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

FORM 10-Q

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

For the quarterly period ended September 30, 2017

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 001-36801

Qorvo, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**46-5288992**
(State or other jurisdiction of incorporation or organization)	(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)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post 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 ☐ (Do not check if a smaller reporting company)	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 October 24, 2017, there were 127,148,094 shares of the registrant's common stock outstanding.

QORVO, INC. AND SUBSIDIARIES

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PART I — FINANCIAL INFORMATION

ITEM 1.

QORVO, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

	September 30, 2017	April 1, 2017
ASSETS		
Current assets:		
Cash and cash equivalents *(Note 8)*	$ 574,873	$ 545,463
Accounts receivable, less allowance of $157 and $58 as of September 30, 2017 and April 1, 2017, respectively	459,761	357,948
Inventories *(Note 4)*	461,005	430,454
Prepaid expenses	33,381	36,229
Other receivables	50,476	65,247
Other current assets	28,712	26,264
Total current assets	1,608,208	1,461,605
Property and equipment, net of accumulated depreciation of $1,061,360 at September 30, 2017 and $981,328 at April 1, 2017	1,443,392	1,391,932
Goodwill	2,173,889	2,173,914
Intangible assets, net *(Note 5)*	1,130,036	1,400,563
Long-term investments *(Note 8)*	66,085	35,494
Other non-current assets	56,470	58,815
Total assets	$ 6,478,080	$ 6,522,323
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 212,750	$ 216,246
Accrued liabilities	184,185	170,584
Other current liabilities	26,067	31,998
Total current liabilities	423,002	418,828
Long-term debt *(Note 6)*	989,692	989,154
Deferred tax liabilities *(Note 7)*	74,168	131,511
Other long-term liabilities	86,642	86,108
Total liabilities	1,573,504	1,625,601
Stockholders' equity:		
Preferred stock, $.0001 par value; 5,000 shares authorized; no shares issued and outstanding	—	—
Common stock and additional paid-in capital, $.0001 par value; 405,000 shares authorized; 127,137 and 126,464 shares issued and outstanding at September 30, 2017 and April 1, 2017, respectively	5,321,741	5,357,394
Accumulated other comprehensive loss, net of tax	(3,979)	(4,306)
Accumulated deficit	(413,186)	(456,366)
Total stockholders' equity	4,904,576	4,896,722
Total liabilities and stockholders' equity	$ 6,478,080	$ 6,522,323

See accompanying Notes to Condensed Consolidated Financial Statements.

QORVO, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share data)
(Unaudited)

	Three Months Ended		Six Months Ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Revenue	$ 821,583	$ 864,698	$ 1,462,414	$ 1,563,235
Cost of goods sold	500,561	547,899	905,015	969,961
Gross profit	321,022	316,799	557,399	593,274
Operating expenses:				
Research and development	111,398	126,078	227,897	243,215
Selling, general and administrative	138,867	138,583	278,298	282,178
Other operating expense	21,193	6,745	29,469	16,747
Total operating expenses	271,458	271,406	535,664	542,140
Income from operations	49,564	45,393	21,735	51,134
Interest expense *(Note 6)*	(14,778)	(15,554)	(27,049)	(30,741)
Interest income	1,058	192	1,824	470
Other expense	(192)	(311)	(1,126)	(811)
Income (loss) before income taxes	35,652	29,720	(4,616)	20,052
Income tax benefit (expense) *(Note 7)*	267	(17,873)	9,911	(13,880)
Net income	$ 35,919	$ 11,847	$ 5,295	$ 6,172
Net income per share *(Note 3)*:				
Basic	$ 0.28	$ 0.09	$ 0.04	$ 0.05
Diluted	$ 0.27	$ 0.09	$ 0.04	$ 0.05
Weighted average shares of common stock outstanding *(Note 3):*				
Basic	127,257	127,546	127,109	127,543
Diluted	130,778	132,329	131,062	132,461

See accompanying Notes to Condensed Consolidated Financial Statements.

QORVO, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(Unaudited)

	Three Months Ended		Six Months Ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Net income	$ 35,919	$ 11,847	$ 5,295	$ 6,172
Other comprehensive (loss) income:				
Unrealized gain on marketable securities, net of tax	38	1	99	73
Foreign currency translation adjustment, including intra-entity foreign currency transactions that are of a long-term-investment nature	106	353	722	(758)
Reclassification adjustments, net of tax:				
Foreign currency gain included in net income	(581)	—	(581)	—
Amortization of pension actuarial loss	45	57	87	88
Other comprehensive (loss) income	(392)	411	327	(597)
Other comprehensive income	$ 35,527	$ 12,258	$ 5,622	$ 5,575

See accompanying Notes to Condensed Consolidated Financial Statements.

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QORVO, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended	
	September 30, 2017	October 1, 2016
Cash flows from operating activities:		
Net income	$ 5,295	$ 6,172
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	86,267	97,177
Amortization and other non-cash items	271,010	243,397
Excess tax benefit from exercises of stock options	—	(56)
Deferred income taxes	(17,290)	(13,310)
Foreign currency adjustments	1,553	1,128
Loss (gain) on investments and other assets, net	3,573	(165)
Stock-based compensation expense	44,584	56,636
Changes in operating assets and liabilities:		
Accounts receivable, net	(102,219)	(170,920)
Inventories	(29,786)	(11,689)
Prepaid expenses and other current and non-current assets	12,157	(23,617)
Accounts payable and accrued liabilities	55,620	136,832
Income tax (recoverable) / payable	(4,261)	(13,205)
Other liabilities	(3,009)	1,007
Net cash provided by operating activities	323,494	309,387
Investing activities:		
Purchase of property and equipment	(192,219)	(250,419)
Purchase of a business, net of cash acquired	—	(118,020)
Proceeds from maturities and sales of available-for-sale securities	—	186,793
Other investing activities	(23,028)	(5,179)
Net cash used in investing activities	(215,247)	(186,825)
Financing activities:		
Repurchase of common stock, including transaction costs	(88,925)	(91,400)
Proceeds from the issuance of common stock	32,867	27,077
Tax withholding paid on behalf of employees for restricted stock units	(24,005)	(14,763)
Excess tax benefit from exercises of stock options	—	56
Other financing activities	—	(2)
Net cash used in financing activities	(80,063)	(79,032)
Effect of exchange rate changes on cash	1,260	(38)
Net increase in cash, cash equivalents and restricted cash	29,444	43,492
Cash, cash equivalents and restricted cash at the beginning of the period	545,779	426,062
Cash, cash equivalents and restricted cash at the end of the period	$ 575,223	$ 469,554
Non-cash investing information:		
Capital expenditure adjustments included in accounts payable and accrued liabilities	$ 30,272	$ 43,602

See accompanying Notes to Condensed Consolidated Financial Statements.

QORVO, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The accompanying Condensed Consolidated Financial Statements of Qorvo, Inc. and Subsidiaries (together, the "Company" or "Qorvo") have been prepared in conformity with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make estimates and assumptions, which could differ materially from actual results. In addition, certain information or footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed, or omitted, pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). In the opinion of management, the financial statements include all adjustments (which are of a normal and recurring nature) necessary for the fair presentation of the results of the interim periods presented. These Condensed Consolidated Financial Statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto included in Qorvo’s Annual Report on Form 10-K for the fiscal year ended April 1, 2017.

The Condensed Consolidated Financial Statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation. Certain items in the fiscal 2017 financial statements have been reclassified to conform with the fiscal 2018 presentation.

The Company uses a 52- or 53-week fiscal year ending on the Saturday closest to March 31 of each year. The first fiscal quarter of each year ends on the Saturday closest to June 30, the second fiscal quarter of each year ends on the Saturday closest to September 30 and the third fiscal quarter of each year ends on the Saturday closest to December 31. Fiscal years 2018 and 2017 are 52-week years.

As of September 30, 2017 and April 1, 2017, restricted cash of $0.3 million was included in other non-current assets in the Condensed Consolidated Balance Sheets.

2. CHANGE IN ESTIMATE

During the first quarter of fiscal 2018, the Company changed its accounting estimate for the expected useful lives of certain machinery and equipment. The Company evaluated its current asset base and reassessed the estimated useful lives of certain machinery and equipment in connection with its implementation of several capital projects, including the migration of certain surface acoustic wave ("SAW") processes from 4-inch to 6-inch toolsets and certain bulk acoustic wave ("BAW") processes from 6-inch to 8-inch toolsets. Based on its ability to re-use equipment across generations of process technologies and historical usage trends, the Company determined that the expected useful lives for certain machinery and equipment should be increased by up to three years to reflect more closely the estimated economic lives of those assets. This change in estimate was applied prospectively effective for the first quarter of fiscal 2018 and resulted in a decrease in depreciation expense of $15.6 million and $29.8 million for the three and six months ended September 30, 2017, respectively. This decrease in depreciation expense for the three and six months ended September 30, 2017, resulted in the following: (1) an increase to income from operations of $15.1 million and $17.3 million, respectively; (2) an increase to net income of $14.1 million and $15.6 million, respectively; (3) an increase to diluted earnings per share of $0.10 and $0.12, respectively; and (4) a reduction to inventory of $0.5 million and $12.5 million, respectively.

QORVO, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

3. NET INCOME PER SHARE

The following table sets forth the computation of basic and diluted net income per share (in thousands, except per share data):

	Three Months Ended		Six Months Ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Numerator:				
Numerator for basic and diluted net income per share — net income available to common stockholders	$ 35,919	$ 11,847	$ 5,295	$ 6,172
Denominator:				
Denominator for basic net income per share — weighted average shares	127,257	127,546	127,109	127,543
Effect of dilutive securities:				
Stock-based awards	3,521	4,783	3,953	4,918
Denominator for diluted net income per share — adjusted weighted average shares and assumed conversions	130,778	132,329	131,062	132,461
Basic net income per share	$ 0.28	$ 0.09	$ 0.04	$ 0.05
Diluted net income per share	$ 0.27	$ 0.09	$ 0.04	$ 0.05

In the computation of diluted net income per share for the three and six months ended September 30, 2017 and October 1, 2016, outstanding options to purchase less than 0.1 million shares were excluded because the exercise price of the options was greater than the average market price of the underlying common stock and the effect of their inclusion would have been anti-dilutive.

4. INVENTORIES

Inventories are stated at the lower of cost or net realizable value based on standard costs, which approximate actual average costs. The components of inventories, net of reserves, are as follows (in thousands):

	September 30, 2017	April 1, 2017
Raw materials	$ 108,026	$ 92,282
Work in process	220,935	198,339
Finished goods	132,044	139,833
Total inventories	$ 461,005	$ 430,454

QORVO, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

5. INTANGIBLE ASSETS

The following summarizes information regarding the gross carrying amounts and accumulated amortization of intangibles assets (in thousands):

	September 30, 2017		April 1, 2017	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Intangible Assets:				
Customer relationships	$ 1,272,725	$ 796,431	$ 1,272,725	$ 656,688
Developed technology	1,246,335	606,683	1,209,335	481,441
Backlog	65,000	65,000	65,000	65,000
Trade names	29,375	26,852	29,353	21,912
Wafer supply agreement	20,443	20,443	20,443	20,443
Technology licenses	13,369	12,101	13,346	11,711
Non-compete agreement	1,026	727	1,026	470
In-process research and development (IPRD)	10,000	N/A	47,000	N/A
Total	$ 2,658,273	$ 1,528,237	$ 2,658,228	$ 1,257,665

During the first quarter of fiscal 2018, $37.0 million of in-process research and development assets were completed, transferred to finite-lived intangible assets and are being amortized over their useful lives of 4 years.

Total intangible assets amortization expense was $135.8 million and $270.5 million for the three and six months ended September 30, 2017, respectively, and $119.8 million and $239.2 million for the three and six months ended and October 1, 2016, respectively.

6. DEBT

Senior Notes
On November 19, 2015, the Company completed an offering of $450.0 million aggregate principal amount of its 6.75% senior notes due December 1, 2023 (the “2023 Notes”) and $550.0 million aggregate principal amount of its 7.00% senior notes due December 1, 2025 (the “2025 Notes” and, together with the 2023 Notes, the “Notes”). The Notes were sold in the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”), and outside the United States pursuant to Regulation S under the Securities Act. On September 19, 2016, the Company completed an exchange offer, in which all of the 2023 Notes and substantially all of the 2025 Notes were exchanged for new notes that have been registered under the Securities Act.

Interest is payable on the 2023 Notes at a rate of 6.75% per annum and on the 2025 Notes at a rate of 7.00% per annum. During the three and six months ended September 30, 2017, the Company recognized $17.3 million and $34.6 million, respectively, of interest expense related to the Notes which was partially offset by $3.2 million and $8.8 million, respectively, of interest capitalized to property and equipment. During the three and six months ended October 1, 2016, the Company recognized $17.3 million and $34.8 million, respectively, of interest expense related to the Notes, which was partially offset by $2.4 million and $5.4 million, respectively, of interest capitalized to property and equipment. Interest on both series of Notes is payable semi-annually on June 1 and December 1 of each year. Interest paid on the Notes during the six months ended September 30, 2017 and October 1, 2016 was $34.4 million and $36.7 million, respectively.

The Notes were issued pursuant to an indenture dated as of November 19, 2015 (the "Indenture") containing customary events of default, including payment default, failure to provide certain notices and certain provisions related to bankruptcy events. The Indenture also contains customary negative covenants.

The 2023 Notes and the 2025 Notes are traded over the counter and their fair values as of September 30, 2017 of $491.1 million and $629.8 million, respectively (compared to carrying values of $450.0 million and $550.0 million, respectively) were estimated based upon the values of their last trade at the end of the period. The fair values of the 2023 Notes and the 2025 Notes were $489.4 million and $607.8 million, respectively, as of April 1, 2017, based upon the values of their last trade at the end of the period.

Credit Agreement
On April 7, 2015, the Company and certain of its material domestic subsidiaries (the "Guarantors") entered into a five-year unsecured senior credit facility with Bank of America, N.A., as administrative agent (in such capacity, the “Administrative Agent”), swing line lender, and L/C issuer, and a syndicate of lenders (the “Credit Agreement”). The Credit Agreement includes a $300.0 million revolving credit facility, which includes a $25.0 million sublimit for the issuance of standby letters of credit and a $10.0 million sublimit for swing line loans. The Company may request, at any time and from time to time, that the revolving credit facility be increased by an amount not to exceed $150.0 million. The revolving credit facility is available to finance working capital, capital expenditures and other corporate purposes. The Company’s obligations under the Credit Agreement are jointly and severally guaranteed by the Guarantors. During the six months ended September 30, 2017, there were no borrowings under the revolving credit facility. The Company had no outstanding amounts under the Credit Agreement as of September 30, 2017 and April 1, 2017.

The Credit Agreement contains various conditions, covenants and representations with which the Company must be in compliance in order to borrow funds and to avoid an event of default, including financial covenants that the Company must maintain. As of September 30, 2017, the Company was in compliance with all of these covenants.

The Credit Agreement also contains customary events of default, and the occurrence of an event of default will increase the applicable rate of interest by 2.00% and could result in the termination of commitments under the revolving credit facility, the declaration that all outstanding loans are due and payable in whole or in part and the requirement of cash collateral deposits in respect of outstanding letters of credit. Outstanding amounts are due in full on the maturity date of April 7, 2020 (with amounts borrowed under the swing line option due in full no later than ten business days after such loan is made).

7. INCOME TAXES

Income Tax Expense
The Company’s provision for income taxes for the three and six months ended September 30, 2017 and October 1, 2016 has been calculated by applying an estimate of the annual effective tax rate for the full fiscal year to “ordinary” income or loss (pre-tax income or loss excluding unusual or infrequently occurring discrete items) to year-to-date income (loss) to determine the amounts for the three and six months ended September 30, 2017 and October 1, 2016.

The Company’s income tax benefit was $0.3 million and $9.9 million for the three and six months ended September 30, 2017, respectively, and the Company's income tax expense was $17.9 million and $13.9 million for the three and six months ended October 1, 2016, respectively. The Company’s effective tax rate was (0.7)% and 214.7% for the three and six months ended September 30, 2017, respectively, and 60.1% and 69.2% for the three and six months ended October 1, 2016, respectively. The Company's effective tax rate for the three and six months ended September 30, 2017 differed from the statutory rate primarily due to tax rate differences in foreign jurisdictions, state income taxes, domestic tax credits generated, changes in unrecognized tax benefits, a discrete tax benefit for excess stock compensation deductions in accordance with the new guidance for accounting for employee share-based payments (Accounting Standards Update ("ASU") 2016-09, *"Compensation - Stock Compensation (Topic 718): Improvements to Employee Share Based Payment Accounting"*) and a discrete tax expense, for the six months only, associated with intra-entity transfers in accordance with the new guidance for the intra-entity transfer of assets other than inventory (ASU 2016-16, *"Income Taxes (Topic 740), Intra-Entity Transfers of Assets Other Than Inventory"*). The Company's effective tax rate for the three and six months ended October 1, 2016 differed from the statutory rate primarily due to tax rate differences in foreign jurisdictions, state income taxes, domestic tax credits generated, changes in unrecognized tax benefits, and the timing of when income and loss is recognized in the various tax jurisdictions.

Deferred Taxes
A valuation allowance remained against certain domestic and foreign net deferred tax assets as it is more likely than not that the related deferred tax assets will not be realized.

QORVO, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

The Company increased the deferred tax assets for both the domestic federal and state tax net operating loss (“NOLs”) carry-forwards by $36.7 million due to the adoption of new accounting guidance for stock compensation (ASU 2016-09) in the first quarter of fiscal 2018.

The Company has domestic federal and state tax NOLs carry-forwards that, if unused, will expire in fiscal years 2020 to 2036 and 2018 to 2036, respectively. The use of the NOLs that were acquired in prior year acquisitions is subject to certain annual limitations under Internal Revenue Code Section 382 and similar state income tax provisions.

Uncertain Tax Positions
The Company’s gross unrecognized tax benefits increased from $90.6 million as of the end of fiscal 2017 to $98.9 million as of the end of the second quarter of fiscal 2018, due to a $8.3 million increase primarily related to tax positions taken with respect to the current fiscal year.

8. INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments
The following is a summary of cash equivalents and available-for-sale securities as of September 30, 2017 and April 1, 2017 (in thousands):

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
September 30, 2017				
Auction rate securities	$ 2,150	$ —	$ (276)	$ 1,874
Money market funds	41	—	—	41
	$ 2,191	$ —	$ (276)	$ 1,915
April 1, 2017				
Auction rate securities	$ 2,150	$ —	$ (429)	$ 1,721
Money market funds	14	—	—	14
	$ 2,164	$ —	$ (429)	$ 1,735

The estimated fair value of available-for-sale securities was based on the prevailing market values on September 30, 2017 and April 1, 2017. The Company determines the cost of an investment sold based on the specific identification method.

The expected maturity distribution of cash equivalents and available-for-sale securities is as follows (in thousands):

	September 30, 2017		April 1, 2017	
	Cost	Estimated Fair Value	Cost	Estimated Fair Value
Due in less than one year	$ 41	$ 41	$ 14	$ 14
Due after ten years	2,150	1,874	2,150	1,721
Total cash equivalents and available-for-sale securities	$ 2,191	$ 1,915	$ 2,164	$ 1,735

Other Investments
On August 4, 2015, the Company invested $25.0 million to acquire shares of Series F Preferred Stock of Cavendish Kinetics Limited (Cavendish), a private limited company incorporated in England and Wales. On July 31, 2017, the Company invested an additional $20.0 million in Cavendish Series F Preferred Stock. The Company began accounting for this investment under the equity method (on a one quarter lag basis) on July 31, 2017. As of September 30, 2017, this investment is classified in "Long-term investments" in the Condensed Consolidated Balance Sheets.

Fair Value of Financial Instruments
Marketable securities are measured at fair value and recorded in "Cash and cash equivalents," "Short-term investments" and "Long-term investments" in the Condensed Consolidated Balance Sheets, and the related unrealized gains and losses are included in "Accumulated other comprehensive loss," a component of stockholders’ equity, net of tax.

Recurring Fair Value Measurements
The fair value of the financial assets measured at fair value on a recurring basis was determined using the following levels of inputs as of September 30, 2017 and April 1, 2017 (in thousands):

	Total	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
September 30, 2017			
Assets			
Cash and cash equivalents:			
Money market funds	$ 41	$ 41	$ —
Total cash and cash equivalents	41	41	—
Available-for-sale securities:			
Auction rate securities ("ARS") (1)	1,874	—	1,874
Total available-for-sale securities	1,874	—	1,874
Invested funds in deferred compensation plan (2)	12,516	12,516	—
Total assets measured at fair value	$ 14,431	$ 12,557	$ 1,874
Liabilities			
Deferred compensation plan obligation (2)	$ 12,516	$ 12,516	$ —
Total liabilities measured at fair value	$ 12,516	$ 12,516	$ —
April 1, 2017			
Assets			
Cash and cash equivalents:			
Money market funds	$ 14	$ 14	$ —
Total cash and cash equivalents	14	14	—
Available for-sale securities:			
Auction rate securities (1)	1,721	—	1,721
Total available-for-sale securities	1,721	—	1,721
Invested funds in deferred compensation plan (2)	10,237	10,237	—
Total assets measured at fair value	$ 11,972	$ 10,251	$ 1,721
Liabilities			
Deferred compensation plan obligation (2)	$ 10,237	$ 10,237	$ —
Total liabilities measured at fair value	$ 10,237	$ 10,237	$ —

(1) ARS are debt instruments with interest rates that reset through periodic short-term auctions. The Company’s Level 2 ARS are valued based on quoted prices for identical or similar instruments in markets that are not active.
(2) The Company's non-qualified deferred compensation plan provides eligible employees and members of the Board of Directors with the opportunity to defer a specified percentage of their cash compensation. The Company includes the assets deferred by the participants in the “Other current assets” and “Other non-current assets” line items of its Condensed Consolidated Balance Sheets and the Company's obligation to deliver the deferred compensation in the "Other current liabilities" and “Other long-term liabilities” line items of its Condensed Consolidated Balance Sheets.

As of September 30, 2017 and April 1, 2017, the Company did not have any Level 3 assets or liabilities.

Other Fair Value Disclosures
The carrying values of cash and cash equivalents, accounts receivable, accounts payable and other accrued liabilities approximate fair values because of the relatively short-term maturities of these instruments. See Note 6 for the fair value of the Company's long-term debt.

9. STOCK REPURCHASES

On November 3, 2016, the Company announced that its Board of Directors authorized a share repurchase program to repurchase up to $500.0 million of the Company's outstanding stock. Under this program, share repurchases are made in accordance with applicable securities laws on the open market or in privately negotiated transactions. The extent to which the Company repurchases its shares, the number of shares and the timing of any repurchases depends on general market conditions, regulatory requirements, alternative investment opportunities and other considerations. The program does not require the Company to repurchase a minimum number of shares and does not have a fixed term, and may be modified, suspended or terminated at any time without prior notice. During the three and six months ended September 30, 2017, the Company repurchased approximately 0.8 million and 1.2 million shares of its common stock for approximately $57.0 million and $88.9 million, respectively. As of September 30, 2017, $293.1 million remains available for repurchases under this share repurchase program.

During the second quarter of fiscal 2017, the Company repurchased approximately 1.6 million shares of its common stock for approximately $91.4 million under prior share repurchase programs.

10. RECENT ACCOUNTING PRONOUNCEMENTS

The Company assesses recently issued accounting standards by the Financial Accounting Standards Board ("FASB") to determine the expected impacts on the Company's financial statements. The summary below describes impacts from newly issued standards as well as material updates to our previous assessments, if any, from Qorvo's Annual Report on Form 10-K for the fiscal year ended April 1, 2017.

In May 2017, the FASB issued ASU 2017-09, *"Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting."* The new guidance clarifies when modification accounting in Topic 718 should be applied to changes to the terms or conditions of a share-based payment award. The Company elected to early-adopt the standard in the first quarter of fiscal 2018 with no impact on its consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18, *"Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)."* This standard requires that restricted cash and restricted cash equivalents be included in cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown in the statement of cash flows. The Company adopted the provisions of ASU 2016-18 in the second quarter of fiscal 2018 using the retrospective transition method. The adjustment to reclassify restricted cash for each period presented was less than $1.0 million.

In October 2016, the FASB issued ASU 2016-16, *"Income Taxes (Topic 740), Intra-Entity Transfers of Assets Other Than Inventory.*" The new guidance requires an entity to recognize the income tax consequences of an intra-entity transfer of an asset, other than inventory, when the transfer occurs. The Company elected to adopt the standard early in the first quarter of fiscal 2018 using the modified retrospective method, which requires a cumulative adjustment to retained earnings as of the beginning of the period of adoption. The cumulative adjustment to the September 30, 2017 Condensed Consolidated Balance Sheet was approximately $1.3 million. For the three and six months ended September 30, 2017, the Company recognized a discrete tax expense of less than $0.1 million and $5.4 million, respectively, related to intra-entity transfers of assets.

In March 2016, the FASB issued ASU 2016-09, *"Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting."* The new guidance simplifies certain aspects of accounting for share-based payment transactions, including income tax consequences, forfeitures, classification of awards on the balance sheet and presentation on the statement of cash flows, and became effective for the Company in the first quarter of fiscal 2018. As a result of adoption, the Company recognized a cumulative-effect adjustment to reduce the Company's accumulated deficit by $36.7 million with a corresponding increase to deferred tax assets for the Federal and state net operating losses attributable to excess tax benefits that had not been previously recognized. All excess tax benefits and deficiencies in the current and future periods will be recognized as income tax expense in the Company's Condensed Consolidated Statement of Operations in the reporting period in which they occur. This will result in increased volatility in the Company's effective tax rate. For the three and six months ended September 30, 2017, the Company recognized a discrete tax benefit of $5.5 million and $9.3 million, respectively, related to the excess tax benefits from stock-based compensation. The Company plans to continue its existing practice of estimating expected forfeitures in determining compensation cost.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

In March 2016, the FASB issued ASU 2016-07, *"Investments-Equity Method and Joint Ventures (Topic 323): Simplifying the Transition to the Equity Method of Accounting."* The new guidance eliminates the requirement to retrospectively apply the equity method of accounting when an investment previously accounted for under the cost basis qualifies for the equity method of accounting. The Company adopted ASU 2016-07 in the first quarter of fiscal 2018 with no significant impact on its consolidated financial results.

In July 2015, the FASB issued ASU 2015-11, *"Inventory (Topic 330): Simplifying the Measurement of Inventory."* The new guidance changes the measurement principle for inventory from the lower of cost or market to the lower of cost and net realizable value. ASU 2015-11 defines net realizable value as the estimated selling price in the ordinary course of business less reasonably predictable costs to completion, transportation, or disposal. The Company adopted ASU 2015-11 in the first quarter of fiscal 2018 with no significant impact on its consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09, "*Revenue from Contracts with Customers (Topic 606)*," with several amendments subsequently issued. This new standard provides an updated framework for revenue recognition, resulting in a single revenue model to be applied by reporting companies under U.S. GAAP. Under the new model, recognition of revenue occurs when a customer obtains control of promised goods or services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Additional disclosures will be required regarding the nature, amount, timing and uncertainty of cash flows. The new guidance will become effective for the Company in the first quarter of fiscal 2019 and permits the use of either a retrospective approach or a modified retrospective approach, under which the cumulative effect of adoption is recognized at the date of initial application. The Company has established a cross-functional team to assess the potential impact of the new revenue standard and this assessment will be completed during fiscal 2018. The Company's assessment process consists of reviewing its current accounting policies and practices and its customer contracts to identify potential differences that may result from applying the requirements of the new standard to its contracts and identifying appropriate changes to its business processes, systems and controls to support revenue recognition and disclosure requirements under the new standard. The Company's revenue is generated principally from sales of semiconductor products. The Company currently expects that under the new standard, a substantial majority of its revenue will continue to be recognized at a "point in time" as products are shipped to, or received by, customers. In certain circumstances, such as direct or indirect sales to government customers, the products sold are highly customized and have no alternative use, and the Company has an enforceable right to payment (with a reasonable margin) for performance completed to date. For the contracts related to these products, the Company expects that it will recognize revenue "over time" as performance obligations are satisfied. This will accelerate revenue recognition because revenue for these products currently is recognized as the products are shipped to, or received by, customers. While the Company has made progress in identifying the likely impacts of the new standard, it has not yet quantified the potential impact. The Company expects that it will have additional disclosure related to revenue recognition, including judgments made, under the new standard. The Company will continue to evaluate the impact of the new standard, including any necessary changes to internal controls, and prepare for adoption in the first quarter of fiscal 2019. The Company will adopt the standard using the modified retrospective approach.

11. OPERATING SEGMENT INFORMATION

The Company's operating segments as of September 30, 2017 are Mobile Products (MP) and Infrastructure and Defense Products (IDP) based on the organizational structure and information reviewed by the Company's Chief Executive Officer, who is the Company's chief operating decision maker ("CODM"), and these segments are managed separately based on the end markets and applications they support. The CODM allocates resources and assesses the performance of each operating segment primarily based on non-GAAP operating income and non-GAAP operating income as a percentage of revenue.

MP is a leading global supplier of cellular radio frequency ("RF") and Wi-Fi solutions into a variety of mobile devices, including smartphones, notebook computers, wearables, tablets, and cellular-based applications for the Internet of Things ("IoT"). Mobile device manufacturers and mobile network operators are adopting new technologies to address the growing demand for data-intensive, increasingly cloud-based distributed applications and for mobile devices with smaller form factors, improved signal quality, less heat and longer talk and standby times. New wireless communications standards are being deployed to utilize available spectrum more efficiently. Carrier aggregation is being implemented to support wider bandwidths, increase data rates and improve network performance. These trends increase the complexity of smartphones, require more RF content and place a premium on performance, integration, systems-level expertise, and product and technology portfolio breadth, all of which are MP strengths. MP offers a comprehensive product portfolio of BAW and SAW filters, power amplifiers ("PAs"), low noise amplifiers ("LNAs"), switches, multimode multi-band PAs and transmit modules, RF power

QORVO, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
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management integrated circuits, diversity receive modules, antenna switch modules, antenna tuning and control solutions, modules incorporating PAs and duplexers and modules incorporating switches, PAs and duplexers.

IDP is a leading global supplier of RF solutions with a diverse portfolio of solutions that "connect and protect," spanning communications, network infrastructure and defense applications. These applications include high performance defense systems such as radar, electronic warfare and communication systems, Wi-Fi customer premises equipment for home and work, high speed connectivity in Long-Term Evolution ("LTE") and 5G base stations, cloud connectivity via data center communications and telecom transport, automotive connectivity and other IoT, including smart home solutions. IDP products include gallium arsenide and gallium nitride PAs, LNAs, switches, Complementary Metal Oxide Semiconductor ("CMOS") system-on-a-chip solutions, premium BAW and SAW filter solutions and various multi-chip and hybrid assemblies.

The “All other” category includes operating expenses such as stock-based compensation, amortization of intangible assets, acquisition and integration related costs, acquired inventory step-up and revaluation, restructuring charges, intellectual property rights (IPR) litigation settlement, start-up costs, and gain (loss) on assets and other miscellaneous corporate overhead expenses that the Company does not allocate to its reportable segments because these expenses are not included in the segment operating performance measures evaluated by the Company’s CODM. The CODM does not evaluate operating segments using discrete asset information. The Company’s operating segments do not record intercompany revenue. The Company does not allocate gains and losses from equity investments, interest and other income, or taxes to operating segments. Except as discussed above regarding the “All other” category, the Company’s accounting policies for segment reporting are the same as for the Company as a whole.

The following tables present details of the Company’s reportable segments and a reconciliation of the “All other” category (in thousands):

	Three Months Ended		Six Months Ended	
	September 30, 2017	**October 1, 2016**	**September 30, 2017**	**October 1, 2016**
Revenue:				
MP	$ 630,397	$ 706,138	$ 1,086,620	$ 1,253,215
IDP	190,216	157,590	373,854	308,080
All other (1)	970	970	1,940	1,940
Total revenue	$ 821,583	$ 864,698	$ 1,462,414	$ 1,563,235
Income from operations:				
MP	$ 172,892	$ 164,397	$ 260,699	$ 297,374
IDP	57,649	32,416	107,235	67,067
All other	(180,977)	(151,420)	(346,199)	(313,307)
Income from operations	49,564	45,393	21,735	51,134
Interest expense	(14,778)	(15,554)	(27,049)	(30,741)
Interest income	1,058	192	1,824	470
Other expense	(192)	(311)	(1,126)	(811)
Income (loss) before income taxes	$ 35,652	$ 29,720	$ (4,616)	$ 20,052

(1) "All other" revenue relates to royalty income that is not allocated to MP or IDP.

	Three Months Ended		Six Months Ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Reconciliation of "All other" category:				
Stock-based compensation expense	$ (23,458)	$ (26,042)	$ (44,584)	$ (56,636)
Amortization of intangible assets	(135,639)	(119,646)	(270,325)	(238,991)
Acquisition and integration related costs	(2,613)	(8,962)	(5,390)	(15,722)
Acquired inventory step-up and revaluation	—	(318)	—	(1,517)
Restructuring charges	(7,453)	(468)	(7,984)	(882)
IPR litigation settlement	—	5,100	—	4,944
Start-up costs	(7,129)	(2,012)	(13,753)	(4,088)
Other (expense) income (including (loss) gain on assets and other miscellaneous corporate overhead)	(4,685)	928	(4,163)	(415)
Loss from operations for "All other"	$ (180,977)	$ (151,420)	$ (346,199)	$ (313,307)

12. CONDENSED CONSOLIDATING FINANCIAL INFORMATION

In accordance with the Indenture governing the Notes, the Company's obligations under the Notes are fully and unconditionally guaranteed on a joint and several basis by each Guarantor, each of which is 100% owned, directly or indirectly, by Qorvo, Inc. (the "Parent Company"). A Guarantor can be released in certain customary circumstances.

The following presents the condensed consolidating financial information separately for:
- (i) Parent Company, the issuer of the guaranteed obligations;
- (ii) Guarantor subsidiaries, on a combined basis, as specified in the Indenture;
- (iii) Non-guarantor subsidiaries, on a combined basis;
- (iv) Consolidating entries, eliminations and reclassifications representing adjustments to (a) eliminate intercompany transactions between or among the Parent Company, the Guarantor subsidiaries and the non-guarantor subsidiaries, (b) eliminate intercompany profit in inventory, (c) eliminate the investments in the Company's subsidiaries and (d) record consolidating entries; and
- (v) The Company, on a consolidated basis.

Each entity in the condensed consolidating financial information follows the same accounting policies as described in the consolidated financial statements, except for the use by the Parent Company and Guarantor subsidiaries of the equity method of accounting to reflect ownership interests in subsidiaries that are eliminated upon consolidation. The financial information may not necessarily be indicative of the financial position, results of operations, comprehensive (loss) income, and cash flows, had the Parent Company, Guarantor or non-guarantor subsidiaries operated as independent entities.

The Company made certain immaterial corrections to the Condensed Consolidating Statement of Operations and Comprehensive Income (Loss) for the three and six months ended October 1, 2016. An adjustment to income from operations and income in subsidiaries for the Guarantor subsidiaries of $16.0 million and $76.3 million, respectively, has been presented in the Condensed Consolidating Statement of Operations and Comprehensive Income (Loss) for the three months ended October 1, 2016, to properly reflect intercompany transactions between Guarantor and non-guarantor subsidiaries and the equity method accounting for the Guarantor subsidiaries' ownership interests in non-guarantor subsidiaries. A corresponding adjustment to income from operations and income in subsidiaries for the Guarantor subsidiaries of $26.7 million and $94.0 million, respectively, has been presented in the Condensed Consolidating Statement of Operations and Comprehensive Income (Loss) for the six months ended October 1, 2016. An adjustment to income from operations for the non-guarantor subsidiaries of $(26.3) million and $(70.0) million has been presented in the Condensed Consolidating Statement of Operations and Comprehensive (Loss) Income for the three and six months ended October 1, 2016, respectively, to properly reflect intercompany transactions between Guarantor and non-guarantor subsidiaries. These immaterial corrections relate solely to presentation between the Company and its subsidiaries and only impact the financial statements included in this footnote. These corrections do not affect the Company's consolidated financial statements.

QORVO, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

	Condensed Consolidating Balance Sheet				
	September 30, 2017				
(in thousands)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS					
Current assets:					
Cash and cash equivalents	$ —	$ 96,548	$ 478,325	$ —	$ 574,873
Accounts receivable, less allowance	—	58,886	400,875	—	459,761
Intercompany accounts and notes receivable	—	434,122	61,556	(495,678)	—
Inventories	—	168,987	315,236	(23,218)	461,005
Prepaid expenses	—	20,841	12,540	—	33,381
Other receivables	—	7,186	43,290	—	50,476
Other current assets	—	31,642	4,602	(7,532)	28,712
Total current assets	—	818,212	1,316,424	(526,428)	1,608,208
Property and equipment, net	—	1,135,318	308,481	(407)	1,443,392
Goodwill	—	1,121,942	1,051,947	—	2,173,889
Intangible assets, net	—	497,413	632,623	—	1,130,036
Long-term investments	—	1,878	64,207	—	66,085
Long-term intercompany accounts and notes receivable	—	482,581	112,481	(595,062)	—
Investment in subsidiaries	6,186,247	2,688,863	—	(8,875,110)	—
Other non-current assets	119,790	32,457	23,329	(119,106)	56,470
Total assets	$ 6,306,037	$ 6,778,664	$ 3,509,492	$ (10,116,113)	$ 6,478,080
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	$ —	$ 72,432	$ 140,318	$ —	$ 212,750
Intercompany accounts and notes payable	—	61,556	434,122	(495,678)	—
Accrued liabilities	22,959	120,239	42,690	(1,703)	184,185
Other current liabilities	—	(206)	33,805	(7,532)	26,067
Total current liabilities	22,959	254,021	650,935	(504,913)	423,002
Long-term debt	989,692	—	—	—	989,692
Deferred tax liabilities	—	169,839	23,435	(119,106)	74,168
Long-term intercompany accounts and notes payable	388,810	112,481	93,771	(595,062)	—
Other long-term liabilities	—	34,154	52,488	—	86,642
Total liabilities	1,401,461	570,495	820,629	(1,219,081)	1,573,504
Total stockholders' equity	4,904,576	6,208,169	2,688,863	(8,897,032)	4,904,576
Total liabilities and stockholders' equity	$ 6,306,037	$ 6,778,664	$ 3,509,492	$ (10,116,113)	$ 6,478,080

QORVO, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

	Condensed Consolidating Balance Sheet				
	April 1, 2017				
(in thousands)	**Parent Company**	**Guarantor Subsidiaries**	**Non-Guarantor Subsidiaries**	**Eliminations and Reclassifications**	**Consolidated**
ASSETS					
Current assets:					
Cash and cash equivalents	$ —	$ 226,186	$ 319,277	$ —	$ 545,463
Accounts receivable, less allowance	—	57,874	300,074	—	357,948
Intercompany accounts and notes receivable	—	392,075	36,603	(428,678)	—
Inventories	—	131,225	322,559	(23,330)	430,454
Prepaid expenses	—	29,032	7,197	—	36,229
Other receivables	—	7,239	58,008	—	65,247
Other current assets	—	25,534	730	—	26,264
Total current assets	—	869,165	1,044,448	(452,008)	1,461,605
Property and equipment, net	—	1,078,761	314,910	(1,739)	1,391,932
Goodwill	—	1,121,941	1,051,973	—	2,173,914
Intangible assets, net	—	599,618	800,945	—	1,400,563
Long-term investments	—	25,971	9,523	—	35,494
Long-term intercompany accounts and notes receivable	—	447,613	138,398	(586,011)	—
Investment in subsidiaries	6,142,568	2,596,172	—	(8,738,740)	—
Other non-current assets	84,153	33,249	24,746	(83,333)	58,815
Total assets	$ 6,226,721	$ 6,772,490	$ 3,384,943	$ (9,861,831)	$ 6,522,323
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	$ —	$ 111,799	$ 104,447	$ —	$ 216,246
Intercompany accounts and notes payable	—	36,603	392,075	(428,678)	—
Accrued liabilities	23,150	111,700	35,734	—	170,584
Other current liabilities	—	55	31,943	—	31,998
Total current liabilities	23,150	260,157	564,199	(428,678)	418,828
Long-term debt	989,154	—	—	—	989,154
Deferred tax liabilities	—	171,284	43,560	(83,333)	131,511
Long-term intercompany accounts and notes payable	317,695	138,398	129,918	(586,011)	—
Other long-term liabilities	—	35,014	51,094	—	86,108
Total liabilities	1,329,999	604,853	788,771	(1,098,022)	1,625,601
Total stockholders' equity	4,896,722	6,167,637	2,596,172	(8,763,809)	4,896,722
Total liabilities and stockholders' equity	$ 6,226,721	$ 6,772,490	$ 3,384,943	$ (9,861,831)	$ 6,522,323

QORVO, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

	Condensed Consolidating Statement of Income and Comprehensive Income Three Months Ended September 30, 2017				
(in thousands)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations and Reclassifications	Consolidated
Revenue	$ —	$ 256,595	$ 775,682	$ (210,694)	$ 821,583
Cost of goods sold	—	196,350	480,439	(176,228)	500,561
Gross profit	—	60,245	295,243	(34,466)	321,022
Operating expenses:					
Research and development	6,703	11,148	97,800	(4,253)	111,398
Selling, general and administrative	16,626	66,958	86,004	(30,721)	138,867
Other operating expense	129	16,800	4,288	(24)	21,193
Total operating expenses	23,458	94,906	188,092	(34,998)	271,458
Income (loss) from operations	(23,458)	(34,661)	107,151	532	49,564
Interest expense	(14,442)	(557)	(434)	655	(14,778)
Interest income	—	331	1,382	(655)	1,058
Other (expense) income	—	970	(3,880)	2,718	(192)
Income (loss) before income taxes	(37,900)	(33,917)	104,219	3,250	35,652
Income tax benefit (expense)	19,527	(8,651)	(10,609)	—	267
Income in subsidiaries	54,292	93,610	—	(147,902)	—
Net income	$ 35,919	$ 51,042	$ 93,610	$ (144,652)	$ 35,919
Comprehensive income	$ 35,527	$ 51,080	$ 90,666	$ (141,746)	$ 35,527

	Condensed Consolidating Statement of Income and Comprehensive Income Three Months Ended October 1, 2016				
(in thousands)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations and Reclassifications	Consolidated
Revenue	$ —	$ 299,557	$ 826,576	$ (261,435)	$ 864,698
Cost of goods sold	—	224,835	542,764	(219,700)	547,899
Gross profit	—	74,722	283,812	(41,735)	316,799
Operating expenses:					
Research and development	6,248	12,427	115,044	(7,641)	126,078
Selling, general and administrative	19,794	74,673	89,971	(45,855)	138,583
Other operating expense	—	93	1,013	5,639	6,745
Total operating expenses	26,042	87,193	206,028	(47,857)	271,406
Income (loss) from operations	(26,042)	(12,471)	77,784	6,122	45,393
Interest expense	(15,167)	(589)	(979)	1,181	(15,554)
Interest income	—	1,509	(136)	(1,181)	192
Other (expense) income	—	189	1,780	(2,280)	(311)
Income (loss) before income taxes	(41,209)	(11,362)	78,449	3,842	29,720
Income tax (expense) benefit	13,136	(28,833)	(2,176)	—	(17,873)
Income in subsidiaries	39,920	76,273	—	(116,193)	—
Net income	$ 11,847	$ 36,078	$ 76,273	$ (112,351)	$ 11,847
Comprehensive income	$ 12,258	$ 36,079	$ 76,683	$ (112,762)	$ 12,258

QORVO, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

Condensed Consolidating Statement of Income and Comprehensive Income
Six Months Ended September 30, 2017

(in thousands)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenue	$ —	$ 528,548	$ 1,356,236	$ (422,370)	$ 1,462,414
Cost of goods sold	—	380,354	873,175	(348,514)	905,015
Gross profit	—	148,194	483,061	(73,856)	557,399
Operating expenses:					
Research and development	13,499	27,886	195,084	(8,572)	227,897
Selling, general and administrative	30,871	133,170	180,056	(65,799)	278,298
Other operating expense	214	23,860	5,298	97	29,469
Total operating expenses	44,584	184,916	380,438	(74,274)	535,664
Income (loss) from operations	(44,584)	(36,722)	102,623	418	21,735
Interest expense	(26,366)	(1,132)	(768)	1,217	(27,049)
Interest income	—	825	2,216	(1,217)	1,824
Other (expense) income	—	756	(1,882)	—	(1,126)
(Loss) income before income taxes	(70,950)	(36,273)	102,189	418	(4,616)
Income tax benefit (expense)	35,773	(16,175)	(9,687)	—	9,911
Income in subsidiaries	40,472	92,502	—	(132,974)	—
Net income	$ 5,295	$ 40,054	$ 92,502	$ (132,556)	$ 5,295
Comprehensive income	$ 5,622	$ 40,153	$ 90,216	$ (130,369)	$ 5,622

Condensed Consolidating Statement of Income and Comprehensive Income
Six Months Ended October 1, 2016

(in thousands)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenue	$ —	$ 732,543	$ 1,552,386	$ (721,694)	$ 1,563,235
Cost of goods sold	—	558,098	1,061,525	(649,662)	969,961
Gross profit	—	174,445	490,861	(72,032)	593,274
Operating expenses:					
Research and development	17,917	22,278	213,531	(10,511)	243,215
Selling, general and administrative	38,719	131,327	193,854	(81,722)	282,178
Other operating expense	—	3,739	6,887	6,121	16,747
Total operating expenses	56,636	157,344	414,272	(86,112)	542,140
Income (loss) from operations	(56,636)	17,101	76,589	14,080	51,134
Interest expense	(29,935)	(1,407)	(1,898)	2,499	(30,741)
Interest income	—	2,991	(229)	(2,292)	470
Other (expense) income	—	(132)	836	(1,515)	(811)
Income (loss) before income taxes	(86,571)	18,553	75,298	12,772	20,052
Income tax (expense) benefit	27,619	(60,151)	18,652	—	(13,880)
Income in subsidiaries	65,124	93,950	—	(159,074)	—
Net income	$ 6,172	$ 52,352	$ 93,950	$ (146,302)	$ 6,172
Comprehensive income	$ 5,575	$ 52,425	$ 93,280	$ (145,705)	$ 5,575

QORVO, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

Condensed Consolidating Statement of Cash Flows
Six Months Ended September 30, 2017

(in thousands)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations and Reclassifications	Consolidated
Net cash provided by (used in) operating activities	$ 80,063	$ (2,241)	$ 245,672	$ —	$ 323,494
Investing activities:					
Purchase of property and equipment	—	(159,337)	(32,882)	—	(192,219)
Other investing activities	—	7,154	(30,182)	—	(23,028)
Net transactions with related parties	—	24,100	(24,100)	—	—
Net cash used in investing activities	—	(128,083)	(87,164)	—	(215,247)
Financing activities:					
Proceeds from the issuance of common stock	32,867	—	—	—	32,867
Repurchase of common stock, including transaction costs	(88,925)	—	—	—	(88,925)
Tax withholding paid on behalf of employees for restricted stock units	(24,005)	—	—	—	(24,005)
Net transactions with related parties	—	686	(686)	—	—
Net cash (used in) provided by financing activities	(80,063)	686	(686)	—	(80,063)
Effect of exchange rate changes on cash	—	—	1,260	—	1,260
Net increase (decrease) in cash, cash equivalents and restricted cash	—	(129,638)	159,082	—	29,444
Cash, cash equivalents and restricted cash at the beginning of the period	—	226,186	319,593	—	545,779
Cash, cash equivalents and restricted cash at the end of the period	$ —	$ 96,548	$ 478,675	$ —	$ 575,223

QORVO, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

(in thousands)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations and Reclassifications	Consolidated
	Condensed Consolidating Statement of Cash Flows				
	Six Months Ended October 1, 2016				
Net cash provided by (used in) operating activities	$ 79,030	$ (27,693)	$ 258,050	$ —	$ 309,387
Investing activities:					
Purchase of property and equipment	—	(189,037)	(61,382)	—	(250,419)
Purchase of a business, net of cash acquired	—	—	(118,020)	—	(118,020)
Proceeds from maturities and sales of available-for-sale securities	—	186,793	—	—	186,793
Other investing activities	—	3,721	(8,900)	—	(5,179)
Net cash (used in) provided by investing activities	—	1,477	(188,302)	—	(186,825)
Financing activities:					
Excess tax benefit from exercises of stock options	56				56
Proceeds from the issuance of common stock	27,077				27,077
Repurchase of common stock, including transaction costs	(91,400)				(91,400)
Tax withholding paid on behalf of employees for restricted stock units	(14,763)				(14,763)
Other financing activities		(2)			(2)
Net transactions with related parties		893	(893)		—
Net cash (used in) provided by financing activities	(79,030)	891	(893)	—	(79,032)
Effect of exchange rate changes on cash	—	—	(38)	—	(38)
Net increase (decrease) in cash, cash equivalents and restricted cash	—	(25,325)	68,817	—	43,492
Cash, cash equivalents and restricted cash	—	220,633	205,429	—	426,062
Cash, cash equivalents and restricted cash	$ —	$ 195,308	$ 274,246	$ —	$ 469,554

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

SAFE HARBOR FOR FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that relate to our plans, objectives, estimates and goals. Statements expressing expectations regarding our future and projections relating to products, sales, revenues and earnings are typical of such statements and are made under the Private Securities Litigation Reform Act of 1995. Words such as "expect," "anticipate," "intend," "plan," "believe," "estimate," "forecast," and "predict," and variations of such words and similar expressions, identify such forward-looking statements. Our business is subject to numerous risks and uncertainties, including, but not limited to the factors listed below:

- business, political, and macroeconomic changes, including downturns in the semiconductor industry and the overall global economy;
- our ability to predict market requirements and define and design new products that address those requirements;
- our ability to predict customer demand accurately to limit obsolete inventory, which would reduce our margins;
- our customers’ and distributors’ ability to manage the inventory they hold and accurately forecast their demand for our products;
- our ability to successfully integrate acquired businesses, operations, product technologies and personnel as well as achieve expected synergies;
- our ability to meet certain development, supply, quality and other commitments under our supply arrangement with our largest customer with respect to a module for its 2018 smartphones;
- our ability to achieve cost savings and improve yields and margins on our new and existing products;
- our ability to utilize our capacity efficiently, or to acquire or source additional capacity, in response to customer demand;
- our ability to continue to improve our product designs, develop new products, and achieve design wins as our industry's technology changes rapidly;
- our dependence on a limited number of customers for a substantial portion of our revenue;
- our reliance on the U.S. government and on U.S. government sponsored programs (principally for defense and aerospace applications) for a portion of our revenue;
- our ability to bring new products to market in response to market shifts and to use technological innovation to shorten time-to-market for our products;
- our ability to efficiently and successfully operate our wafer fabrication facilities, assembly facilities and test and tape and reel facilities;
- variability in manufacturing yields and product quality;
- variability in raw material costs and availability of raw materials;
- our dependence on third parties, including distributors, wafer foundries, wafer starting material suppliers, passive component manufacturers, assembly and packaging suppliers and test and tape and reel suppliers;
- our ability to manage platform provider and customer relationships;
- our ability to procure, commercialize and enforce intellectual property rights ("IPR") and to operate our business without infringing on the unlicensed IPR of others;

- the risks associated with security breaches and other similar disruptions, which could compromise our information and expose us to liability and could cause our business and reputation to suffer;
- currency fluctuations, tariffs, trade barriers, tax and export license requirements and health and security issues associated with our foreign operations;
- the impact of stringent environmental, health and safety regulations;
- the adverse impact of any future decision to repatriate non-U.S. earnings; and
- our ability to attract and retain skilled personnel and develop leaders for key business units and functions.

These and other risks and uncertainties, which are described in more detail in our most recent Annual Report on Form 10-K and in other reports and statements that we file with the SEC, could cause the actual results and developments to be materially different from those expressed or implied by any of these forward-looking statements. Forward-looking statements speak only as of the date they were made, and we undertake no obligation to update or revise such statements, except as required by the federal securities laws.

OVERVIEW

Company

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help the reader understand the consolidated results of operations and financial condition of Qorvo. MD&A is provided as a supplement to, and should be read in conjunction with, our Condensed Consolidated Financial Statements and accompanying Notes to Condensed Consolidated Financial Statements.

We are a product and technology leader at the forefront of the growing global demand for always-on broadband connectivity. We combine a broad portfolio of radio frequency ("RF") solutions, highly differentiated semiconductor technologies, deep systems-level expertise and high volume scale manufacturing to supply a diverse group of customers in expanding markets, including smartphones and other mobile devices, defense and aerospace, Wi-Fi customer premises equipment, cellular base stations, optical networks, automotive connectivity and other IoT, including smart home applications. Within these markets, our products enable a broad range of leading-edge applications — from very-high-power wired and wireless infrastructure solutions to ultra-low-power smart home solutions. Our products and technologies help transform how people around the world access their data, transact commerce, and interact with their communities.

We employ more than 8,800 people. We have world-class manufacturing facilities, and our fabrication facility in Richardson, Texas, is a U.S. Department of Defense accredited ‘Trusted Source’ (Category 1A) for gallium arsenide ("GaAs"), gallium nitride ("GaN") and bulk acoustic wave ("BAW") technologies. Our design and manufacturing expertise covers many semiconductor process technologies, which we source both internally and through external suppliers. Our primary wafer fabrication facilities are in the U.S. (Texas, Florida, North Carolina and Oregon), and our primary assembly and test facilities are in China, Costa Rica, Germany and the U.S. (Texas). We also operate design, sales and manufacturing facilities throughout Asia, Europe and North America.

We design, develop, manufacture and market our products to leading U.S. and international original equipment manufacturers and original design manufacturers in the following operating segments:

- *Mobile Products (MP)* - MP is a leading global supplier of cellular RF and Wi-Fi solutions into a variety of mobile devices, including smartphones, notebook computers, wearables, tablets, and cellular-based applications for the Internet of Things ("IoT"). Mobile device manufacturers and mobile network operators are adopting new technologies to address the growing demand for data-intensive, increasingly cloud-based distributed applications and for mobile devices with smaller form factors, improved signal quality, less heat and longer talk and standby times. New wireless communications standards are being deployed to utilize available spectrum more efficiently. Carrier aggregation is being implemented to support wider bandwidths, increase data rates and improve network performance. These trends increase the complexity of smartphones, require more RF content and place a premium on performance, integration, systems-level expertise, and product and technology portfolio breadth, all of which are MP strengths. We offer a comprehensive product portfolio of BAW and surface acoustic wave ("SAW") filters, power amplifiers ("PAs"), low noise amplifiers ("LNAs"), switches, multimode multi-band PAs and transmit modules, RF power management integrated circuits, diversity receive modules, antenna switch modules, antenna tuning and control solutions, modules incorporating PAs and duplexers ("PADs") and modules incorporating switches, PAs and duplexers.

- *Infrastructure and Defense Products (IDP)* - IDP is a leading global supplier of RF solutions with a diverse portfolio of solutions that "connect and protect," spanning communications, network infrastructure and defense applications. These applications include high performance defense systems such as radar, electronic warfare and communication systems, Wi-Fi customer premises equipment for home and work, high speed connectivity in Long-Term Evolution ("LTE") and 5G base stations, cloud connectivity via data center communications and telecom transport, automotive connectivity and other IoT, including smart home solutions. Our IDP products include GaAs and GaN PAs, LNAs, switches, Complementary Metal Oxide Semiconductor ("CMOS") system-on-a-chip solutions, premium BAW and SAW filter solutions and various multi-chip and hybrid assemblies.

As of September 30, 2017, our reportable segments are MP and IDP. These business segments are based on the organizational structure and information reviewed by our Chief Executive Officer, who is our chief operating decision maker ("CODM"), and are managed separately based on the end markets and applications they support. The CODM allocates resources and evaluates the performance of each operating segment primarily based on operating income and operating income as a percentage of revenue (see Note 11 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this report for additional information regarding our operating segments).

SECOND QUARTER FISCAL 2018 FINANCIAL HIGHLIGHTS:

- Quarterly revenue decreased 5.0% as compared to the second quarter of fiscal 2017, primarily due to lower demand for our cellular RF solutions in support of customers based in China, partially offset by higher demand for our Wi-Fi, defense and aerospace and cellular base station products.

- Gross margin for the second quarter of fiscal 2018 was 39.1% as compared to 36.6% for the second quarter of fiscal 2017. The increase was primarily due to improved manufacturing and test yields on certain high volume parts (including the low-band PAD modules that were adversely affected by unfavorable inventory adjustments in the second quarter of fiscal 2017), favorable changes in product mix toward higher margin antenna control solutions, lower depreciation (see Note 2 to the Condensed Consolidated Financial Statements) and lower stock compensation expense. These increases to gross margin were partially offset by higher intangible amortization, average selling price erosion, lower factory utilization and isolated costs associated with an air contamination issue in our Florida fabrication facility resulting from the after effects of Hurricane Irma.

- Our operating income was $49.6 million for the three months ended September 30, 2017 as compared to operating income of $45.4 million for the three months ended October 1, 2016. The increase was primarily due to higher gross margin and lower research and development expense, partially offset by lower revenue and higher other operating expense.

- Diluted net income per share for the second quarter of fiscal 2018 was $0.27 as compared to diluted net income per share of $0.09 for the second quarter of fiscal 2017.

- Cash flow from operations was $219.9 million for the second quarter of fiscal 2018 as compared to $250.0 million for the second quarter of fiscal 2017. This year-over-year decrease was primarily a result of changes in accounts payable and accrued liabilities, partially offset by higher net income.

- Capital expenditures were $67.8 million for the second quarter of fiscal 2018 as compared to $120.0 million for the second quarter of fiscal 2017. We expect capital expenditures in fiscal 2018 to be lower than capital expenditures in fiscal 2017 as the larger projects for increased filter capacity and manufacturing cost savings are completed.

- During the second quarter of fiscal 2018, we repurchased approximately 0.8 million shares of our common stock for approximately $57.0 million.

RESULTS OF OPERATIONS

Consolidated

The following table presents a summary of our results of operations for the three and six months ended September 30, 2017 and October 1, 2016 (in thousands, except percentages):

	Three Months Ended					
	September 30, 2017	% of Revenue	October 1, 2016	% of Revenue	Increase (Decrease)	Percentage Change
Revenue	$ 821,583	100.0%	$ 864,698	100.0%	$ (43,115)	(5.0)%
Cost of goods sold	500,561	60.9	547,899	63.4	(47,338)	(8.6)
Gross profit	321,022	39.1	316,799	36.6	4,223	1.3
Research and development	111,398	13.6	126,078	14.6	(14,680)	(11.6)
Selling, general and administrative	138,867	16.9	138,583	16.0	284	0.2
Other operating expense	21,193	2.6	6,745	0.8	14,448	214.2
Operating income	$ 49,564	6.0%	$ 45,393	5.2%	$ 4,171	9.2 %

	Six Months Ended					
	September 30, 2017	% of Revenue	October 1, 2016	% of Revenue	Increase (Decrease)	Percentage Change
Revenue	$ 1,462,414	100.0%	$ 1,563,235	100.0%	$ (100,821)	(6.4)%
Cost of goods sold	905,015	61.9	969,961	62.0	(64,946)	(6.7)
Gross profit	557,399	38.1	593,274	38.0	(35,875)	(6.0)
Research and development	227,897	15.6	243,215	15.6	(15,318)	(6.3)
Selling, general and administrative	278,298	19.0	282,178	18.0	(3,880)	(1.4)
Other operating expense	29,469	2.0	16,747	1.1	12,722	76.0
Operating income	$ 21,735	1.5%	$ 51,134	3.3%	$ (29,399)	(57.5)%

Revenue decreased for the three and six months ended September 30, 2017, as compared to the three and six months ended October 1, 2016, primarily due to lower demand for our cellular RF solutions in support of customers based in China, partially offset by higher demand for our Wi-Fi, defense and aerospace and cellular base station products.

Gross margin for the three and six months ended September 30, 2017 was 39.1% and 38.1%, respectively, as compared to 36.6% and 38.0%, respectively, for the three and six months ended October 1, 2016. The increase was primarily due to improved manufacturing and test yields on certain high volume parts (including the low-band PAD modules that were adversely affected by unfavorable inventory adjustments in the second quarter of fiscal 2017), favorable changes in product mix toward higher margin antenna control solutions, lower depreciation (see Note 2 to the Condensed Consolidated Financial Statements) and lower stock compensation expense. These increases to gross margin were partially offset by higher intangible amortization, average selling price erosion, lower factory utilization and isolated costs associated with an air contamination issue in our Florida fabrication facility resulting from the after effects of Hurricane Irma.

Operating income increased for the three months ended September 30, 2017, as compared to the three months ended October 1, 2016, primarily due to higher gross margin and lower research and development expense, partially offset by lower revenue and higher other operating expense. Operating income decreased for the six months ended September 30, 2017, as compared to the six months ended October 1, 2016, primarily due to lower revenue and higher other operating expense, partially offset by lower research and development expense.

Operating Expenses

Research and development expense decreased for the three and six months ended September 30, 2017 as compared to the three and six months ended October 1, 2016, primarily due to the timing of expenditures on development projects and our efforts to rationalize our product portfolio to align it with our strategic and financial objectives.

Selling, general and administrative expense decreased $3.9 million, or 1.4%, for the six months ended September 30, 2017 as compared to the six months ended October 1, 2016, primarily due to lower personnel related costs (including stock compensation expense).

Other operating expense increased for the three and six months ended September 30, 2017 as compared to the three and six months ended October 1, 2016. During the second quarter of fiscal 2018, we initiated certain cost reduction actions including a headcount reduction plan, to improve operating efficiencies. This resulted in restructuring charges of approximately $7.0 million in the second quarter of fiscal 2018 and we estimate additional charges of approximately $10.0 million will be recognized over the remainder of fiscal 2018. In addition, during fiscal 2018, we incurred higher start-up costs related to new processes and operations in our facilities, which was partially offset by lower acquisition and integration related costs as compared to fiscal 2017.

Segment Product Revenue, Operating Income and Operating Income as a Percentage of Revenue

Mobile Products

	Three Months Ended			
(In thousands, except percentages)	September 30, 2017	October 1, 2016	Increase (Decrease)	Percentage Change
Revenue	$ 630,397	$ 706,138	$ (75,741)	(10.7)%
Operating income	172,892	164,397	8,495	5.2
Operating income as a % of revenue	27.4%	23.3%		

	Six Months Ended			
(In thousands, except percentages)	September 30, 2017	October 1, 2016	Decrease	Percentage Change
Revenue	$ 1,086,620	$ 1,253,215	$ (166,595)	(13.3)%
Operating income	260,699	297,374	(36,675)	(12.3)
Operating income as a % of revenue	24.0%	23.7%		

MP revenue decreased for the three and six months ended September 30, 2017 as compared to the three and six months ended October 1, 2016, primarily due to lower demand for our cellular RF solutions in support of customers based in China.

The increase in MP operating income as a percentage of revenue for the three and six months ended September 30, 2017 as compared to the three and six months ended October 1, 2016 was primarily due to higher gross margin and lower operating expense. Gross margin increased primarily due to improved manufacturing and test yields on certain high volume parts (including the low-band PAD modules that were adversely affected by unfavorable inventory adjustments in the second quarter of fiscal 2017), favorable changes in product mix toward higher margin antenna control solutions and lower depreciation (see Note 2 to the Condensed Consolidated Financial Statements). These increases to gross margin were partially offset by average selling price erosion, lower factory utilization and isolated costs associated with an air contamination issue in our Florida fabrication facility resulting from the after effects of Hurricane Irma. Operating expense decreased primarily due to the timing of expenditures on development projects and our efforts to rationalize our product portfolio to align it with our strategic and financial objectives.

Infrastructure and Defense Products

(In thousands, except percentages)	Three Months Ended September 30, 2017	Three Months Ended October 1, 2016	Increase	Percentage Change
Revenue	$ 190,216	$ 157,590	$ 32,626	20.7%
Operating income	57,649	32,416	25,233	77.8
Operating income as a % of revenue	30.3%	20.6%		

(In thousands, except percentages)	Six Months Ended September 30, 2017	Six Months Ended October 1, 2016	Increase	Percentage Change
Revenue	$ 373,854	$ 308,080	$ 65,774	21.3%
Operating income	107,235	67,067	40,168	59.9
Operating income as a % of revenue	28.7%	21.8%		

Revenue increased for the three and six months ended September 30, 2017 as compared to the three and six months ended October 1, 2016, primarily due to higher demand for our Wi-Fi, defense and aerospace and cellular base station products.

The increase in IDP operating income for the three months ended September 30, 2017 as compared to the three months ended October 1, 2016 was primarily due to higher revenue and higher gross margin (resulting from higher factory utilization and improved test yields).

The increase in IDP operating income for the six months ended September 30, 2017 as compared to the six months ended October 1, 2016 was primarily due to higher revenue.

See Note 11 to the Condensed Consolidated Financial Statements for a reconciliation of segment operating income to the consolidated operating income (loss) for the three and six months ended September 30, 2017 and October 1, 2016.

Change in Estimate

During the first quarter of fiscal 2018, we changed our accounting estimate for the expected useful lives of certain machinery and equipment. We evaluated our current asset base and reassessed the estimated useful lives of certain machinery and equipment in connection with the implementation of several capital projects, including the migration of certain SAW processes from 4-inch to 6-inch toolsets and certain BAW processes from 6-inch to 8-inch toolsets. Based on our ability to re-use equipment across generations of process technologies and historical usage trends, we determined that the expected useful lives for certain machinery and equipment should be increased by up to three years to reflect more closely the estimated economic lives of those assets. This change in estimate was applied prospectively effective for the first quarter of fiscal 2018 and resulted in a decrease in depreciation expense of $15.6 million and $29.8 million for the three and six months ended September 30, 2017, respectively. This decrease in depreciation expense for the three and six months ended September 30, 2017, resulted in the following: (1) an increase to income from operations of $15.1 million and $17.3 million, respectively; (2) an increase to net income of $14.1 million and $15.6 million, respectively; (3) an increase to diluted earnings per share of $0.10 and $0.12, respectively; and (4) a reduction to inventory of $0.5 million and $12.5 million, respectively.

This change in depreciable lives is expected to lower depreciation expense for the remainder of fiscal 2018 by approximately $30.0 million (increasing gross profit by approximately $25.0 million and decreasing operating expenses by approximately $5.0 million).

OTHER (EXPENSE) INCOME AND INCOME TAXES

	Three Months Ended		Six Months Ended	
(In thousands)	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Interest expense	$ (14,778)	$ (15,554)	$ (27,049)	$ (30,741)
Interest income	1,058	192	1,824	470
Other expense	(192)	(311)	(1,126)	(811)
Income tax benefit (expense)	267	(17,873)	9,911	(13,880)

Interest Expense
During the three and six months ended September 30, 2017, we recorded interest expense related to our senior notes of $17.3 million and $34.6 million, respectively (which was offset by $3.2 million and $8.8 million of capitalized interest, respectively). During the three and six months ended October 1, 2016, we recorded interest expense of $17.3 million and $34.8 million, respectively (which was offset by $2.4 million and $5.4 million of capitalized interest, respectively).

Income Taxes
Our provision for income taxes for the three and six months ended September 30, 2017 and October 1, 2016 was calculated by applying an estimate of the annual effective tax rate for the full fiscal year to “ordinary” income or loss (pre-tax income or loss excluding unusual or infrequently occurring discrete items) to year-to-date income (loss) to determine the amounts for the three and six months ended September 30, 2017 and October 1, 2016.

For the three and six months ended September 30, 2017, we had an income tax benefit of $0.3 million and $9.9 million, respectively, which was comprised primarily of tax benefit from domestic and international operations generating pre-tax book losses and tax benefit from the adoption of new accounting guidance related to stock compensation, partially offset by tax expense from international operations generating pre-tax book income and tax expense, for the six months only, from the adoption of new accounting guidance related to intra-entity transfers of assets. For the three and six months ended October 1, 2016, income tax expense was $17.9 million and $13.9 million, respectively, which was comprised primarily of tax expense related to domestic and international operations generating pre-tax book income offset by a tax benefit related to international operations generating pre-tax book losses.

A valuation allowance remained against certain domestic and foreign net deferred tax assets as it is more likely than not that the related deferred tax assets will not be realized.

LIQUIDITY AND CAPITAL RESOURCES

Cash generated by operations is our primary source of liquidity. As of September 30, 2017, we had working capital of approximately $1,185.2 million, including $574.9 million in cash and cash equivalents, compared to working capital of approximately $1,042.8 million at April 1, 2017, including $545.5 million in cash and cash equivalents.

Our $574.9 million of total cash and cash equivalents as of September 30, 2017 includes approximately $477.4 million held by our foreign subsidiaries. If the undistributed earnings of our foreign subsidiaries are needed in the U.S., we may be required to accrue and pay U.S. taxes to repatriate. Our current plans are to permanently reinvest the undistributed earnings of our foreign subsidiaries.

Stock Repurchases
On November 3, 2016, our Board of Directors authorized a share repurchase program to repurchase up to $500.0 million of our outstanding stock. Under this program, share repurchases will be made in accordance with applicable securities laws on the open market or in privately negotiated transactions. The extent to which we repurchase our shares, the number of shares and the timing of any repurchases will depend on general market conditions, regulatory requirements, alternative investment opportunities and other considerations. The program does not require us to repurchase a minimum number of shares and does not have a fixed term, and may be modified, suspended or terminated at any time without prior notice. During the six months ended September 30, 2017, we repurchased approximately 1.2 million shares of our common stock for approximately $88.9 million. As of September 30, 2017, $293.1 million remains available for repurchases under this share repurchase program.

Cash Flows from Operating Activities
Operating activities for the six months ended September 30, 2017 generated cash of $323.5 million, compared to $309.4 million for the six months ended October 1, 2016. This year-over-year increase was driven by changes in working capital, primarily due to changes in accounts receivable due to timing of shipments, partially offset by changes in accounts payable and accrued liabilities.

Cash Flows from Investing Activities
Net cash used in investing activities was $215.2 million for the six months ended September 30, 2017, compared to $186.8 million for the six months ended October 1, 2016. The cash used in investing activities in fiscal 2018 was primarily for capital expenditures related to the purchase of manufacturing equipment. Capital expenditures for the six months ended September 30, 2017 were lower by $58.2 million compared to the six months ended October 1, 2016. We expect capital expenditures in fiscal 2018 to be lower than capital expenditures in fiscal 2017 as the larger projects for increased filter capacity and manufacturing cost savings are completed.

Cash Flows from Financing Activities
Net cash used in financing activities was $80.1 million for the six months ended September 30, 2017, compared to net cash used in financing activities of $79.0 million for the six months ended October 1, 2016. The cash used in financing activities was primarily due to stock repurchases.

COMMITMENTS AND CONTINGENCIES

Credit Agreement On April 7, 2015, we and certain of our material domestic subsidiaries (the “Guarantors”) entered into a five-year unsecured senior credit facility with Bank of America, N.A., as administrative agent, swing line lender, and L/C issuer, and a syndicate of lenders (the “Credit Agreement”). The Credit Agreement includes a $300.0 million revolving credit facility, which includes a $25.0 million sublimit for the issuance of standby letters of credit and a $10.0 million sublimit for swing line loans. We may request, at any time and from time to time, that the revolving credit facility be increased by an amount not to exceed $150.0 million. The revolving credit facility is available to finance working capital, capital expenditures and other corporate purposes. Our obligations under the Credit Agreement are jointly and severally guaranteed by the Guarantors. We had no outstanding amounts under the Credit Agreement as of September 30, 2017.

The Credit Agreement contains various conditions, covenants and representations with which we must be in compliance in order to borrow funds and to avoid an event of default, including financial covenants that we must maintain. At September 30, 2017, we were in full compliance with these covenants. See Note 6 to the Condensed Consolidated Financial Statements for additional information regarding the Credit Agreement.

Notes Offering On November 19, 2015, we completed an offering of $450.0 million aggregate principal amount of 6.75% senior notes due December 1, 2023 and $550.0 million aggregate principal amount of 7.00% senior notes due December 1, 2025 (collectively the "Notes"). The Notes are senior unsecured obligations and are guaranteed, jointly and severally, by the Guarantors. Interest on both series of the Notes is payable semi-annually on June 1 and December 1 of each year and commenced on June 1, 2016. Interest paid on the Notes during the six months ended September 30, 2017 and October 1, 2016 was $34.4 million and $36.7 million, respectively.

The Notes were issued pursuant to an indenture dated as of November 19, 2015 (the "Indenture") containing customary events of default, including payment default, failure to provide certain notices and certain provisions related to bankruptcy events. The Indenture also contains customary negative covenants. See Note 6 to the Condensed Consolidated Financial Statements for additional information regarding the Notes.

Capital Commitments At September 30, 2017, we had capital commitments of approximately $55.5 million primarily related to projects to increase our premium filter capacity, projects for manufacturing cost savings initiatives, equipment replacements and general corporate purposes. We expect capital expenditures in fiscal 2018 to be lower than capital expenditures in fiscal 2017 as the larger projects for increased filter capacity and manufacturing cost savings are completed.

Future Sources of Funding Our future capital requirements may differ materially from those currently anticipated and will depend on many factors, including, but not limited to, market acceptance of and demand for our products, acquisition opportunities, technological advances and our relationships with suppliers and customers. Based on current and projected levels of cash flow from operations, coupled with our existing cash and cash equivalents and our revolving credit facility, we believe that we have sufficient liquidity to meet both our short-term and long-term cash requirements. However, if there is a significant decrease in demand for our products, or in the event that growth is faster than we anticipate, operating cash flows may be insufficient to meet our needs. If existing resources and cash from operations are not sufficient to meet our future requirements or if we perceive conditions to be favorable, we may seek additional debt or equity financing. We cannot be sure that any additional equity or debt financing will not be dilutive to holders of our common stock. Further, we cannot be sure that additional equity or debt financing, if required, will be available on favorable terms, if at all.

Legal We are involved in various legal proceedings and claims that have arisen in the ordinary course of business that have not been fully adjudicated. These actions, when finally concluded and determined, will not, in the opinion of management, have a material adverse effect on our consolidated financial position or results of operations.

Taxes We are subject to income and other taxes in the United States and in numerous foreign jurisdictions. Our domestic and foreign tax liabilities are subject to the allocation of revenues and expenses in different jurisdictions. Additionally, the amount of taxes paid is subject to our interpretation of applicable tax laws in the jurisdictions in which we operate. We are subject to audits by tax authorities. While we endeavor to comply with all applicable tax laws, there can be no assurance that a governing tax authority will not have a different interpretation of the law than we do or that we will comply in all respects with applicable tax laws, which could result in additional taxes. There can be no assurance that the outcomes from tax audits will not have an adverse effect on our results of operations in the period during which the review is conducted.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

There have been no material changes to our market risk exposures during the second quarter of fiscal 2018. For a discussion of our exposure to market risk, refer to Item 7A, “Quantitative and Qualitative Disclosures About Market Risk,” contained in Qorvo's Annual Report on Form 10-K for the fiscal year ended April 1, 2017.

ITEM 4. CONTROLS AND PROCEDURES.

As of the end of the period covered by this report, the Company’s management, with the participation of the Company’s Chief Executive Officer (CEO) and the Chief Financial Officer (CFO), evaluated the effectiveness of the Company’s disclosure controls and procedures in accordance with Rule 13a-15(e) and 15d-15(e) under the Exchange Act. Based on this evaluation, our CEO and CFO concluded that the Company’s disclosure controls and procedures were effective, as of such date, to enable the Company to record, process, summarize and report in a timely manner the information that the Company is required to disclose in its Exchange Act reports, and to accumulate and communicate such information to management, including the Company’s CEO and the CFO, as appropriate, to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended September 30, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1A. RISK FACTORS.

In addition to the other information set forth in this report and in our other reports and statements that we file with the SEC, including our quarterly reports on Form 10-Q, careful consideration should be given to the factors discussed in Part I, Item 1A., “Risk Factors” in Qorvo's Annual Report on Form 10-K for the fiscal year ended April 1, 2017, which could materially affect our business, financial condition or future results. The risks described in Qorvo's Annual Report on Form 10-K for the fiscal year ended April 1, 2017 are not the only risks that we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

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

(c) Issuer Purchases of Equity Securities

Purchases of Equity Securities

Period	Total number of shares purchased (in thousands)	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs (in thousands)	Approximate dollar value of shares that may yet be purchased under the plans or programs
July 2, 2017 to July 29, 2017	—	$ —	—	$350.1 million
July 30, 2017 to August 26, 2017	473	$ 69.66	473	$317.1 million
August 27, 2017 to September 30, 2017	334	$ 72.00	334	$293.1 million
Total	807	$ 70.63	807	$293.1 million

On November 3, 2016, our Board of Directors authorized a share repurchase program to repurchase up to $500.0 million of our outstanding stock. Under this program, share repurchases will be made in accordance with applicable securities laws on the open market or in privately negotiated transactions. The extent to which we repurchase our shares, the number of shares and the timing of any repurchases will depend on general market conditions, regulatory requirements, alternative investment opportunities and other considerations. The program does not require us to repurchase a minimum number of shares and does not have a fixed term, and may be modified, suspended or terminated at any time without prior notice.

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ITEM 6. EXHIBITS.

2.1	Deed of Amendment Relating to Contingent Acquisition Implementation Deed, between Qorvo US, Inc. and Cavendish Kinetics Limited, dated as of July 31, 2017 *
31.1	Certification of Periodic Report by Robert A. Bruggeworth, as Chief Executive Officer, pursuant to Rule 13a-14(a) or 15d-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Periodic Report by Mark J. Murphy, as Chief Financial Officer, pursuant to Rule 13a-14(a) or 15d-14 (a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Periodic Report by Robert A. Bruggeworth, as Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Periodic Report by Mark J. Murphy, as Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following materials from our Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, formatted in XBRL (eXtensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets as of September 30, 2017 and April 1, 2017; (ii) the Condensed Consolidated Statements of Income for the three and six months ended September 30, 2017 and October 1, 2016; (iii) the Condensed Consolidated Statements of Comprehensive Income for the three and six months ended September 30, 2017 and October 1, 2016; (iv) the Condensed Consolidated Statements of Cash Flows for the six months ended September 30, 2017 and October 1, 2016; and (v) the Notes to Condensed Consolidated Financial Statements

* Portions of this Exhibit have been omitted and filed separately with the Securities and Exchange Commission as part of an application for confidential treatment pursuant to the Securities Exchange Act of 1934, as amended.

Our SEC file number for documents filed with the SEC pursuant to the Securities Exchange Act of 1934, as amended, is 001-36801.

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.

		Qorvo, Inc.
Date:	November 2, 2017	/s/ Mark J. Murphy
		Mark J. Murphy
		Chief Financial Officer

Execution Version

CERTAIN CONFIDENTIAL MATERIAL APPEARING IN THIS DOCUMENT, MARKED BY [*****], HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24B-2 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

Dated 31 July 2017

QORVO US, INC.

– and –

CAVENDISH KINETICS LIMITED

DEED OF AMENDMENT

relating to the Contingent Acquisition Implementation Deed
dated 4 August 2015

GIBSON, DUNN & CRUTCHER LLP

Telephone House
2-4 Temple Avenue, London EC4Y 0HB
020 7071 4000 *Tel* 020 7071 4244 *Fax*
Ref: 73897-00001

THIS DEED is made on 31 July 2017

BETWEEN:

(1) **QORVO US, INC.** (formerly known as TriQuint Semiconductor, Inc.), a corporation incorporated in the State of Delaware, United States of America, whose principal place of business is at 7628 Thorndike Road, Greensboro, North Carolina 27409-9421 ("**Qorvo**"); and

(2) **CAVENDISH KINETICS LIMITED,** a private limited company incorporated in England and Wales with registered number 02982696 whose registered office is at 5 New Street Square, London, EC4A 3TW (the "**Company**"),

together the "**Parties**" and each a "**Party**".

RECITALS

(A) The Parties, inter alia, entered a Subscription Agreement dated 4 August 2015 relating to Series F Preferred Shares in the Company (the "**Subscription Agreement**"). Pursuant to the Subscription Agreement, the Company issued to Qorvo **[*****]** Series F Preferred Shares in the Company, pursuant to the Series F Financing.

(B) In further consideration for the investment in the Company pursuant to the Subscription Agreement, the Parties, inter alia, entered into a Contingent Acquisition Implementation Deed dated 4 August 2015, as amended 26 June, 2017 (collectively, the "**CAID**") pursuant to which each Major Investor, each Committed Shareholder and each Executive Optionholder granted Qorvo the exclusive option and right, but not the obligation, to acquire (pursuant to any of the methods specified in the CAID) the entire issued share capital of the Company (comprising the Shares and the Contingent Securities (other than any shares held by Qorvo or any of its Affiliates)) on the terms and conditions of the CAID. The execution and delivery of the CAID was a condition precedent to the completion of the Series F Financing under the Subscription Agreement.

(C) The Parties now wish to vary the terms of the CAID on the terms set out in this deed (this "**Deed**").

(D) This Deed is accordingly entered into supplemental to the CAID and in accordance with the provisions of clause 38 thereof.

THE PARTIES AGREE AS FOLLOWS:

1. INTERPRETATION

1.1 Terms defined in the CAID shall, save to the extent that the context otherwise requires, bear the same meaning in this Deed.

1.2 References in the CAID to "**this Deed**" shall be read and construed as references to "this deed as amended by a Deed of Amendment dated ___July 2017" and words such as "herein", "hereof", "hereunder", "hereby" and "hereto" where they appear in the CAID shall be construed accordingly.

2.VARIATION OF THE CAID

2.1 With effect from the date of this Deed the CAID shall be amended by the deletion of "30 June 2017" and the insertion of "30 June 2019" in substitution in clause 4.1(a)(ii);

2.2 With effect from the date of this Deed the CAID shall be amended by the deletion of the parenthetical defining "Initial Option Period" as well as the sentence immediately thereafter, such language which appears immediately following 4.1(a)(iii), and the insertion of the following clause in substitution:

*(such period, the "**Option Period**").*

2.3 With effect from the date of this Deed the CAID shall be amended by the deletion of the whole of clause 4.2 and the insertion of the following clause in substitution:

[Reserved]

2.4 With effect from the date of this Deed the CAID shall be amended by the deletion of the whole of clause 4.3 and the insertion of the following clause in substitution:

[Reserved]

2.5 With effect from the date of this Deed the CAID shall be amended by the deletion of the whole of clause 4.5 and the insertion of the following clause in substitution:

*The Company undertakes to Qorvo that it shall not (and each of the Major Investors, the Committed Shareholders and the Executive Optionholders undertakes to Qorvo that they shall take all appropriate action within its control or authority (taking into account its position as a shareholder or optionholder of the Company) to procure that the Company shall not) issue any Series F Preferred Shares to any person other than in accordance with the terms and provisions provided herein or in the Subscription Agreement, or in the Subscription Agreement entered into by Qorvo and the Company on July __, 2017 (the "**2017 Subscription Agreement**").*

2.6 With effect from the date of this Deed the CAID shall be amended by the deletion of the whole of clause 5.2(b) and the insertion of the following clause in substitution:

the Company shall hold **[*****]** *with Representatives of Qorvo to ensure that Qorvo is kept aware of* **[*****]** *with any Confidential Information* **[*****]** *being subject to the provisions of* *<u>clause 39</u>; and*

2.7 With effect from the date of this Deed the CAID shall be amended by the insertion of the following new clause 5.2(c):

the Company and Qorvo shall hold **[*****]** *mutually agreed to in good faith by Qorvo and the Company or as requested by Qorvo on reasonable notice to the Company, with any Confidential Information* **[*****]** *being subject to the provisions of <u>clause 39</u>.*

2.8 With effect from the date of this Deed the CAID shall be amended by the deletion of "or the Additional Funding (if any)" and the insertion of "or the 2017 Subscription Agreement" in substitution in clause 7.2;

2.9 With effect from the date of this Deed the CAID shall be amended by the insertion of the following new clause 7.2(e)(i):

the Legacy Product Revenue (determined as set forth on <u>Schedule 15</u>) earned by the Company in the fiscal quarter ended immediately prior to the date of the Option Notice; multiplied by

2.10 With effect from the date of this Deed the CAID shall be amended by the insertion of the following new clause 17.5:

The Company shall provide to Qorvo as soon as practicable but no later than **[*****]** *days after the end of each quarter, a written statement of the Qualifying Revenue for such quarter, calculated as set forth on <u>Schedule 15</u> on a consistent basis.*

2.11 With effect from the date of this Deed the CAID shall be amended by the deletion of the whole of clause 27.1(d) and the insertion of the following clause in substitution;

*The Company elects by notice in writing to terminate this Deed following a failure of Qorvo to wire $15,000,000 (or such smaller amount as elected in writing by the Company pursuant to the terms of the 2017 Subscription Agreement) (the "**Investment Amount**") to the Company by 29 June 2018, including, for the sake of clarity, if Qorvo elects not to wire the Investment Amount in reliance on Section 3.1(i) or (ii) of the 2017 Subscription Agreement; provided, however, that:*

(i) the Company's right to terminate this Deed shall not be available to the Company if the Company does not provide notice to Qorvo by 1 May 2018 requesting any Second Completion investment (pursuant to the terms of the 2017 Subscription Agreement);

(ii) if Qorvo's failure to fund the Investment Amount by 29 June 2018 is as a result of the conditions in Section 3.2 (i) or (ii) of the 2017 Subscription

Agreement failing to be met, the Company's right to terminate this Deed shall not be available until the earlier of (A) the **[*****]** *following satisfaction of all of the conditions in Section 3.2 (i) and (ii), but only if Qorvo has failed to fund by such date, and (B)* **[*****]**, *but only if Qorvo has failed to fund the Investment Amount by such date (which funding pursuant to this subsection (B) may be by way of a Loan Funding (as defined in the 2017 Subscription Agreement));and*

(iii) *if Qorvo has provided the Company a Breach Notice (as defined in the 2017 Subscription Agreement), (A) the Company's right to terminate this Deed shall not be available if there has been a Material Breach Determination (as defined in the 2017 Subscription Agreement) and (B) if there is a Breach Resolution Procedure under the 2017 Subscription Agreement, the Company's right to terminate this Deed shall not be available before final resolution of the dispute under the Breach Resolution Procedure.*

2.12 With effect from the date of this Deed the CAID shall be amended by the insertion of the following definitions into clause 1 of Schedule 1:

*"**COGS**" has the meaning given in Schedule 15;*

*"**[*****]**" means a* **[*****]** *in order* **[*****]** *Specified Product* **[*****]** *as determined by Qorvo, are present;*

*"**Gross Margin**" has the meaning given in Schedule 15;*

*"**Qualifying Revenue**" has the meaning given in Schedule 15;*

2.13 With effect from the date of this Deed the CAID shall be amended by the deletion of the following definitions from clause 1 of Schedule 1: *Initial Option Period, Extended Option Period, Additional Funding, Additional Funding Notice.*

2.14 With effect from the date of this Deed the CAID shall be amended by the deletion of the definition of Option Period and the insertion of the following clause in substitution:

*"**Option Period**" has the meaning given in clause 4.1(a);*

2.15 With effect from the date of this Deed the CAID shall be amended by the deletion of Schedule 15 and the insertion of Schedule 15 attached hereto in substitution thereof.

2.16 With effect from the date of this Deed the CAID shall be amended by the deletion of clause (c) of the warranty provided in clause 3.1, and the deletion of the warranty provided in clause 25.2, both, as set forth in Schedule 8.

2.17 Save as varied by this Deed, the CAID shall remain in full force and effect upon the terms and conditions set out therein.

3.ENTIRE AGREEMENT

3.1 This Deed and the CAID (as varied by the terms of this Deed) together with any other documents referred to therein (together the "**Contract**") constitute the whole and only agreement between the Parties relating to the subject matter of the Contract (except for the Securityholder Agent's engagement letter among the Securityholder Agent, the Company and the Selling Shareholders).

3.2 Each Party acknowledges that in entering into the Contract it is not relying on any pre-contractual statement which is not set out in the Contract.

3.3 Except in the case of fraud, no party shall have any right of action against any other party to this Contract arising out of or in connection with any pre-contractual statement except to the extent that it is repeated in this Contract.

3.4 For the purposes of this clause 3, "**pre-contractual statement**" means any draft, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to the subject matter of the Contract made or given by any person at any time prior to the date of this Deed.

4.COUNTERPARTS

4.1 This Deed may be executed in any number of counterparts which together shall constitute one deed. A Party may enter into this Deed by executing a counterpart, and this deed shall not take effect until it has been executed by all Parties.

4.2 Delivery of an executed counterpart of a signature page by facsimile or electronic transmission shall take effect as delivery of an executed counterpart of this Deed. If such method is adopted without prejudice to the validity of this Deed, each party shall provide the other with the original of such page as soon as reasonably practicable thereafter.

5.MISCELLANEOUS

The provisions of clauses 29, 35, 38, 39, 40, 41, 44 and 47 of the CAID shall apply, *mutatis mutandis*, to this Deed as if they were set out herein.

6.GOVERNING LAW AND JURISDICTION

This Deed (and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this deed or its formation) shall be governed by and construed in accordance with English law, and the Parties shall submit to the exclusive jurisdiction of the courts of England in connection with any such dispute, controversy, proceedings or claim.

IN WITNESS whereof this Deed has been executed as a deed on the date first above written.

Executed as a deed by **QORVO US, INC**.)
acting by)
Jeffrey C. Howland:)
)

Signature of officer /s/ Jeffrey C. Howland

Signature of witness /s/ Katherine B. Adams

Name of witness Katherine B. Adams

Address of witness 2994 Kamerin Street

Randleman, NC
27317

Occupation of witness Administrative Assistant

Executed as a deed by **CAVENDISH**)
KINETICS LIMITED acting by)
__________________________:)

Signature of director /s/ Paul Dal Santo

Signature of witness /s/ Maziar Amirani

Name of witness Maziar Amirani

Address of witness 2960 N 1st St

San Jose, CA
95134

Occupation of witness Engineer

SCHEDULE 15

DETERMINATION OF LEGACY PRODUCT REVENUE

The Legacy Product Revenue shall be set forth as a component of the Revenue Payment on the Payment Statement to be prepared and delivered pursuant to Schedule 11.

The "**Legacy Product Revenue**" shall be calculated for the Company's fiscal quarter ended immediately prior to the date of the Option Notice (the "**Applicable Quarter**"), and shall mean the following with respect to such Applicable Quarter:

the amounts recognized as Qualifying Revenue by the Company or any other Group Company with respect to the sale by the Company or any other Group Company to a Third Party (including bona fide distributors) of (i) the devices indicated by the following product codes as at the date of this Deed: (A) 32CK417R; (B) 32CK503R; and (C) 32CK603R; and (ii) any other antenna tuner devices that are successors or subsequent generations of such devices, but excluding any **[*****]**;

less

(a) the sum of the following for such fiscal quarter (but only to the extent included in or related to the amounts calculated under subparagraph (a) above):

(i) trade discounts, allowances and rebates actually accrued, granted or paid to Third Parties; plus

(ii) allowances and adjustments actually accrued or credited to customers for a product that is damaged, outdated, obsolete, returned or otherwise recalled or in connection with stock rotation; plus

(iii) charges for freight, postage, shipping, delivery, service and insurance charges; plus

(iv) any Tax, duty or other governmental charge; plus

(v) write-offs or allowances for bad debts; plus

(vi) any running royalties accrued, granted and payable to a Third Party based on the selling price of a product for which revenues have been included in subparagraph (a); plus

(vii) any ancillary revenues or related amounts invoiced and recognized as revenue in accordance with UK GAAP by the Company or any other Group Company from a Third Party in connection with the sale of any product described in subparagraph (a) above that does not constitute direct revenue from the sale of such a product, including (A) any milestone payments, license fees, up-front payments, expediting fees, pre-payments or deposits, (B) non-recurring engineering revenues and fees and other amounts for reimbursement of research and development expenses, (C) amounts for reimbursement of manufacturing expenses, (D) amounts in payment for the provision of any service by the Company or any other Group Company, including consulting, design, assembly and testing services, or (E) payments made in consideration for the purchase of any other tangible or intangible assets or equity interests of the Company or any other Group Company.

Legacy Product Revenue shall be determined in accordance with UK GAAP consistently applied by the Company, except as modified or supplemented by this Schedule 15. In calculating Legacy Product Revenue, the payment, delivery and other relevant contractual terms with the Third Party customer must be persuasively evidenced with a written contract or other documents that show a binding obligation of the customer to take delivery of and to pay for the applicable products on or before the last day of the fiscal quarter in question.

In calculating Legacy Product Revenue sold through distribution or reseller channels, in the absence of a written contractual term in favor of the Company under which the distributor/reseller has no right to return products to the Company, revenue will not be recognized until the distributor/reseller completes the sale of the product to its customer.

In calculating Legacy Product Revenue, product pricing must be fixed and determinable at the time of sale and all revenue recognized must fully reflect future price concessions that have been granted at the close of the period.

In calculating Legacy Product Revenue, any transfer from the Company to any other Group Company, or from any other Group Company to the Company shall be disregarded and the calculation shall instead be based on the first transfer to a Third Party.

For the avoidance of doubt, "Legacy Product Revenue" shall only include Qualifying Revenue earned by the Company or any other Group Company in respect of the sale of applicable products that have been released for production, and shall not include any amounts of revenue from the sale or other disposition of prototypes, engineering samples, design kits, test vehicles, evaluation boards, demonstration boards and other similar items.

For purposes of this Schedule 15 and this Deed:

"**Applicable DM Percentage**" means (a) **[*****]**% for any Applicable Quarter which ends on or before June 30, 2018, and (b) **[*****]**% for any Applicable Quarter which ends on a date subsequent to June 30, 2018.

"**COGS**" means Cost of Goods Sold determined determined in accordance with UK GAAP consistently applied by the Company, associated with the direct manufacturing costs of product (i.e., materials, processing costs and direct product labor), but shall not include any Distributor Markup, labor and overhead costs, reserves (including without limitation, for excess, obsolete, discrepant and scrap product), purchase price variance, preproduction costs, research and development costs, freight costs and rebates for **[*****]** equipment.

Direct manufacturing costs shall include, without limitation, actual material, processing, testing and yield costs for: **[*****]**.

The parties have separately agreed on methodologies for (1) **[*****]** allocation based on component die sizes and number of each type of component per wafer, and (2) other cost calculations for devices included in Legacy Product Revenues. The parties may adjust these methodologies from time to time based on new knowledge or new manufacturing process changes as mutually agreed.

"Direct Margin" means a percentage calculated by dividing (a) net revenues (NR) minus Distributor Markup (DM) minus COGS by (b) net revenues (NR) minus Distributor Markup (DM). (Direct Margin = (NR – DM - COGS)/(NR – DM)).

"Distributor Markup" means the difference between the price a Company distributor charges the end customer for the applicable Company product and the price the Company distributor pays to the Company for such product.

"Qualifying Revenue" means net revenue (determined in accordance with UK GAAP consistently applied by the Company, except as modified or supplemented by this Schedule 15 and including, for the avoidance of doubt, Distributor Markup) with Direct Margin equal to or higher than the Applicable DM Percentage, provided, however, that Qualifying Revenue shall not be based on a quarterly aggregate revenue number, and instead shall be calculated on individual sales in the Applicable Quarter, and any such sales that so qualify shall be included.

EXHIBIT 31.1

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

I, Robert A. Bruggeworth, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Qorvo, 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(s) 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(s) 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: November 2, 2017

/s/ ROBERT A. BRUGGEWORTH

Robert A. Bruggeworth
President and Chief Executive Officer

EXHIBIT 31.2

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

I, Mark J. Murphy, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Qorvo, 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(s) 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(s) 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: November 2, 2017

/s/ MARK J. MURPHY

Mark J. Murphy

Chief Financial Officer

EXHIBIT 32.1

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

I, Robert A. Bruggeworth, President and Chief Executive Officer of Qorvo, Inc. (the "Company"), certify pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

(1) the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended September 30, 2017 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ ROBERT A. BRUGGEWORTH

Robert A. Bruggeworth
President and Chief Executive Officer

November 2, 2017

EXHIBIT 32.2

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

I, Mark J. Murphy, Chief Financial Officer of Qorvo, Inc. (the “Company”), certify pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

(1) the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended September 30, 2017 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/MARK J. MURPHY

Mark J. Murphy
Chief Financial Officer

November 2, 2017