

A person stands on a rocky mountain peak at sunset, looking up at a starry night sky. A yellow tent is pitched on the ground nearby. The sky is filled with stars and a faint galaxy.

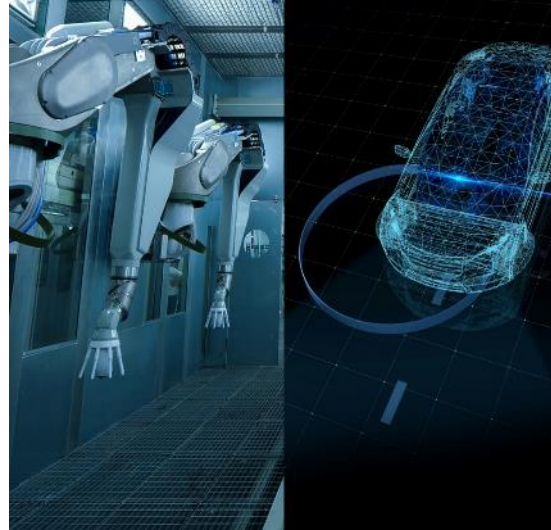
arm

Arm Limited Roadshow Slides Q3 2020

Technology trends that will redefine all industries



Artificial Intelligence in every device



Autonomous machines



Augmented reality



Hyperscale cloud and connectivity



Security and Privacy

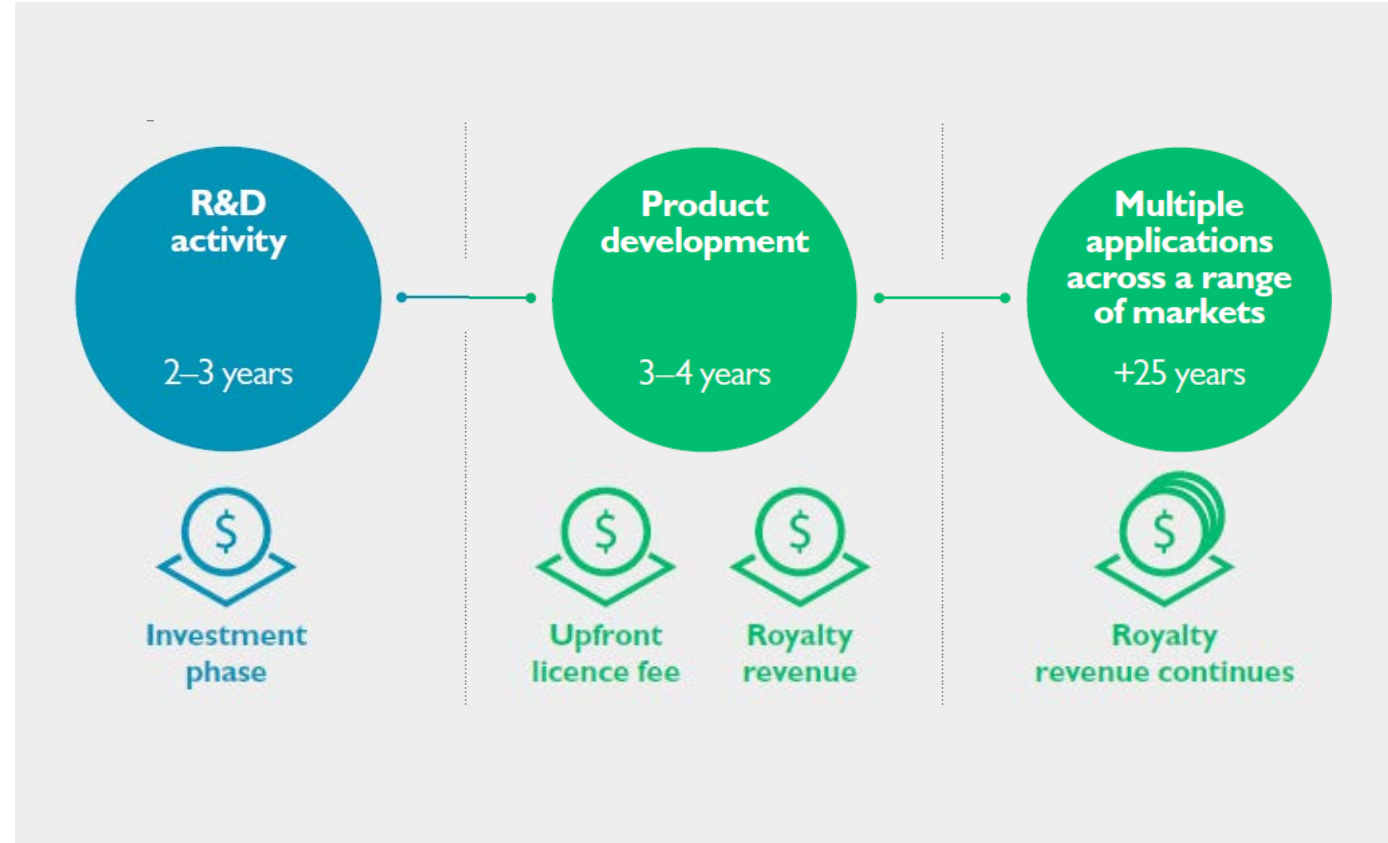
Arm defines the technology that will redefine all industries



	Mobile and Consumer	Networking and Servers	Automotive and Robotics	Internet of Things
Artificial Intelligence in every device	✓	✓	✓	✓
Autonomous machines			✓	✓
Augmented reality	✓		✓	
Hyperscale cloud and connectivity		✓		✓
Security and Privacy	✓	✓	✓	✓

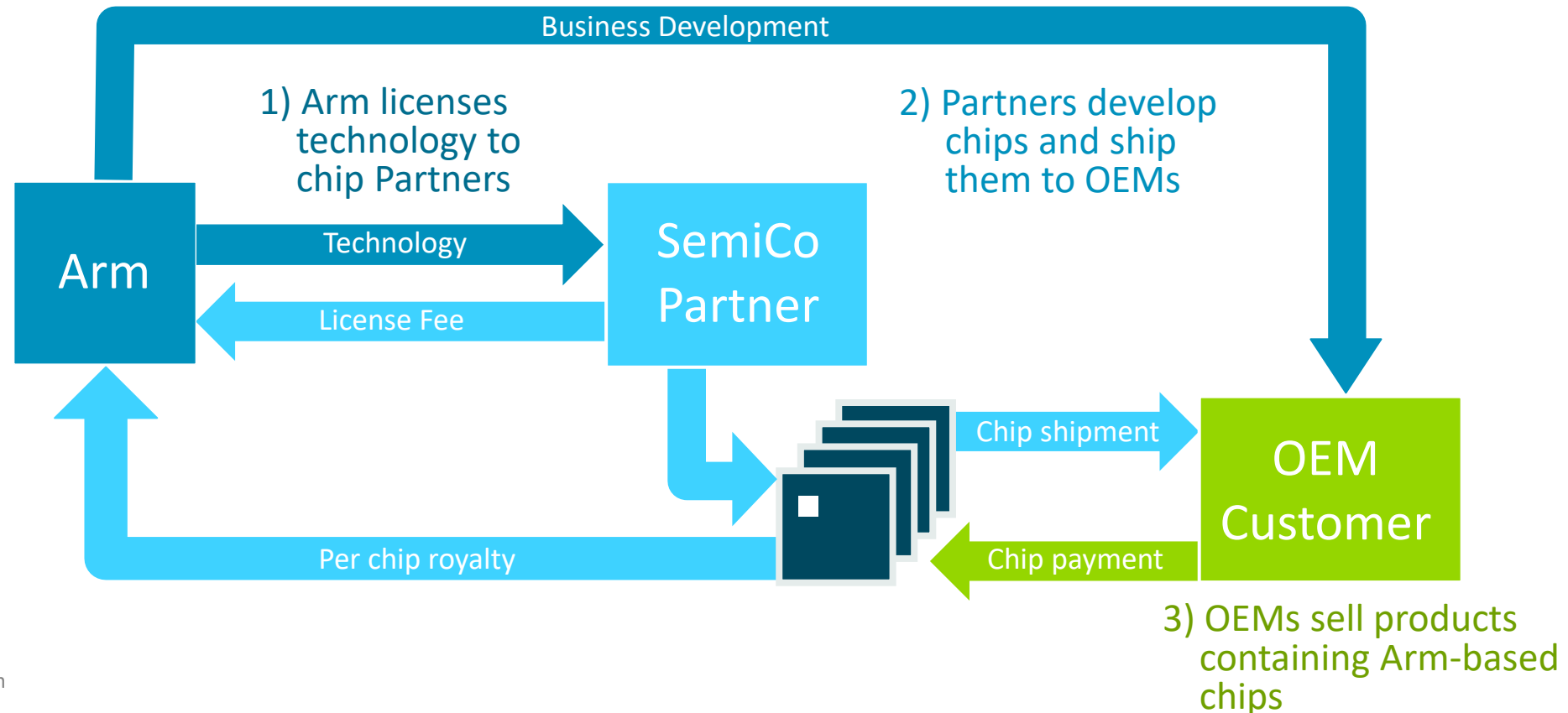
Arm introduction

- Global leader in technology licensing
 - R&D outsourcing for semiconductor companies
- Innovative business model
 - Upfront licence fee – flexible licensing models
 - Ongoing royalties on customer sales
 - Technology can be reused across multiple applications
- Long-term, secular growth markets



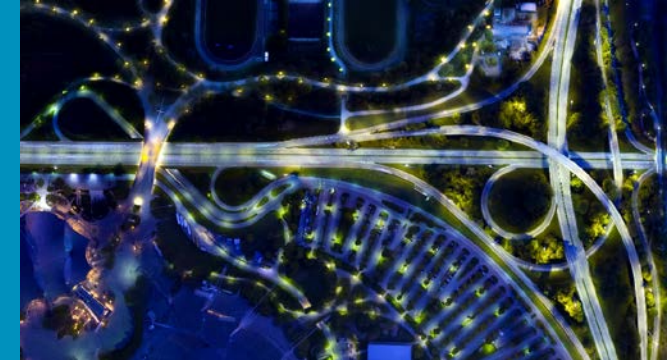
Arm's business model

- Arm develops technology that is licensed to semiconductor companies
- Arm receives an upfront license fee and a royalty on every chip that contains its technology



Arm's strategy

- Maintain or gain share in long-term growth markets
 - From mobile phones to networking infrastructure and servers to embedded smart devices and automotive
- Increase value of Arm technology per smart device
 - Invest in developing more advanced processors with higher royalty rates
 - Physical IP and multimedia IP further increase Arm's value per chip
- Explore and exploit new opportunities in emerging applications such as machine learning
- Invest to create a sustainable business, fit for the long term
 - Create superior returns by developing new technology that will deliver increased profits and cash generation in the future



Arm's main growth markets

Mobile and Consumer



\$89bn
TAM 2029

- Smartphones, tablets and laptops
- Apps processor, modem, connectivity, touchscreen and image sensors
- Growth coming from higher-value Arm technology such as Arm v8-A, more cores per chip, multimedia

Networking & Servers



\$67bn
TAM 2029

- Base stations, routers, switches, and servers for cloud and data centres
- Networks evolve to cope with increased data at lower latency: virtualisation, integration and programmability
- Most major chip vendors have announced Arm-based products

Embedded Markets



\$76bn
TAM 2029

- Automotive, white-goods, wearables, smart devices in industrial and utilities
- Microcontrollers, smartcards, embedded connectivity chips
- Over 300 companies have licenced Arm processors for use in embedded computing devices

History of Arm

Joint venture between
Acorn Computers and Apple



1990

Designed into first mobile
phones and then smartphones



1993 onwards

Now all electronic devices can
use smart Arm technology



Today

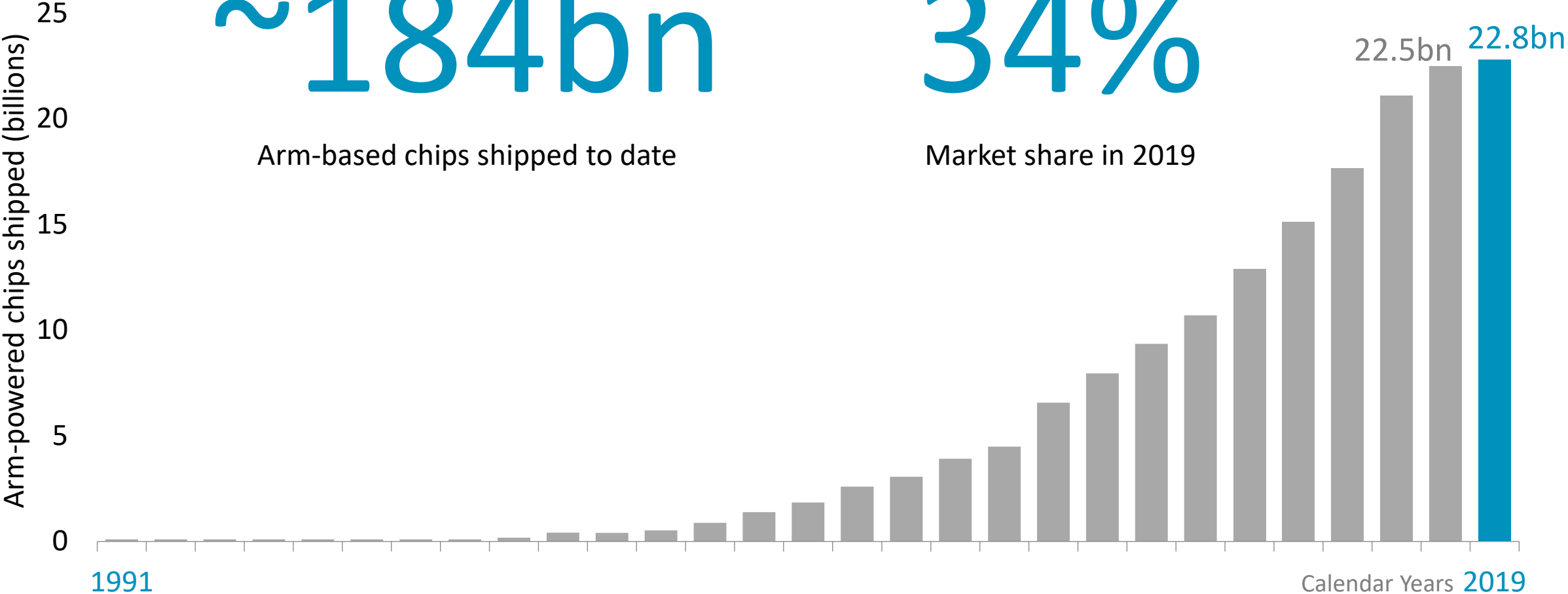
Arm-based chip shipments

~184bn

Arm-based chips shipped to date

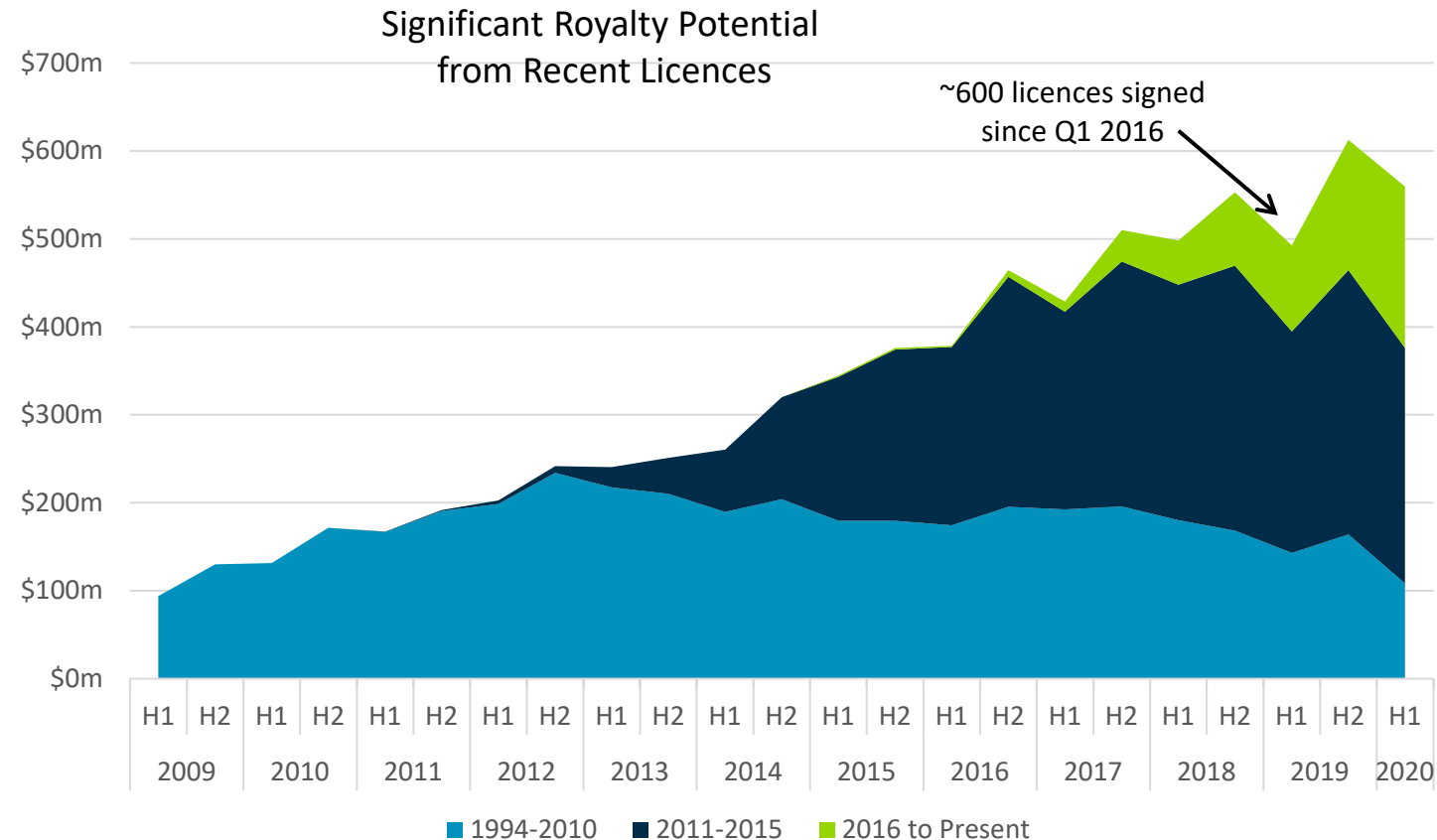
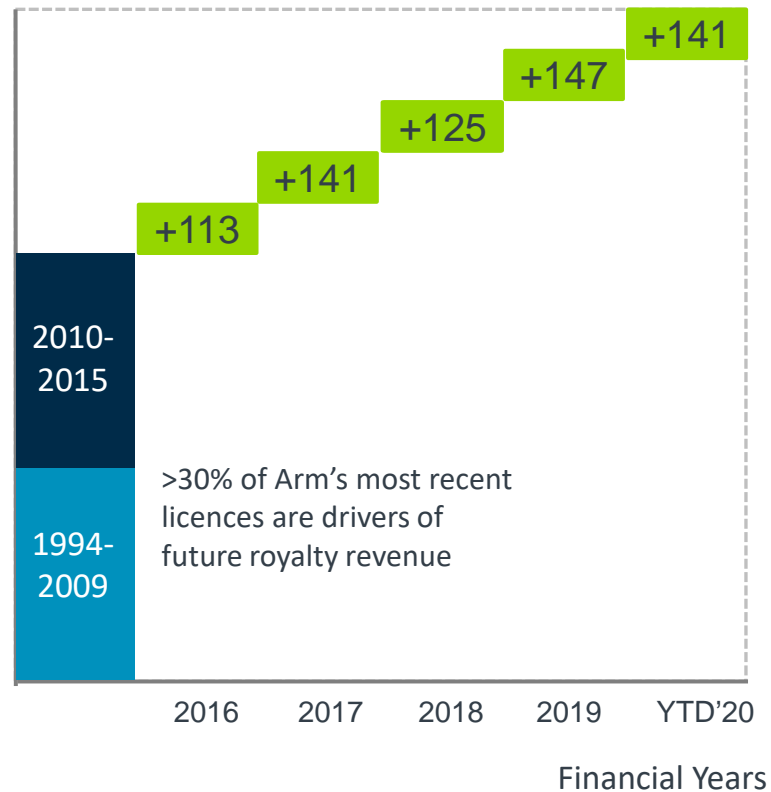
34%

Market share in 2019



Licensing enables future royalties

- Arm signed 141 processor licences YTD in 2020
- Arm's current royalty revenues are derived from licences signed many years ago
- Growing base yields royalty revenues over long period



Arm's expanding opportunity



Mobile

- Applications processor
- Other mobile chips



Infrastructure

- Networking
- Data Center/Cloud




Automotive

- IVI and ADAS
- Other automotive chips

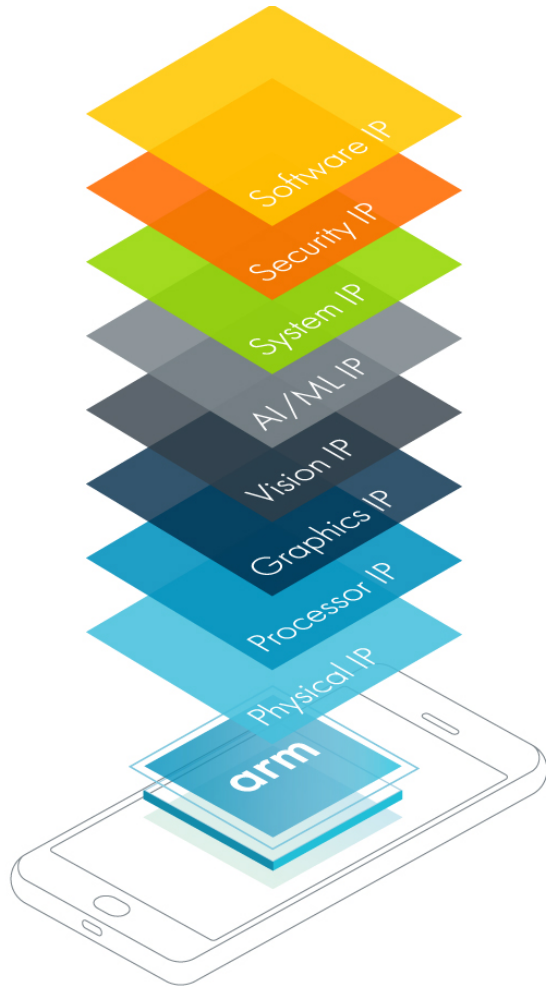
2019		2029
Market Share	Market Value	Market Value
90%	\$41bn	\$43bn
40%	\$10bn	\$13bn
32%	\$17bn	\$36bn
5%	\$20bn	\$32bn
75%	\$3bn	\$12bn
10%	\$7bn	\$10bn

Arm's expanding opportunity

 <p>Embedded</p>	Controller in IoT Devices
	Microcontrollers/SIM Cards
 <p>Other Markets</p>	Consumer Electronics
	Other chips
 <p>Total Market</p>	All chips with processors

2019		2029
Market Share	Market Value	Market Value
90%	\$4bn	\$16bn
25%	\$10bn	\$15bn
42%	\$15bn	\$33bn
38%	\$11bn	\$23bn
34%	\$138bn	\$232bn

Arm's current business



Arm primary business is the development of **intellectual property** (IP) blocks which are used in silicon chips

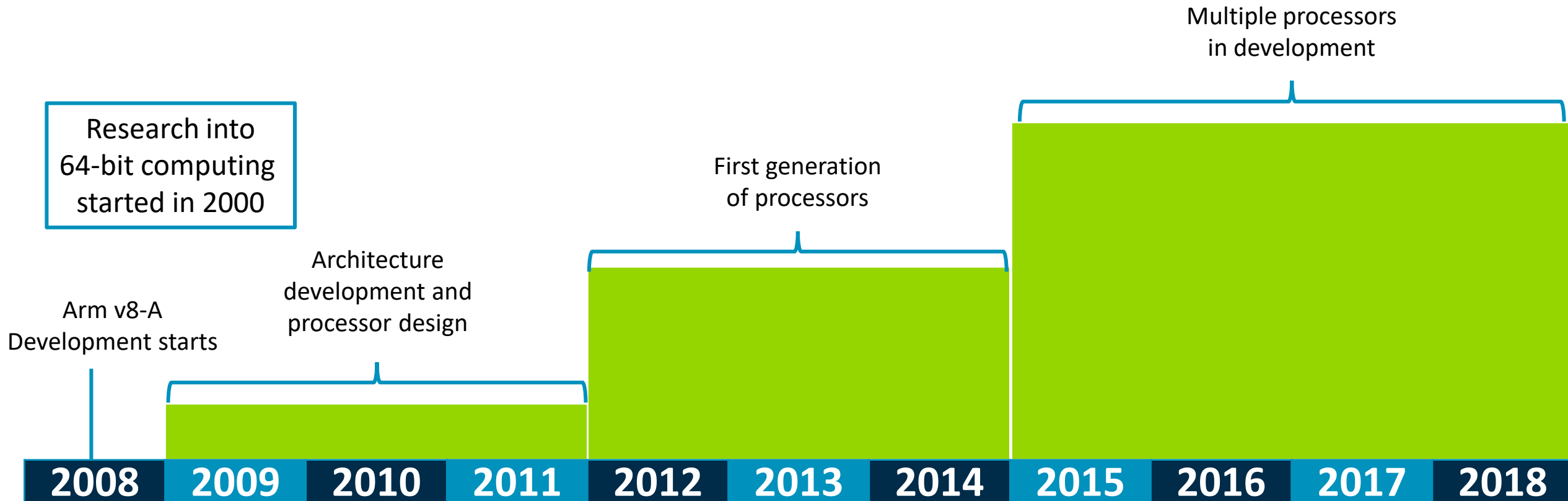
Our partners combine Arm IP with their own IP to create complete chip designs

We earn **license fees** when we deliver Arm IP to our partners and **royalties** when our partners ship chips that contain Arm IP

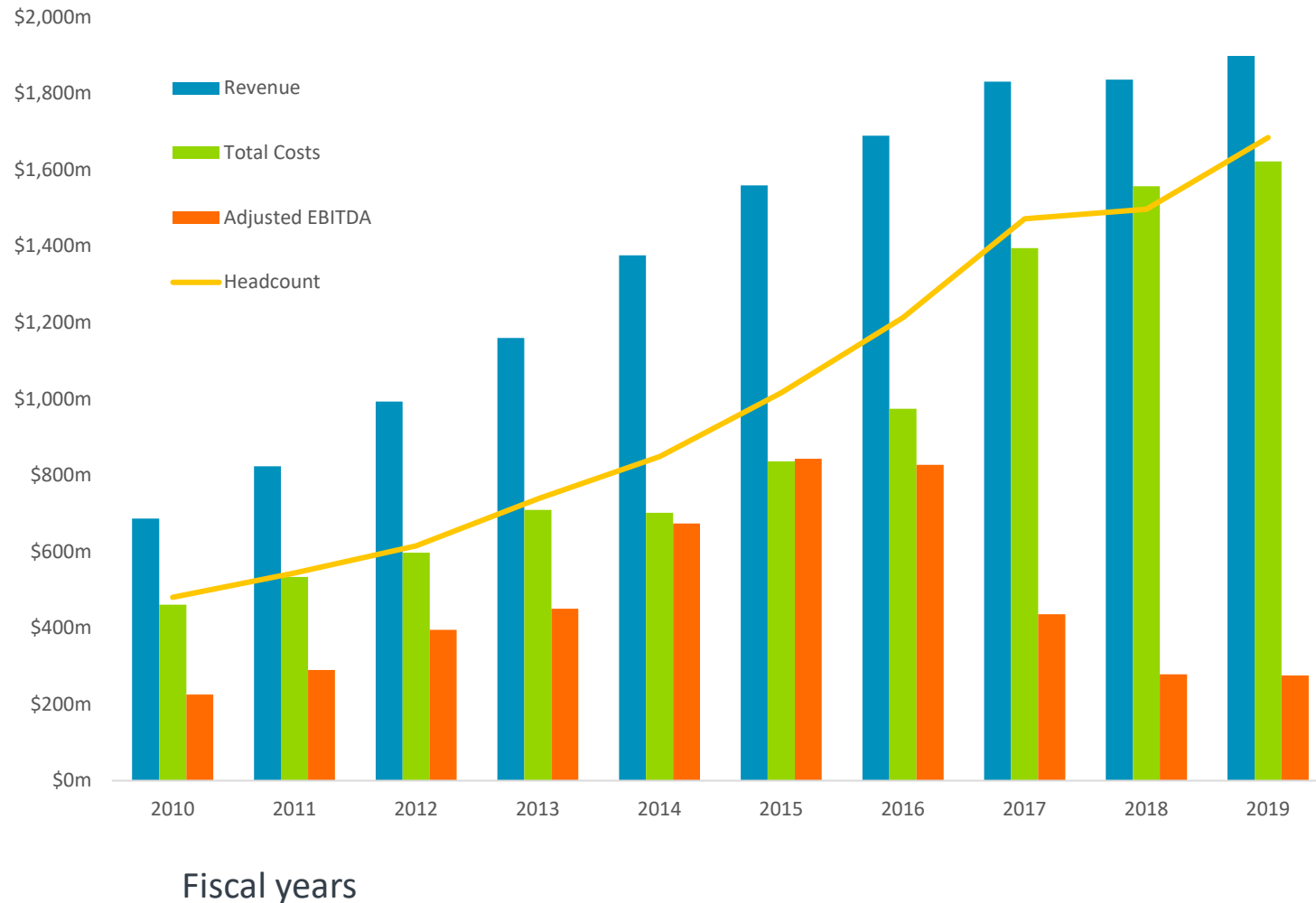
Highly **profitable and cash generative** enabling Arm to reinvest into new products

Return on Investments – Arm v8-A case study

- Arm incurs R&D costs many years before revenue starts



Revenues, investments and profits



- Until 2016 revenues grew faster than costs as Arm constrained investment in R&D to enable increasing profits
- For FY2017 to FY2018 Arm grew investment faster than revenues
- From FY2019 Arm is matching investment to revenue growth and expects revenue to grow faster than investments in the future leading to greater profitability

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More content available on

- Arm’s website: arm.com
- SoftBank Group’s website: group.softbank/en/ir

