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 December 28, 2019

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 office)	(Zip code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.0001 par value	QRVO	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of January 22, 2020, there were 115,684,626 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, except per share data)
(Unaudited)

	December 28, 2019	March 30, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,097,724	$ 711,035
Accounts receivable, less allowance of $61 and $40 as of December 28, 2019 and March 30, 2019, respectively	409,835	378,172
Inventories *(Note 3)*	479,885	511,793
Prepaid expenses	27,120	25,766
Other receivables	16,620	21,934
Other current assets	36,488	36,141
Total current assets	2,067,672	1,684,841
Property and equipment, net of accumulated depreciation of $1,374,455 at December 28, 2019 and $1,218,507 at March 30, 2019	1,278,988	1,366,513
Goodwill *(Note 4)*	2,415,802	2,173,889
Intangible assets, net *(Note 4)*	595,307	408,210
Long-term investments *(Note 5)*	40,896	97,786
Other non-current assets *(Note 6)*	120,838	76,785
Total assets	$ 6,519,503	$ 5,808,024
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 239,180	$ 233,307
Accrued liabilities	187,017	160,516
Current portion of long-term debt *(Note 7)*	5,302	80
Other current liabilities *(Note 6)*	59,706	41,711
Total current liabilities	491,205	435,614
Long-term debt *(Note 7)*	1,568,554	920,935
Other long-term liabilities *(Note 6)*	120,367	91,796
Total liabilities	2,180,126	1,448,345
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; 115,738 and 119,063 shares issued and outstanding at December 28, 2019 and March 30, 2019, respectively	4,383,368	4,687,455
Accumulated other comprehensive loss, net of tax	(6,843)	(6,624)
Accumulated deficit	(37,148)	(321,152)
Total stockholders' equity	4,339,377	4,359,679
Total liabilities and stockholders' equity	$ 6,519,503	$ 5,808,024

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		Nine Months Ended	
	December 28, 2019	December 29, 2018	December 28, 2019	December 29, 2018
Revenue	$ 869,073	$ 832,330	$ 2,451,369	$ 2,409,443
Cost of goods sold	500,962	493,967	1,465,387	1,480,833
Gross profit	368,111	338,363	985,982	928,610
Operating expenses:				
Research and development	122,851	109,985	357,385	337,636
Selling, general and administrative	81,205	125,604	258,458	401,041
Other operating expense *(Notes 4 and 10)*	10,986	21,617	49,077	37,514
Total operating expenses	215,042	257,206	664,920	776,191
Income from operations	153,069	81,157	321,062	152,419
Interest expense *(Note 7)*	(16,900)	(9,562)	(41,457)	(33,604)
Interest income	2,874	2,814	8,112	7,788
Other income (expense) *(Notes 4 & 7)*	44,148	(3,520)	42,737	(85,007)
Income before income taxes	183,191	70,889	330,454	41,596
Income tax (expense) benefit *(Note 12)*	(21,835)	(1,372)	(46,519)	30,012
Net income	$ 161,356	$ 69,517	$ 283,935	$ 71,608
Net income per share *(Note 13)*:				
Basic	$ 1.39	$ 0.56	$ 2.42	$ 0.57
Diluted	$ 1.36	$ 0.55	$ 2.37	$ 0.56
Weighted average shares of common stock outstanding *(Note 13)*:				
Basic	116,129	124,308	117,436	125,437
Diluted	118,455	126,842	119,712	128,360

See accompanying Notes to Condensed Consolidated Financial Statements.

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

	Three Months Ended		Nine Months Ended	
	December 28, 2019	December 29, 2018	December 28, 2019	December 29, 2018
Net income	$ 161,356	$ 69,517	$ 283,935	$ 71,608
Other comprehensive income (loss):				
Unrealized (loss) gain on marketable securities, net of tax	—	(5)	—	85
Foreign currency translation adjustment, including intra-entity foreign currency transactions that are of a long-term investment nature	781	(1,079)	(674)	(3,448)
Reclassification adjustments, net of tax:				
Foreign currency loss included in net income	—	—	353	—
Amortization of pension actuarial loss	34	22	102	45
Other comprehensive income (loss)	815	(1,062)	(219)	(3,318)
Total comprehensive income	$ 162,171	$ 68,455	$ 283,716	$ 68,290

See accompanying Notes to Condensed Consolidated Financial Statements.

QORVO, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)
(Unaudited)

	Common Stock		Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
Three Months Ended	**Shares**	**Amount**			
Balance, September 28, 2019	116,294	$ 4,471,656	$ (7,658)	$ (198,504)	$ 4,265,494
Net income	—	—	—	161,356	161,356
Other comprehensive income	—	—	815	—	815
Exercise of stock options and vesting of restricted stock units, net of shares withheld for employee taxes	490	10,150	—	—	10,150
Issuance of common stock in connection with employee stock purchase plan	213	13,710	—	—	13,710
Repurchase of common stock, including transaction costs	(1,259)	(125,012)	—	—	(125,012)
Stock-based compensation	—	12,864	—	—	12,864
Balance, December 28, 2019	115,738	$ 4,383,368	$ (6,843)	$ (37,148)	$ 4,339,377
Balance, September 29, 2018	125,046	$ 5,089,331	$ (5,008)	$ (452,186)	$ 4,632,137
Net income	—	—	—	69,517	69,517
Other comprehensive loss	—	—	(1,062)	—	(1,062)
Exercise of stock options and vesting of restricted stock units, net of shares withheld for employee taxes	41	226	—	—	226
Issuance of common stock in connection with employee stock purchase plan	219	12,535	—	—	12,535
Repurchase of common stock, including transaction costs	(2,305)	(151,993)	—	—	(151,993)
Stock-based compensation	—	15,960	—	—	15,960
Balance, December 29, 2018	123,001	$ 4,966,059	$ (6,070)	$ (382,669)	$ 4,577,320

QORVO, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)
(Unaudited)

	Common Stock								
Nine Months Ended	Shares		Amount		Accumulated Other Comprehensive Loss		Accumulated Deficit		Total
Balance, March 30, 2019	119,063	$	4,687,455	$	(6,624)	$	(321,152)	$	4,359,679
Net income	—		—		—		283,935		283,935
Other comprehensive loss	—		—		(219)		—		(219)
Exercise of stock options and vesting of restricted stock units, net of shares withheld for employee taxes	1,327		(5,459)		—		—		(5,459)
Issuance of common stock in connection with employee stock purchase plan	452		28,658		—		—		28,658
Cumulative-effect adoption of ASU 2016-02	—		—		—		69		69
Repurchase of common stock, including transaction costs	(5,104)		(390,117)		—		—		(390,117)
Stock-based compensation	—		62,831		—		—		62,831
Balance, December 28, 2019	115,738	$	4,383,368	$	(6,843)	$	(37,148)	$	4,339,377
Balance, March 31, 2018	126,322	$	5,237,085	$	(2,752)	$	(458,769)	$	4,775,564
Net income	—		—		—		71,608		71,608
Other comprehensive loss	—		—		(3,318)		—		(3,318)
Exercise of stock options and vesting of restricted stock units, net of shares withheld for employee taxes	859		(19,633)		—		—		(19,633)
Issuance of common stock in connection with employee stock purchase plan	468		26,817		—		—		26,817
Cumulative-effect adoption of ASU 2014-09	—		—		—		4,492		4,492
Repurchase of common stock, including transaction costs	(4,648)		(338,675)		—		—		(338,675)
Stock-based compensation	—		60,465		—		—		60,465
Balance, December 29, 2018	123,001	$	4,966,059	$	(6,070)	$	(382,669)	$	4,577,320

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

	Nine Months Ended	
	December 28, 2019	December 29, 2018
Cash flows from operating activities:		
Net income	$ 283,935	$ 71,608
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	172,314	143,008
Intangible assets amortization *(Note 4)*	177,930	399,200
Loss on debt extinguishment *(Note 7)*	—	84,004
Deferred income taxes	(1,207)	(58,216)
Gain on Cavendish investment *(Note 4)*	(43,008)	—
Asset impairment *(Note 10)*	1,057	14,913
Stock-based compensation expense	62,210	58,874
Other, net	7,036	3,491
Changes in operating assets and liabilities:		
Accounts receivable, net	(25,166)	(74,844)
Inventories	44,863	7,474
Prepaid expenses and other current and non-current assets	2,942	14,914
Accounts payable and accrued liabilities	41,723	(9,810)
Income tax payable and receivable	3,917	(26,574)
Other liabilities	2,705	(5,023)
Net cash provided by operating activities	731,251	623,019
Investing activities:		
Purchase of property and equipment	(129,004)	(185,627)
Purchase of available-for-sale debt securities	—	(132,729)
Purchase of businesses, net of cash acquired *(Note 4)*	(494,783)	—
Proceeds from sales and maturities of available-for-sale debt securities	1,950	133,132
Other investing activities	(1,263)	(20,238)
Net cash used in investing activities	(623,100)	(205,462)
Financing activities:		
Repurchase of debt *(Note 7)*	—	(977,498)
Proceeds from borrowings and debt issuances *(Note 7)*	659,000	631,300
Repurchase of common stock, including transaction costs *(Note 8)*	(390,117)	(338,675)
Proceeds from the issuance of common stock	37,530	25,452
Tax withholding paid on behalf of employees for restricted stock units	(21,013)	(24,595)
Other financing activities	(6,252)	(7,510)
Net cash provided by (used in) financing activities	279,148	(691,526)
Effect of exchange rate changes on cash	(501)	(2,369)
Net increase (decrease) in cash, cash equivalents and restricted cash	386,798	(276,338)
Cash, cash equivalents and restricted cash at the beginning of the period	711,382	926,402
Cash, cash equivalents and restricted cash at the end of the period	$ 1,098,180	$ 650,064
Non-cash investing information:		
Capital expenditure adjustments included in accounts payable and accrued liabilities	$ 26,152	$ 37,206
Reconciliation of cash, cash equivalents and restricted cash:		
Cash and cash equivalents	$ 1,097,724	$ 649,711
Restricted cash included in "Other non-current assets"	456	353
Total cash, cash equivalents and restricted cash	1,098,180	650,064

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 ("U.S. GAAP"). 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 U.S. GAAP 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 March 30, 2019.

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 2019 financial statements have been reclassified to conform with the fiscal 2020 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 2020 and 2019 are 52-week years.

2. 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 March 30, 2019.

In February 2016, the FASB issued Accounting Standards Update 2016-02, *"Leases (Topic 842),"* with multiple amendments subsequently issued. The new guidance requires that lease arrangements be presented on the lessee's balance sheet by recording a right-of-use asset and a lease liability equal to the present value of the related future minimum lease payments. The Company adopted the standard in the first quarter of fiscal 2020, using the modified retrospective approach which permits lessees to recognize a cumulative-effect adjustment to the opening balance of accumulated deficit in the period of adoption. Upon adoption, the Company recorded a right-of-use asset of $70.7 million and a lease liability of $75.0 million. The difference between the right-of-use asset and lease liability is primarily attributed to a deferred rent liability which existed under Accounting Standards Codification ("ASC") 840, *"Leases."*

The Company elected the transition package of practical expedients, under which the Company does not have to reassess (1) whether any expired or existing contracts are leases, or contain leases, (2) the lease classification for any expired or existing leases, and (3) initial direct costs for any existing leases. Further, the Company elected the practical expedient not to separate lease and non-lease components for substantially all of its classes of leases and to account for the combined lease and non-lease components as a single lease component. In addition, the Company made an accounting policy election to exclude leases with an initial term of 12 months or less from the balance sheet.

The adoption of this standard resulted in a cumulative-effect adjustment to accumulated deficit of less than $0.1 million. This standard did not have a material impact on the Condensed Consolidated Statements of Income or Condensed Consolidated Statements of Cash Flows. See Note 6 for further disclosures resulting from the adoption of this new standard.

3. INVENTORIES

The components of inventories, net of reserves, are as follows (in thousands):

	December 28, 2019	March 30, 2019
Raw materials	$ 105,854	$ 118,608
Work in process	271,798	272,469
Finished goods	102,233	120,716
Total inventories	$ 479,885	$ 511,793

4. BUSINESS ACQUISITIONS

Cavendish Kinetics Limited
As of September 28, 2019, the Company had an investment in preferred shares in Cavendish Kinetics Limited (“Cavendish”), a private supplier of high-performance radio frequency ("RF") microelectromechanical system ("MEMS") technology for antenna tuning applications, with a carrying value of $59.4 million. The Company accounted for this investment as an equity investment without a readily determinable fair value using the measurement alternative in accordance with Accounting Standards Update ("ASU") 2016-01.

On October 4, 2019, the Company completed its acquisition of the remaining issued and outstanding capital of Cavendish for $196.8 million, net of cash acquired. The acquisition advances RF MEMS technology for applications across the Company's products and the technology will be transitioned into high-volume manufacturing for mobile devices and other markets.

The purchase of the remaining equity interest in Cavendish was considered to be an acquisition achieved in stages, whereby the previously held equity interest was remeasured at its acquisition-date fair value. The Company determined that the fair value of its previously held equity investment was $102.4 million based on the purchase consideration exchanged to acquire the remaining issued and outstanding capital of Cavendish. This resulted in recognition of a gain of $43.0 million for the three and nine months ended December 28, 2019, which is recorded in "Other income (expense)" in the Condensed Consolidated Statements of Income.

The total purchase price of $305.9 million was allocated to Cavendish's net tangible assets (approximately $4.7 million), deferred tax liability (approximately $16.5 million) and intangible assets (approximately $206.4 million, primarily related to developed technology) based on their estimated fair values as of October 4, 2019.

The fair value of the Cavendish developed technology acquired was determined based on an income approach using the “excess earnings method,” which estimated the value of the intangible asset by discounting the future projected earnings of the asset to present value as of the valuation date. This developed technology is being amortized on a straight-line basis over its estimated useful life of 9 years.

The excess of the purchase price over the value of the net tangible assets, deferred tax liability and intangible assets resulted in goodwill of approximately $111.3 million. The Company will continue to evaluate certain assets, liabilities and tax estimates over the measurement period (up to one year from the October 4, 2019 acquisition date).

The Company recorded postcombination compensation expense as well as other acquisition and integration related costs during the three and nine months ended December 28, 2019 of $1.9 million and $3.1 million in "Other operating expense" in the Condensed Consolidated Statements of Income.

Active-Semi International, Inc.
On May 6, 2019, the Company completed its acquisition of Active-Semi International, Inc. ("Active-Semi"), a private fabless supplier of programmable analog power solutions. The acquisition expanded the Company's product offerings for existing customers and new customers in power management markets. The purchase price of $307.9 million was allocated to Active-Semi's net tangible assets (approximately $18.9 million) and intangible assets (approximately $158.4 million) based on their estimated fair values as of May 6, 2019. The more significant intangible assets acquired included developed technology of $76.7 million, customer relationships of $40.9 million and in-process research and development ("IPRD") of $40.6 million.

The fair value of Active-Semi customer relationships acquired was determined based on an income approach using the “with and without method,” in which the value of the asset is determined by the difference in discounted cash flows of the profitability of the Company “with” the asset and the profitability of the Company “without” the asset. These customer relationships are being amortized on a straight-line basis over their estimated useful lives of 5 years.

The fair values of the Active-Semi developed technology and IPRD acquired were determined based on an income approach using the “excess earnings method,” which estimated the values of the intangible assets by discounting the future projected earnings of the asset to present value as of the valuation date. The acquired developed technology assets are being amortized on a straight-line basis over their estimated useful lives, ranging from 5 to 9 years.

During the nine months ended December 28, 2019, $31.0 million of IPRD assets were completed, transferred to finite-lived intangible assets, and are being amortized over their estimated useful lives of 5 to 7 years. The IPRD remaining as of December 28, 2019 is expected to be completed during fiscal 2021 with remaining costs to complete of less than $2.0 million.

The excess of the purchase price over the value of the net tangible assets and intangible assets resulted in goodwill of approximately $130.6 million. The Company will continue to evaluate certain assets, liabilities and tax estimates over the measurement period (up to one year from the acquisition date).

The Company recorded postcombination compensation expense as well as other acquisition and integration related costs during the three and nine months ended December 28, 2019 of $2.1 million and $25.1 million, respectively, in "Other operating expense" in the Condensed Consolidated Statements of Income. In addition, the Company recorded acquisition and integration related costs during the three and nine months ended December 28, 2019 of $0.3 million and $4.5 million, respectively, in "Cost of goods sold" in the Condensed Consolidated Statements of Income.

The change in the carrying amount of goodwill resulting from the Active-Semi and Cavendish acquisitions for the nine months ended December 28, 2019, is as follows (in thousands):

	Mobile Products	Infrastructure and Defense Products	Total
Balance as of March 30, 2019	$ 1,751,503	$ 422,386	$ 2,173,889
Goodwill resulting from Active-Semi acquisition	—	130,648	130,648
Goodwill resulting from Cavendish acquisition	111,265	—	111,265
Balance as of December 28, 2019	$ 1,862,768	$ 553,034	$ 2,415,802

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

	December 28, 2019		March 30, 2019	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Intangible assets:				
Developed technology	$ 1,077,872	$ 602,536	$ 1,246,335	$ 960,793
Customer relationships	426,872	327,829	1,272,725	1,161,735
Trade names	200	200	29,391	29,391
Technology licenses	3,490	2,162	14,704	13,026
Non-compete agreement	—	—	1,026	1,026
IPRD	19,600	N/A	10,000	N/A
Total	$ 1,528,034	$ 932,727	$ 2,574,181	$ 2,165,971

In the first quarter of each fiscal year, the Company removes the fully amortized balances from the gross asset and accumulated amortization amounts of those intangible assets that were fully amortized as of the prior fiscal year end.

Total intangible assets amortization expense was $63.1 million and $177.9 million, respectively, for the three and nine months ended December 28, 2019, and $132.5 million and $399.2 million, respectively, for the three and nine months ended December 29, 2018.

Based on the identified intangible assets as of December 28, 2019, the Company's estimated amortization expense for each period is as follows (in thousands):

Fiscal Year	Estimated Amortization Expense
2020	$ 240,000
2021	206,000
2022	79,000
2023	63,000
2024	53,000

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS

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 December 28, 2019 and March 30, 2019 (in thousands):

	Total	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
December 28, 2019			
Assets			
Marketable equity securities	$ 879	$ 879	$ —
Invested funds in deferred compensation plan (1)	23,255	23,255	—
Total assets measured at fair value	$ 24,134	$ 24,134	$ —
Liabilities			
Deferred compensation plan obligation (1)	$ 23,255	$ 23,255	$ —
Total liabilities measured at fair value	$ 23,255	$ 23,255	$ —
March 30, 2019			
Assets			
Money market funds	$ 13	$ 13	$ —
Marketable equity securities	901	901	—
Auction rate securities (2)	1,950	—	1,950
Invested funds in deferred compensation plan (1)	18,737	18,737	—
Total assets measured at fair value	$ 21,601	$ 19,651	$ 1,950
Liabilities			
Deferred compensation plan obligation (1)	$ 18,737	$ 18,737	$ —
Total liabilities measured at fair value	$ 18,737	$ 18,737	$ —

(1) 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.

(2) The Company's Level 2 auction rate securities were debt instruments with interest rates that reset through periodic short-term auctions and were valued based on quoted prices for identical or similar instruments in markets that were not active. During the first quarter of fiscal 2020, the Company sold its auction rate securities at par value.

As of December 28, 2019 and March 30, 2019, the Company did not have any Level 3 assets or liabilities.

Equity Investment Without a Readily Determinable Fair Value
On October 4, 2019, the Company completed its acquisition of the remaining issued and outstanding capital of Cavendish. Prior to the acquisition date, the Company had accounted for its investment in Cavendish as an equity investment without a readily determinable fair value and the investment was classified in "Long-term investments" in the Condensed Consolidated Balance Sheets. See Note 4 for disclosures related to the acquisition of Cavendish.

Fair Value of Financial Instruments
Marketable securities are measured at fair value and recorded in "Cash and cash equivalents," "Other current assets" 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 (debt securities) and "Other income (expense)" in the Condensed Consolidated Statements of Income (equity securities).

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 7 for further disclosures related to the fair value of the Company's debt.

6. LEASES

The Company leases certain of its corporate, manufacturing and other facilities from multiple third-party real estate developers. The Company also leases various machinery and office equipment. These operating leases expire at various dates through 2036, and some of these leases have renewal options, with the longest ranging up to two, ten-year periods.

The Company determines that a contract contains a lease at lease inception if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In evaluating whether the right to control an identified asset exists, the Company assesses whether it has the right to direct the use of the identified asset and obtain substantially all of the economic benefit from the use of the identified asset.

Right-of-use assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Company uses its estimated incremental borrowing rate in determining the present value of lease payments considering the term of the lease, which is derived from information available at the lease commencement date. The lease term includes renewal options when it is reasonably certain that the option will be exercised, and excludes termination options. To the extent that the Company's agreements have variable lease payments, the Company includes variable lease payments that depend on an index or a rate and excludes those that depend on facts or circumstances occurring after the commencement date, other than the passage of time.

The components of lease expense for operating leases for the three and nine months ended December 28, 2019, are as follows:

	December 28, 2019	
	Three Months Ended	**Nine Months Ended**
Operating lease expense	$ 3,698	$ 11,115
Short-term lease expense	1,911	5,063
Variable lease expense	734	2,329
Total lease expense	$ 6,343	$ 18,507

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Supplemental cash information and non-cash activities related to operating leases are as follows (in thousands):

	Nine Months Ended December 28, 2019
Cash paid for amounts included in measurement of lease liabilities:	
Operating cash flows from operating leases	$ 12,172
Non-cash activities:	
Operating lease assets obtained in exchange for new lease liabilities	$ 3,559

Supplemental balance sheet information related to operating leases is as follows (in thousands):

	Classification on the Condensed Consolidated Balance Sheet	December 28, 2019
Assets		
Operating lease assets	Other non-current assets	$ 58,965
Liabilities		
Operating lease current liabilities	Other current liabilities	$ 13,268
Operating lease non-current liabilities	Other long-term liabilities	$ 55,004

Weighted-average remaining lease term and discount rate related to operating leases are as follows:

	December 28, 2019
Weighted-average remaining lease term (years) - operating leases	8.26
Weighted-average discount rate - operating leases	4.22%

Maturities of lease liabilities under operating leases by fiscal year as of December 28, 2019 are as follows (in thousands):

2020	$ 7,685
2021	14,661
2022	11,485
2023	8,526
2024	7,005
Thereafter	31,272
Total lease payments	80,634
Less imputed interest	(12,362)
Present value of lease liabilities	$ 68,272

7. DEBT

Long-term debt as of December 28, 2019 and March 30, 2019 is as follows (in thousands):

	December 28, 2019	March 30, 2019
Term loan	$ 100,000	$ —
7.00% senior notes due 2025	23,404	23,404
5.50% senior notes due 2026	900,000	900,000
4.375% senior notes due 2029	550,000	—
Finance leases	1,951	1,745
Less unamortized premium and issuance costs	(1,499)	(4,134)
Less current portion of long-term debt	(5,302)	(80)
Total long-term debt	$ 1,568,554	$ 920,935

Senior Notes due 2023 and 2025
On November 19, 2015, the Company issued $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"). The 2023 Notes were, and the 2025 Notes are, senior unsecured obligations of the Company and guaranteed, jointly and severally, by certain of the Company's U.S. subsidiaries (the "Guarantors"). The 2023 Notes and the 2025 Notes were issued pursuant to an indenture dated as of November 19, 2015 (the "2015 Indenture"), by and among the Company, the Guarantors and MUFG Union Bank, N.A., as trustee. The 2015 Indenture contains customary events of default, including payment default, failure to provide certain notices and certain provisions related to bankruptcy events.

In fiscal years 2018 and 2019, the Company retired all of the issued and outstanding 2023 Notes and $526.6 million of the 2025 Notes. During the three and nine months ended December 29, 2018, the Company recognized a loss on debt extinguishment of $1.8 million and $84.0 million, respectively, as "Other expense" in the Condensed Consolidated Statements of Income in connection with certain purchases of these notes. As of December 28, 2019, an aggregate principal amount of $23.4 million of the 2025 Notes remained outstanding.

With respect to the 2023 Notes, interest was payable on June 1 and December 1 of each year at a rate of 6.75% per annum, and with respect to the 2025 Notes, interest is payable on June 1 and December 1 of each year at a rate of 7.00% per annum. Interest paid on the 2025 Notes during the three and nine months ended December 28, 2019 was $0.8 million and $1.6 million, respectively. Interest paid on the 2025 Notes during the three months ended December 29, 2018 was $4.0 million, and interest paid on the 2023 Notes and 2025 Notes during the nine months ended December 29, 2018 was $45.5 million.

Senior Notes due 2026
On July 16, 2018, the Company issued $500.0 million aggregate principal amount of its 5.50% senior notes due 2026 (the “Initial 2026 Notes”). On August 28, 2018 and March 5, 2019, the Company issued an additional $130.0 million and $270.0 million, respectively, aggregate principal amount of such notes (together, the "Additional 2026 Notes" and together with the Initial 2026 Notes, the "2026 Notes"). The 2026 Notes will mature on July 15, 2026, unless earlier redeemed in accordance with their terms. The 2026 Notes are senior unsecured obligations of the Company and are initially guaranteed, jointly and severally, by the Guarantors.

The Initial 2026 Notes were issued pursuant to an indenture, dated as of July 16, 2018, by and among the Company, the Guarantors and MUFG Union Bank, N.A., as trustee, and the Additional 2026 Notes were issued pursuant to supplemental indentures, dated as of August 28, 2018 and March 5, 2019, respectively (such indenture and supplemental indentures, collectively, the "2018 Indenture"). The 2018 Indenture contains customary events of default, including payment default, exchange default, failure to provide certain notices thereunder and certain provisions related to bankruptcy events and also contains customary negative covenants.

In connection with the offerings of the 2026 Notes, the Company agreed to provide the holders of the 2026 Notes with an opportunity to exchange the 2026 Notes for registered notes having terms substantially identical to the 2026 Notes. On June

25, 2019, the Company completed the exchange offer, in which all of the privately placed 2026 Notes were exchanged for new notes that have been registered under the Securities Act of 1933, as amended (the "Securities Act").

Interest is payable on the 2026 Notes on January 15 and July 15 of each year at a rate of 5.50% per annum. The Company paid no interest on the 2026 Notes during the three months ended December 28, 2019 and paid interest of $24.8 million on the 2026 Notes during the nine months ended December 28, 2019.

Senior Notes due 2029
On September 30, 2019, the Company issued $350.0 million aggregate principal amount of its 4.375% senior notes due 2029 (the “Initial 2029 Notes”). On December 20, 2019, the Company issued an additional $200.0 million aggregate principal amount of such notes (the "Additional 2029 Notes" and together with the Initial 2029 Notes, the "2029 Notes"). The 2029 Notes will mature on October 15, 2029, unless earlier redeemed in accordance with their terms. The 2029 Notes are senior unsecured obligations of the Company and are initially guaranteed, jointly and severally, by each of the Guarantors.

The Initial 2029 Notes were issued pursuant to an indenture, dated as of September 30, 2019, by and among the Company, the Guarantors and MUFG Union Bank, N.A., as trustee, and the Additional 2029 Notes were issued pursuant to a supplemental indenture, dated as of December 20, 2019 (such indenture and supplemental indenture, together, the "2019 Indenture"). The 2019 Indenture contains customary events of default, including payment default, exchange default, failure to provide certain notices thereunder and certain provisions related to bankruptcy events. The 2019 Indenture also contains customary negative covenants.

The 2029 Notes have not been registered under the Securities Act, or any state securities laws, and, unless so registered, may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state securities laws.

In connection with the offering of the Initial 2029 Notes, the Company entered into a registration rights agreement, dated as of September 30, 2019, by and among the Company and the Guarantors, on the one hand, and BofA Securities, Inc., as representative of the initial purchasers of the Initial 2029 Notes, on the other hand, and a substantially similar agreement, dated as of December 20, 2019, with respect to the Additional 2029 Notes (together, the "Registration Rights Agreements").

Under the Registration Rights Agreements, the Company and the Guarantors have agreed to use their commercially reasonable efforts to (i) file with the SEC a registration statement (the “Exchange Offer Registration Statement”) relating to the registered exchange offer (the “Exchange Offer”) to exchange the 2029 Notes for a new series of the Company’s exchange notes having terms substantially identical in all material respects to, and in the same aggregate principal amount as, the 2029 Notes; (ii) cause the Exchange Offer Registration Statement to be declared effective by the SEC; and (iii) cause the Exchange Offer to be consummated no later than the 360th day after September 30, 2019 (or if such 360th day is not a business day, the next succeeding business day). The Company and the Guarantors have also agreed to use their commercially reasonable efforts to cause the Exchange Offer Registration Statement to be effective continuously and keep the Exchange Offer open for a period of not less than the minimum period required under applicable federal and state securities laws to consummate the Exchange Offer.

Under certain circumstances, the Company and the Guarantors have agreed to use their commercially reasonable efforts to (i) file a shelf registration statement relating to the resale of the 2029 Notes as promptly as practicable, and (ii) cause the shelf registration statement to be declared effective by the SEC as promptly as practicable. The Company and the Guarantors have also agreed to use their commercially reasonable efforts to keep the shelf registration statement continuously effective until one year after its effective date (or such shorter period that will terminate when all the 2029 Notes covered thereby have been sold pursuant thereto).

If the Company fails to meet any of these targets, the annual interest rate on the 2029 Notes will increase by 0.25% during the 90-day period following the default, and will increase by an additional 0.25% for each subsequent 90-day period during which the default continues, up to a maximum additional interest rate of 1.00% per year. If the Company cures the default, the interest rate on the 2029 Notes will revert to the original level.

Interest is payable on the 2029 Notes on April 15 and October 15 of each year at a rate of 4.375% per annum, commencing April 15, 2020.

Credit Agreement
On December 5, 2017, the Company and the Guarantors entered into a five-year unsecured senior credit facility pursuant to a credit agreement 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 included a senior delayed draw term loan of up to $400.0 million (the "Term Loan") and a $300.0 million senior revolving line of credit (the "Revolving Facility"). In addition, the Company may request one or more additional tranches of term loans or increases in the Revolving Facility, up to an aggregate of $300.0 million and subject to securing additional funding commitments from the existing or new lenders (the “Incremental Facility,” together with the Term Loan and the Revolving Facility, the “Credit Facility”). On the closing date, $100.0 million of the Term Loan was funded (and subsequently repaid in March 2018). On June 17, 2019, the Company drew $100.0 million of the Term Loan. The delayed draw availability period for the remaining $200.0 million of the Term Loan expired on December 31, 2019. The Revolving Facility 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 Credit Facility is available to finance working capital, capital expenditures and other corporate purposes. Outstanding amounts are due in full on the maturity date of December 5, 2022 (with amounts borrowed under the swingline option due in full no later than ten business days after such loan is made), subject to scheduled amortization of the Term Loan principal as set forth in the Credit Agreement prior to the maturity date. During the nine months ended December 28, 2019, there were no borrowings under the Revolving Facility. Interest paid on the Term Loan during the three and nine months ended December 28, 2019 was $0.7 million and $1.6 million, respectively.

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. As of December 28, 2019, the Company was in compliance with these covenants.

Fair Value of Debt
The Company's debt is carried at amortized cost and is measured at fair value quarterly for disclosure purposes. The estimated fair value of the 2025 Notes, 2026 Notes, and 2029 Notes as of December 28, 2019 was $25.3 million, $962.3 million, and $576.1 million, respectively (compared to a carrying value of $23.4 million, $900.0 million, and $550.0 million, respectively). The estimated fair value of the 2025 Notes and the 2026 Notes as of March 30, 2019 was $25.8 million and $929.3 million, respectively. The Company considers its debt to be Level 2 in the fair value hierarchy. Fair values are estimated based on quoted market prices for identical or similar instruments. The 2025 Notes, 2026 Notes, and 2029 Notes trade over the counter, and their fair values were estimated based upon the value of their last trade at the end of the period.

The Term Loan carries a variable interest rate set at current market rates, and as such, the fair value of the Term Loan approximated book value as of December 28, 2019.

Interest Expense
During the three and nine months ended December 28, 2019, the Company recognized $17.8 million and $44.3 million, respectively, of interest expense related to the 2025 Notes, the 2026 Notes, the 2029 Notes and the Term Loan, which was partially offset by $1.4 million and $4.4 million, respectively, of interest capitalized to property and equipment. During the three months ended December 29, 2018, the Company recognized $10.8 million of interest expense related to the 2025 Notes and the 2026 Notes, which was partially offset by $1.9 million of interest capitalized to property and equipment. During the nine months ended December 29, 2018, the Company recognized $38.8 million of interest expense related to the 2023 Notes, the 2025 Notes and the 2026 Notes, which was partially offset by $7.2 million of interest capitalized to property and equipment.

8. STOCK REPURCHASES

On October 31, 2019, the Company announced that its Board of Directors authorized a new share repurchase program to repurchase up to $1.0 billion of the Company's outstanding common stock, which included approximately $117.0 million authorized under the prior program which was terminated concurrent with the new authorization. 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, does not have a fixed term, and may be modified, suspended or terminated at any time without prior notice.

During the three and nine months ended December 28, 2019, the Company repurchased approximately 1.3 million shares and 5.1 million shares, respectively, of its common stock for approximately $125.0 million and $390.1 million, respectively, under the prior and current share repurchase programs. As of December 28, 2019, $890.9 million remained available for repurchases under the current share repurchase program.

During the three and nine months ended December 29, 2018, the Company repurchased approximately 2.3 million shares and 4.6 million shares, respectively, of its common stock for approximately $152.0 million and $338.7 million, respectively, under the prior share repurchase program.

9. REVENUE

The following table presents the Company's revenue disaggregated by geography, based on the location of the customers' headquarters (in thousands):

	Three Months Ended		Nine Months Ended	
	December 28, 2019	December 29, 2018	December 28, 2019	December 29, 2018
United States	$ 423,573	$ 460,525	$ 1,143,995	$ 1,153,823
China	281,024	242,454	842,112	830,727
Other Asia	80,729	54,414	229,344	168,344
Taiwan	43,156	35,143	122,189	142,038
Europe	40,591	39,794	113,729	114,511
Total revenue	$ 869,073	$ 832,330	$ 2,451,369	$ 2,409,443

During the first quarter of fiscal 2020, the Company changed its presentation of net revenue based on the "sold to" address of the customer to the above presentation of net revenue based on the location of the customers' headquarters. The December 29, 2018 information above has been reclassified to reflect this change. The Company believes that the disaggregation of revenue based on the location of the customers' headquarters is more representative of how its revenue and cash flows are impacted by geographically-sensitive changes in economic factors.

The Company also disaggregates revenue by operating segments (see Note 11).

10. RESTRUCTURING

In the third quarter of fiscal 2019, the Company initiated restructuring actions to reduce operating expenses and improve its manufacturing cost structure, including the phased closure of a wafer fabrication facility in Florida and idling production at a wafer fabrication facility in Texas. As of the end of the third quarter of fiscal 2020, the Company has recorded total cumulative restructuring charges of $88.1 million as a result of these restructuring actions, including accelerated depreciation of $47.2 million (to reflect changes in estimated useful lives of certain property and equipment), impairment charges of $15.9 million (to adjust the carrying value of certain property and equipment to reflect its fair value), employee termination benefits of $13.9 million and other exit costs of $11.1 million. The Company expects to record additional expenses of approximately $1.0 million for employee termination benefits and $4.0 million for other exit costs as a result of these actions.

During fiscal 2018, the Company initiated restructuring actions to improve operating efficiencies. As of the end of the third quarter of fiscal 2020, the Company has recorded cumulative expenses of $46.3 million, $23.3 million and $0.2 million for impairment charges, employee termination benefits and other exit costs, respectively, as a result of these restructuring actions which are substantially complete.

The Company does not allocate restructuring costs to its reportable segments.

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The following table summarizes the restructuring activity primarily resulting from these restructuring events:

	Three Months Ended December 28, 2019			Three Months Ended December 29, 2018		
	Cost of Goods Sold	Other Operating Expense	Total	Cost of Goods Sold	Other Operating Expense	Total
One-time employee termination benefits	$ —	$ 1,570	$ 1,570	$ —	$ 1,302	$ 1,302
Contract termination and other associated costs	3,438	948	4,386	—	208	208
Asset impairment and accelerated depreciation	4,324	—	4,324	3,080	14,914	17,994
Total	$ 7,762	$ 2,518	$ 10,280	$ 3,080	$ 16,424	$ 19,504

	Nine Months Ended December 28, 2019			Nine Months Ended December 29, 2018		
	Cost of Goods Sold	Other Operating Expense	Total	Cost of Goods Sold	Other Operating Expense	Total
One-time employee termination benefits	$ —	$ 6,379	$ 6,379	$ —	$ 4,437	$ 4,437
Contract termination and other associated costs	6,308	5,163	11,471	—	385	385
Asset impairment and accelerated depreciation	25,840	—	25,840	3,080	14,914	17,994
Total	$ 32,148	$ 11,542	$ 43,690	$ 3,080	$ 19,736	$ 22,816

The following table presents a roll-forward of the Company's restructuring liabilities for the nine months ended December 28, 2019:

	One-Time Employee Termination Benefits	Accelerated Depreciation	Contract Termination and Other Associated Costs	Total
Accrued restructuring balance as of March 30, 2019	$ 6,988	$ —	$ 1,626	$ 8,614
Costs incurred and charged to expense	6,379	25,840	11,471	43,690
Transfer to right-of-use asset	—	—	(1,248)	(1,248)
Cash payments	(6,835)	—	(5,245)	(12,080)
Non-cash activity	—	(25,840)	(6,307)	(32,147)
Accrued restructuring balance as of December 28, 2019	$ 6,532	$ —	$ 297	$ 6,829

11. OPERATING SEGMENT INFORMATION

The Company's operating segments as of December 28, 2019 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.

MP is a global supplier of cellular RF and Wi-Fi solutions for a variety of mobile devices, including smartphones, wearables, laptops, tablets and cellular-based applications for the Internet of Things ("IoT").

IDP is a global supplier of RF, system-on-a-chip and power management solutions for cellular base station, smart home, IoT, defense and automotive applications.

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The “All other” category includes operating expenses such as stock-based compensation, amortization of intangible assets, acquisition and integration related costs, restructuring costs, start-up costs, asset impairment and accelerated depreciation, (loss) gain 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		Nine Months Ended	
	December 28, 2019	December 29, 2018	December 28, 2019	December 29, 2018
Revenue:				
MP	$ 662,109	$ 602,312	$ 1,841,468	$ 1,754,930
IDP	206,964	230,018	609,901	654,513
Total revenue	$ 869,073	$ 832,330	$ 2,451,369	$ 2,409,443
Operating income (loss):				
MP	$ 219,778	$ 180,394	$ 553,144	$ 466,513
IDP	32,628	80,861	97,721	192,376
All other	(99,337)	(180,098)	(329,803)	(506,470)
Operating income	153,069	81,157	321,062	152,419
Interest expense	(16,900)	(9,562)	(41,457)	(33,604)
Interest income	2,874	2,814	8,112	7,788
Other income (expense) *(Notes 4 & 7)*	44,148	(3,520)	42,737	(85,007)
Income before income taxes	$ 183,191	$ 70,889	$ 330,454	$ 41,596

	Three Months Ended		Nine Months Ended	
	December 28, 2019	December 29, 2018	December 28, 2019	December 29, 2018
Reconciliation of “All other” category:				
Stock-based compensation expense	$ (16,381)	$ (18,624)	$ (62,210)	$ (58,874)
Amortization of intangible assets	(62,910)	(132,227)	(177,380)	(398,518)
Acquisition and integration related costs	(7,226)	(3,700)	(37,905)	(5,880)
Restructuring costs	(5,956)	(1,510)	(17,850)	(4,822)
Start-up costs	(361)	(6,791)	(461)	(18,035)
Asset impairment and accelerated depreciation	(4,324)	(17,994)	(26,897)	(17,994)
Other (including (loss) gain on assets and other miscellaneous corporate overhead)	(2,179)	748	(7,100)	(2,347)
Loss from operations for “All other”	$ (99,337)	$ (180,098)	$ (329,803)	$ (506,470)

12. INCOME TAXES

Income Tax Expense
The Company’s provision for income taxes for the three and nine months ended December 28, 2019 and December 29, 2018 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) for the three and nine months ended December 28, 2019 and December 29, 2018.

The Company’s income tax expense was $21.8 million and $46.5 million, respectively, for the three and nine months ended December 28, 2019, and the Company’s income tax expense was $1.4 million and income tax benefit was $30.0 million, for the three and nine months ended December 29, 2018, respectively. The Company’s effective tax rate was 11.9% and 14.1% for the three and nine months ended December 28, 2019, respectively, and 1.9% and (72.2)% for the three and nine months ended December 29, 2018, respectively.

The Company's effective tax rate for the three and nine months ended December 28, 2019 differed from the statutory rate primarily due to tax rate differences in foreign jurisdictions, global intangible low tax income (“GILTI”), domestic tax credits generated, foreign permanent differences, the discrete treatment of postcombination compensation expenses related to the Active-Semi and Cavendish acquisitions, and a discrete expense related to the Company’s change in its permanent reinvestment assertion. The Company's effective tax rate for the three and nine months ended December 29, 2018 differed from the statutory rate primarily due to tax rate differences in foreign jurisdictions, foreign permanent differences, state income taxes, domestic tax credits generated, changes in unrecognized tax benefits, GILTI, a discrete tax benefit for changes in provisional estimates related to the one-time transition tax on certain unrepatriated earnings of foreign subsidiaries enacted in the Tax Cuts and Jobs Act and, for the nine months ended December 29, 2018 only, a discrete tax benefit resulting from a retroactive incentive allowing previously non-deductible payments to be amortized.

Management has concluded that it can no longer support an assertion that certain earnings which have previously been subject to U.S. federal taxation at its foreign subsidiaries are permanently reinvested. During the second quarter of fiscal 2020, the Company updated forecasts of cash balances and cash flow outside the U.S. and began to implement a more centralized approach to cash management. As a result, the Company recorded $4.0 million of discrete tax expense during the second quarter of fiscal 2020. During the third quarter of fiscal 2020, the Company recorded an additional $9.3 million of discrete deferred tax expense related to outside tax basis differences realized on the Company's investment in Cavendish. The Company had previously released in the third quarter of fiscal 2018 its permanent reinvestment assertion on its operating subsidiary in Singapore, Qorvo International Pte. Ltd.

13. 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		Nine Months Ended	
	December 28, 2019	**December 29, 2018**	**December 28, 2019**	**December 29, 2018**
Numerator:				
Numerator for basic and diluted net income per share — net income available to common stockholders	$ 161,356	$ 69,517	$ 283,935	$ 71,608
Denominator:				
Denominator for basic net income per share — weighted average shares	116,129	124,308	117,436	125,437
Effect of dilutive securities:				
Stock-based awards	2,326	2,534	2,276	2,923
Denominator for diluted net income per share — adjusted weighted average shares and assumed conversions	118,455	126,842	119,712	128,360
Basic net income per share	$ 1.39	$ 0.56	$ 2.42	$ 0.57
Diluted net income per share	$ 1.36	$ 0.55	$ 2.37	$ 0.56

In the computation of diluted net income per share for the three and nine months ended December 28, 2019, less than 0.1 million and approximately 0.1 million outstanding shares, respectively, were excluded because the effect of their inclusion would have been anti-dilutive. In the computation of diluted net income per share for the three and nine months ended

December 29, 2018, approximately 0.5 million and 0.3 million outstanding shares, respectively, were excluded because the effect of their inclusion would have been anti-dilutive.

14. CONDENSED CONSOLIDATING FINANCIAL INFORMATION

In accordance with the applicable indentures governing the 2025 Notes, the 2026 Notes and the 2029 Notes, the Company's obligations under the 2025 Notes, the 2026 Notes and the 2029 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 applicable 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.

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	Condensed Consolidating Balance Sheet				
	December 28, 2019				
(in thousands)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations and Reclassifications	Consolidated
ASSETS					
Current assets:					
Cash and cash equivalents	$ —	$ 520,845	$ 576,879	$ —	$ 1,097,724
Accounts receivable, less allowance	—	57,798	352,037	—	409,835
Intercompany accounts and notes receivable	—	499,432	6,319	(505,751)	—
Inventories	—	158,751	342,900	(21,766)	479,885
Prepaid expenses	—	22,713	4,407	—	27,120
Other receivables	—	1,695	14,925	—	16,620
Other current assets	—	33,382	3,106	—	36,488
Total current assets	—	1,294,616	1,300,573	(527,517)	2,067,672
Property and equipment, net	—	1,041,282	232,906	4,800	1,278,988
Goodwill	—	1,122,629	1,293,173	—	2,415,802
Intangible assets, net	—	125,346	469,961	—	595,307
Long-term investments	—	5,537	35,359	—	40,896
Long-term intercompany accounts and notes receivable	—	864,935	236,904	(1,101,839)	—
Investment in subsidiaries	6,901,231	2,819,038	—	(9,720,269)	—
Other non-current assets	6,567	97,717	22,375	(5,821)	120,838
Total assets	$ 6,907,798	$ 7,371,100	$ 3,591,251	$ (11,350,646)	$ 6,519,503
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	$ —	$ 75,812	$ 163,368	$ —	$ 239,180
Intercompany accounts and notes payable	—	6,318	499,432	(505,750)	—
Accrued liabilities	28,794	102,294	55,177	752	187,017
Current portion of long-term debt	5,000	—	302	—	5,302
Other current liabilities	—	10,354	49,352	—	59,706
Total current liabilities	33,794	194,778	767,631	(504,998)	491,205
Long-term debt	1,566,905	—	1,649	—	1,568,554
Long-term intercompany accounts and notes payable	967,722	134,117	—	(1,101,839)	—
Other long-term liabilities	—	112,369	31,538	(23,540)	120,367
Total liabilities	2,568,421	441,264	800,818	(1,630,377)	2,180,126
Total stockholders' equity	4,339,377	6,929,836	2,790,433	(9,720,269)	4,339,377
Total liabilities and stockholders' equity	$ 6,907,798	$ 7,371,100	$ 3,591,251	$ (11,350,646)	$ 6,519,503

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

	Condensed Consolidating Balance Sheet March 30, 2019				
(in thousands)	**Parent Company**	**Guarantor Subsidiaries**	**Non-Guarantor Subsidiaries**	**Eliminations and Reclassifications**	**Consolidated**
ASSETS					
Current assets:					
Cash and cash equivalents	$ —	$ 231,865	$ 479,170	$ —	$ 711,035
Accounts receivable, less allowance	—	47,181	330,991	—	378,172
Intercompany accounts and notes receivable	—	381,558	62,640	(444,198)	—
Inventories	—	173,885	359,252	(21,344)	511,793
Prepaid expenses	—	24,087	1,679	—	25,766
Other receivables	—	5,121	16,813	—	21,934
Other current assets	—	33,956	2,354	(169)	36,141
Total current assets	—	897,653	1,252,899	(465,711)	1,684,841
Property and equipment, net	—	1,090,171	268,040	8,302	1,366,513
Goodwill	—	1,122,629	1,051,260	—	2,173,889
Intangible assets, net	—	214,348	193,862	—	408,210
Long-term investments	—	4,969	92,817	—	97,786
Long-term intercompany accounts and notes receivable	—	1,239,474	93,923	(1,333,397)	—
Investment in subsidiaries	6,540,081	2,321,170	—	(8,861,251)	—
Other non-current assets	17,245	46,784	28,234	(15,478)	76,785
Total assets	$ 6,557,326	$ 6,937,198	$ 2,981,035	$ (10,667,535)	$ 5,808,024
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	$ —	$ 95,089	$ 138,218	$ —	$ 233,307
Intercompany accounts and notes payable	—	62,640	381,558	(444,198)	—
Accrued liabilities	11,174	96,238	51,781	1,323	160,516
Current portion of long-term debt	—	—	80	—	80
Other current liabilities	—	—	41,880	(169)	41,711
Total current liabilities	11,174	253,967	613,517	(443,044)	435,614
Long-term debt	919,270	—	1,665	—	920,935
Long-term intercompany accounts and notes payable	1,267,203	66,195	—	(1,333,398)	—
Other long-term liabilities	—	76,955	45,202	(30,361)	91,796
Total liabilities	2,197,647	397,117	660,384	(1,806,803)	1,448,345
Total stockholders' equity	4,359,679	6,540,081	2,320,651	(8,860,732)	4,359,679
Total liabilities and stockholders' equity	$ 6,557,326	$ 6,937,198	$ 2,981,035	$ (10,667,535)	$ 5,808,024

QORVO, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

	Condensed Consolidating Statement of Income and Comprehensive Income Three Months Ended December 28, 2019				
(in thousands)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations and Reclassifications	Consolidated
Revenue	$ —	$ 246,326	$ 789,083	$ (166,336)	$ 869,073
Cost of goods sold	—	218,639	426,940	(144,617)	500,962
Gross profit	—	27,687	362,143	(21,719)	368,111
Operating expenses:					
Research and development	9,078	11,434	105,216	(2,877)	122,851
Selling, general and administrative	7,258	41,140	51,993	(19,186)	81,205
Other operating expense	45	7,164	3,919	(142)	10,986
Total operating expenses	16,381	59,738	161,128	(22,205)	215,042
Income (loss) from operations	(16,381)	(32,051)	201,015	486	153,069
Interest expense	(16,691)	(930)	(124)	845	(16,900)
Interest income	—	1,337	2,381	(844)	2,874
Other income	—	2,136	42,012	—	44,148
Income (loss) before income taxes	(33,072)	(29,508)	245,284	487	183,191
Income tax (expense) benefit	9,832	(10,714)	(20,953)	—	(21,835)
Income in subsidiaries	184,595	224,332	—	(408,927)	—
Net income	$ 161,355	$ 184,110	$ 224,331	$ (408,440)	$ 161,356
Comprehensive income	$ 162,171	$ 184,015	$ 225,389	$ (409,404)	$ 162,171

	Condensed Consolidating Statement of Income and Comprehensive Income Three Months Ended December 29, 2018				
(in thousands)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations and Reclassifications	Consolidated
Revenue	$ —	$ 271,671	$ 762,484	$ (201,825)	$ 832,330
Cost of goods sold	—	225,156	447,084	(178,273)	493,967
Gross profit	—	46,515	315,400	(23,552)	338,363
Operating expenses:					
Research and development	8,122	10,218	94,114	(2,469)	109,985
Selling, general and administrative	10,327	53,131	82,581	(20,435)	125,604
Other operating expense	173	21,477	499	(532)	21,617
Total operating expenses	18,622	84,826	177,194	(23,436)	257,206
Income (loss) from operations	(18,622)	(38,311)	138,206	(116)	81,157
Interest expense	(9,235)	(516)	(206)	395	(9,562)
Interest income	—	269	2,941	(396)	2,814
Other (expense) income	(1,852)	(2,566)	898	—	(3,520)
Income (loss) before income taxes	(29,709)	(41,124)	141,839	(117)	70,889
Income tax (expense) benefit	6,147	(23,051)	15,532	—	(1,372)
Income in subsidiaries	93,079	157,371	—	(250,450)	—
Net income	$ 69,517	$ 93,196	$ 157,371	$ (250,567)	$ 69,517
Comprehensive income	$ 68,455	$ 92,520	$ 156,974	$ (249,494)	$ 68,455

QORVO, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

Condensed Consolidating Statement of Income and Comprehensive Income

Nine Months Ended December 28, 2019

(in thousands)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations and Reclassifications	Consolidated
Revenue	$ —	$ 718,365	$ 2,263,778	$ (530,774)	$ 2,451,369
Cost of goods sold	—	656,503	1,270,889	(462,005)	1,465,387
Gross profit	—	61,862	992,889	(68,769)	985,982
Operating expenses:					
Research and development	23,080	22,963	315,937	(4,595)	357,385
Selling, general and administrative	39,085	136,132	147,636	(64,395)	258,458
Other operating expense	45	26,485	22,879	(332)	49,077
Total operating expenses	62,210	185,580	486,452	(69,322)	664,920
Income (loss) from operations	(62,210)	(123,718)	506,437	553	321,062
Interest expense	(40,776)	(1,999)	(402)	1,720	(41,457)
Interest income	—	2,743	7,088	(1,719)	8,112
Other income	—	2,029	40,708	—	42,737
Income (loss) before income taxes	(102,986)	(120,945)	553,831	554	330,454
Income tax (expense) benefit	24,997	(12,157)	(59,359)	—	(46,519)
Income in subsidiaries	361,923	494,472	—	(856,395)	—
Net income	$ 283,934	$ 361,370	$ 494,472	$ (855,841)	$ 283,935
Comprehensive income	$ 283,716	$ 361,370	$ 494,222	$ (855,592)	$ 283,716

Condensed Consolidating Statement of Income and Comprehensive Income

Nine Months Ended December 29, 2018

(in thousands)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations and Reclassifications	Consolidated
Revenue	$ —	$ 740,241	$ 2,214,289	$ (545,087)	$ 2,409,443
Cost of goods sold	—	622,688	1,333,037	(474,892)	1,480,833
Gross profit	—	117,553	881,252	(70,195)	928,610
Operating expenses:					
Research and development	21,433	20,837	300,233	(4,867)	337,636
Selling, general and administrative	36,998	170,011	260,359	(66,327)	401,041
Other operating expense	442	27,225	10,011	(164)	37,514
Total operating expenses	58,873	218,073	570,603	(71,358)	776,191
Income (loss) from operations	(58,873)	(100,520)	310,649	1,163	152,419
Interest expense	(32,677)	(1,575)	(527)	1,175	(33,604)
Interest income	—	3,152	5,811	(1,175)	7,788
Other (expense) income	(84,004)	(1,440)	437	—	(85,007)
Income (loss) before income taxes	(175,554)	(100,383)	316,370	1,163	41,596
Income tax benefit (expense)	43,521	(26,717)	13,208	—	30,012
Income in subsidiaries	203,641	329,578	—	(533,219)	—
Net income	$ 71,608	$ 202,478	$ 329,578	$ (532,056)	$ 71,608
Comprehensive income	$ 68,290	$ 201,891	$ 326,701	$ (528,592)	$ 68,290

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

	Condensed Consolidating Statement of Cash Flows				
	Nine Months Ended December 28, 2019				
(in thousands)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations and Reclassifications	Consolidated
Net cash provided by (used in) operating activities	$ (279,501)	$ 322,496	$ 688,256	$ —	$ 731,251
Investing activities:					
Purchase of property and equipment	—	(102,781)	(26,223)	—	(129,004)
Purchase of businesses, net of cash acquired	—	—	(494,783)	—	(494,783)
Proceeds from sale of available-for-sale debt securities	—	1,950	—	—	1,950
Other investing activities	—	(1,772)	509	—	(1,263)
Net transactions with related parties	—	28,086	—	(28,086)	—
Net cash used in investing activities	—	(74,517)	(520,497)	(28,086)	(623,100)
Financing activities:					
Proceeds from borrowings and debt issuances	659,000	—	—	—	659,000
Repurchase of common stock, including transaction costs	(390,117)	—	—	—	(390,117)
Proceeds from the issuance of common stock	37,530	—	—	—	37,530
Tax withholding paid on behalf of employees for restricted stock units	(21,013)	—	—	—	(21,013)
Other financing activities	(5,899)	—	(353)	—	(6,252)
Net transactions with related parties	—	41,001	(69,087)	28,086	—
Net cash provided by (used in) financing activities	279,501	41,001	(69,440)	28,086	279,148
Effect of exchange rate changes on cash	—	—	(501)	—	(501)
Net increase in cash, cash equivalents and restricted cash	—	288,980	97,818	—	386,798
Cash, cash equivalents and restricted cash at the beginning of the period	—	231,865	479,517	—	711,382
Cash, cash equivalents and restricted cash at the end of the period	$ —	$ 520,845	$ 577,335	$ —	$ 1,098,180

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

	Condensed Consolidating Statement of Cash Flows				
	Nine Months Ended December 29, 2018				
(in thousands)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations and Reclassifications	Consolidated
Net cash provided by (used in) operating activities	$ 691,479	$ (688,262)	$ 619,802	$ —	$ 623,019
Investing activities:					
Purchase of property and equipment	—	(155,006)	(30,621)	—	(185,627)
Purchase of available-for-sale debt securities	—	(132,729)	—	—	(132,729)
Proceeds from sales and maturities of available-for-sale debt securities	—	133,132	—	—	133,132
Other investing activities	—	(3,829)	(16,409)	—	(20,238)
Net transactions with related parties	—	260,047	—	(260,047)	—
Net cash (used in) provided by investing activities	—	101,615	(47,030)	(260,047)	(205,462)
Financing activities:					
Repurchase of debt	(977,498)	—	—	—	(977,498)
Proceeds from debt issuances	631,300	—	—	—	631,300
Repurchase of common stock, including transaction costs	(338,675)	—	—	—	(338,675)
Proceeds from the issuance of common stock	25,452	—	—	—	25,452
Tax withholding paid on behalf of employees for restricted stock units	(24,595)	—	—	—	(24,595)
Other financing activities	(7,463)	—	(47)	—	(7,510)
Net transactions with related parties	—	1,028	(261,075)	260,047	—
Net cash (used in) provided by financing activities	(691,479)	1,028	(261,122)	260,047	(691,526)
Effect of exchange rate changes on cash	—	—	(2,369)	—	(2,369)
Net (decrease) increase in cash, cash equivalents and restricted cash	—	(585,619)	309,281	—	(276,338)
Cash, cash equivalents and restricted cash at the beginning of the period	—	629,314	297,088	—	926,402
Cash, cash equivalents and restricted cash at the end of the period	$ —	$ 43,695	$ 606,369	$ —	$ 650,064

15. SUBSEQUENT EVENTS

Custom MMIC Design Services, Inc. Acquisition
On January 13, 2020, the Company entered into a definitive agreement to acquire Custom MMIC Design Services, Inc. (“Custom MMIC”) for a cash purchase price of approximately $105.0 million. Custom MMIC is a privately-held designer and supplier of high-performance monolithic microwave integrated circuits, primarily for military, aerospace, and space qualified applications and will become part of the Company’s IDP operating segment. Upon closing, the acquisition is expected to expand the Company's defense and aerospace portfolio and customer base. The Company anticipates the acquisition will be completed during the fourth quarter of fiscal 2020, subject to certain customary closing conditions.

Decawave Limited Acquisition
On January 24, 2020, the Company entered into a definitive agreement to acquire Decawave Limited (“Decawave”) for a cash purchase price of approximately $400.0 million. Decawave is a privately-held supplier of Ultra-Wideband solutions for IoT and smart consumer applications. Upon closing, the acquisition is expected to enhance the Company’s position in ultra-

accurate location-based services and expand our opportunities in mobile, automotive and industrial and consumer IoT. The Company anticipates the acquisition will be completed during the fourth quarter of fiscal 2020, subject to certain customary closing conditions.

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 includes "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about our plans, objectives, representations and contentions, and are not historical facts and typically are identified by use of terms such as "may," "will," "should," "could," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential," "continue" and similar words, although some forward-looking statements are expressed differently. You should be aware that the forward-looking statements included herein represent management's current judgment and expectations, but our actual results, events and performance could differ materially from those expressed or implied by forward-looking statements. We do not intend to update any of these forward-looking statements or publicly announce the results of any revisions to these forward-looking statements, other than as is required under U.S. federal securities laws. Our business is subject to numerous risks and uncertainties, including those relating to fluctuations in our operating results; our substantial dependence on developing new products and achieving design wins; our dependence on a few large customers for a substantial portion of our revenue; a loss of revenue if contracts with the United States government or defense and aerospace contractors are canceled or delayed or if defense spending is reduced; our dependence on third parties; risks related to sales through distributors; risks associated with the operation of our manufacturing facilities; business disruptions; poor manufacturing yields; increased inventory risks and costs due to timing of customer forecasts; our inability to effectively manage or maintain evolving relationships with platform providers; risks from international sales and operations; economic regulation in China; changes in government trade policies, including imposition of tariffs and export restrictions; our ability to implement innovative technologies; underutilization of manufacturing facilities as a result of industry overcapacity; we may not be able to borrow funds under our credit facility or secure future financing; we may not be able to generate sufficient cash to service all of our debt; restrictions imposed by the agreements governing our debt; volatility in the price of our common stock; damage to our reputation or brand; fluctuations in the amount and frequency of our stock repurchases; our acquisitions and other strategic investments, including our recent acquisitions of Active-Semi International, Inc. ("Active-Semi") and Cavendish Kinetics Limited ("Cavendish") and our pending acquisitions of Custom MMIC Design Services, Inc. ("Custom MMIC") and Decawave Limited ("Decawave"), could fail to achieve financial or strategic objectives; our ability to attract, retain and motivate key employees; our reliance on our intellectual property portfolio; claims of infringement of third-party intellectual property rights; security breaches and other similar disruptions compromising our information; theft, loss or misuse of personal data by or about our employees, customers or third parties; warranty claims, product recalls and product liability; and risks associated with environmental, health and safety regulations and climate change. 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 actual results and developments to be materially different from those expressed or implied by any of these forward-looking statements.

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.

Qorvo® is a product and technology leader at the forefront of the growing global demand for always-on connectivity. We combine a broad portfolio of innovative radio frequency ("RF") solutions, highly differentiated semiconductor technologies, systems-level expertise and global manufacturing scale 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, and multiple Internet of Things ("IoT") applications including the smart home and connected car.

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 global supplier of cellular RF and Wi-Fi solutions for a variety of mobile devices, including smartphones, wearables, laptops, tablets and cellular-based applications for the IoT.

- *Infrastructure and Defense Products (IDP)* - IDP is a global supplier of RF, system-on-a-chip and power management solutions for cellular base station, smart home, IoT, defense and automotive applications.

As of December 28, 2019, 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 non-GAAP operating income (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).

THIRD QUARTER FISCAL 2020 FINANCIAL HIGHLIGHTS:

- Quarterly revenue increased 4.4% as compared to the third quarter of fiscal 2019, primarily due to higher demand for our mobile products in support of customers based in China and higher demand from a Korea-based customer, partially offset by lower demand from our largest end customer as well as lower demand for our base station products as a result of trade restrictions.

- Gross margin for the third quarter of fiscal 2020 was 42.4% as compared to 40.7% for the third quarter of fiscal 2019, primarily due to gross margin improvements related to lower intangible amortization expense and favorable changes in product mix, partially offset by average selling price erosion and lower factory utilization.

- Operating income was $153.1 million for the third quarter of fiscal 2020 as compared to $81.2 million for the third quarter of fiscal 2019. This increase was primarily due to lower operating expenses, higher revenue and higher gross margin.

- Capital expenditures decreased to $40.7 million for the third quarter of fiscal 2020 as compared to $72.0 million for the third quarter of fiscal 2019. Our capital expenditures in the third quarter of fiscal 2020 included strategic investments in premium filter capacity and gallium nitride ("GaN") technology capabilities.

- During the third quarter of fiscal 2020, we repurchased approximately 1.3 million shares of our common stock for approximately $125.0 million.

- During the third quarter of fiscal 2020, we completed the acquisition of the remaining issued and outstanding capital of Cavendish for a total purchase price of $305.9 million. On the October 4, 2019 acquisition date, our previously held equity interest was remeasured, which resulted in the recognition of a gain of $43.0 million.

- During the third quarter of fiscal 2020, we issued $550.0 million aggregate principal amount of 4.375% senior notes due 2029 (the "2029 Notes").

RESULTS OF OPERATIONS

Consolidated

The following table presents a summary of our results of operations for the three and nine months ended December 28, 2019 and December 29, 2018 (in thousands, except percentages):

	Three Months Ended					
	December 28, 2019	% of Revenue	December 29, 2018	% of Revenue	Increase (Decrease)	Percentage Change
Revenue	$ 869,073	100.0%	$ 832,330	100.0%	$ 36,743	4.4 %
Cost of goods sold	500,962	57.6	493,967	59.3	6,995	1.4
Gross profit	368,111	42.4	338,363	40.7	29,748	8.8
Research and development	122,851	14.1	109,985	13.2	12,866	11.7
Selling, general and administrative	81,205	9.4	125,604	15.1	(44,399)	(35.3)
Other operating expense	10,986	1.3	21,617	2.6	(10,631)	(49.2)
Operating income	$ 153,069	17.6%	$ 81,157	9.8%	$ 71,912	88.6 %

	Nine Months Ended					
	December 28, 2019	% of Revenue	December 29, 2018	% of Revenue	Increase (Decrease)	Percentage Change
Revenue	$ 2,451,369	100.0%	$ 2,409,443	100.0%	$ 41,926	1.7 %
Cost of goods sold	1,465,387	59.8	1,480,833	61.5	(15,446)	(1.0)
Gross profit	985,982	40.2	928,610	38.5	57,372	6.2
Research and development	357,385	14.6	337,636	14.0	19,749	5.8
Selling, general and administrative	258,458	10.5	401,041	16.6	(142,583)	(35.6)
Other operating expense	49,077	2.0	37,514	1.6	11,563	30.8
Operating income	$ 321,062	13.1%	$ 152,419	6.3%	$ 168,643	110.6 %

Revenue increased for the three months ended December 28, 2019, as compared to the three months ended December 29, 2018, primarily due to higher demand for our mobile products in support of customers based in China and higher demand from a Korea-based customer, partially offset by lower demand from our largest end customer as well as lower demand for our base station products as a result of trade restrictions.

Revenue increased for the nine months ended December 28, 2019, as compared to the nine months ended December 29, 2018, primarily due to higher demand from a Korea-based customer, higher demand for our mobile products from Huawei Technologies Co., Ltd. and its affiliates ("Huawei") and sales of our programmable power management products as a result of the acquisition of Active-Semi. This increase was offset by lower demand for our base station products as a result of trade restrictions and lower demand for our Wi-Fi products.

On May 16, 2019, we suspended shipments of products to Huawei after the Bureau of Industry and Security ("BIS") of the U.S. Department of Commerce added Huawei Technologies Co., Ltd. and over 100 of its affiliates to the BIS's Entity List. Subsequently, we restarted shipments from outside the U.S. of certain products that are not subject to the Export Administration Regulations ("EAR") to Huawei in compliance with the BIS order. We have also applied for a license to ship other products that are subject to the EAR, as required by the rules governing the Entity List. Our sales to Huawei will continue to be impacted by trade restrictions.

Gross margin for the three months ended December 28, 2019 was 42.4%, as compared to 40.7% for the three months ended December 29, 2018. This increase was primarily due to gross margin improvements related to lower intangible amortization expense and favorable changes in product mix, partially offset by average selling price erosion and lower factory utilization.

Gross margin for the nine months ended December 28, 2019 was 40.2%, as compared to 38.5% for the nine months ended December 29, 2018. This increase was primarily due to lower intangible amortization expense, favorable changes in product mix and lower manufacturing costs, partially offset by average selling price erosion, lower factory utilization and increased restructuring charges.

Operating Expenses

Research and development expense increased $12.9 million, or 11.7%, for the three months ended December 28, 2019 as compared to the three months ended December 29, 2018, primarily due to higher personnel costs as well as the addition of Active-Semi and Cavendish expenses. Research and development expense increased $19.7 million, or 5.8%, for the nine months ended December 28, 2019 as compared to the nine months ended December 29, 2018, primarily due to higher personnel costs and the addition of Active-Semi and Cavendish expenses.

Selling, general and administrative expense decreased $44.4 million, or 35.3%, for the three months ended December 28, 2019 as compared to the three months ended December 29, 2018, primarily due to lower intangible amortization, partially offset by higher personnel costs and the addition of Active-Semi expenses. Selling, general and administrative expense decreased $142.6 million, or 35.6%, for the nine months ended December 28, 2019 as compared to the nine months ended December 29, 2018, primarily due to lower intangible amortization, partially offset by higher personnel costs and the addition of Active-Semi expenses.

Other operating expense decreased $10.6 million for the three months ended December 28, 2019 as compared to the three months ended December 29, 2018, primarily due to lower restructuring expenses and lower start-up costs as compared to the three months ended December 29, 2018, partially offset by expenses related to the acquisitions of Active-Semi and Cavendish. Other operating expense increased $11.6 million for the nine months ended December 28, 2019 as compared to the nine months ended December 29, 2018, primarily due to expenses related to the acquisitions of Active-Semi and Cavendish. These costs were partially offset by lower start-up costs and restructuring expenses as compared to the nine months ended December 29, 2018.

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

Mobile Products

	Three Months Ended			
(In thousands, except percentages)	December 28, 2019	December 29, 2018	Increase	Percentage Change
Revenue	$ 662,109	$ 602,312	$ 59,797	9.9%
Operating income	219,778	180,394	39,384	21.8
Operating income as a % of revenue	33.2%	30.0%		

	Nine Months Ended			
(In thousands, except percentages)	December 28, 2019	December 29, 2018	Increase	Percentage Change
Revenue	$ 1,841,468	$ 1,754,930	$ 86,538	4.9%
Operating income	553,144	466,513	86,631	18.6
Operating income as a % of revenue	30.0%	26.6%		

MP revenue increased $59.8 million, or 9.9%, for the three months ended December 28, 2019 as compared to the three months ended December 29, 2018, primarily due to higher demand for our mobile products in support of customers based in China, higher demand from a Korea-based customer and higher demand from Huawei. These increases were partially offset by lower demand from our largest end customer.

MP revenue increased $86.5 million, or 4.9%, for the nine months ended December 28, 2019 as compared to the nine months ended December 29, 2018, primarily due to higher demand from a Korea-based customer and higher demand from Huawei.

MP operating income increased $39.4 million, or 21.8%, for the three months ended December 28, 2019 as compared to the three months ended December 29, 2018, primarily due to higher revenue and higher gross margin. Gross margin was positively impacted by favorable changes in product mix, partially offset by average selling price erosion and lower factory utilization.

MP operating income increased $86.6 million, or 18.6%, for the nine months ended December 28, 2019 as compared to the nine months ended December 29, 2018, primarily due to higher gross margin and higher revenue. Gross margin was positively impacted by favorable changes in product mix and lower manufacturing costs, partially offset by average selling price erosion and lower factory utilization.

Infrastructure and Defense Products

(In thousands, except percentages)	Three Months Ended			
	December 28, 2019	December 29, 2018	Decrease	Percentage Change
Revenue	$ 206,964	$ 230,018	$ (23,054)	(10.0)%
Operating income	32,628	80,861	(48,233)	(59.6)
Operating income as a % of revenue	15.8%	35.2%		

(In thousands, except percentages)	Nine Months Ended			
	December 28, 2019	December 29, 2018	Decrease	Percentage Change
Revenue	$ 609,901	$ 654,513	$ (44,612)	(6.8)%
Operating income	97,721	192,376	(94,655)	(49.2)
Operating income as a % of revenue	16.0%	29.4%		

IDP revenue decreased $23.1 million, or 10.0%, for the three months ended December 28, 2019 as compared to the three months ended December 29, 2018, primarily due to lower demand for our base station products as a result of trade restrictions, partially offset by higher demand for our defense and aerospace products as well as sales of our programmable power management products as a result of the acquisition of Active-Semi.

IDP revenue decreased $44.6 million, or 6.8%, for the nine months ended December 28, 2019 as compared to the nine months ended December 29, 2018, primarily due to lower demand for our base station products as a result of trade restrictions and lower demand for our Wi-Fi products, partially offset by sales of our programmable power management products as a result of the acquisition of Active-Semi.

IDP operating income decreased $48.2 million, or 59.6%, for the three months ended December 28, 2019 as compared to the three months ended December 29, 2018, primarily due to higher operating expenses, lower gross margin and lower revenue. The increase in operating expenses was primarily due to higher personnel costs and the addition of Active-Semi expenses. Gross margin was negatively impacted by lower factory utilization, unfavorable changes in product mix and inventory charges.

IDP operating income decreased $94.7 million, or 49.2%, for the nine months ended December 28, 2019 as compared to the nine months ended December 29, 2018, primarily due to higher operating expenses, lower gross margin and lower revenue. The increase in operating expenses was primarily due to higher personnel costs and the addition of Active-Semi expenses. Gross margin was negatively impacted by lower factory utilization, inventory charges and average selling price erosion.

See Note 11 of the Notes to Condensed Consolidated Financial Statements for a reconciliation of segment operating income to the consolidated operating income for the three and nine months ended December 28, 2019 and December 29, 2018.

OTHER (EXPENSE) INCOME AND INCOME TAXES

(In thousands)	Three Months Ended		Nine Months Ended	
	December 28, 2019	December 29, 2018	December 28, 2019	December 29, 2018
Interest expense	$ (16,900)	$ (9,562)	$ (41,457)	$ (33,604)
Interest income	2,874	2,814	8,112	7,788
Other income (expense)	44,148	(3,520)	42,737	(85,007)
Income tax (expense) benefit	(21,835)	(1,372)	(46,519)	30,012

Interest Expense
During the three and nine months ended December 28, 2019, we recorded interest expense of $18.3 million and $45.8 million, respectively, primarily related to the 5.50% senior notes due July 15, 2026 (the "2026 Notes") and the 2029 Notes, which was partially offset by $1.4 million and $4.4 million, respectively, of capitalized interest.

During the three months ended December 29, 2018, we recorded interest expense of $11.5 million primarily related to the 7.00% senior notes due December 1, 2025 (the "2025 Notes") and the 2026 Notes, which was partially offset by $1.9 million of capitalized interest. During the nine months ended December 29, 2018, we recorded interest expense of $40.8 million primarily related to the 6.75% senior notes due December 1, 2023 (the "2023 Notes"), the 2025 Notes and the 2026 Notes, which was partially offset by $7.2 million of capitalized interest.

Other Income (Expense)
During the three and nine months ended December 28, 2019, we recorded a gain of $43.0 million related to the remeasurement of our previously held equity interest in Cavendish in connection with our purchase of the remaining issued and outstanding capital of the entity (see Note 4 of the Notes to Condensed Consolidated Financial Statements for information regarding the Cavendish acquisition). During the three and nine months ended December 29, 2018, we recorded a loss on debt extinguishment of $1.8 million and $84.0 million, respectively.

Income Taxes
Our provision for income taxes for the three and nine months ended December 28, 2019 and December 29, 2018 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) for those respective periods.

For the three and nine months ended December 28, 2019, we recorded income tax expense of $21.8 million and $46.5 million, respectively, which was comprised primarily of tax expense related to international operations generating pre-tax book income and the reversal of the permanent reinvestment assertion with regards to unrepatriated foreign earnings, offset by a tax benefit related to domestic and international operations generating pre-tax book losses and domestic tax credits. For the three months ended December 29, 2018, we recorded income tax expense of $1.4 million, which was comprised primarily of tax expense related to international operations generating pre-tax book income, partially offset by tax benefit related to domestic and international operations generating pre-tax book losses. For the nine months ended December 29, 2018, we recorded income tax benefit of $30.0 million, which was comprised primarily of tax benefit related to domestic and international operations generating pre-tax book losses, a tax incentive granted in Singapore and adjustments in the provisional estimates required by the Tax Cuts and Jobs Act, partially offset by a tax expense related to international operations generating pre-tax book income.

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 December 28, 2019, we had working capital of approximately $1,576.5 million, including $1,097.7 million in cash and cash equivalents, compared to working capital of approximately $1,249.2 million at March 30, 2019, including $711.0 million in cash and cash equivalents. The increase in working capital was primarily due to the issuance of $550.0 million aggregate principal amount of the 2029 Notes in the third quarter of fiscal 2020 and the $100.0 million draw on the Term Loan (as defined in “Commitments and Contingencies” below) in the first quarter of fiscal 2020. These increases to working capital were partially offset by the acquisition of Active-Semi in the first quarter of fiscal 2020 and the acquisition of Cavendish in the third quarter of fiscal 2020.

Our $1,097.7 million of total cash and cash equivalents as of December 28, 2019 includes approximately $573.1 million held by our foreign subsidiaries, of which $485.1 million is held by Qorvo International Pte. Ltd. in Singapore. If the undistributed earnings of our foreign subsidiaries are needed in the U.S., we may be required to pay state income and/or foreign local withholding taxes to repatriate these earnings.

Stock Repurchases
On October 31, 2019, we announced that our Board of Directors authorized a new share repurchase program (see Note 8 of the Notes to Condensed Consolidated Financial Statements for information regarding the new share repurchase program). During the nine months ended December 28, 2019, we repurchased approximately 5.1 million shares of our common stock for approximately $390.1 million under our prior and current share repurchase programs. As of December 28, 2019, $890.9 million remained available for repurchases under the current program.

Cash Flows from Operating Activities
Operating activities for the nine months ended December 28, 2019 generated cash of $731.3 million, compared to $623.0 million for the nine months ended December 29, 2018, primarily due to favorable changes in working capital driven by improvements in days sales outstanding during the nine months ended December 28, 2019.

Cash Flows from Investing Activities
Net cash used in investing activities was $623.1 million for the nine months ended December 28, 2019, compared to $205.5 million for the nine months ended December 29, 2018, primarily due to the acquisitions of Active-Semi and Cavendish.

Cash Flows from Financing Activities
Net cash provided by financing activities was $279.1 million for the nine months ended December 28, 2019, compared to net cash used in financing activities of $691.5 million for the nine months ended December 29, 2018. During the nine months ended December 29, 2018, cash disbursed in connection with the retirement of all of the 2023 Notes and a majority of the 2025 Notes was partially offset by cash proceeds received from the issuance of the 2026 Notes. During the nine months ended December 28, 2019, we received cash proceeds of $559.0 million from the issuance of the 2029 Notes and $100.0 million from the draw on the Term Loan.

COMMITMENTS AND CONTINGENCIES

2023 Notes and 2025 Notes On November 19, 2015, we issued $450.0 million aggregate principal amount of the 2023 Notes and $550.0 million aggregate principal amount of the 2025 Notes. The 2023 Notes were, and the 2025 Notes are, senior unsecured obligations of the Company and guaranteed, jointly and severally, by certain of our U.S. subsidiaries (the "Guarantors"). With respect to the 2023 Notes, interest was payable semi-annually on June 1 and December 1 of each year at a rate of 6.75% per annum, and with respect to the 2025 Notes, interest is payable on June 1 and December 1 of each year at a rate of 7.00% per annum. Interest paid on the 2025 Notes during the three and nine months ended December 28, 2019 was $0.8 million and $1.6 million, respectively. Interest paid on the 2025 Notes during the three months ended December 29, 2018 was $4.0 million, and interest paid on the 2023 Notes and 2025 Notes during the nine months ended December 29, 2018 was $45.5 million.

In fiscal years 2018 and 2019, we retired all of the issued and outstanding 2023 Notes and $526.6 million of the 2025 Notes. As of December 28, 2019, an aggregate principal amount of $23.4 million of the 2025 Notes remained outstanding.

See Note 7 of the Notes to Condensed Consolidated Financial Statements for additional information regarding the 2023 Notes and the 2025 Notes.

2026 Notes On July 16, 2018, we issued $500.0 million aggregate principal amount of the 2026 Notes. On August 28, 2018 and March 5, 2019, we completed offerings of an additional $130.0 million and $270.0 million, respectively, aggregate principal amount of the 2026 Notes. The 2026 Notes are senior unsecured obligations of the Company and are guaranteed, jointly and severally, by each of the Guarantors. Interest on the 2026 Notes is payable on January 15 and July 15 of each year at a rate of 5.50% per annum. We paid no interest on the 2026 Notes during the three months ended December 28, 2019 and paid interest of $24.8 million on the 2026 Notes during the nine months ended December 28, 2019.

See Note 7 of the Notes to Condensed Consolidated Financial Statements for additional information regarding the 2026 Notes.

2029 Notes On September 30, 2019, we issued $350.0 million aggregate principal amount of the 2029 Notes. On December 20, 2019, we completed an offering of an additional $200.0 million aggregate principal amount of the 2029 Notes. The 2029 Notes are senior unsecured obligations of the Company and are guaranteed, jointly and severally, by each of the Guarantors.

Interest on the 2029 Notes is payable on October 15 and April 15 of each year at a rate of 4.375% per annum, commencing April 15, 2020.

See Note 7 of the Notes to Condensed Consolidated Financial Statements for additional information regarding the 2029 Notes.

Credit Agreement On December 5, 2017, we and 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”). On the same date, in connection with the execution of the Credit Agreement, we terminated our prior credit agreement, dated April 7, 2015.

The Credit Agreement included a senior delayed draw term loan of up to $400.0 million (the "Term Loan") and a $300.0 million revolving line of credit (the "Revolving Facility"). In addition, we may request one or more additional tranches of term loans or increases in the Revolving Facility, up to an aggregate of $300.0 million and subject to securing additional funding commitments from the existing or new lenders (the “Incremental Facility,” together with the Term Loan and the Revolving Facility, the “Credit Facility”). On the closing date, $100.0 million of the Term Loan was funded, and this amount was subsequently repaid in March 2018. On June 17, 2019, we drew $100.0 million of the Term Loan. The delayed draw availability period for the remaining $200.0 million of the Term Loan expired on December 31, 2019. The Revolving Facility 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 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. Outstanding amounts are due in full on the maturity date of December 5, 2022 (with amounts borrowed under the swing line option due in full no later than ten business days after such loan is made). During the three and nine months ended December 28, 2019, there were no borrowings under the Revolving Facility. Interest paid on the Term Loan during the three and nine months ended December 28, 2019 was $0.7 million and $1.6 million, respectively.

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. As of December 28, 2019, we were in compliance with all the financial covenants under the Credit Agreement.

See Note 7 of the Notes to Condensed Consolidated Financial Statements for additional information regarding the Credit Agreement.

Capital Commitments At December 28, 2019, we had capital commitments of approximately $47.5 million primarily for projects related to GaN technology capabilities, premium filter capacity and manufacturing cost savings initiatives, as well as for equipment replacements and general corporate purposes.

Pending Business Acquisitions On January 13, 2020, we entered into a definitive agreement to acquire Custom MMIC for a cash purchase price of approximately $105.0 million. In addition, on January 24, 2020, we entered into a definitive agreement to acquire Decawave for a cash purchase price of approximately $400.0 million.

See Note 15 of the Notes to Condensed Consolidated Financial Statements for additional information regarding the pending business acquisitions.

Future Sources of Funding Our future capital requirements may differ materially from those currently anticipated and will depend on many factors, including 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 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 third quarter of fiscal 2020. 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 March 30, 2019.

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 Rules 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 to 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 December 28, 2019 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 March 30, 2019, 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 March 30, 2019 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
September 29, 2019 to October 26, 2019	167	$ 75.91	167	$120.2 million
October 27, 2019 to November 23, 2019	486	$ 100.49	486	$954.3 million
November 24, 2019 to December 28, 2019	606	$ 104.81	606	$890.9 million
Total	1,259	$ 99.30	1,259	$890.9 million

On October 31, 2019, we announced that our Board of Directors authorized a new share repurchase program to repurchase up to $1.0 billion of the Company's outstanding common stock, which included approximately $117.0 million authorized under the prior program which was terminated concurrent with the new authorization. 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, does not have a fixed term, and may be modified, suspended or terminated at any time without prior notice.

ITEM 6. EXHIBITS.

4.1	Indenture, dated as of September 30, 2019, among Qorvo, Inc., the Guarantors party thereto and MUFG Union Bank, N.A., as Trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC on October 1, 2019)
4.2	Registration Rights Agreement, dated as of September 30, 2019, among Qorvo, Inc., the Guarantors named therein and BofA Securities, Inc., as representative of the several Initial Purchasers named therein (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K filed with the SEC on October 1, 2019)
4.3	Supplemental Indenture, dated as of December 20, 2019, among Qorvo, Inc., the Guarantors party thereto and MUFG Union Bank, N.A., as Trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC on December 20, 2019)
4.4	Registration Rights Agreement, dated as of December 20, 2019, among Qorvo, Inc., the Guarantors named therein and BofA Securities, Inc., as representative of the several Initial Purchasers named therein (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K filed with the SEC on December 20, 2019)
10.1	2019 Declaration of Amendment to Qorvo, Inc. 2007 Employee Stock Purchase Plan, dated as of October 30, 2019
10.2	2019 Declaration of Amendment to Qorvo, Inc. Nonqualified Deferred Compensation Plan, dated as of October 30, 2019
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 December 28, 2019, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets as of December 28, 2019 and March 30, 2019; (ii) the Condensed Consolidated Statements of Income for the three and nine months ended December 28, 2019 and December 29, 2018; (iii) the Condensed Consolidated Statements of Comprehensive Income for the three and nine months ended December 28, 2019 and December 29, 2018; (iv) the Condensed Consolidated Statements of Stockholders' Equity for the three and nine months ended December 28, 2019 and December 29, 2018; (v) the Condensed Consolidated Statements of Cash Flows for the nine months ended December 28, 2019 and December 29, 2018; and (vi) the Notes to Condensed Consolidated Financial Statements
104	The cover page from our Quarterly Report on Form 10-Q for the quarter ended December 28, 2019, formatted in iXBRL

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: January 30, 2020	/s/ Mark J. Murphy
	Mark J. Murphy
	Chief Financial Officer

2019 DECLARATION OF AMENDMENT TO
QORVO, INC.
2007 EMPLOYEE STOCK PURCHASE PLAN

THIS 2019 DECLARATION OF AMENDMENT, is made effective as of the 30th day of October, 2019, by QORVO, INC. (the "Company"), to the Company's 2007 Employee Stock Purchase Plan, as amended (the "Plan").

R E C I T A L S:

WHEREAS, the Board of Directors of the Company has deemed it advisable to amend the definition of "Fair Market Value" in the Plan to provide that the value of the Company's Common Stock as determined on an Exercise Date (as defined in the Plan) shall be the closing sales price for such stock on the trading date immediately preceding the Exercise Date; and

WHEREAS, the Company desires to evidence such amendment by this 2019 Declaration of Amendment.

NOW, THEREFORE, IT IS DECLARED that Section 2(r) of the Plan shall be and hereby is amended in its entirety as follows:

1. Amendment to Section 2(r). Section 2 ("Definitions") of the Plan is hereby amended by deleting Section 2(r) in its entirety and inserting the following in lieu thereof:

"(r) "Fair Market Value" means, as of any date and unless the Administrator determines otherwise, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the Nasdaq Stock Market, LLC, its Fair Market Value will be the closing sales price for such stock on the date immediately preceding the valuation date (or, if there is no closing sales price on such date, then on the trading date nearest preceding the valuation date for which closing price information is available) as quoted on such exchange or system on the valuation date, as reported in The Wall Street Journal or such other source as the Administrator deems reliable; provided, however, that the Fair Market Value of the Common Stock on (X) any Offering Date will be the closing sales price for such stock on the trading date immediately preceding such Offering Date and (Y) any Exercise Date will be the closing sales price for such stock on the trading date immediately preceding such Exercise Date;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value will be the mean of the closing bid and asked prices for the Common Stock on the date immediately preceding the valuation date, as reported in The Wall Street Journal or such other source as the Administrator deems reliable; provided, however, that the Fair Market Value of the Common Stock on (X) any Offering Date will be the mean of the closing bid and asked prices for such stock on the trading date immediately preceding such Offering Date and (Y) any Exercise Date will be the mean of the closing bid and asked prices for such stock on the trading date immediately preceding such Exercise Date; or

(iii) In the absence of an established market for the Common Stock, the Fair Market Value thereof will be determined in good faith by the Administrator."

2. Continued Effect. Except as set forth herein, the Plan shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, this 2019 Declaration of Amendment is executed on behalf of Qorvo, Inc. effective as of the day and year first above written.

QORVO, INC.

By: /s/ Robert A. Bruggeworth
Robert A. Bruggeworth
Chief Executive Officer

ATTEST:

/s/ Philip E. Smith
Philip E. Smith
Assistant Secretary

**2019 DECLARATION OF AMENDMENT TO
QORVO, INC.
NONQUALIFIED DEFERRED COMPENSATION PLAN**

THIS DECLARATION OF AMENDMENT, made the 30th day of October, 2019, by Qorvo, Inc. (the "Company"), as sponsor of the Qorvo, Inc. Nonqualified Deferred Compensation Plan (the "Plan").

R E C I T A L S :

It is deemed advisable to amend the eligibility provisions of the Plan to increase the minimum base salary requirement from $160,000 to $180,000 and to authorize the Retirement Plan Committee, as Administrator, to adjust the limit as necessary to continue to comply with the top-hat exemption under ERISA.

NOW, THEREFORE, it is declared that the Plan shall be and hereby is amended, effective for Plan Years beginning on and after January 1, 2020, as follows:

1. Delete Section 1.1(o) in its entirety and substitute therefor the following new Section 1.1(o):

"(o) "*Eligible Employee*" means (i) any U.S. payroll-based Employee who has an annualized rate of Base Salary of at least $180,000 (the "Base Salary Limit") and who is determined by the Administrator to be a management or highly compensated Employee of the Employer, (ii) any Outside Director, or (iii) any other Employee designated by the Company's Vice-President of Human Resources."

2. Delete Section 11.1(c) in its entirety and substitute therefor the following new Section 11.1(c):

"(c) To periodically adjust the Base Salary Limit set forth in Section 1.1(o) as necessary to continue to comply with the top-hat exemption under ERISA and to decide all questions concerning the Plan and the eligibility of any person to participate in the Plan;"

3. Add the following new sentence to the end of Section 8.1:

"Notwithstanding any provision of the Plan to the contrary, the Administrator's adjustment of the Base Salary Limit in accordance with Section 11.1(c) shall not require the approval of the Board or the adoption of a written amendment to the Plan."

IN WITNESS WHEREOF, this Declaration of Amendment has been executed on behalf of the Company as of the date and year first above written.

QORVO, INC.

By: /s/ Robert A. Bruggeworth
Robert A. Bruggeworth
Chief Executive Officer

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: January 30, 2020

/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: January 30, 2020

/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 December 28, 2019 (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

January 30, 2020

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 December 28, 2019 (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

January 30, 2020