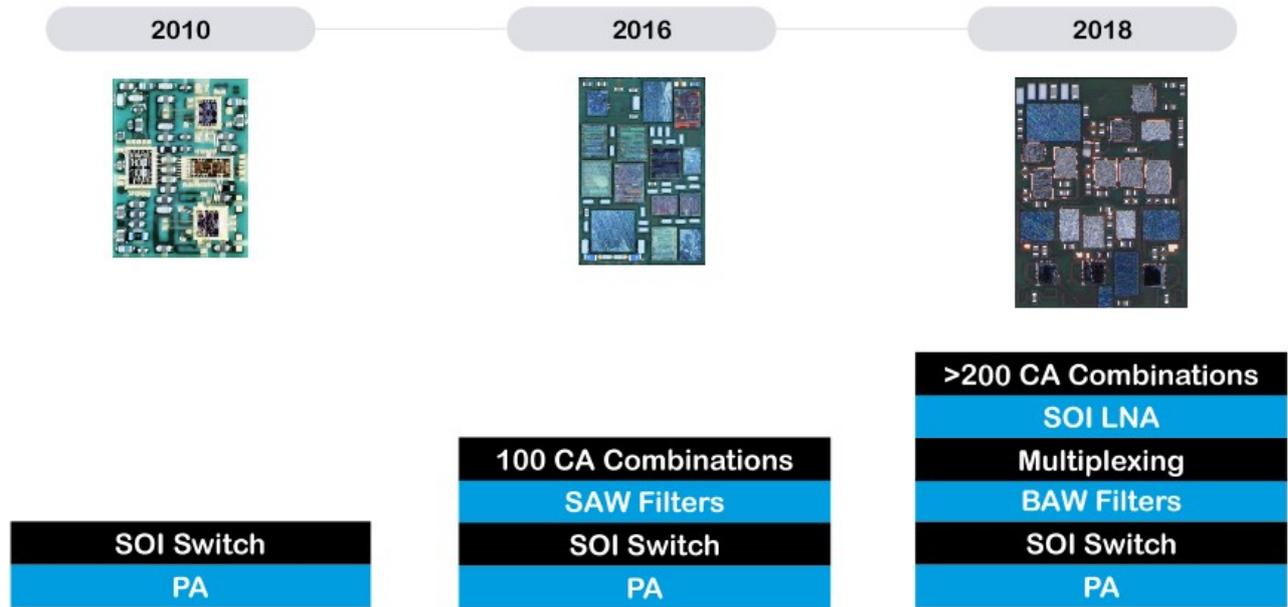
Qorvo ET for 5G reduces battery current by 50% vs. APT

Qorvo ET for LTE reduces battery current by 25% vs. APT

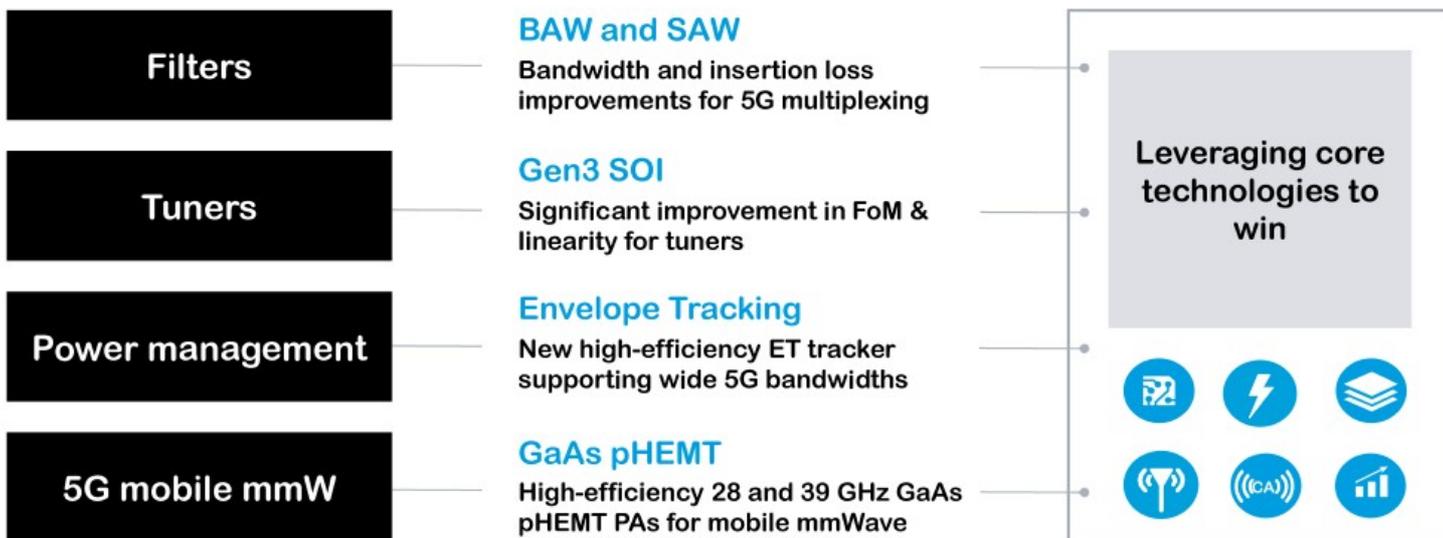


Packaging: Integrated Modules, High Value Content

Consistent increase in RF content in single package



Core Enabling Technologies to Solve RF Problems



Operations

**Steve Grant, Corp Vice President
Fab Technology and Manufacturing**



Qorvo Operations Strategy

- Core enabling technologies
- Capital efficiency
- Production ramp excellence



Core Enabling Technology Portfolio

Broad and deep offering

Filters			Power Amplifiers			ET PMIC	Tuners	Switches	Packaging
BAW	TC-SAW	SAW	GaN	GaAs	SiGe	CMOS	SOI	SOI	DS - BGA
									

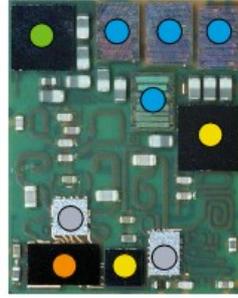
Differentiated technologies targeted at winning high-value segments



Today's RF Uses All These Technologies

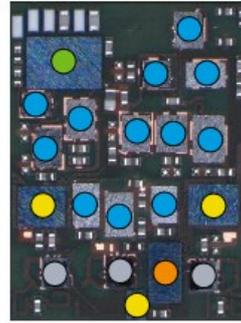


Phase 6 LB PAD



- 4 SAW filters
- 2 GaAs PAs
- 1 CMOS controller
- 1 SOI antenna switch
- 2 SOI switches

Phase 6 M/HB PAD

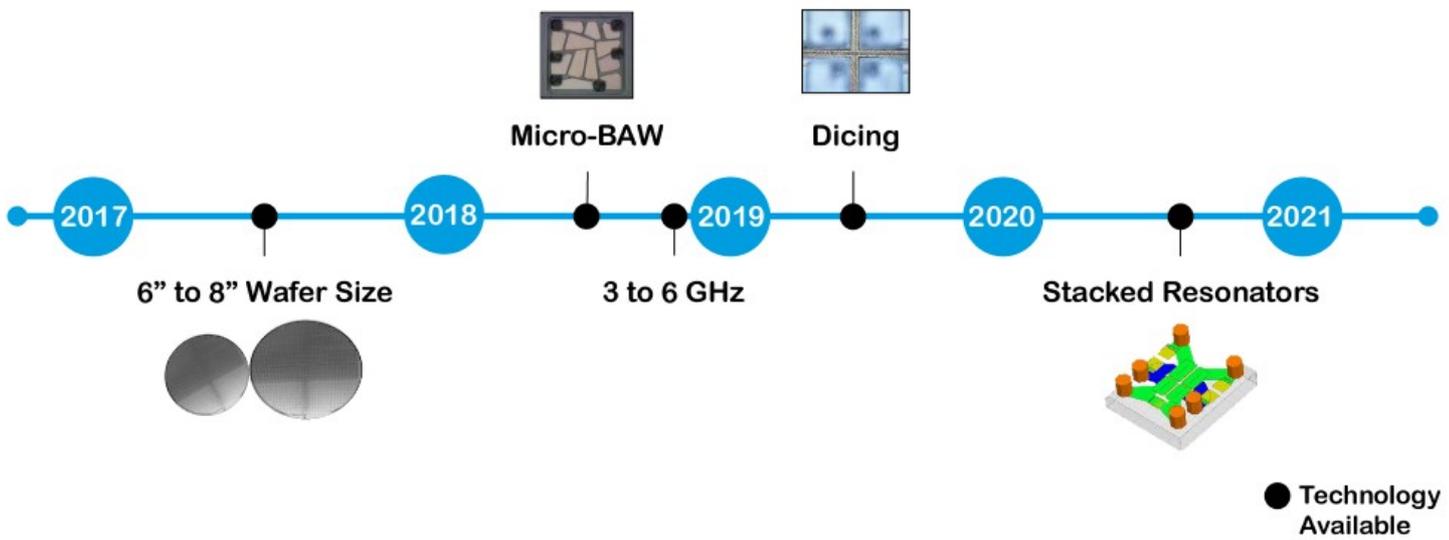


- 12 BAW filters / multiplexers
- 3 GaAs PAs
- 1 CMOS controller
- 1 SOI antenna switch
- 3 SOI switches



BAW Technology Roadmap

Technology advancements – performance, 5G market, cost



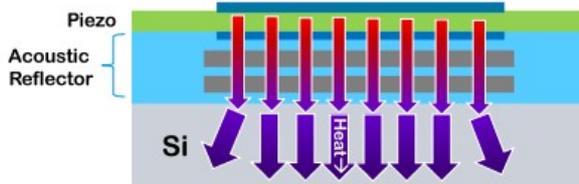
BAW Filtering: Higher Power and Higher Frequency

Qorvo's SMR delivers better thermal management at higher transmit power

Solidly Mounted Resonator (SMR)

- Vertical heat flux
- Thinner reflector layers
- Improved heat extraction

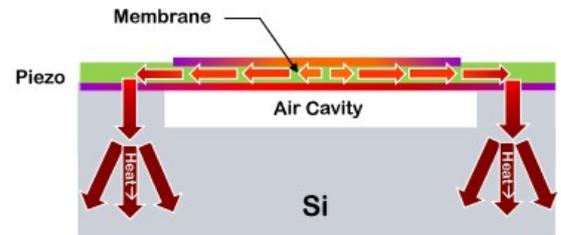
$$\Delta T = 20^{\circ}\text{C}^*$$



Film Bulk Acoustic Resonator (FBAR)

- Lateral heat flux
- Thinner membranes
- Degraded heat extraction

$$\Delta T = 70^{\circ}\text{C}^*$$

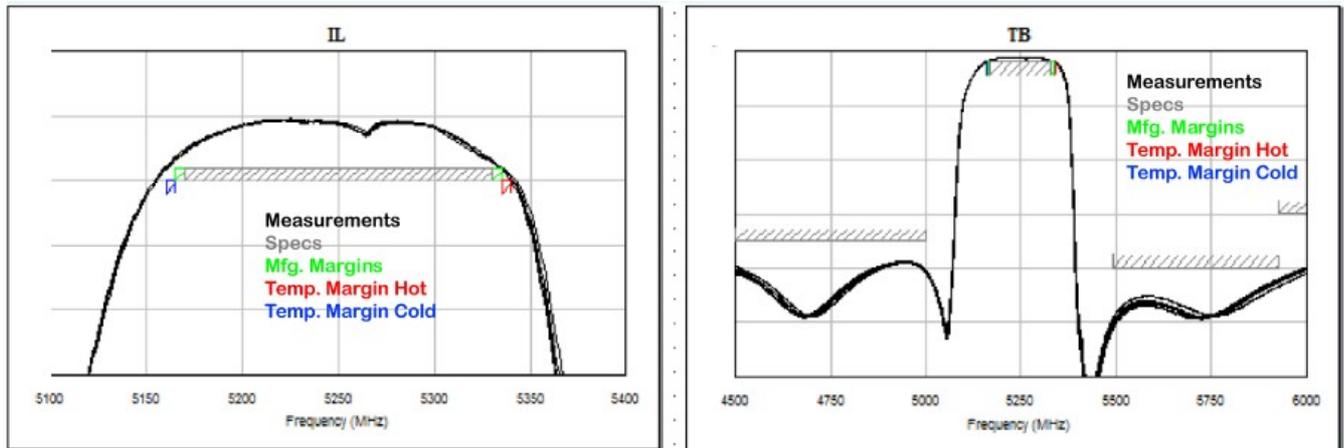


*At 1W transmit power (0.1W loss in resonator)
Source: Qorvo simulated data



LAA/Wi-Fi Coexist Filter

5.2 GHz BAW measured data

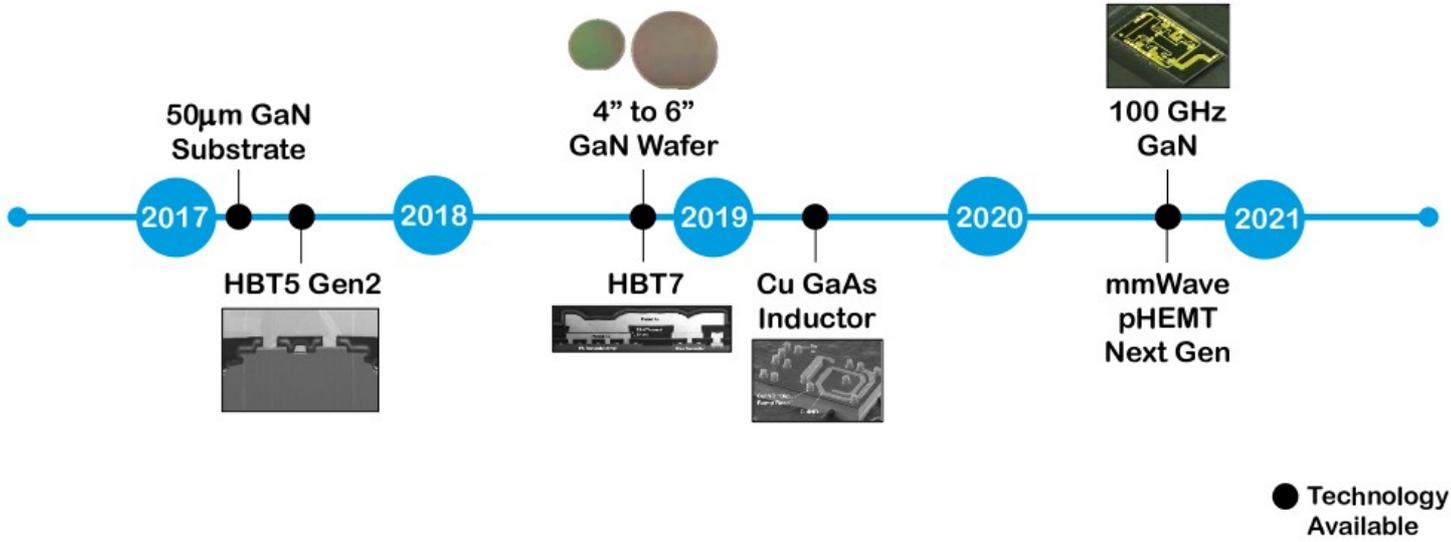


- Alternative filters (LC) cannot achieve similar skirt steepness and loss
- Ceramic filters are too large for 5G handsets



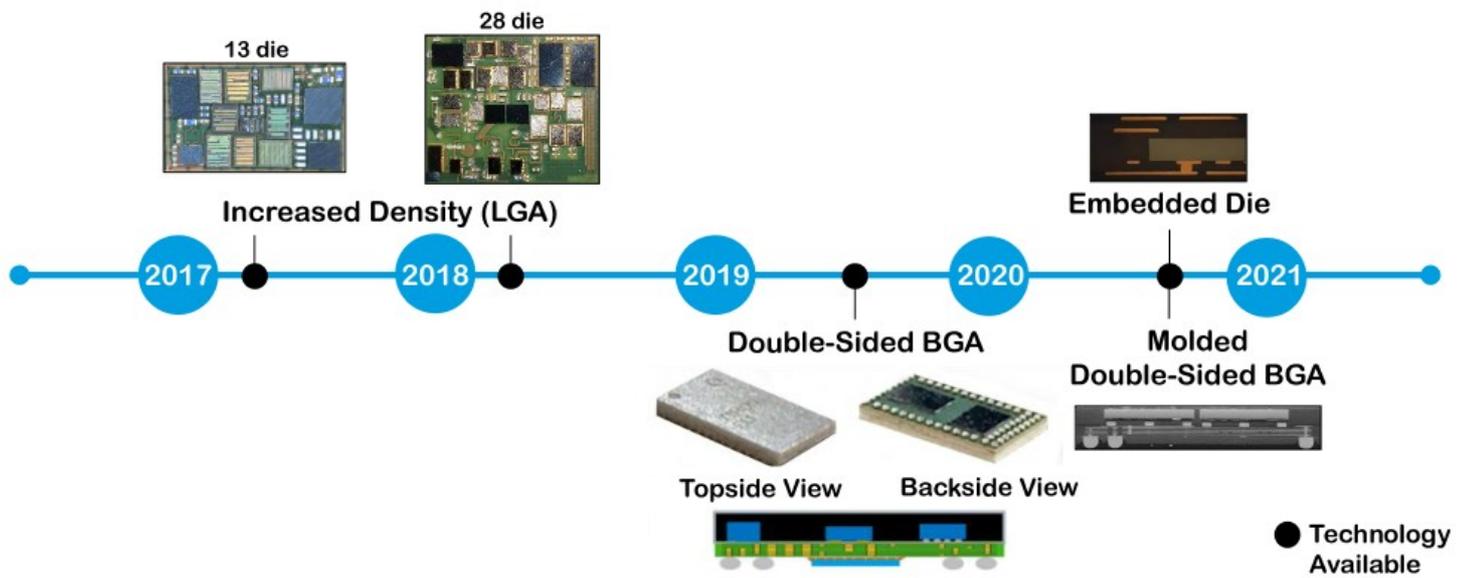
Power Amplifier Technology Roadmap

Technology advancements – output power, efficiency, linearity and cost



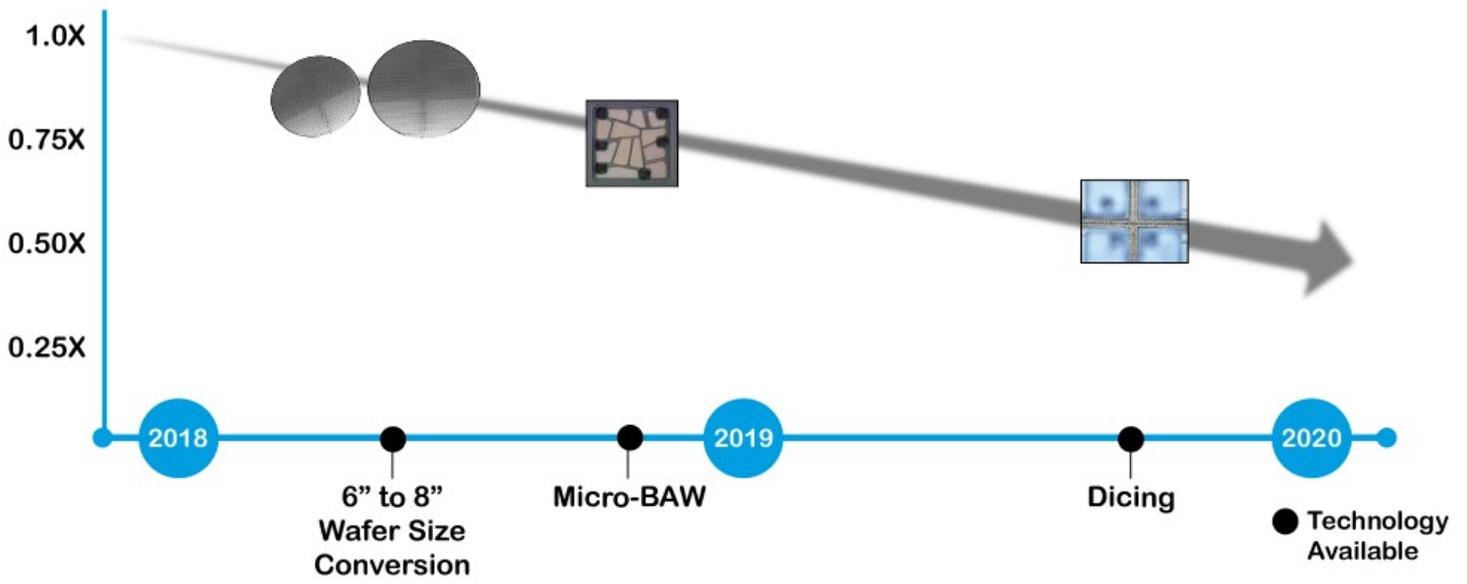
Assembly Technology Roadmap

Technology advancements – size, performance and cost



BAW Capital Efficiency

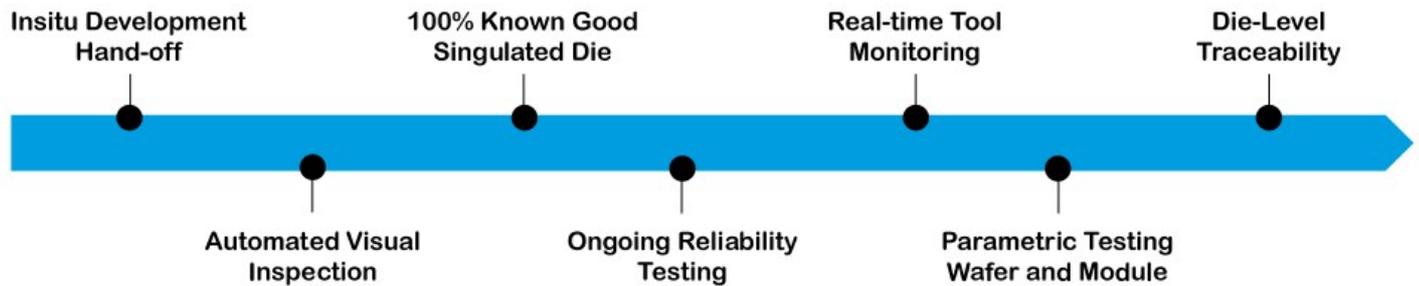
Technology-driven continuous improvement



Operational Excellence

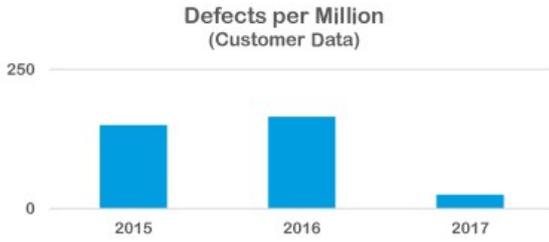
Production ramp execution

- World-class line and die yields
- Copy-exact tool matching
- Rigorous change control
- Extensive and advanced monitoring systems



Qorvo Leading in Quality

The results are in...



- Line DPM rates at **all-time lows** for key mobile customers
- Mobile and IDP returns and events per million units shipped at **all-time lows**



Qorvo Wins Huawei Best Quality Team Award



Qorvo scores #1 in five customer quality rankings

Qorvo Clean Launch Program Sets Gold Standard for Industry

Qorvo Operations Summary



A solid foundation of innovation

- Industry-leading technology portfolio
- Focus on highest value RF segments
- Driving higher levels of integration
- Leading the way to 5G, IoT and GaN

Leading efficiency, quality

- Capital efficiency
- Production ramp excellence
- Leading in product quality





Mark Murphy

Chief Financial Officer



Profitable Growth

Discipline, consistency and predictability

Targeting Above-Market Growth

- Broad-based IDP growth driven by GaN, IoT and 5G
- Mobile growth driven by content and complexity

Double digit market growth

Expanding Margins

- Improving mix and higher utilization rates
- Manufacturing, R&D and SG&A productivity

On track to ~33% OM in FY20

Increasing Free Cash Flow

- Revenue growth with operating leverage
- Lower capital intensity

Targeting \$800M in FCF in FY19

Create Shareholder Value

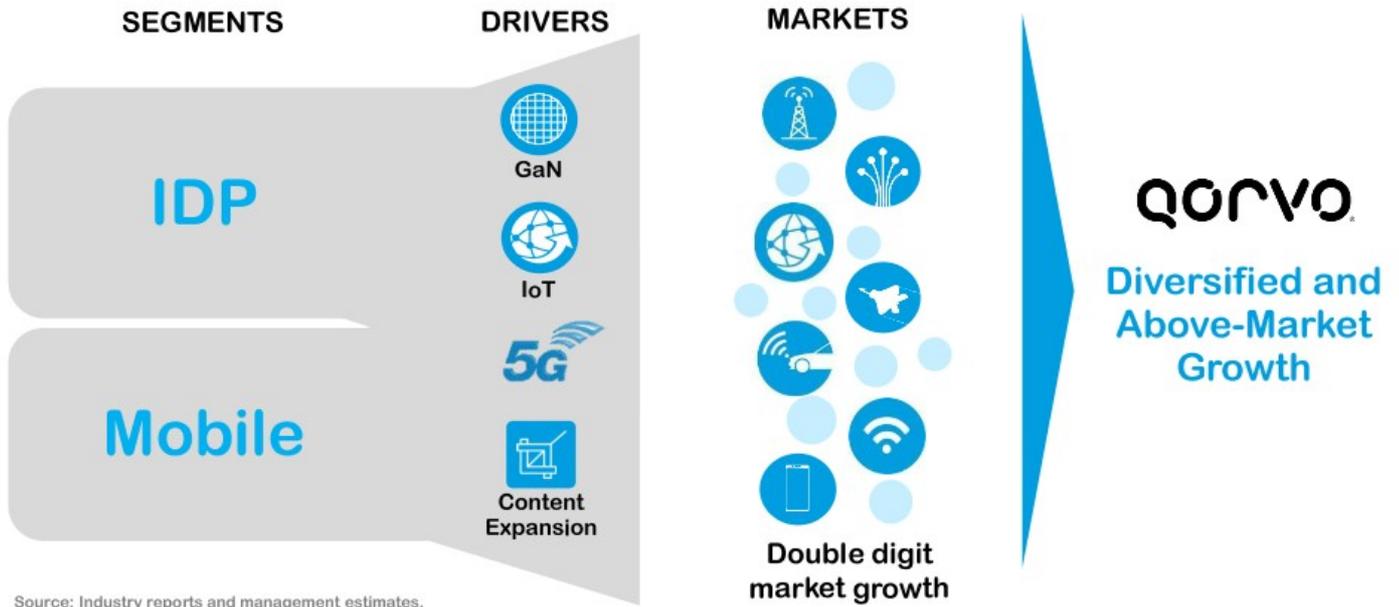
Source: Industry reports and management estimates

Non-GAAP: See the Supplemental Information on Non-GAAP Financial Measures included within this presentation.



Multiple Long-Term Growth Drivers

Optimizing product portfolio to leverage technology leadership

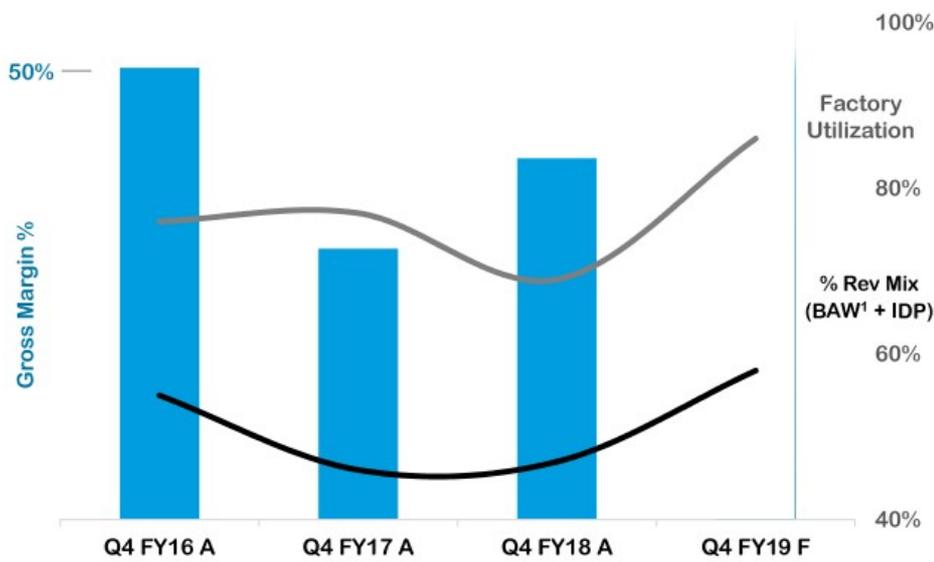


Source: Industry reports and management estimates.



Expanding Margins

Gross margin returns to 50% on improved mix and utilization



(1) BAW-based Mobile Products revenue

Non-GAAP: See the Supplemental Information on Non-GAAP Financial Measures included within this presentation.

FY20 Targets

Gross Margin

> 50%

BAW¹ + IDP
Revenue Mix
FY20 > FY19

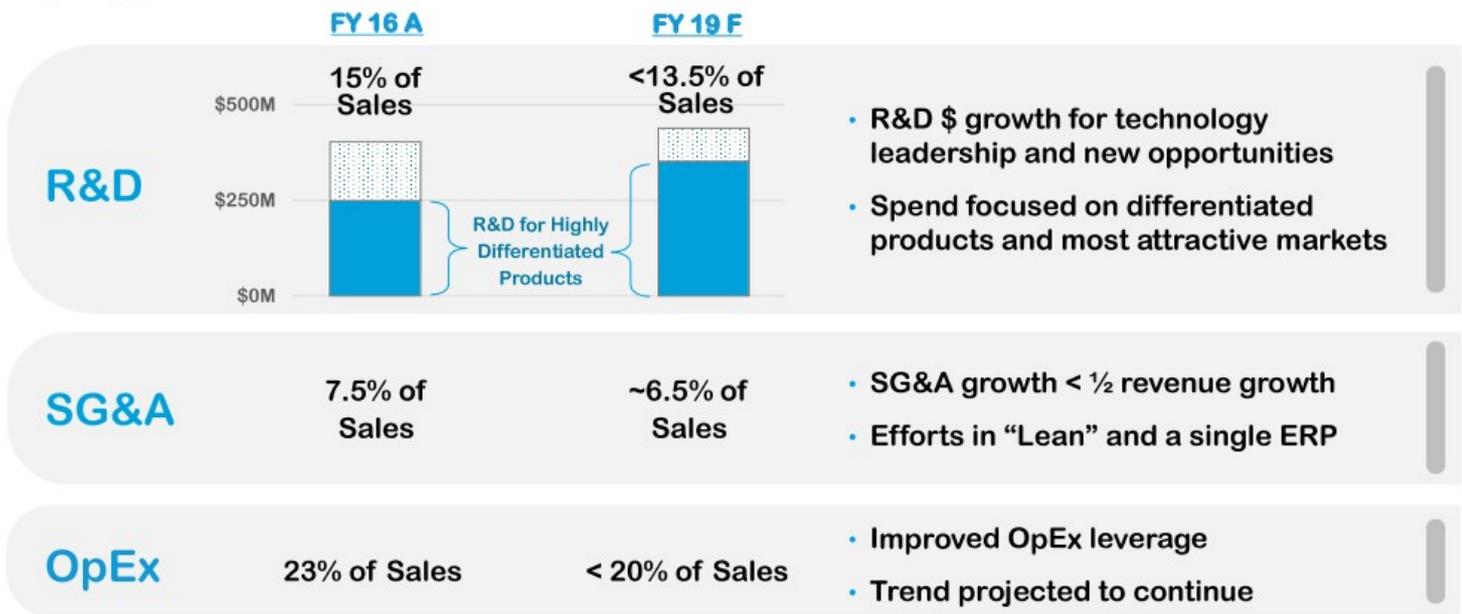
+

Factory Network
Utilization ~ 85%



Expanding Margins

OpEx growth < sales growth

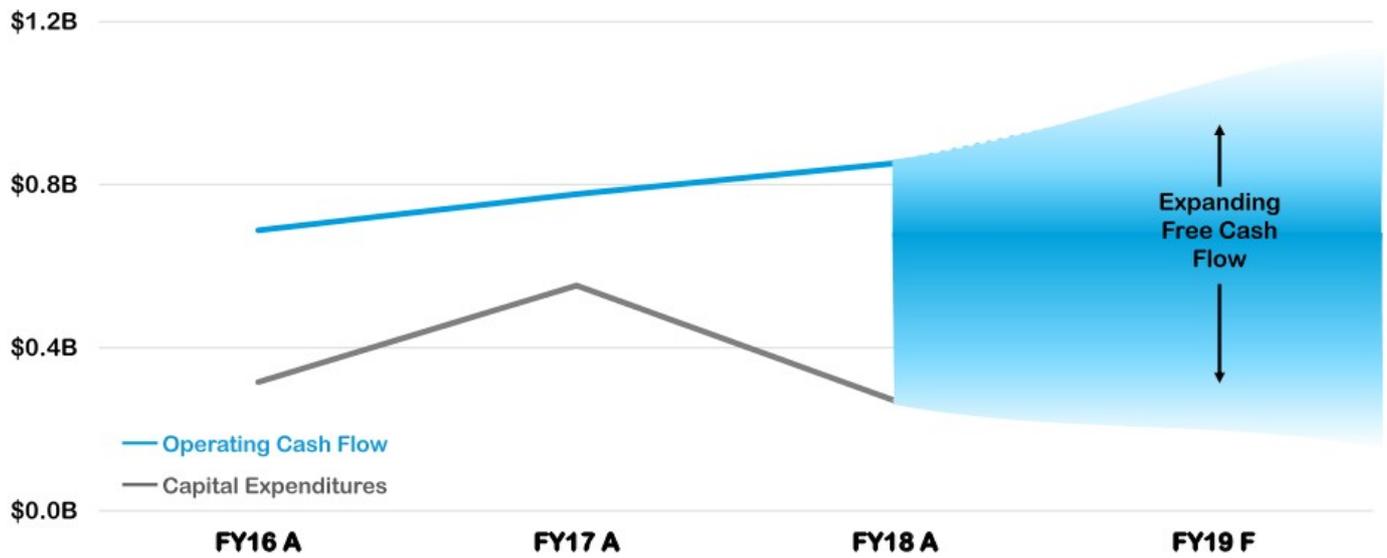


Non-GAAP: See the Supplemental Information on Non-GAAP Financial Measures included within this presentation.



Increasing Free Cash Flow

Targeting \$800 million FCF in FY19



Non-GAAP: See the Supplemental Information on Non-GAAP Financial Measures included within this presentation.



Capital Allocation

New \$1 Billion Share Repurchase Authorization

\$1.8B
in shares
repurchased at
an average of
\$55.54

FY 2018	
Cash	\$926M
Debt	\$993M
Debt / EBITDA	1.0x
Net Debt / EBITDA	0.1x

Reinvest in the business

- Strong organic growth opportunities
- \$1.3B R&D spent FY16 to FY18

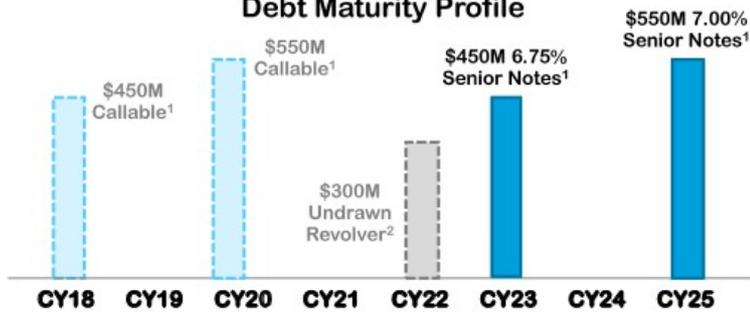
Selectively acquire

- Expand technology portfolio and IDP product offerings
- Ample balance sheet capacity

Return cash to shareholders

- Returned high % of FCF via repurchases
- Long-term Net Debt/EBITDA target ~ 1.0x

Debt Maturity Profile



(1) \$450M and \$550M values refer to the originally issued amounts. To date, \$7M of the notes have been repurchased.

(2) \$300M term loan A capacity remaining; see FY18 10-K filing and 8-K filed December 6th 2017 for additional details.

Non-GAAP: See the Supplemental Information on Non-GAAP Financial Measures included within this presentation.



Target Operating Model

Creating value through above-market growth and expanding margins

Metric		IDP	Mobile	Qorvo
Revenue Growth ⁽¹⁾		Greater than Market		
Non-GAAP Target Model ⁽²⁾ (% Sales)	Gross Margin	> 60%	> 48%	> 50%
	Operating Expenses	< 30%	< 18%	< 20%
	Operating Margin	> 30%	> 30%	30% - 35%

⁽¹⁾ Double digit aggregate market CAGR projected through 2022.

⁽²⁾ Non-GAAP: See the Supplemental Information on Non-GAAP Financial Measures included within this presentation.

NOTES:

- Non-GAAP tax rate forecasted 10% in FY19 with rate expected to increase to 11-13% by FY20 and level off to 13-14% by FY21.
- June quarter guidance unchanged as provided 5/2/18.



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Thank You

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Important Supplemental Information

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Investor Day Presentation

Supplemental information on Non-GAAP financial measures

In addition to disclosing financial results calculated in accordance with United States (U.S.) generally accepted accounting principles (GAAP), this presentation contains the following non-GAAP financial measures: (i) non-GAAP gross margin, (ii) non-GAAP operating margin, (iii) non-GAAP operating expenses (research and development; selling, general and administrative), (iv) free cash flow, (v) EBITDA, and (vi) net debt. Each of these non-GAAP financial measures is either adjusted from GAAP results to exclude certain expenses or derived from multiple GAAP measures as described below.

In managing Qorvo's business on a consolidated basis, management develops an annual operating plan, which is approved by our Board of Directors, using non-GAAP financial measures. In developing and monitoring performance against this plan, management considers the actual or potential impacts on these non-GAAP financial measures from actions taken to reduce costs with the goal of increasing gross margin and operating margin. In addition, management relies upon these non-GAAP financial measures to assess whether research and development efforts are at an appropriate level, and when making decisions about product spending, administrative budgets, and other operating expenses. Also, we believe that non-GAAP financial measures provide useful supplemental information to investors and enable investors to analyze the results of operations in the same way as management. We have chosen to provide this supplemental information to enable investors to perform additional comparisons of our operating results, to assess our liquidity and capital position and to analyze financial performance excluding the effect of expenses unrelated to operations, certain non-cash expenses and stock-based compensation expense, which may obscure trends in Qorvo's underlying performance.

We believe that these non-GAAP financial measures offer an additional view of Qorvo's operations that, when coupled with the GAAP results and the reconciliations to corresponding GAAP financial measures where necessary, provide a more complete understanding of Qorvo's results of operations and the factors and trends affecting Qorvo's business. However, these non-GAAP financial measures should be considered as a supplement to, and not as a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP.



Investor Day Presentation

Supplemental information on Non-GAAP financial measures (continued)

Our rationale for using these non-GAAP financial measures, as well as their impact on the presentation of Qorvo's operations, are outlined below:

Non-GAAP gross margin. Non-GAAP gross margin excludes stock-based compensation expense, amortization of intangible assets, non-cash deferred royalty revenue, non-cash prepaid royalty amortization, and certain non-cash expenses. We believe that exclusion of these costs in presenting non-GAAP gross margin gives management and investors a more effective means of evaluating Qorvo's historical performance and projected costs and the potential for realizing cost efficiencies. We believe that the majority of Qorvo's purchased intangibles are not relevant to analyzing current operations because they generally represent costs incurred by the acquired company to build value prior to acquisition, and thus are effectively part of transaction costs rather than ongoing costs of operating Qorvo's business. In this regard, we note that (i) once the intangibles are fully amortized, the intangibles will not be replaced with cash costs and therefore, the exclusion of these costs provides management and investors with better visibility into the actual costs required to generate revenues over time, and (ii) although we set the amortization expense based on useful life of the various assets at the time of the transaction, we cannot influence the timing and amount of the future amortization expense recognition once the lives are established. Similarly, we believe that presentation of non-GAAP gross margin and other non-GAAP financial measures that exclude the impact of stock-based compensation expense assists management and investors in evaluating the period-over-period performance of Qorvo's ongoing operations because (i) the expenses are non-cash in nature, and (ii) although the size of the grants is within our control, the amount of expense varies depending on factors such as short-term fluctuations in stock price volatility and prevailing interest rates, which can be unrelated to the operational performance of Qorvo during the period in which the expense is incurred and generally are outside the control of management. Moreover, we believe that the exclusion of stock-based compensation expense in presenting non-GAAP gross margin and other non-GAAP financial measures is useful to investors to understand the impact of the expensing of stock-based compensation to Qorvo's gross margin and other financial measures in comparison to both prior periods as well as to its competitors. We also believe that the adjustments to margin related to non-cash deferred royalty revenue, non-cash prepaid royalty amortization, restructuring and disposal costs and certain non-cash expenses do not constitute part of Qorvo's ongoing operations and therefore the exclusion of these items provides management and investors with better visibility into the actual revenue and actual costs required to generate revenues over time and gives management and investors a more effective means of evaluating our historical and projected performance. We believe disclosure of non-GAAP gross margin has economic substance because the excluded expenses do not represent continuing cash expenditures and, as described above, we have little control over the timing and amount of the expenses in question.



Investor Day Presentation

Supplemental information on Non-GAAP financial measures (continued)

Non-GAAP operating margin. Non-GAAP operating margin excludes stock-based compensation expense, amortization of intangible assets, restructuring charges, acquisition and integration related costs, loss (gain) on assets, start-up costs and certain non-cash expenses. We believe that presentation of a measure of operating margin that excludes amortization of intangible assets and stock-based compensation expense is useful to both management and investors for the same reasons as described above with respect to our use of non-GAAP gross margin. We believe that restructuring charges, acquisition and integration related costs, loss (gain) on assets, start-up costs and certain non-cash expenses do not constitute part of Qorvo's ongoing operations and therefore, the exclusion of these costs provides management and investors with better visibility into the actual costs required to generate revenues over time and gives management and investors a more effective means of evaluating our historical and projected performance. We believe disclosure of non-GAAP operating margin has economic substance because the excluded expenses are either unrelated to ongoing operations or do not represent current cash expenditures.

Non-GAAP research and development and selling, general and administrative expenses. Non-GAAP research and development and selling, general and administrative expenses exclude stock-based compensation expense, amortization of intangible assets, acquisition and integration related costs and certain non-cash expenses. We believe that presentation of measures of these operating expenses that exclude amortization of intangible assets and stock-based compensation expense is useful to both management and investors for the same reasons as described above with respect to our use of non-GAAP gross margin. We believe that acquisition and integration related costs do not constitute part of Qorvo's ongoing operations and therefore, the exclusion of these costs provides management and investors with better visibility into the actual costs required to generate revenues over time and gives management and investors a more effective means of evaluating our historical and projected performance. We believe disclosure of these non-GAAP operating expenses has economic substance because the excluded expenses are either unrelated to ongoing operations or do not represent current cash expenditures.



Investor Day Presentation

Supplemental information on Non-GAAP financial measures (continued)

Free cash flow. Qorvo defines free cash flow as net cash provided by operating activities during the period minus property and equipment expenditures made during the period. We use free cash flow as a supplemental financial measure in our evaluation of liquidity and financial strength. Management believes that this measure is useful as an indicator of our ability to service our debt, meet other payment obligations and make strategic investments. Free cash flow should be considered in addition to, rather than as a substitute for, net income as a measure of our performance and net cash provided by operating activities as a measure of our liquidity. Additionally, our definition of free cash flow is limited, in that it does not represent residual cash flows available for discretionary expenditures due to the fact that the measure does not deduct the payments required for debt service and other contractual obligations. Therefore, we believe it is important to view free cash flow as a measure that provides supplemental information to our entire statement of cash flows.

EBITDA. Qorvo defines EBITDA as earnings before interest expense and interest income, income tax expense (benefit), depreciation and intangible amortization. Management believes that this measure is useful to evaluate our ongoing operations and as a general indicator of our operating cash flow (in conjunction with a cash flow statement which also includes among other items, changes in working capital and the effect of non-cash charges).

Net debt. Net debt is defined as unrestricted cash, cash equivalents and short-term investments minus any borrowings under our credit facility and the principal balance of our senior unsecured notes. Management believes that net debt provides useful information regarding the level of Qorvo's indebtedness by reflecting cash and investments that could be used to repay debt.

Forward-looking non-GAAP measures. This presentation contains forward-looking non-GAAP measures including free cash flow, gross margin, operating expenses and operating margin. We provide these non-GAAP measures to investors on a prospective basis for the same reasons (set forth above) that we provide them to investors on a historical basis. We are unable to provide a reconciliation of these forward-looking non-GAAP financial measures to the most directly comparable forward-looking GAAP financial measures without unreasonable effort due to variability and difficulty in making accurate projections for items that would be required to be included in the GAAP measures, such as stock-based compensation, integration related costs, restructuring charges and the provision for income taxes. We believe such reconciliations would imply a degree of precision that would be confusing or misleading to investors.



Investor Day Presentation

Supplemental information on Non-GAAP financial measures (continued)

Limitations of non-GAAP financial measures. The primary material limitations associated with the use of non-GAAP financial measures as an analytical tool compared to the most directly comparable GAAP financial measures are these non-GAAP financial measures (i) may not be comparable to similarly titled measures used by other companies in our industry, and (ii) exclude financial information that some may consider important in evaluating our performance, thus limiting their usefulness as a comparative tool. We compensate for these limitations by providing full disclosure of the differences between these non-GAAP financial measures and the corresponding GAAP financial measures, including a reconciliation of the non-GAAP financial measures to the corresponding GAAP financial measures where necessary, to enable investors to perform their own analysis of our gross profit and gross margin, operating expenses, operating income, net income, net income per diluted share and net cash provided by operating activities. We further compensate for the limitations of our use of non-GAAP financial measures by presenting the corresponding GAAP measures more prominently.



