

Cirrus Logic Reports Fiscal First Quarter Revenue of \$317.0 Million

AUSTIN, Texas – Aug. 3, 2023 – Cirrus Logic, Inc. (NASDAQ: CRUS) today posted on its website at investor.cirrus.com the quarterly Shareholder Letter that contains the complete financial results for the first quarter fiscal year 2024, which ended June 24, 2023, as well as the company's current business outlook.

"Cirrus Logic reported revenue for the June quarter towards the top end of guidance as we benefited from higher-than-expected unit volumes," said John Forsyth, Cirrus Logic president and chief executive officer. "During the quarter, we taped out our next-generation boosted amplifier, completed product validation on our first 22-nanometer smart codec, and began ramping production of our latest camera controller. We also made progress on product and end-market diversification as we gained momentum in laptops and began selectively refreshing certain core product lines that are expected to drive expansion outside of smartphones."

Reported Financial Results – First Quarter FY24

- Revenue of \$317.0 million:
- GAAP and non-GAAP gross margin of 50.3 percent and 50.4 percent;
- GAAP operating expenses of \$141.6 million and non-GAAP operating expenses of \$113.8 million; and
- GAAP earnings per share of \$0.28 and non-GAAP earnings per share of \$0.67.

A reconciliation of GAAP to non-GAAP financial information is included in the tables accompanying this press release.

Business Outlook – Second Quarter FY24

- Revenue is expected to range between \$430 million and \$490 million;
- GAAP gross margin is forecasted to be between 49 percent and 51 percent; and
- Combined GAAP R&D and SG&A expenses are anticipated to range between \$141 million and \$147 million, including approximately \$22 million in stock-based compensation expense, \$2 million in amortization of acquired intangibles, and \$3 million in acquisition-related costs and restructuring charges associated with our recently announced workforce reduction.

Cirrus Logic will host a live Q&A session at 6 p.m. EDT today to discuss its financial results and business outlook. Participants may listen to the conference call on the investor relations website at <u>investor.cirrus.com</u>. A replay of the webcast can be accessed on the Cirrus Logic website approximately two hours following its completion or by calling (647) 362-9199, or toll-free at (800) 770-2030 (Access Code: 95424).

Cirrus Logic to Present at Upcoming Conference

Cirrus Logic Chief Financial Officer Venk Nathamuni and Vice President of Mixed-Signal Products Carl Alberty will present at the KeyBanc Technology Leadership Forum in Vail, Colorado on August 7, 2023 at 2:30 p.m. MDT. A live webcast and replay of the presentation will be available on the company's investor relations website.

About Cirrus Logic, Inc.

Cirrus Logic is a leader in low-power, high-precision mixed-signal processing solutions that create innovative user experiences for the world's top mobile and consumer applications. With headquarters in Austin, Texas, Cirrus Logic is recognized globally for its award-winning corporate culture.

Cirrus Logic, Cirrus and the Cirrus Logic logo are registered trademarks of Cirrus Logic, Inc. All other company or product names noted herein may be trademarks of their respective holders.

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Use of non-GAAP Financial Information

To supplement Cirrus Logic's financial statements presented on a GAAP basis, the company has provided non-GAAP financial information, including non-GAAP net income, diluted earnings per share, diluted share count, operating income and profit, operating expenses, gross margin and profit, tax expense, tax expense impact on earnings per share, effective tax rate, free cash flow, and free cash flow margin. A reconciliation of the adjustments to GAAP results is included in the tables below. Non-GAAP financial information is not meant as a substitute for GAAP results but is included because management believes such information is useful to our investors for informational and comparative purposes. In addition, certain non-GAAP financial information is used internally by management to evaluate and manage the company. The non-GAAP financial information used by Cirrus Logic may differ from that used by other companies. These non-GAAP measures should be considered in addition to, and not as a substitute for, the results prepared in accordance with GAAP.

Safe Harbor Statement

Except for historical information contained herein, the matters set forth in this news release contain forward-looking statements including our statements about our ability to make progress with product and end-market diversification and refresh certain core product lines that are expected to drive expansion outside of smartphones; and our estimates for the second quarter fiscal year 2024 revenue, gross margin, combined research and development and selling, general and administrative expense levels, stock compensation expense, amortization of acquired intangibles and acquisition-related costs and restructuring charges associated with our recently announced workforce reduction. In some cases, forward-looking statements are identified by words such as "expect," "anticipate," "target," "project," "believe," "goals," "opportunity," "estimates," "intend," and variations of these types of words and similar expressions. In addition, any statements that refer to our plans, expectations, strategies, or other characterizations of future events or circumstances are forward-looking statements. These forwardlooking statements are based on our current expectations, estimates, and assumptions and are subject to certain risks and uncertainties that could cause actual results to differ materially, and readers should not place undue reliance on such statements. These risks and uncertainties include, but are not limited to, the following: our ability to develop and ramp new products in a timely manner, including our nextgeneration boosted amplifier, our first 22-nm smart codec, and latest camera controller; our ability to commercialize new research and development efforts into new markets outside of smartphones; and the level and timing of orders and shipments during the second quarter of fiscal year 2024, customer cancellations of orders, or the failure to place orders consistent with forecasts, along with the risk factors listed in our Form 10-K for the year ended March 25, 2023 and in our other filings with the Securities and Exchange Commission, which are available at www.sec.gov. The foregoing information concerning our business outlook represents our outlook as of the date of this news release, and we expressly disclaim any obligation to update or revise any forward-looking statements, whether as a result of new developments or otherwise.

Summary Financial Data Follows:

CONSOLIDATED CONDENSED STATEMENT OF OPERATIONS

(in thousands, except per share data; unaudited)

		Three Months Ended												
	Jun. 24,			Mar. 25,		Jun. 25,								
		2023		2023		2023		2023		2023		2023		2022
		Q1'24		Q4'23		Q1'23								
Audio	\$	195,806	\$	232,402	\$	254,496								
High-Performance Mixed-Signal		121,210		140,420		139,143								
Net sales		317,016		372,822		393,639								
Cost of sales		157,629		186,468		191,005								
Gross profit		159,387		186,354		202,634								
Gross margin		50.3%		50.0%		51.5%								
Research and development		106,215		115,162		109,716								
Selling, general and administrative		35,379		37,642		38,642								
Lease impairments and restructuring		_		10,632		_								
Intangibles impairment				85,760										
Total operating expenses		141,594		249,196		148,358								
Income (loss) from operations		17,793		(62,842)		54,276								
Interest income (expense)		4,600		4,720		305								
Other income (expense)		377		(464)		506								
Income (loss) before income taxes		22,770		(58,586)		55,087								
Provision for income taxes		7,170		(4,917)		15,380								
Net income (loss)	<u>\$</u>	15,600	\$	(53,669)	\$	39,707								
Basic earnings (loss) per share	\$	0.28	\$	(0.97)	\$	0.71								
Diluted earnings (loss) per share:	\$	0.28	\$	(0.97)	\$	0.69								
Weighted average number of shares:														
Basic		54,862		55,219		56,277								
Diluted		56,631		55,219		57,804								

Prepared in accordance with Generally Accepted Accounting Principles

RECONCILIATION BETWEEN GAAP AND NON-GAAP FINANCIAL INFORMATION

(in thousands, except per share data; unaudited) (not prepared in accordance with GAAP)

Non-GAAP financial information is not meant as a substitute for GAAP results, but is included because management believes such information is useful to our investors for informational and comparative purposes. In addition, certain non-GAAP financial information is used internally by management to evaluate and manage the company. As a note, the non-GAAP financial information used by Cirrus Logic may differ from that used by other companies. These non-GAAP measures should be considered in addition to, and not as a substitute for, the results prepared in accordance with GAAP.

1988年			Three Months Ended					
Real Post Income (Loss) QU34 VY35 9.78 CASP YR Longer \$ 1,500 \$ 3,500 \$ 3,500 CASP YR Longer (Loss) 2,175 2,753 \$ 7,875 Sick longer (Longer) 2,271 2,233 18,185 Interpolity (Loss) 3,160 3,570 - 3,160 Interpolity (Loss) 3,160 3,570 - 3,160 Adjustment to recome taxes (5,623) (3,404) 4,000 And Confort (Loss) 8,000 3,160 4,000 And Confort (Loss) 8,000 2,000 4,000 All Confort (Loss) 8,000 9,000 9,000 All Confort (Loss) 9,000 9,000 9,000 All Confort (Loss) 9,000 9,000 9,000 Effect of Acquisition to come taxes 9,000 9,000 9,000 Effect of Acquisition to come taxes 9,000 9,000 9,000 Effect of Acquisition to come taxes 9,000 9,000 9,000 Effect of Acquisition to come taxes 9,000 9,000<						Jun. 25,		
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Agenitamenta comme taxes 3,16 3,16 3,16 3,16 3,16 3,16 3,10 3	Lease impairments and restructuring		_	10,632		_		
Agent comment	Intangibles impairment		_	85,760		_		
Rammel (Jass) Per Share Reconcilitation 8 8.0.2.3 \$ 1.0.0.0 \$ 0.00 \$ 0.00 <	Acquisition-related costs		3,166	3,166		3,164		
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Lease impairments and restructuring — 10,632 — Intangibles impairment — 85,760 — Acquisition-related costs 3,166 3,166 3,164 Non-GAAP Operating Income \$ 45,844 \$ 66,906 \$ 83,413 Non-GAAP Operating Profit 14,59 \$ 140,594 \$ 12,295 CPARTING Expense Reconciliation \$ 141,594 \$ 249,196 \$ 148,358 Stock-based compensation expense - R&D (2,170) (7,657) (7,835) Stock-based compensation expense - R&D (15,952) (15,782) (12,592) Stock-based compensation expense - S&A (6,478) (6,379) (5,269) Lease impairments and restructuring — (85,760) — Intagibles impairment — (85,760) — Acquisition-related costs (3,166) (3,166) (3,164) Non-GAAP Operating Expenses 113,828 119,820 119,498 Cross Margin/Profit Reconciliation 150,338 186,554 202,634 GAAP Gross Profit 150,338 186,554	Stock-based compensation expense - R&D		15,952	15,782		12,592		
Intangibles impairment — 85,760 — Acquisition-related costs 3,166 3,166 3,164 Non-GAAP Operating Income \$ 45,844 \$ 66,906 \$ 83,413 Non-GAAP Operating Profit 14.5% \$ 66,906 \$ 83,413 Operating Expense Reconciliation \$ 141,594 \$ 249,196 \$ 184,858 Amortization of acquisition intangibles \$ (2,170) \$ (7,637) \$ (7,835) Stock-based compensation expense - R&D \$ (15,952) \$ (15,782) \$ (12,592) Stock-based compensation expense - S&A \$ (6,478) \$ (3,63) \$ (3,264) Lease impairments and restructuring \$ (6,478) \$ (85,760) — Intangibles impairment \$ (3,164) \$ (3,164) \$ (3,164) Acquisition-related costs \$ (3,164) \$ (3,164) \$ (3,164) Non-GAAP Operating Expenses \$ (3,164) \$ (3,164) \$ (3,164) Acquisition intangibles impairment \$ (3,164) \$ (3,164) \$ (3,164) Non-GAAP Operating Expenses \$ (3,164) \$ (3,164) \$ (3,164) \$ (3,164)	Stock-based compensation expense - SG&A		6,478	6,379		5,269		
Acquisition-related costs 3,166 3,168 3,164 Non-GAAP Operating Income \$ 45,844 \$ 66,906 \$ 83,413 Non-GAAP Operating Profit 11,55 17,9% 21,25% Operating Expense Reconciliation \$ 141,594 \$ 249,196 \$ 188,358 Amortization of acquisition intangibles (2,170) 7,657 7,835 Stock-based compensation expense - R&D (15,952) (15,782) (12,592) Stock-based compensation expense - S&A (6,478) (6,379) (5,269) Lease impairments and restructuring - (10,632) - Intangibles impairment - (3,166) (3,164) - Acquisition-related costs 3 (3,166) (3,164) (3,164) - - Non-GAAP Operating Expenses 3 (3,166) (3,164) (3,164) -	Lease impairments and restructuring		_	10,632		_		
Non-GAAP Operating Income \$ 45,844 \$ 66,906 \$ 83,413 Non-GAAP Operating Profit 14.5% 17.9% 21.2% Operating Expense Reconciliation State of the profit of acquisition intangibles \$ 141,594 \$ 249,196 \$ 148,588 Amortization of acquisition intangibles (2,170) (7,657) (7,835) Stock-based compensation expense - R&D (15,952) (15,782) (12,592) Stock-based compensation expense - SG&A (6,478) (6,379) (5,269) Lease impairments and restructuring — (10,632) — Intangibles impairment — (85,760) — Acquisition-related costs (3,166) (3,166) (3,164) Non-GAAP Operating Expenses \$ 113,828 \$ 119,820 \$ 119,498 Gross Margin/Profit Reconciliation \$ 159,378 \$ 186,354 \$ 202,634 GAAP Gross Profit \$ 159,378 \$ 180,354 \$ 202,634 Stock-based compensation expense - COGS \$ 285 372 277 Non-GAAP Gross Profit \$ 159,672 \$ 186,726	Intangibles impairment		_	85,760		_		
Non-GAAP Operating Profit 14.5 % 17.9 % 21.2 % Operating Expense Reconciliation CAAP Operating Expenses \$ 141,594 \$ 249,196 \$ 148,358 Amortization of acquisition intangibles (2,170) (7,657) (7,835) Stock-based compensation expense - R&D (15,952) (15,782) (12,592) Stock-based compensation expense - SG&A (6,478) (6,379) (5,269) Lease impairments and restructuring — (10,632) — Intangibles impairment — (85,760) — Acquisition-related costs (3,166) (3,166) (3,164) Non-GAAP Operating Expenses \$ 113,828 \$ 119,820 \$ 119,498 Gross Margin/Profit Reconciliation \$ 159,387 \$ 186,354 \$ 202,634 GAAP Gross Profit \$ 159,387 \$ 186,354 \$ 202,634 Gock-based compensation expense - COGS 285 372 277 Non-GAAP Gross Profit \$ 159,672 \$ 186,726 \$ 202,911	Acquisition-related costs		3,166	3,166		3,164		
Operating Expense Reconciliation \$ 141,594 \$ 249,196 \$ 148,358 Amortization of acquisition intangibles (2,170) (7,657) (7,835) Stock-based compensation expense - R&D (15,952) (15,782) (12,592) Stock-based compensation expense - SG&A (6,478) (6,379) (5,269) Lease impairments and restructuring — (10,632) — Intangibles impairment — (85,760) — Acquisition-related costs (3,166) (3,166) (3,164) Non-GAAP Operating Expenses \$ 113,828 \$ 119,820 \$ 119,498 Gross Margin/Profit Reconciliation \$ 159,387 \$ 186,354 \$ 202,634 GAAP Gross Profit \$ 0,000 \$ 50.000 \$ 51.500 Stock-based compensation expense - COGS 285 372 277 Non-GAAP Gross Profit \$ 159,672 \$ 186,726 \$ 202,911	Non-GAAP Operating Income	<u>s</u>		66,906	S	83,413		
GAAP Operating Expenses \$ 141,594 \$ 249,196 \$ 148,358 Amortization of acquisition intangibles (2,170) (7,657) (7,835) Stock-based compensation expense - R&D (15,952) (15,782) (12,592) Stock-based compensation expense - SG&A (6,478) (6,379) (5,269) Lease impairments and restructuring — (10,632) — Intangibles impairment — (85,760) — Acquisition-related costs (3,166) (3,166) (3,164) Non-GAAP Operating Expenses \$ 113,828 \$ 119,820 \$ 119,498 Gross Margin/Profit Reconciliation \$ 159,387 \$ 186,554 \$ 202,634 GAAP Gross Profit 50.3% 50.0% 51.5% Stock-based compensation expense - COGS 285 372 277 Non-GAAP Gross Profit \$ 159,672 \$ 186,726 \$ 202,911	Non-GAAP Operating Profit		14.5 %	17.9 %		21.2 %		
Amortization of acquisition intangibles (2,170) (7,657) (7,835) Stock-based compensation expense - R&D (15,952) (15,782) (12,592) Stock-based compensation expense - SG&A (6,478) (6,379) (5,269) Lease impairments and restructuring — (10,632) — Intangibles impairment — (85,760) — Acquisition-related costs (3,166) (3,166) (3,164) Non-GAAP Operating Expenses \$ 113,828 \$ 119,820 \$ 119,498 Gross Margin/Profit Reconciliation \$ 159,387 \$ 186,554 \$ 202,634 GAAP Gross Margin 50.3% 50.0% 51.5% Stock-based compensation expense - COGS 285 372 277 Non-GAAP Gross Profit \$ 159,672 \$ 186,726 \$ 202,911	Operating Expense Reconciliation							
Stock-based compensation expense - R&D (15,982) (15,782) (12,592) Stock-based compensation expense - SG&A (6,478) (6,379) (5,269) Lease impairments and restructuring — (10,632) — Intangibles impairment — (85,760) — Acquisition-related costs (3,166) (3,166) (3,164) Non-GAAP Operating Expenses \$ 113,828 \$ 119,820 \$ 119,498 Gross Margin/Profit Reconciliation \$ 159,387 \$ 186,554 \$ 202,634 GAAP Gross Margin 50.3% 50.0% 51.5% Stock-based compensation expense - COGS 285 372 277 Non-GAAP Gross Profit \$ 159,672 \$ 186,726 \$ 202,911	GAAP Operating Expenses	\$	141,594 \$	249,196	\$	148,358		
Stock-based compensation expense - SG&A (6,478) (6,379) (5,269) Lease impairments and restructuring — (10,632) — Intangibles impairment — (85,760) — Acquisition-related costs (3,166) (3,166) (3,164) Non-GAAP Operating Expenses \$ 113,828 \$ 119,820 \$ 119,498 Gross Margin/Profit Reconciliation \$ 159,387 \$ 186,354 \$ 202,634 GAAP Gross Margin 50.3 % 50.0 % 51.5 % Stock-based compensation expense - COGS 285 372 277 Non-GAAP Gross Profit \$ 159,672 \$ 186,726 \$ 202,911	Amortization of acquisition intangibles		(2,170)	(7,657)		(7,835)		
Lease impairments and restructuring — (10,632) — Intangibles impairment — (85,760) — Acquisition-related costs (3,166) (3,166) (3,164) Non-GAAP Operating Expenses \$ 113,828 \$ 119,820 \$ 119,498 Gross Margin/Profit Reconciliation \$ 159,387 \$ 186,354 \$ 202,634 GAAP Gross Margin 50.3 % 50.0 % 51.5 % Stock-based compensation expense - COGS 285 372 277 Non-GAAP Gross Profit \$ 159,672 \$ 186,726 \$ 202,911	Stock-based compensation expense - R&D		(15,952)	(15,782)		(12,592)		
Intangibles impairment — (85,760) — Acquisition-related costs (3,166) (3,166) (3,164) Non-GAAP Operating Expenses \$ 113,828 \$ 119,820 \$ 119,498 Gross Margin/Profit Reconciliation \$ 159,387 \$ 186,354 \$ 202,634 GAAP Gross Margin 50.3 % 50.0 % 51.5 % Stock-based compensation expense - COGS 285 372 277 Non-GAAP Gross Profit \$ 159,672 \$ 186,726 \$ 202,911	Stock-based compensation expense - SG&A		(6,478)	(6,379)		(5,269)		
Acquisition-related costs (3,166) (3,164) (3,164) Non-GAAP Operating Expenses \$ 113,828 \$ 119,820 \$ 119,498 Gross Margin/Profit Reconciliation \$ 159,387 \$ 186,354 \$ 202,634 GAAP Gross Margin \$ 0,3 % \$ 50,0 % \$ 51,5 % Stock-based compensation expense - COGS 285 372 277 Non-GAAP Gross Profit \$ 159,672 \$ 186,726 \$ 202,911	Lease impairments and restructuring		_	(10,632)		_		
Non-GAAP Operating Expenses \$ 113,828 \$ 119,820 \$ 119,498 Gross Margin/Profit Reconciliation GAAP Gross Profit \$ 159,387 \$ 186,354 \$ 202,634 GAAP Gross Margin \$ 50.3 % \$ 50.0 % \$ 51.5 % Stock-based compensation expense - COGS \$ 186,726 \$ 277 Non-GAAP Gross Profit \$ 159,672 \$ 186,726 \$ 202,911	Intangibles impairment		_	(85,760)		_		
Gross Margin/Profit Reconciliation \$ 159,387 \$ 186,354 \$ 202,634 GAAP Gross Profit \$ 0.3 % \$ 50.0 % \$ 51.5 % Stock-based compensation expense - COGS 285 372 277 Non-GAAP Gross Profit \$ 159,672 \$ 186,726 \$ 202,911	Acquisition-related costs		(3,166)	(3,166)		(3,164)		
GAAP Gross Profit \$ 159,387 \$ 186,554 \$ 202,634 GAAP Gross Margin 50.3 % 50.0 % 51.5 % Stock-based compensation expense - COGS 285 372 277 Non-GAAP Gross Profit \$ 159,672 \$ 186,726 \$ 202,911	Non-GAAP Operating Expenses	S	113,828 \$	119,820	\$	119,498		
GAAP Gross Profit \$ 159,387 \$ 186,554 \$ 202,634 GAAP Gross Margin 50.3 % 50.0 % 51.5 % Stock-based compensation expense - COGS 285 372 277 Non-GAAP Gross Profit \$ 159,672 \$ 186,726 \$ 202,911	Gross Margin/Profit Reconciliation							
GAAP Gross Margin 50.3 % 50.0 % 51.5 % Stock-based compensation expense - COGS 285 372 277 Non-GAAP Gross Profit \$ 159,672 \$ 186,726 \$ 202,911		s	159,387 \$	186,354	s	202,634		
Stock-based compensation expense - COGS 285 372 277 Non-GAAP Gross Profit \$ 159,672 \$ 186,726 \$ 202,911			50.3 %			51.5 %		
Non-GAAP Gross Profit S 159,672 S 186,726 S 202,911								
	Non-GAAP Gross Profit	<u>s</u>			S			
	Non-GAAP Gross Margin		50.4 %			51.5 %		

RECONCILIATION BETWEEN GAAP AND NON-GAAP FINANCIAL INFORMATION

(in thousands, except per share data; unaudited) (not prepared in accordance with GAAP)

Image: Problem of the proble		Three Months Ended							
Effective Tax Rate Reconciliation Q1'24 Q4'23 Q1'23 GAAP Tax Expense (Benefit) \$ 7,170 \$ (4,917) \$ 15,380 GAAP Effective Tax Rate 31.5 % 8.4 % 27.9 % Adjustments to income taxes 5,628 23,461 4,300 Non-GAAP Tax Expense \$ 12,798 \$ 18,544 \$ 19,680 Non-GAAP Effective Tax Rate 25.2 % 26.1 % 23.4 % Tax Impact to EPS Reconciliation \$ 0.13 \$ (0.09) \$ 0.27 Adjustments to income taxes 0.10 0.41 0.07		Jun. 24,			Mar. 25,		Jun. 25,		
GAAP Tax Expense (Benefit) \$ 7,170 \$ (4,917) \$ 15,380 GAAP Effective Tax Rate 31.5 % 8.4 % 27.9 % Adjustments to income taxes 5,628 23,461 4,300 Non-GAAP Tax Expense \$ 12,798 \$ 18,544 \$ 19,680 Non-GAAP Effective Tax Rate 25.2 % 26.1 % 23.4 % Tax Impact to EPS Reconciliation \$ 0.13 \$ (0.09) \$ 0.27 Adjustments to income taxes 0.10 0.41 0.07			2023		2023		2023		2022
GAAP Effective Tax Rate 31.5 % 8.4 % 27.9 % Adjustments to income taxes 5,628 23,461 4,300 Non-GAAP Tax Expense \$ 12,798 \$ 18,544 \$ 19,680 Non-GAAP Effective Tax Rate 25.2 % 26.1 % 23.4 % Tax Impact to EPS Reconciliation \$ 0.13 \$ (0.09) \$ 0.27 Adjustments to income taxes 0.10 0.41 0.07	Effective Tax Rate Reconciliation	Q1'24		Q4'23			Q1'23		
Adjustments to income taxes 5,628 23,461 4,300 Non-GAAP Tax Expense \$ 12,798 \$ 18,544 \$ 19,680 Non-GAAP Effective Tax Rate 25,2% 26,1% 23,4% Tax Impact to EPS Reconciliation \$ 0.13 \$ (0.09) \$ 0.27 Adjustments to income taxes 0.10 0.41 0.07	GAAP Tax Expense (Benefit)	\$	7,170	\$	(4,917)	\$	15,380		
Non-GAAP Tax Expense S 12,798 S 18,544 S 19,680 Non-GAAP Effective Tax Rate 25,2% 26,1% 23,4% Tax Impact to EPS Reconciliation S 0.13 S (0.09) S 0.27 Adjustments to income taxes 0.10 0.41 0.07	GAAP Effective Tax Rate		31.5 %		8.4 %		27.9 %		
Non-GAAP Effective Tax Rate 25.2 % 26.1 % 23.4 % Tax Impact to EPS Reconciliation S 0.13 S (0.09) S 0.27 Adjustments to income taxes 0.10 0.41 0.07	Adjustments to income taxes		5,628		23,461		4,300		
Tax Impact to EPS Reconcilitation \$ 0.13 \$ (0.09) \$ 0.27 Adjustments to income taxes 0.10 0.41 0.07	Non-GAAP Tax Expense	\$	12,798	\$	18,544	\$	19,680		
GAAP Tax Expense (Benefit) \$ 0.13 \$ (0.09) \$ 0.27 Adjustments to income taxes 0.10 0.41 0.07	Non-GAAP Effective Tax Rate		25.2 %		26.1 %		23.4 %		
Adjustments to income taxes 0.10 0.41 0.07	Tax Impact to EPS Reconciliation								
· — — — — — — — — — — — — — — — — — — —	GAAP Tax Expense (Benefit)	\$	0.13	\$	(0.09)	\$	0.27		
Non-GAAP Tax Expense S 0.23 S 0.32 S 0.34	Adjustments to income taxes		0.10		0.41		0.07		
	Non-GAAP Tax Expense	\$	0.23	\$	0.32	\$	0.34		

CONSOLIDATED CONDENSED BALANCE SHEET (in thousands; unaudited)

	Jun. 24,		Mar. 25,	Jun. 25,
	202	3	2023	2022
ASSETS				
Current assets				
Cash and cash equivalents		52,346 \$	445,784	\$ 379,335
Marketable securities		35,765	34,978	18,397
Accounts receivable, net		86,033	150,473	206,272
Inventories	30	00,956	233,450	174,370
Prepaid wafers	:	84,739	60,638	_
Other current assets		88,829	92,533	 82,634
Total current Assets	1,04	48,668	1,017,856	861,008
Long-term marketable securities		38,029	36,509	55,965
Right-of-use lease assets	12	25,538	128,145	168,680
Property and equipment, net	10	57,238	162,972	157,165
Intangibles, net	:	36,447	38,876	149,984
Goodwill	4.	35,936	435,936	435,936
Deferred tax asset	4	44,991	35,580	16,928
Long-term prepaid wafers	1	10,262	134,363	195,000
Other assets		49,483	73,729	65,236
Total assets	\$ 2,0	56,592 \$	2,063,966	\$ 2,105,902
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable	\$	75,941 \$	81,462	\$ 121,451
Accrued salaries and benefits		36,465	50,606	41,026
Lease liability		19,903	18,442	13,988
Acquisition-related liabilities	<u> </u>	24,527	21,361	30,964
Other accrued liabilities	4	46,018	44,469	45,167
Total current liabilities	20	02,854	216,340	252,596
Non-current lease liability	12	25,071	122,631	159,344
Non-current income taxes	:	59,587	59,013	73,735
Long-term acquisition-related liabilities		_	_	11,856
Other long-term liabilities		12,286	7,700	9,184
Total long-term liabilities	19	96,944	189,344	254,119
Stockholders' equity:				
Capital stock	1,69	93,420	1,670,141	1,596,684
Accumulated earnings (deficit)	(33,621)	(9,320)	5,894
Accumulated other comprehensive loss		(3,005)	(2,539)	(3,391)
Total stockholders' equity	1,6:	56,794	1,658,282	1,599,187
Total liabilities and stockholders' equity	\$ 2,0:	56,592 \$	2,063,966	\$ 2,105,902

Prepared in accordance with Generally Accepted Accounting Principles

CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS (in thousands; unaudited)

	Three Months Ended			
	Jun. 24, 2023			Jun. 25, 2022
		Q1'24		Q1'23
Cash flows from operating activities:				
Net income	\$	15,600	\$	39,707
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Depreciation and amortization		11,941		16,515
Stock-based compensation expense		22,715		18,138
Deferred income taxes		(9,411)		(5,860)
Loss on retirement or write-off of long-lived assets		6		292
Other non-cash charges		1,334		99
Net change in operating assets and liabilities:				
Accounts receivable, net		(35,560)		33,992
Inventories		(67,506)		(35,934)
Other assets		8,101		549
Accounts payable and other accrued liabilities		(10,278)		(20,327)
Income taxes payable		20,079		24,030
Acquisition-related liabilities		3,166		3,164
Net cash provided by (used in) operating activities		(39,813)		74,365
Cash flows from investing activities:				
Maturities and sales of available-for-sale marketable securities		11,048		4,694
Purchases of available-for-sale marketable securities		(13,372)		(5,186)
Purchases of property, equipment and software		(12,310)		(6,776)
Investments in technology		_		(448)
Net cash used in investing activities		(14,634)		(7,716)
Cash flows from financing activities:				
Issuance of common stock, net of shares withheld for taxes		560		120
Repurchase of stock to satisfy employee tax withholding obligations		(1,047)		(866)
Repurchase and retirement of common stock		(38,504)		(56,382)
Net cash used in financing activities		(38,991)		(57,128)
Net increase (decrease) in cash and cash equivalents		(93,438)		9,521
Cash and cash equivalents at beginning of period		445,784		369,814
Cash and cash equivalents at end of period	\$	352,346	\$	379,335

Prepared in accordance with Generally Accepted Accounting Principles

RECONCILIATION BETWEEN GAAP AND NON-GAAP FINANCIAL INFORMATION

(in thousands; unaudited)

Free cash flow, a non-GAAP financial measure, is GAAP cash flow from operations (or cash provided by operating activities) less capital expenditures. Capital expenditures include purchases of property, equipment and software as well as investments in technology, as presented within our GAAP Consolidated Condensed Statement of Cash Flows. Free cash flow margin represents free cash flow divided by revenue.

		Twelve Months Ended				Three Mo	nths	Ended		
		Jun. 24,		2023		Mar. 25,		Dec. 24,		Sep. 24, 2022
	_	Q1'24		Q1'24		Q4'23		Q3'23		Q2'23
Net cash provided by (used in) operating activities (GAAP)	\$	225,390	\$	(39,813)	\$	48,266	\$	180,948	\$	35,989
Capital expenditures		(41,800)		(12,310)		(11,635)		(7,608)		(10,247)
Free Cash Flow (Non-GAAP)	\$	183,590	\$	(52,123)	\$	36,631	\$	173,340	\$	25,742
Cash Flow from Operations as a Percentage of Revenue (GAAP)		12 %		(13)%		13 %		31 %		7 %
Capital Expenditures as a Percentage of Revenue (GAAP)		2 %		4 %		3 %		1 %		2 %
Free Cash Flow Margin (Non-GAAP)		10 %		(16)%		10 %		29 %		5 %