



arm

Arm Holdings plc SoftBank Investor Briefing

Ian Thornton, Head of Investor Relations

investor.relations@arm.com

<https://investors.arm.com>

November 2023



Nomenclature difference between Arm and SoftBank Group



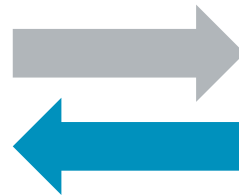
Fiscal year ending March 31, 2024

FY2023

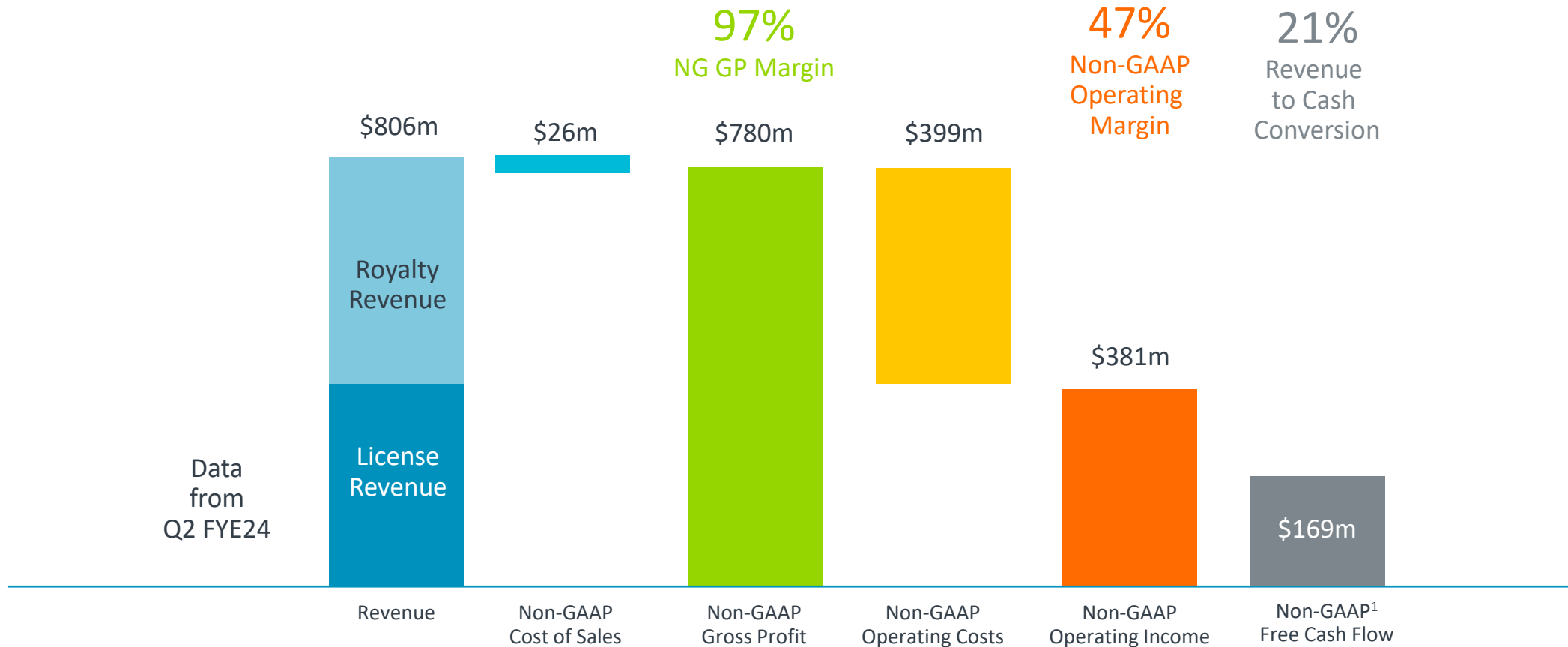


Fiscal year ending March 31, 2024

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

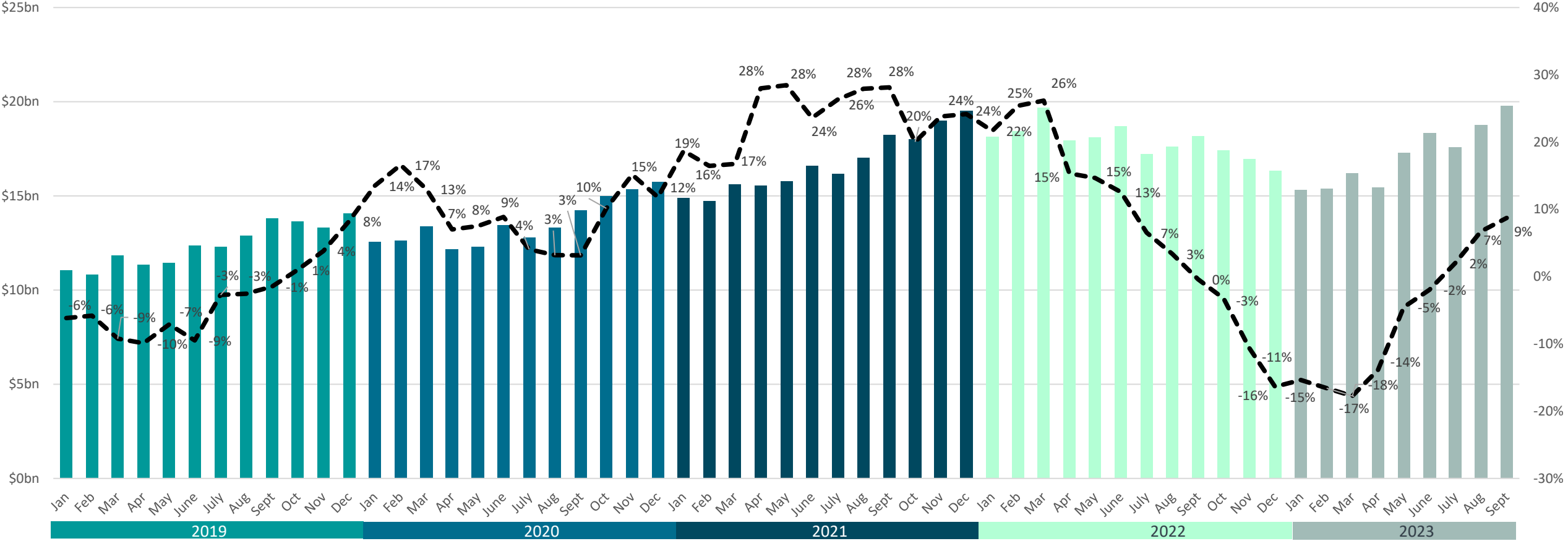
Annualized Contract Value

+ 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.