



April 27, 2017

## Skyworks Exceeds Q2 FY17 Expectations

- | *Delivers Revenue of \$851.7 Million, Up 10% Year-over-Year*
- | *GAAP Operating Margin 33.0%; Non-GAAP Operating Margin 36.7%*
- | *GAAP Diluted EPS \$1.20; Non-GAAP Diluted EPS \$1.45*
- | *Generates \$235.9 Million in Cash Flow from Operations*
- | *Guides to Q3 FY17 Revenue and Non-GAAP Diluted EPS above Consensus*

IRVINE, Calif.--(BUSINESS WIRE)-- Skyworks Solutions, Inc. (NASDAQ: SWKS), an innovator of high performance analog semiconductors connecting people, places and things, today reported second fiscal quarter results for the period ending March 31, 2017. Revenue for the second fiscal quarter was \$851.7 million, up 10 percent year-over-year and exceeding consensus estimates.

On a GAAP basis, operating income for the second fiscal quarter of 2017 was \$281.2 million with diluted earnings per share of \$1.20. On a non-GAAP basis, operating income was \$312.5 million with non-GAAP diluted earnings per share of \$1.45, up 16 percent year-over-year and \$0.05 better than consensus estimates.

"Skyworks exceeded financial expectations in the second fiscal quarter of 2017 driven by insatiable demand for high-speed, reliable, always-on connectivity spanning Mobile and Internet of Things ecosystems," said Liam K. Griffin, president and chief executive officer of Skyworks. "We are capitalizing on these powerful macro trends, pushing the technology envelope and extending our product reach to enable the world's most exciting communications platforms. At a higher level, we are well positioned to create shareholder value while executing on our ambitious vision of connecting everyone and everything, all the time."

### Second Fiscal Quarter Business Highlights

- | Enabled Huawei's P10/P10+ smartphones with low/mid/high band SkyOne® solutions, antenna tuners, carrier aggregation switches and power management devices
- | Powered Samsung's Galaxy S8 platform with proprietary DRx™ and SkyOne® content as well as GPS and DC/DC converters
- | Secured reference design sockets across MediaTek's next generation architectures
- | Supported Cisco's enterprise-grade MIMO gateways
- | Captured strategic design wins with three leading auto manufacturers providing advanced LTE modules, supporting high-reliability connectivity, GPS and data transport capability
- | Delivered analog control ICs for Nintendo's recently launched Switch gaming consoles
- | Ramped audio solutions for Sonos' high-fidelity wireless speakers
- | Extended Wi-Fi mesh networking wins to Google and Plume
- | Deployed high-power smart meter devices for Itron
- | Shipped custom connectivity engines to Fitbit, Garmin and LG

### Third Fiscal Quarter 2017 Outlook

*We provide earnings guidance on a non-GAAP basis because certain information necessary to reconcile such guidance to GAAP is difficult to estimate and dependent on future events outside of our control. Please refer to the attached Discussion Regarding the Use of Non-GAAP Financial Measures in this press release for a further discussion of our use of non-GAAP measures, including quantification of known expected adjustment items.*

"Expanding content gains coupled with successful product ramps across a diverse customer set are enabling Skyworks to

demonstrably outpace our addressable markets," said Kris Sennesael, senior vice president and chief financial officer of Skyworks. "Specifically, for the third fiscal quarter of 2017, we anticipate revenue of \$890 million and non-GAAP diluted earnings per share of \$1.52, up 18 and 23 percent year-over-year, respectively."

## **Dividend Payment**

Skyworks' Board of Directors declared a cash dividend of \$0.28 per share of the Company's common stock, payable on June 6, 2017, to stockholders of record at the close of business on May 16, 2017.

## **Skyworks' Second Fiscal Quarter 2017 Conference Call**

Skyworks will host a conference call with analysts to discuss its second fiscal quarter 2017 results and business outlook today at 5:00 p.m. Eastern time. To listen to the conference call via the Internet, please visit the investor relations section of Skyworks' website. To listen to the conference call via telephone, please call (800) 230-1059 (domestic) or (612) 234-9959 (international), confirmation code: 421059.

Playback of the conference call will begin at 9:00 p.m. Eastern time on April 27, and end at 9:00 p.m. Eastern time on May 4. The replay will be available on Skyworks' website or by calling (800) 475-6701 (domestic) or (320) 365-3844 (international), access code: 421059.

## **About Skyworks**

Skyworks Solutions, Inc. is empowering the wireless networking revolution. Our highly innovative analog semiconductors are connecting people, places and things spanning a number of new and previously unimagined applications within the automotive, broadband, cellular infrastructure, connected home, industrial, medical, military, smartphone, tablet and wearable markets.

Skyworks is a global company with engineering, marketing, operations, sales and support facilities located throughout Asia, Europe and North America and is a member of the S&P 500® and Nasdaq-100® market indices (NASDAQ: SWKS). For more information, please visit Skyworks' website at: [www.skyworksinc.com](http://www.skyworksinc.com).

## **Safe Harbor Statement**

This news release includes "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements include without limitation information relating to future results and expectations of Skyworks (e.g., certain projections and business trends) and plans for dividend payments. Forward-looking statements can often be identified by words such as "anticipates," "expects," "forecasts," "intends," "believes," "plans," "may," "will," or "continue," and similar expressions and variations or negatives of these words. All such statements are subject to certain risks, uncertainties and other important factors that could cause actual results to differ materially and adversely from those projected, and may affect our future operating results, financial position and cash flows.

These risks, uncertainties and other important factors include, but are not limited to: the susceptibility of the semiconductor industry and the markets addressed by our, and our customers', products to economic downturns; our reliance on several key customers for a large percentage of our sales; the volatility of our stock price; declining selling prices, decreased gross margins, and loss of market share as a result of increased competition; our ability to develop, manufacture and market innovative products and avoid product obsolescence; fluctuations in our manufacturing yields due to our complex and specialized manufacturing processes; problems or delays that we may face in shifting our products to smaller geometry process technologies and in achieving higher levels of design integration; the quality of our products and any remediation costs; the availability and pricing of third-party semiconductor foundry, assembly and test capacity, raw materials and supplier components; our ability to retain, recruit and hire key executives, technical personnel and other employees in the positions and numbers, with the experience and capabilities, and at the compensation levels needed to implement our business and product plans; the timing, rescheduling or cancellation of significant customer orders and our ability, as well as the ability of our customers, to manage inventory; uncertainties of litigation, including potential disputes over intellectual property infringement and rights, as well as payments related to the licensing and/or sale of such rights; our ability to continue to grow and maintain an intellectual property portfolio and obtain needed licenses from third parties; economic, social, military and geo-political conditions in the countries in which we, our customers or our suppliers operate, including security and health risks, possible disruptions in transportation networks and fluctuations in foreign currency exchange rates; changes in laws, regulations and/or policies that could adversely affect either (i) the economy and our customers' demand for our products or (ii) the financial markets and our ability to raise capital; our ability to make certain investments and acquisitions, integrate companies we acquire, and/or enter into strategic alliances; our ability to prevent theft of our intellectual property, disclosure of confidential information, or breaches of our information technology systems; and other risks and uncertainties, including, but not limited to, those detailed from time to time in our filings with the Securities and

Exchange Commission.

The forward-looking statements contained in this news release are made only as of the date hereof, and we undertake no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

*Note to Editors: Skyworks and Skyworks Solutions are trademarks or registered trademarks of Skyworks Solutions, Inc. or its subsidiaries in the United States and in other countries. All other brands and names listed are trademarks of their respective companies.*

**SKYWORKS SOLUTIONS, INC.**  
**UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS**

(in millions, except per share amounts)	Three Months Ended		Six Months Ended	
	March 31, 2017	April 1, 2016	March 31, 2017	April 1, 2016
Net revenue	\$ 851.7	\$ 775.1	\$1,766.0	\$1,701.9
Cost of goods sold	426.3	384.7	876.7	839.4
Gross profit	425.4	390.4	889.3	862.5
Operating expenses:				
Research and development	89.4	79.8	171.4	161.3
Selling, general and administrative	47.8	44.0	98.7	95.7
Amortization of intangibles	7.0	8.6	15.5	17.0
Restructuring and other charges	—	0.3	0.6	0.3
Total operating expenses	144.2	132.7	286.2	274.3
Operating income	281.2	257.7	603.1	588.2
Other income (expense), net	0.2	(2.6)	(0.6)	(3.4)
Merger termination fee	—	—	—	88.5
Income before income taxes	281.4	255.1	602.5	673.3
Provision for income taxes	56.5	47.0	119.8	109.9
Net income	<u>\$ 224.9</u>	<u>\$ 208.1</u>	<u>\$ 482.7</u>	<u>\$ 563.4</u>
Earnings per share:				
Basic	<u>\$ 1.22</u>	<u>\$ 1.09</u>	<u>\$ 2.61</u>	<u>\$ 2.96</u>
Diluted	<u>\$ 1.20</u>	<u>\$ 1.08</u>	<u>\$ 2.58</u>	<u>\$ 2.90</u>
Weighted average shares:				
Basic	<u>184.8</u>	<u>190.2</u>	<u>184.8</u>	<u>190.3</u>
Diluted	<u>187.1</u>	<u>193.3</u>	<u>187.2</u>	<u>194.0</u>

**SKYWORKS SOLUTIONS, INC.**  
**UNAUDITED RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES**

(in millions)	Three Months Ended		Six Months Ended	
	March 31, 2017	April 1, 2016	March 31, 2017	April 1, 2016
GAAP gross profit	\$ 425.4	\$ 390.4	\$ 889.3	\$862.5
Share-based compensation expense [a]	3.4	3.2	7.2	7.2
Non-GAAP gross profit	<u>\$ 428.8</u>	<u>\$ 393.6</u>	<u>\$ 896.5</u>	<u>\$869.7</u>
GAAP gross margin %	49.9%	50.4%	50.4%	50.7%
Non-GAAP gross margin %	50.4%	50.8%	50.8%	51.1%

(in millions)	Three Months Ended		Six Months Ended	
	March 31, 2017	April 1, 2016	March 31, 2017	April 1, 2016
GAAP operating income	\$ 281.2	\$ 257.7	\$ 603.1	\$588.2
Share-based compensation expense [a]	22.1	17.1	43.7	40.4

Acquisition-related expenses [b]	2.2	1.2	3.9	3.9
Amortization of intangibles [c]	7.0	8.6	15.5	17.0
Restructuring and other charges [d]	—	0.3	0.6	0.3
Litigation settlement gains, losses and expenses [e]	—	0.1	—	1.8
Non-GAAP operating income	<u>\$ 312.5</u>	<u>\$ 285.0</u>	<u>\$ 666.8</u>	<u>\$651.6</u>
GAAP operating margin %	33.0%	33.2%	34.2%	34.6%
Non-GAAP operating margin %	36.7%	36.8%	37.8%	38.3%

(in millions)	Three Months Ended		Six Months Ended	
	March 31,	April 1,	March 31,	April 1,
	2017	2016	2017	2016
GAAP net income	<u>\$ 224.9</u>	<u>\$ 208.1</u>	<u>\$ 482.7</u>	<u>\$563.4</u>
Share-based compensation expense [a]	22.1	17.1	43.7	40.4
Acquisition-related expenses [b]	2.2	1.2	3.9	3.9
Amortization of intangibles [c]	7.0	8.6	15.5	17.0
Restructuring and other charges [d]	—	0.3	0.6	0.3
Litigation settlement gains, losses and expenses [e]	—	0.1	—	1.8
Merger termination fee [f]	—	—	—	(88.5)
Interest expense on seller-financed debt [g]	—	0.4	—	0.7
Tax adjustments [h]	15.8	6.5	27.2	14.5
Non-GAAP net income	<u>\$ 272.0</u>	<u>\$ 242.3</u>	<u>\$ 573.6</u>	<u>\$553.5</u>

	Three Months Ended		Six Months Ended	
	March 31,	April 1,	March 31,	April 1,
	2017	2016	2017	2016
GAAP net income per share, diluted	<u>\$ 1.20</u>	<u>\$ 1.08</u>	<u>\$ 2.58</u>	<u>\$ 2.90</u>
Share-based compensation expense [a]	0.12	0.09	0.23	0.21
Acquisition-related expenses [b]	0.01	0.01	0.02	0.02
Amortization of intangibles [c]	0.04	0.04	0.08	0.09
Litigation settlement gains, losses and expenses [e]	—	—	—	0.01
Merger termination fee [f]	—	—	—	(0.46)
Tax adjustments [h]	0.08	0.03	0.15	0.08
Non-GAAP net income per share, diluted	<u>\$ 1.45</u>	<u>\$ 1.25</u>	<u>\$ 3.06</u>	<u>\$ 2.85</u>

## SKYWORKS SOLUTIONS, INC.

### DISCUSSION REGARDING THE USE OF NON-GAAP FINANCIAL MEASURES

Our earnings release contains some or all of the following financial measures that have not been calculated in accordance with United States Generally Accepted Accounting Principles ("GAAP"): (i) non-GAAP gross profit and gross margin, (ii) non-GAAP operating income and operating margin, (iii) non-GAAP net income, and (iv) non-GAAP diluted earnings per share. As set forth in the "Unaudited Reconciliations of Non-GAAP Financial Measures" table found above, we derive such non-GAAP financial measures by excluding certain expenses and other items from the respective GAAP financial measure that is most directly comparable to each non-GAAP financial measure. Management uses these non-GAAP financial measures to evaluate our operating performance and compare it against past periods, make operating decisions, forecast for future periods, compare our operating performance against peer companies and determine payments under certain compensation programs. These non-GAAP financial measures provide management with additional means to understand and evaluate the operating results and trends in our ongoing business by eliminating certain non-recurring expenses and other items that management believes might otherwise make comparisons of our ongoing business with prior periods and competitors more difficult, obscure trends in ongoing operations or reduce management's ability to make forecasts.

We provide investors with non-GAAP gross profit and gross margin, non-GAAP operating income and operating margin, non-GAAP net income and non-GAAP diluted earnings per share because we believe it is important for investors to be able to closely monitor and understand changes in our ability to generate income from ongoing business operations. We believe these non-GAAP financial measures give investors an additional method to evaluate historical operating performance and identify trends, an additional means of evaluating period-over-period operating performance and a method to facilitate certain comparisons of our operating results to those of our peer companies. We also believe that providing non-GAAP operating income and operating margin allows investors to assess the extent to which our ongoing operations impact our overall financial performance. We further believe that providing non-GAAP net income and non-GAAP diluted earnings per

share allows investors to assess the overall financial performance of our ongoing operations by eliminating the impact of share-based compensation expense, acquisition-related expenses, amortization of intangibles, restructuring-related charges, litigation settlement gains, losses and expenses, merger termination fees, interest expense on seller-financed debt and certain tax items which may not occur in each period presented and which may represent non-cash items unrelated to our ongoing operations. We believe that disclosing these non-GAAP financial measures contributes to enhanced financial reporting transparency and provides investors with added clarity about complex financial performance measures.

We calculate non-GAAP gross profit by excluding from GAAP gross profit, share-based compensation expense and acquisition-related expenses. We calculate non-GAAP operating income by excluding from GAAP operating income, share-based compensation expense, acquisition-related expenses, amortization of intangibles, restructuring-related charges, and litigation settlement gains, losses and expenses. We calculate non-GAAP net income and diluted earnings per share by excluding from GAAP net income and diluted earnings per share, share-based compensation expense, acquisition-related expenses, amortization of intangibles, restructuring-related charges, litigation settlement gains, losses and expenses, merger termination fees, interest expense on seller-financed debt and certain tax items. We exclude the items identified above from the respective non-GAAP financial measure referenced above for the reasons set forth with respect to each such excluded item below:

*Share-Based Compensation* - because (1) the total amount of expense is partially outside of our control because it is based on factors such as stock price volatility and interest rates, which may be unrelated to our performance during the period in which the expense is incurred, (2) it is an expense based upon a valuation methodology premised on assumptions that vary over time, and (3) the amount of the expense can vary significantly between companies due to factors that can be outside of the control of such companies.

*Acquisition-Related Expenses* - including such items as, when applicable, amortization of acquired intangible assets, fair value adjustments to contingent consideration, fair value charges incurred upon the sale of acquired inventory, acquisition-related professional fees, deemed compensation expenses and interest expense on seller-financed debt, because they are not considered by management in making operating decisions and we believe that such expenses do not have a direct correlation to our future business operations and thereby including such charges does not accurately reflect the performance of our ongoing operations for the period in which such charges are incurred.

*Restructuring-Related Charges* - because, to the extent such charges impact a period presented, we believe that they have no direct correlation to our future business operations and including such charges does not necessarily reflect the performance of our ongoing operations for the period in which such charges are incurred.

*Litigation Settlement Gains, Losses and Expenses* - including gains, losses and expenses related to the resolution of other-than-ordinary-course threatened and actually filed lawsuits and other-than-ordinary-course contractual disputes, because (1) they are not considered by management in making operating decisions, (2) such litigation has been infrequent in nature, (3) such gains, losses and expenses are generally not directly controlled by management, (4) we believe such gains, losses and expenses do not necessarily reflect the performance of our ongoing operations for the period in which such charges are recognized and (5) the amount of such gains or losses and expenses can vary significantly between companies and make comparisons less reliable.

*Merger Termination Fees* - because we believe such non-recurring fees have no direct correlation to our business operations or performance during the period in which they are received or for any future period.

*Certain Income Tax Items* - including certain deferred tax charges and benefits that do not result in a current tax payment or tax refund and other adjustments, including but not limited to, items unrelated to the current fiscal year or that are not indicative of our ongoing business operations.

The non-GAAP financial measures presented in the table above should not be considered in isolation and are not an alternative for the respective GAAP financial measure that is most directly comparable to each such non-GAAP financial measure. Investors are cautioned against placing undue reliance on these non-GAAP financial measures and are urged to review and consider carefully the adjustments made by management to the most directly comparable GAAP financial measures to arrive at these non-GAAP financial measures. Non-GAAP financial measures may have limited value as analytical tools because they may exclude certain expenses that some investors consider important in evaluating our operating performance or ongoing business performance. Further, non-GAAP financial measures are likely to have limited value for purposes of drawing comparisons between companies because different companies may calculate similarly titled non-GAAP financial measures in different ways because non-GAAP measures are not based on any comprehensive set of accounting rules or principles.

Our earnings release contains forward-looking estimates of non-GAAP diluted earnings per share for the third quarter of our 2017 fiscal year ("Q3 2017"). We provide this non-GAAP measure to investors on a prospective basis for the same reasons (set forth above) that we provide it to investors on a historical basis. We are unable to provide a reconciliation of

our forward-looking estimate of Q3 2017 GAAP diluted earnings per share to a forward-looking estimate of Q3 2017 non-GAAP diluted earnings per share because certain information needed to make a reasonable forward-looking estimate of GAAP diluted earnings per share for Q3 2017 (other than estimated share-based compensation expense of \$0.11 to \$0.13 per diluted share, certain tax items of \$0.05 to \$0.09 per diluted share and estimated amortization of intangibles of \$0.04 to \$0.06 per diluted share) is difficult to predict and estimate and is often dependent on future events that may be uncertain or outside of our control. Such events may include unanticipated changes in our GAAP effective tax rate, unanticipated one-time charges related to asset impairments (fixed assets, inventory, intangibles or goodwill), unanticipated acquisition-related expenses, unanticipated litigation settlement gains, losses and expenses and other unanticipated non-recurring items not reflective of ongoing operations. We believe the probable significance of these unknown items, in the aggregate, to be in the range of \$0.00 to \$0.05 in quarterly earnings per diluted share on a GAAP basis. Our forward-looking estimates of both GAAP and non-GAAP measures of our financial performance may differ materially from our actual results and should not be relied upon as statements of fact.

[a] These charges represent expense recognized in accordance with ASC 718 - *Compensation, Stock Compensation*. For the three months ended March 31, 2017, approximately \$3.4 million, \$8.5 million and \$10.2 million were included in cost of goods sold, research and development expense and selling, general and administrative expense, respectively. For the six months ended March 31, 2017, approximately \$7.2 million, \$16.8 million and \$19.7 million were included in cost of goods sold, research and development expense and selling, general and administrative expense, respectively.

For the three months ended April 1, 2016, approximately \$3.2 million, \$6.7 million and \$7.2 million were included in cost of goods sold, research and development expense and selling, general and administrative expense, respectively. For the six months ended April 1, 2016, approximately \$7.2 million, \$16.2 million and \$17.0 million were included in cost of goods sold, research and development expense and selling, general and administrative expense, respectively.

[b] The acquisition-related expenses recognized during the three months and six months ended March 31, 2017, include a \$2.2 million and a \$3.9 million charge, respectively, to general and administrative expenses, primarily associated with expenses related to acquisitions completed or contemplated during the period.

The acquisition-related expenses recognized during the three months and six months ended April 1, 2016, include a \$1.2 million and a \$3.9 million charge, respectively, to general and administrative expenses, primarily associated with expenses related to acquisitions completed or contemplated during the period.

[c] During the three months and six months ended March 31, 2017, the Company incurred \$7.0 million and \$15.5 million, respectively, in amortization of intangibles.

During the three months and six months ended April 1, 2016, the Company incurred \$8.6 million and \$17.0 million, respectively, in amortization of intangibles.

[d] During the six months ended March 31, 2017, the Company incurred a \$0.6 million charge in employee severance costs primarily related to restructuring plans that were implemented during the period.

During the three months and six months ended April 1, 2016, the Company incurred a \$0.3 million charge in employee severance costs primarily related to restructuring plans that were implemented during the periods.

[e] During the three months and six months ended April 1, 2016, the Company recognized a \$0.1 million and a \$1.8 million charge, respectively, primarily related to general and administrative expenses associated with ongoing litigation(s).

[f] During the six months ended April 1, 2016, PMC-Sierra, Inc. ("PMC"), notified the Company that it had terminated the Amended and Restated Agreement and Plan of Merger entered into between the parties in order to accept a superior proposal. As a result, on November 24, 2015, PMC paid the Company a \$88.5 million merger termination fee.

[g] During the three months and six months ended April 1, 2016, the Company recognized \$0.4 million and \$0.7 million, respectively, in interest expense associated with the accretion of the present value of the \$76.5 million liability related to the future purchase of the remaining 34% interest in the joint venture between the Company and Panasonic.

[h] During the three and six months ended March 31, 2017, these amounts primarily represent the use of net operating loss and research and development tax credit carryforwards, deferred tax expense not affecting taxes payable, tax deductible share-based compensation expense in excess of GAAP share-based compensation expense, the release of previously reserved items that are no longer required as a result of audits, and non-cash expense (benefit) related to uncertain tax positions.

During the three months and six months ended April 1, 2016, these amounts primarily represent the use of net operating loss and research and development tax credit carryforwards, deferred tax expense not affecting taxes payable, tax deductible share-based compensation expense in excess of GAAP share-based compensation expense, the tax attributable to the merger termination fee, the release of previously reserved items that are no longer required as a result of the IRS audits, and non-cash expense (benefit) related to uncertain tax positions.

**SKYWORKS SOLUTIONS, INC.**  
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**

(in millions)	March 31, September 30,	
	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,406.9	\$ 1,083.8
Accounts receivable, net	368.8	416.6
Inventory	444.5	424.0
Other current assets	87.9	77.7
Property, plant and equipment, net	800.4	806.3
Goodwill and intangible assets, net	949.7	940.3
Other assets	108.6	106.7
Total assets	<u>\$ 4,166.8</u>	<u>\$ 3,855.4</u>
<b>Liabilities and Equity</b>		
Current liabilities:		
Accounts payable	\$ 163.8	\$ 110.4
Accrued and other current liabilities	103.1	99.8
Other long-term liabilities	108.1	103.8
Stockholders' equity	3,791.8	3,541.4
Total liabilities and equity	<u>\$ 4,166.8</u>	<u>\$ 3,855.4</u>

**SKYWORKS SOLUTIONS, INC.**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(in millions)	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>March 31,</u>	<u>April 1,</u>	<u>March 31,</u>	<u>April 1,</u>
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Cash flow from operating activities</b>				
Net income	\$ 224.9	\$ 208.1	\$ 482.7	\$ 563.4
Adjustments to reconcile net income to net cash provided by operating activities:				
Share-based compensation	22.1	17.1	43.7	40.4
Depreciation	55.9	53.5	111.2	105.0
Amortization of intangible assets	7.0	8.6	15.5	17.0
Contribution of common shares to savings and retirement plans	7.2	8.6	7.2	11.3
Deferred income taxes	(0.3)	(2.2)	0.9	(0.2)
Excess tax benefit from share-based compensation	(6.7)	(4.3)	(28.2)	(41.6)
Changes in operating assets:				
Receivables, net	(0.5)	(3.6)	48.8	(0.5)
Inventory	(21.9)	(47.4)	(21.3)	(66.4)
Other current and long-term assets	(30.4)	(16.1)	(18.1)	(4.3)
Accounts payable	2.3	(14.3)	53.2	(110.5)
Other current and long-term liabilities	(23.7)	(53.5)	36.2	(13.8)
<b>Net cash provided by operations</b>	<u>235.9</u>	<u>154.5</u>	<u>731.8</u>	<u>499.8</u>
<b>Cash flow from investing activities</b>				
Capital expenditures	(54.9)	(37.4)	(105.0)	(116.9)
Payments for acquisitions, net of cash acquired	—	—	(13.7)	—

Maturity of investments	—	—	3.2	—
<b>Net cash used in investing activities</b>	<u>(54.9)</u>	<u>(37.4)</u>	<u>(115.5)</u>	<u>(116.9)</u>
<b>Cash flow from financing activities</b>				
Excess tax benefit from share-based compensation	6.7	4.3	28.2	41.6
Repurchase of common stock — payroll tax withholdings on equity awards	(0.2)	(0.5)	(44.6)	(72.4)
Repurchase of common stock — share repurchase program	(95.2)	(135.1)	(201.7)	(135.1)
Dividends paid	(51.9)	(49.2)	(104.1)	(99.4)
Net proceeds from exercise of stock options	17.2	7.7	31.9	16.3
Payments of contingent consideration	(1.2)	—	(2.9)	—
<b>Net cash used in financing activities</b>	<u>(124.6)</u>	<u>(172.8)</u>	<u>(293.2)</u>	<u>(249.0)</u>
Net increase (decrease) in cash and cash equivalents	56.4	(55.7)	323.1	133.9
Cash and cash equivalents at beginning of period	1,350.5	1,233.2	1,083.8	1,043.6
Cash and cash equivalents at end of period	<u>\$1,406.9</u>	<u>\$1,177.5</u>	<u>\$1,406.9</u>	<u>\$1,177.5</u>

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