



arm

# Arm Holdings plc SoftBank Investor Briefing

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# Nomenclature difference between Arm and SoftBank Group



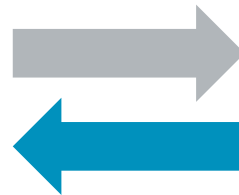
Fiscal year ending March 31, 2024

FY2023

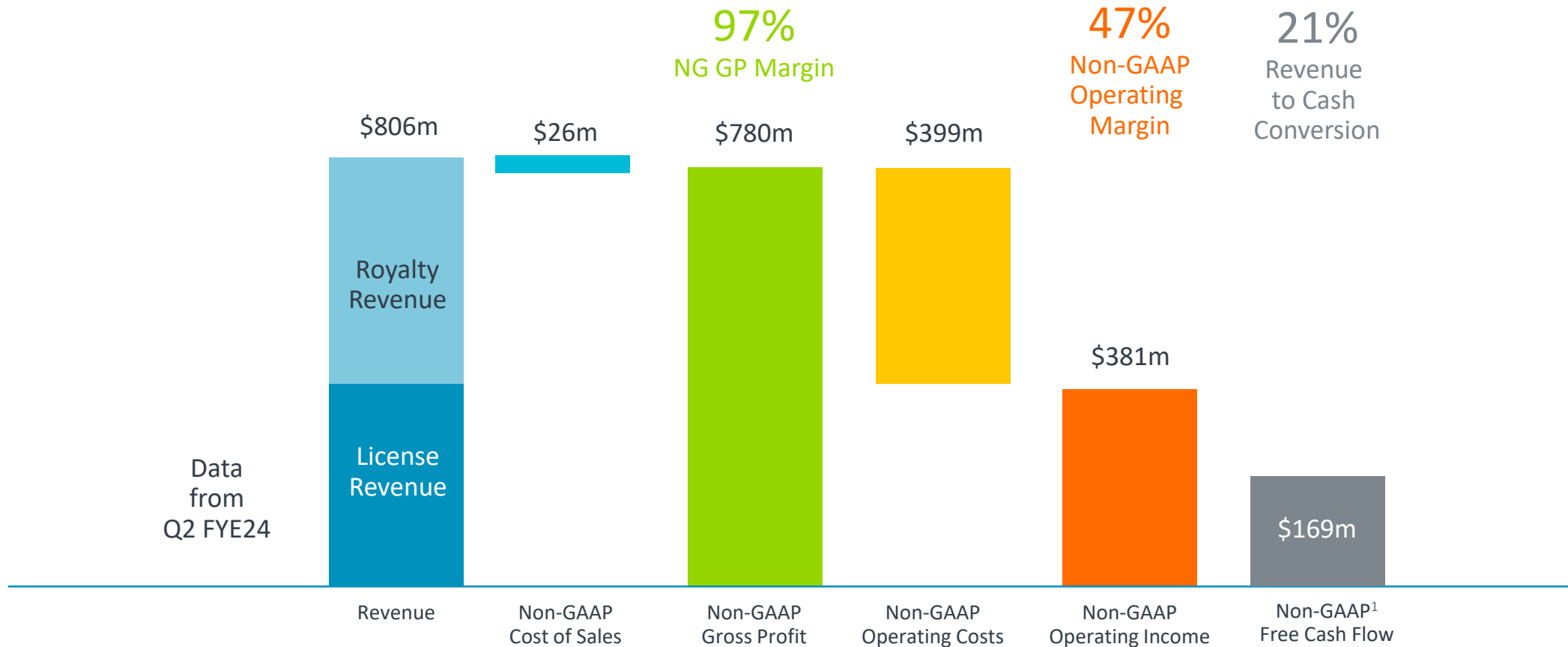


Fiscal year ending March 31, 2024

FYE24



# From Revenues to Profits to Cash (based on Q2 FYE24 results)

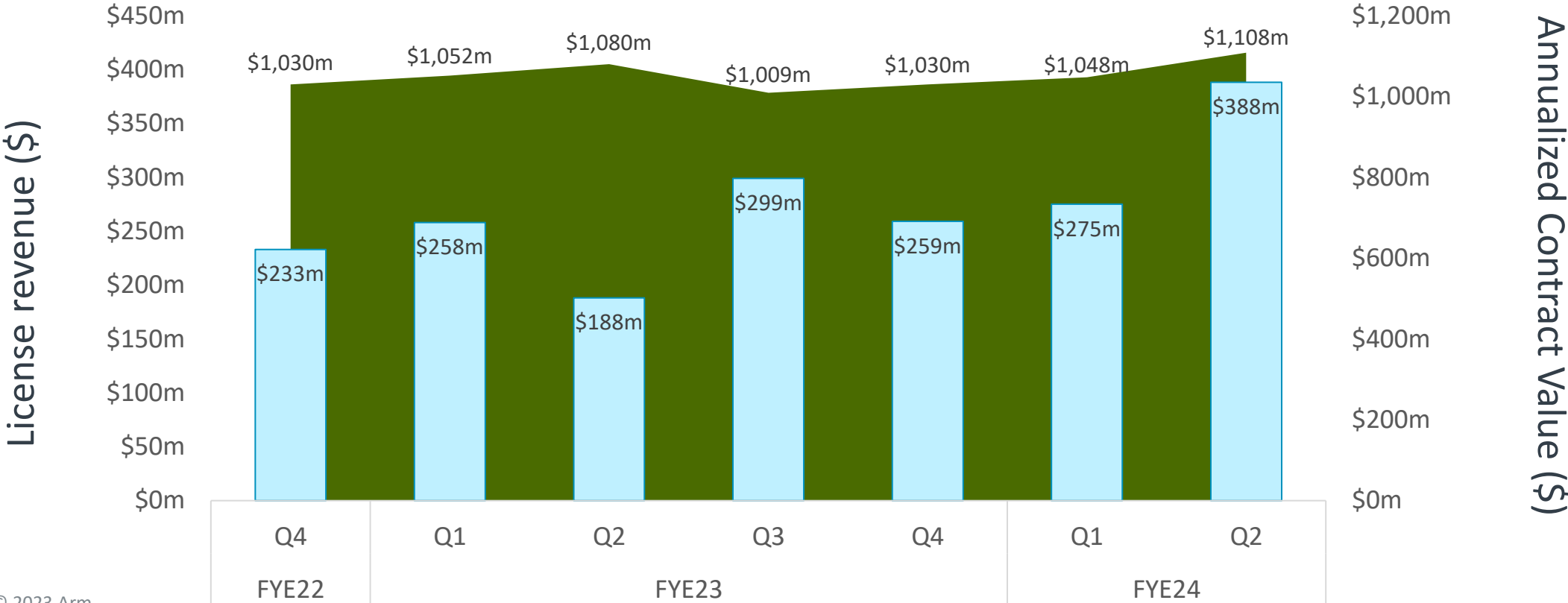


Note: Depreciation and amortisation for Q2 FYE24 totals \$41m

1. Non-GAAP Operating Income and Free Cash Flow are non-GAAP metrics. Please see the end of Arm's Q2 FYE24 shareholder letter for a reconciliation of each to the most directly comparable GAAP metric

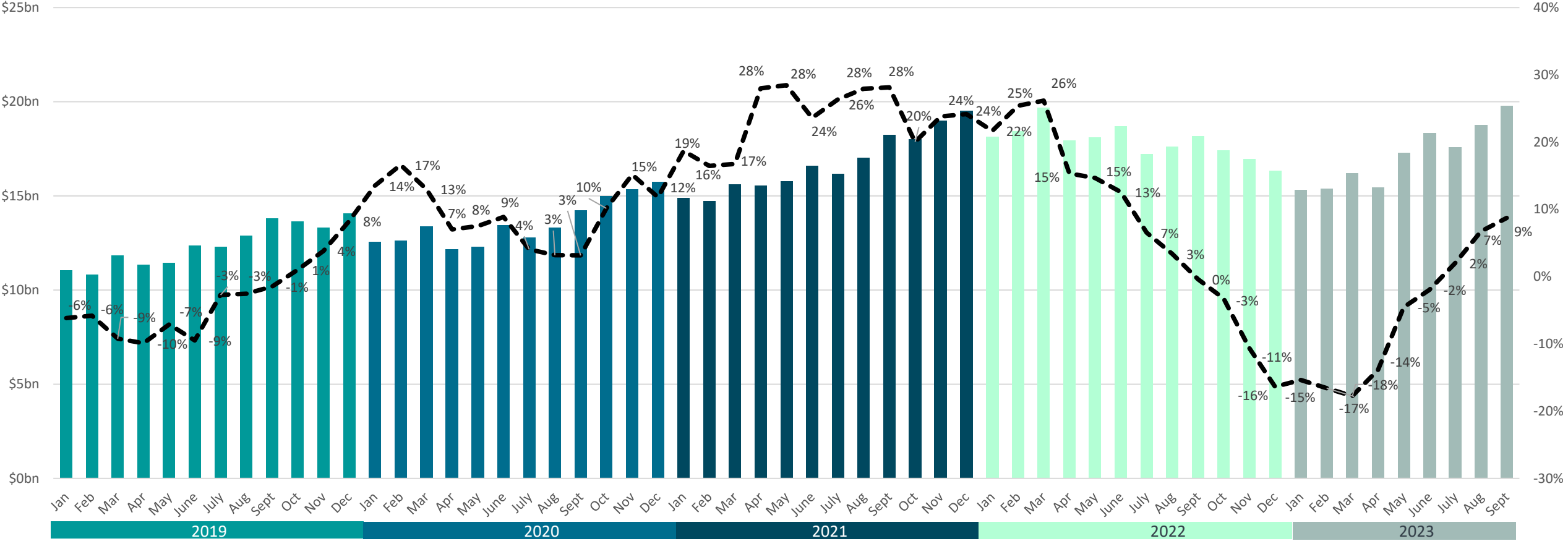
# Annualized Contract Value

+ Annualized contract value (ACV) smooths out license revenue, which can be highly variable from quarter to quarter



# Semiconductor industry recovering after inventory correction

- + Semiconductor industry recovering with consumer spending
- + Smartphone sales up 7% sequentially, PC sales up 8% sequentially



Sources: Semiconductor sales - WSTS, November 2023; Handset sales – Counterpoint, August 2023; PC sales – Gartner, October 2023





# AI

AI is being designed into every end product. From servers to sensors



# Cloud

Arm announced new products and partnerships to accelerate time to market for new server chips



# Auto

Renesas and NXP both announced new automotive product families



# Mobile

Google new Generative AI model optimized for Arm's latest Cortex-X4 processor



# IoT

Renesas announce new family of AI-enabled MCUs

# Guidance

- + Arm has good visibility of its licensing pipeline although timing, deal size, etc. can change
- + Analysts forecast that the semiconductor industry will continue to recover although trajectory is unclear

	Q3 FYE 24	FYE 24
Revenue (\$m)	\$720m - \$800m	\$2,960m - \$3,080m
Non-GAAP Operating Expense (\$m)	~\$460m	~\$1,765m
Non-GAAP fully diluted earnings per share (\$)	\$0.21-\$0.28	\$1.00 - \$1.10

Our FYE24 non-GAAP operating expense guidance includes a one-time increase in social security taxes of approximately \$45m in the fourth quarter, related to the vesting of certain equity awards following our IPO.