

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

FORM 8-K

CURRENT REPORT

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

November 3, 2016

(Date of earliest event reported)



**Qorvo, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or Other Jurisdiction  
of Incorporation)

**001-36801**

(Commission File  
Number)

**46-5288992**

(I.R.S. Employer  
Identification No.)

**7628 Thorndike Road, Greensboro, North Carolina 27409-9421**

(Address of principal executive offices)

(Zip Code)

**(336) 664-1233**

(Registrant's telephone number, including area code)

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

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

**Item 2.02 Results of Operations and Financial Condition.**

On November 3, 2016, Qorvo, Inc. issued a press release announcing financial results for its fiscal 2017 second quarter ended October 1, 2016. A copy of this press release is furnished as Exhibit 99.1.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release, dated November 3, 2016 announcing financial results for Qorvo's fiscal 2017 second quarter ended October 1, 2016.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**Qorvo, Inc.**

By: /s/ Mark J. Murphy

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Mark J. Murphy

Chief Financial Officer

Date: November 3, 2016

## EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99.1	Press release, dated November 3, 2016 announcing financial results for Qorvo's fiscal 2017 second quarter ended October 1, 2016.



## News Release

### At Qorvo®

Doug DeLieto  
VP, Investor Relations  
336-678-7088

Mark Murphy  
CFO  
336-678-7088

### At the Financial Relations Board

Joe Calabrese  
Vice President  
212-827-3772

FOR IMMEDIATE RELEASE

November 3, 2016

## Qorvo® Reports Fiscal 2017 Second Quarter Results

### Board of Directors Authorizes \$500 Million Share Repurchase Program

Greensboro, NC, November 3, 2016 --

#### Highlights

- On a GAAP basis, fiscal 2017 second quarter revenue was \$864.7 million, gross margin was 36.6%, operating income was \$45.4 million, and diluted EPS was \$0.09
- On a Non-GAAP basis, fiscal 2017 second quarter revenue was \$863.7 million, gross margin was 42.8%, operating income was \$196.8 million, and diluted EPS was \$1.29
- Mobile Products (MP) revenue increased 22% year-over-year to \$706.1 million, supported by growth in premium-tier and mid-tier 4G LTE mobile devices
- MP enjoyed strong demand for BAW-based multiplexer solutions and delivered module prototypes containing BAW-based hexaplexers
- MP secured multiple placements of RF Fusion™ high-band, mid-band and low-band 4G LTE solutions in upcoming flagship smartphones at leading China-based smartphone OEMs
- Infrastructure and Defense Products (IDP) revenue increased 22% year-over-year to \$157.6 million, supported by growth in wireless infrastructure, WiFi, Defense & Aerospace, and IoT
- IDP enjoyed broad-based design win activity, highlighted by GaN on SiC products for military S-Band radar applications and 5GHz WiFi PAs for retail and enterprise
- Qorvo repurchased \$91 million of common stock in the fiscal second quarter and today announced a new \$500 million share repurchase program

Qorvo® (Nasdaq:QRVO), a leading provider of innovative RF solutions that connect the world, today announced financial results for the Company's fiscal 2017 second quarter, ended October 1, 2016. On a GAAP basis, fiscal

2017 second quarter revenue increased 22.1% year-over-year and 23.8% sequentially to \$864.7 million. Gross margin was 36.6%, operating income was \$45.4 million, and net income was \$11.8 million, or diluted EPS of \$0.09.

On a non-GAAP basis, gross margin was 42.8%, operating expenses were \$172.9 million, operating income was \$196.8 million, or 22.8% of sales, and net income was \$170.4 million, or diluted EPS of \$1.29. Gross margin decreased sequentially on both a GAAP and non-GAAP basis, due primarily to lower than expected manufacturing yields during a steep product ramp to a large customer.

Bob Bruggeworth, president and chief executive officer of Qorvo, said, “The Qorvo team did an excellent job delivering 22% year-over-year growth and achieving our goal of non-GAAP operating expenses at 20% of sales. At the same time, we made progress advancing core technologies and developing highly integrated Qorvo solutions for large customer opportunities in 2017 and 2018.

“It’s clear we have work to do on gross margin, and we’ve taken steps to address it. We continue to drive toward our operating model, including above-market revenue growth and non-GAAP operating income above 30%.

“Separately, we are pleased to announce that Qorvo’s Board of Directors this week has authorized a \$500 million share repurchase program.”

### **Financial Outlook**

Qorvo currently believes the demand environment in its end markets supports the following non-GAAP expectations for the December 2016 quarter:

- Quarterly revenue in the range of \$800 million to \$840 million
- Sequential gross margin expansion of 100 to 200 bps
- A tax rate of approximately 8%
- Diluted EPS in the range of \$1.15 to \$1.35

### **Selected Financial Information**

The following tables set forth selected GAAP and non-GAAP financial information for Qorvo for the periods indicated. See the more detailed financial information for Qorvo, including reconciliation of GAAP and non-GAAP financial information, attached.

**SELECTED GAAP RESULTS****(Unaudited)***(In millions, except for percentages and EPS)*

	<b>For the quarter ended October 1, 2016</b>	<b>For the quarter ended July 2, 2016</b>	<b>Change vs. Q1 FY 2017</b>
Revenue	\$ 864.7	\$ 698.5	\$ 166.2
Gross profit	\$ 316.8	\$ 276.5	\$ 40.3
Gross margin	36.6%	39.6%	-3.0 ppt
Operating expenses	\$ 271.4	\$ 270.7	\$ 0.7
Operating income	\$ 45.4	\$ 5.7	\$ 39.7
Net income (loss)	\$ 11.8	\$ (5.7)	\$ 17.5
Weighted average diluted shares	132.3	127.5	4.8
Diluted EPS	\$ 0.09	\$ (0.04)	\$ 0.13

**SELECTED NON-GAAP RESULTS<sup>1</sup>****(Unaudited)***(In millions, except for percentages and EPS)*

	<b>For the quarter ended October 1, 2016</b>	<b>For the quarter ended July 2, 2016</b>	<b>Change vs. Q1 FY 2017</b>
Revenue	\$ 863.7	\$ 697.6	\$ 166.1
Gross profit	\$ 369.7	\$ 336.2	\$ 33.5
Gross margin	42.8%	48.2%	-5.4 ppt
Operating expenses	\$ 172.9	\$ 168.6	\$ 4.3
Operating income	\$ 196.8	\$ 167.6	\$ 29.2
Net income	\$ 170.4	\$ 143.1	\$ 27.3
Weighted average diluted shares	132.3	132.6	(0.3)
Diluted EPS	\$ 1.29	\$ 1.08	\$ 0.21

**SELECTED GAAP RESULTS****(Unaudited)***(In millions, except for percentages and EPS)*

	<b>For the quarter ended October 1, 2016</b>		<b>For the quarter ended October 3, 2015</b>		<b>Change vs. Q2 FY 2016</b>
Revenue	\$	864.7	\$	708.3	\$ 156.4
Gross profit	\$	316.8	\$	284.8	\$ 32.0
Gross margin		36.6%		40.2%	-3.6 ppt
Operating expenses	\$	271.4	\$	266.8	\$ 4.6
Operating income	\$	45.4	\$	18.0	\$ 27.4
Net income	\$	11.8	\$	4.4	\$ 7.4
Weighted average diluted shares		132.3		150.8	(18.5)
Diluted EPS	\$	0.09	\$	0.03	\$ 0.06

**SELECTED NON-GAAP RESULTS<sup>1</sup>****(Unaudited)***(In millions, except for percentages and EPS)*

	<b>For the quarter ended October 1, 2016</b>		<b>For the quarter ended October 3, 2015</b>		<b>Change vs. Q2 FY 2016</b>
Revenue	\$	863.7	\$	707.4	\$ 156.3
Gross profit	\$	369.7	\$	351.6	\$ 18.1
Gross margin		42.8%		49.7%	-6.9 ppt
Operating expenses	\$	172.9	\$	156.8	\$ 16.1
Operating income	\$	196.8	\$	194.8	\$ 2.0
Net income	\$	170.4	\$	183.3	\$ (12.9)
Weighted average diluted shares		132.3		150.8	(18.5)
Diluted EPS	\$	1.29	\$	1.22	\$ 0.07

<sup>1</sup>Excludes stock-based compensation, amortization of intangibles, acquisition and integration related costs, intellectual property rights (IPR) litigation (settlement) costs, acquired inventory step-up and revaluation, non-cash deferred royalty revenue and equal and offsetting non-cash prepaid royalty amortization, start-up costs, restructuring and disposal costs, (gain) loss on assets, loss on investment, and an adjustment of income taxes.



## Non-GAAP Financial Measures

In addition to disclosing financial results calculated in accordance with United States (U.S.) generally accepted accounting principles (GAAP), this earnings release contains some or all of the following non-GAAP financial measures: (i) non-GAAP revenue, (ii) non-GAAP gross profit and gross margin, (iii) non-GAAP operating income and operating margin, (iv) non-GAAP net income, (v) non-GAAP net income per diluted share, (vi) non-GAAP operating expenses (research and development, marketing and selling and general and administrative), (vii) free cash flow, (viii) EBITDA, (ix) non-GAAP return on invested capital (ROIC), and (x) net debt or positive net cash. Each of these non-GAAP financial measures is either adjusted from GAAP results to exclude certain expenses or derived from multiple GAAP measures, which are outlined in the "Reconciliation of GAAP to Non-GAAP Financial Measures" tables, attached, and the "Additional Selected Non-GAAP Financial Measures and Reconciliations" tables, attached.

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

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

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

**Non-GAAP revenue.** Non-GAAP revenue excludes non-cash deferred royalty revenue. We believe that the exclusion of this non-cash adjustment to revenue provides management and investors a more effective means of evaluating our historical and projected performance.

**Non-GAAP gross profit and gross margin.** Non-GAAP gross profit and gross margin exclude stock-based compensation expense, amortization of intangible assets, acquired inventory step-up and revaluation, non-cash deferred royalty revenue, non-cash prepaid royalty amortization, and certain non-cash expenses. We believe that exclusion of these costs in presenting non-GAAP gross profit and gross margin gives management and investors a more effective means of evaluating Qorvo's historical performance and projected costs and the potential for realizing cost efficiencies. We believe that the majority of Qorvo's purchased intangibles are not relevant to analyzing current operations because they generally represent costs incurred by the acquired company to build value prior to acquisition, and thus are effectively part of transaction costs rather than ongoing costs of operating Qorvo's business. In this regard, we note that (i) once the intangibles are fully amortized, the intangibles will not be replaced with cash costs and therefore, the exclusion of these costs provides management and investors with better visibility into the actual costs required to generate revenues over time, and (ii) although we set the amortization expense based on useful life of the various assets at the time of the transaction, we cannot influence the timing and amount of the future amortization expense recognition once the lives are established. Similarly, we believe that

presentation of non-GAAP gross profit and gross margin and other non-GAAP financial measures that exclude the impact of stock-based compensation expense assists management and investors in evaluating the period-over-period performance of Qorvo's ongoing operations because (i) the expenses are non-cash in nature, and (ii) although the size of the grants is within our control, the amount of expense varies depending on factors such as short-term fluctuations in stock price volatility and prevailing interest rates, which can be unrelated to the operational performance of Qorvo during the period in which the expense is incurred and generally are outside the control of management. Moreover, we believe that the exclusion of stock-based compensation expense in presenting non-GAAP gross profit and gross margin and other non-GAAP financial measures is useful to investors to understand the impact of the expensing of stock-based compensation to Qorvo's gross profit and gross margins and other financial measures in comparison to both prior periods as well as to its competitors. We also believe that the adjustments to profit and margin related to non-cash deferred royalty revenue, non-cash prepaid royalty amortization, acquired inventory step-up and revaluation, restructuring and disposal costs and certain non-cash expenses do not constitute part of Qorvo's ongoing operations and therefore the exclusion of these items provides management and investors with better visibility into the actual revenue and actual costs required to generate revenues over time and gives management and investors a more effective means of evaluating our historical and projected performance. We believe disclosure of non-GAAP gross profit and gross margin has economic substance because the excluded expenses do not represent continuing cash expenditures and, as described above, we have little control over the timing and amount of the expenses in question.

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

**Non-GAAP net income and non-GAAP net income per diluted share.** Non-GAAP net income and non-GAAP net income per diluted share exclude the effects of stock-based compensation expense, amortization of intangible assets, acquired inventory step-up and revaluation, restructuring and disposal costs, acquisition and integration related costs, IPR litigation (settlement) costs, loss (gain) on assets, start-up costs, certain non-cash expenses, loss on investment and also reflect an adjustment of income taxes. The income tax adjustment primarily represents the use of net operating loss and research and development tax credit carryforwards, deferred tax expense not affecting taxes payable, tax deductible stock-based compensation expense in excess of GAAP stock-based compensation expense, and non-cash expense (benefit) related to uncertain tax positions. We believe that presentation of measures of net income and net income per diluted share that exclude these items is useful to both management and investors for the reasons described above with respect to non-GAAP gross profit and gross margin and non-GAAP operating income and operating margin. We believe disclosure of non-GAAP net income and non-GAAP net income per diluted share has economic substance because the excluded expenses are either unrelated to ongoing operations or do not represent current cash expenditures.

**Non-GAAP research and development, marketing and selling and general and administrative expenses.** Non-GAAP research and development, marketing and selling and general and administrative expenses exclude stock-based compensation expense, amortization of intangible assets, acquisition and integration related costs, IPR litigation (settlement) costs and certain non-cash expenses. We believe that presentation of measures of these operating

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

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

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

**Non-GAAP ROIC.** Return on invested capital (ROIC) is a non-GAAP financial measure that management believes provides useful supplemental information for management and the investor by measuring the effectiveness of our operations' use of invested capital to generate profits. We use ROIC to track how much value we are creating for our shareholders. Non-GAAP ROIC is calculated by dividing annualized non-GAAP operating income, net of an adjustment for income taxes (as described above), by average invested capital. Average invested capital is calculated by subtracting the average of the beginning balance and the ending balance of current liabilities (excluding the current portion of long-term debt and other short-term financings) from the average of the beginning balance and the ending balance of net accounts receivable, inventories, other current assets, net property and equipment and a cash amount equal to seven days of quarterly revenue.

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

Our earnings release contains forward-looking non-GAAP revenue, gross margin, income tax rate and diluted earnings per share. We provide these non-GAAP measures to investors on a prospective basis for the same reasons (set forth above) that we provide them to investors on a historical basis. GAAP revenue is expected to reconcile within \$1.0 million of the quarterly forecasted non-GAAP revenue. We are unable to provide a reconciliation of the remaining forward-looking non-GAAP financial measures to the most directly comparable forward-looking GAAP financial measures because due to variability and difficulty in making accurate projections for items such as stock-based compensation, integration related costs, restructuring charges and the provision for income taxes, we are unable to quantify certain amounts that would be required to be included in the GAAP measures without unreasonable effort. We believe such reconciliations would imply a degree of precision that would be confusing or misleading to investors.

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

Qorvo will conduct a conference call at 5:00 p.m. EST today to discuss today's press release. The conference call will be broadcast live over the Internet and can be accessed by any interested party at <http://www.qorvo.com> (under "Investors"). A telephone playback of the conference call will be available approximately two hours after the call's completion and can be accessed by dialing 719-457-0820 and using passcode 7180928. The playback will be available through the close of business November 10, 2016.

## **About Qorvo**

Qorvo (NASDAQ:QRVO) makes a better world possible by providing innovative RF solutions at the center of connectivity. We combine product and technology leadership, systems-level expertise and global manufacturing scale to quickly solve our customers' most complex technical challenges. Qorvo serves diverse high-growth segments of large global markets, including advanced wireless devices, wired and wireless networks and defense radar and communications. We also leverage our unique competitive strengths to advance 5G networks, cloud computing, the Internet of Things, and other emerging applications that expand the global framework interconnecting people, places and things. Visit [www.qorvo.com](http://www.qorvo.com) to learn how Qorvo connects the world.

This press release 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 the federal securities laws. Qorvo's business is subject to numerous risks and uncertainties, including variability in operating results, the inability of certain of our customers or suppliers to access their traditional sources of credit, our industry's rapidly changing technology, our dependence on a few large customers for a substantial portion of our revenue, a loss of revenue if contracts with the U.S. government or defense and aerospace contractors are canceled or delayed, our ability to implement innovative technologies, our ability to bring new products to market and achieve design wins, the efficient and successful operation of our wafer fabrication facilities, assembly facilities and test and tape and reel facilities, our ability to adjust production capacity in a timely fashion in response to changes in demand for our products, variability in manufacturing yields, industry overcapacity and current macroeconomic conditions, inaccurate product forecasts and corresponding inventory and manufacturing costs, dependence on third parties and our ability to manage platform providers and customer relationships, our dependence on international sales and operations, our ability to attract and retain skilled personnel

and develop leaders, the possibility that future acquisitions may dilute our shareholders' ownership and cause us to incur debt and assume contingent liabilities, fluctuations in the price of our common stock, additional claims of infringement on our intellectual property portfolio, lawsuits and claims relating to our products, security breaches and other similar disruptions compromising our information and exposing us to liability, and the impact of stringent environmental regulations. These and other risks and uncertainties, which are described in more detail in Qorvo's most recent Annual Report on Form 10-K and in other reports and statements filed with the Securities and Exchange Commission, could cause actual results and developments to be materially different from those expressed or implied by any of these forward-looking statements.

###

Financial Tables to Follow

QRVO-F

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

	Three Months Ended		Six Months Ended	
	October 1, 2016	October 3, 2015	October 1, 2016	October 3, 2015
Revenue	\$ 864,698	\$ 708,335	\$ 1,563,235	\$ 1,381,976
Costs and expenses:				
Cost of goods sold	547,899	423,487	969,961	817,611
Research and development	126,078	118,293	243,215	235,503
Marketing and selling	108,128	105,925	217,164	215,570
General and administrative	30,455	29,069	65,014	65,152
Other operating expense	6,745	13,522	16,747	31,436
Total costs and expenses	819,305	690,296	1,512,101	1,365,272
Income from operations	45,393	18,039	51,134	16,704
Interest expense	(15,554)	(660)	(30,741)	(1,208)
Other (expense) income, net	(119)	853	(341)	5,364
Income before income taxes	\$ 29,720	\$ 18,232	\$ 20,052	\$ 20,860
Income tax expense	(17,873)	(13,784)	(13,880)	(14,376)
Net income	\$ 11,847	\$ 4,448	\$ 6,172	\$ 6,484
Net income per share, diluted	\$ 0.09	\$ 0.03	\$ 0.05	\$ 0.04
Weighted average outstanding diluted shares	132,329	150,783	132,461	152,562

**QORVO, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**  
*(In thousands, except per share data)*  
*(Unaudited)*

	<b>Three Months Ended</b>		
	<b>October 1, 2016</b>	<b>July 2, 2016</b>	<b>October 3, 2015</b>
GAAP operating income	\$ 45,393	\$ 5,741	\$ 18,039
Stock-based compensation expense	26,042	30,594	35,729
Amortization of intangible assets	119,646	119,345	128,028
Acquired inventory step-up and revaluation	318	1,199	—
Restructuring and disposal costs	468	414	2,403
IPR litigation (settlement) costs	(5,100)	156	192
Acquisition and integration related costs	8,962	6,760	5,589
Start-up costs	2,012	2,076	3,496
Other (including (gain) loss on assets and other non-cash expenses)	(928)	1,343	1,348
Non-GAAP operating income	<u>\$ 196,813</u>	<u>\$ 167,628</u>	<u>\$ 194,824</u>
GAAP net income (loss)	\$ 11,847	\$ (5,675)	\$ 4,448
Stock-based compensation expense	26,042	30,594	35,729
Amortization of intangible assets	119,646	119,345	128,028
Acquired inventory step-up and revaluation	318	1,199	—
Restructuring and disposal costs	468	414	2,403
IPR litigation (settlement) costs	(5,100)	156	192
Acquisition and integration related costs	8,962	6,760	5,589
Start-up costs	2,012	2,076	3,496
Other (including (gain) loss on assets and other non-cash expenses)	(928)	1,343	1,348
Loss on investment	169	456	—
Adjustment of income taxes	6,974	(13,545)	2,050
Non-GAAP net income	<u>\$ 170,410</u>	<u>\$ 143,123</u>	<u>\$ 183,283</u>
GAAP weighted average outstanding diluted shares	132,329	127,541	150,783
Diluted stock-based awards	—	5,053	—
Non-GAAP weighted average outstanding diluted shares	<u>132,329</u>	<u>132,594</u>	<u>150,783</u>
Non-GAAP net income per share, diluted	<u>\$ 1.29</u>	<u>\$ 1.08</u>	<u>\$ 1.22</u>

**QORVO, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**  
(In thousands, except percentages)  
(Unaudited)

	<b>Three Months Ended</b>					
	<b>October 1, 2016</b>		<b>July 2, 2016</b>		<b>October 3, 2015</b>	
GAAP gross profit/margin	\$ 316,799	36.6%	\$ 276,475	39.6%	\$ 284,848	40.2%
Adjustment for intangible amortization	47,191	5.5%	47,094	6.7%	56,092	7.9%
Acquired inventory step-up and revaluation	318	—%	1,199	0.2%	—	—%
Adjustment for stock-based compensation	5,263	0.6%	10,758	1.5%	10,245	1.4%
Other non-cash expenses	112	—%	682	0.1%	421	0.1%
Non-cash deferred royalty revenue and equal and offsetting non-cash prepaid royalty amortization (\$970)	—	0.1%	—	0.1%	—	0.1%
Non-GAAP gross profit/margin	<u>\$ 369,683</u>	<u>42.8%</u>	<u>\$ 336,208</u>	<u>48.2%</u>	<u>\$ 351,606</u>	<u>49.7%</u>

<b>Non-GAAP Operating Income</b>	<b>Three Months Ended</b>
<i>(as a percentage of sales)</i>	<b>October 1, 2016</b>

GAAP operating income	5.3 %
Stock-based compensation expense	3.0 %
Amortization of intangible assets	13.9 %
Restructuring and disposal costs	0.1 %
IPR litigation (settlement) costs	(0.6)%
Acquisition and integration related costs	1.0 %
Start-up costs	0.2 %
Other (including (gain) loss on assets and other non-cash expenses)	(0.1)%
Non-GAAP operating income	<u>22.8 %</u>

<b>Free Cash Flow (1)</b>	<b>Three Months Ended</b>
<i>(in millions)</i>	<b>October 1, 2016</b>
Net cash provided by operating activities	\$ 250.0
Purchases of property and equipment	(120.0)
Free cash flow	<u>\$ 130.0</u>

(1) Free Cash Flow is calculated as net cash provided by operating activities minus property and equipment expenditures.



**QORVO, INC. AND SUBSIDIARIES**  
**ADDITIONAL SELECTED NON-GAAP FINANCIAL MEASURES AND RECONCILIATIONS**  
*(In thousands)*  
*(Unaudited)*

	<b>Three Months Ended</b>		
	<b>October 1, 2016</b>	<b>July 2, 2016</b>	<b>October 3, 2015</b>
GAAP research and development expense	\$ 126,078	\$ 117,137	\$ 118,293
Less:			
Stock-based compensation expense	6,768	6,343	11,526
Acquisition and integration related costs	3,597	—	—
Other non-cash expenses	56	219	239
Non-GAAP research and development expense	<u>\$ 115,657</u>	<u>\$ 110,575</u>	<u>\$ 106,528</u>

	<b>Three Months Ended</b>		
	<b>October 1, 2016</b>	<b>July 2, 2016</b>	<b>October 3, 2015</b>
GAAP marketing and selling expense	\$ 108,128	\$ 109,036	\$ 105,925
Less:			
Stock-based compensation expense	3,130	2,772	5,273
Amortization of intangible assets	72,455	72,251	71,936
Other non-cash expenses	26	44	34
Non-GAAP marketing and selling expense	<u>\$ 32,517</u>	<u>\$ 33,969</u>	<u>\$ 28,682</u>

	<b>Three Months Ended</b>		
	<b>October 1, 2016</b>	<b>July 2, 2016</b>	<b>October 3, 2015</b>
GAAP general and administrative expense	\$ 30,455	\$ 34,559	\$ 29,069
Less:			
Stock-based compensation expense	10,833	10,322	7,241
Other non-cash expenses	24	45	64
IPR litigation (settlement) costs	(5,099)	156	192
Non-GAAP general and administrative expense	<u>\$ 24,697</u>	<u>\$ 24,036</u>	<u>\$ 21,572</u>

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

	<u>October 1, 2016</u>	<u>April 2, 2016</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 469,219	\$ 425,881
Short-term investments	—	186,808
Accounts receivable, net	491,489	316,356
Inventories	437,135	427,551
Other current assets	184,693	152,614
Total current assets	<u>1,582,536</u>	<u>1,509,210</u>
Property and equipment, net	1,240,050	1,046,888
Goodwill	2,174,918	2,135,697
Intangible assets, net	1,656,158	1,812,515
Long-term investments	34,902	26,050
Other non-current assets	63,058	66,459
Total assets	<u>\$ 6,751,622</u>	<u>\$ 6,596,819</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 535,916	\$ 343,253
Other current liabilities	21,529	30,548
Total current liabilities	<u>557,445</u>	<u>373,801</u>
Long-term debt	988,625	988,130
Deferred tax liabilities	146,927	152,160
Other long-term liabilities	82,249	83,056
Total liabilities	<u>1,775,246</u>	<u>1,597,147</u>
Stockholders' equity	4,976,376	4,999,672
Total liabilities and stockholders' equity	<u>\$ 6,751,622</u>	<u>\$ 6,596,819</u>