



Arm Holdings plc SoftBank Investor Briefing

Ian Thornton

Vice President, Investor Relations

November 2024

© 2024 Arm



Nomenclature difference between Arm and SoftBank Group



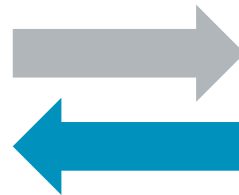
Fiscal year ending March 31, 2025

FY2024

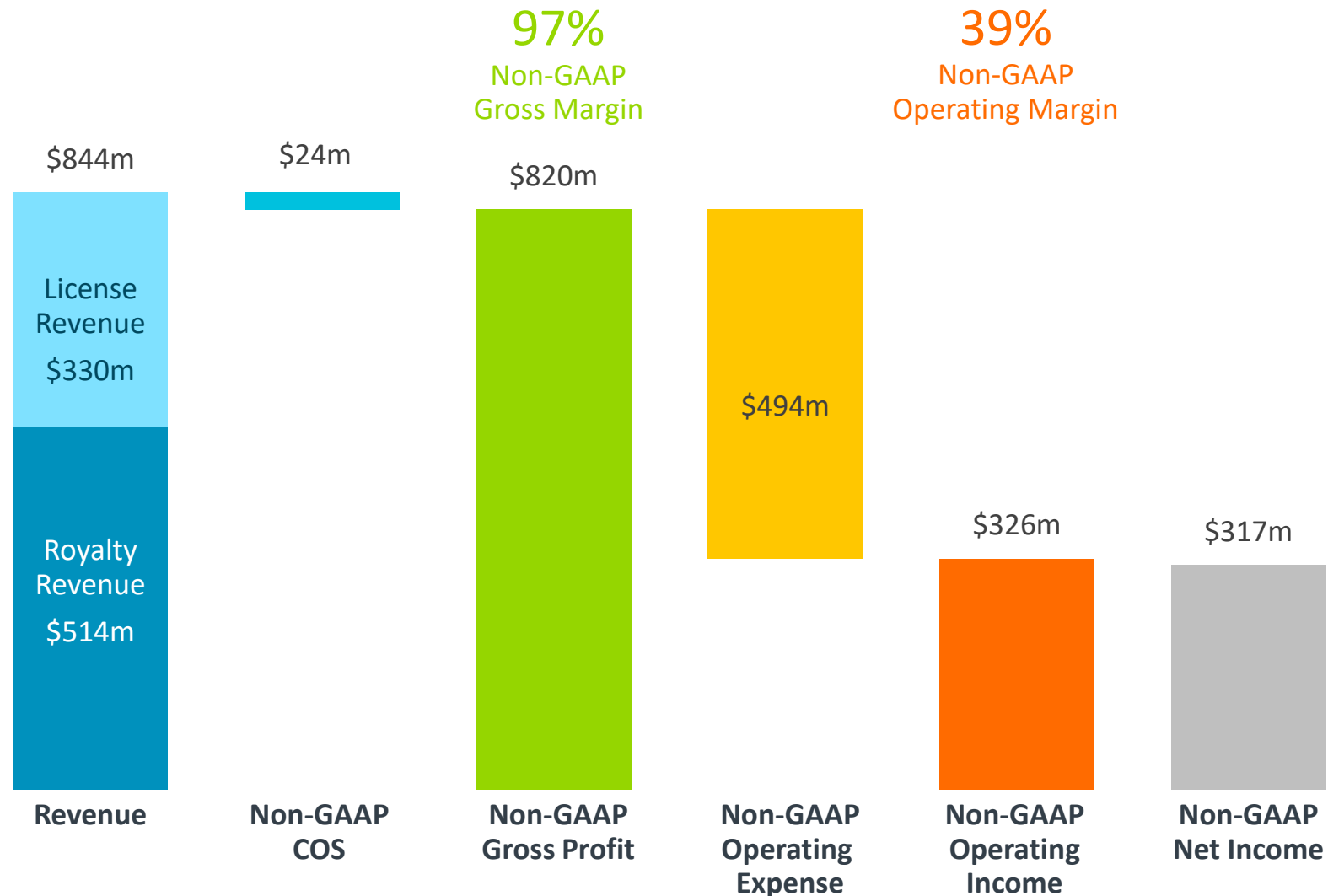


Fiscal year ending March 31, 2025

FYE25



Q2 FYE25: From Revenues to Profits



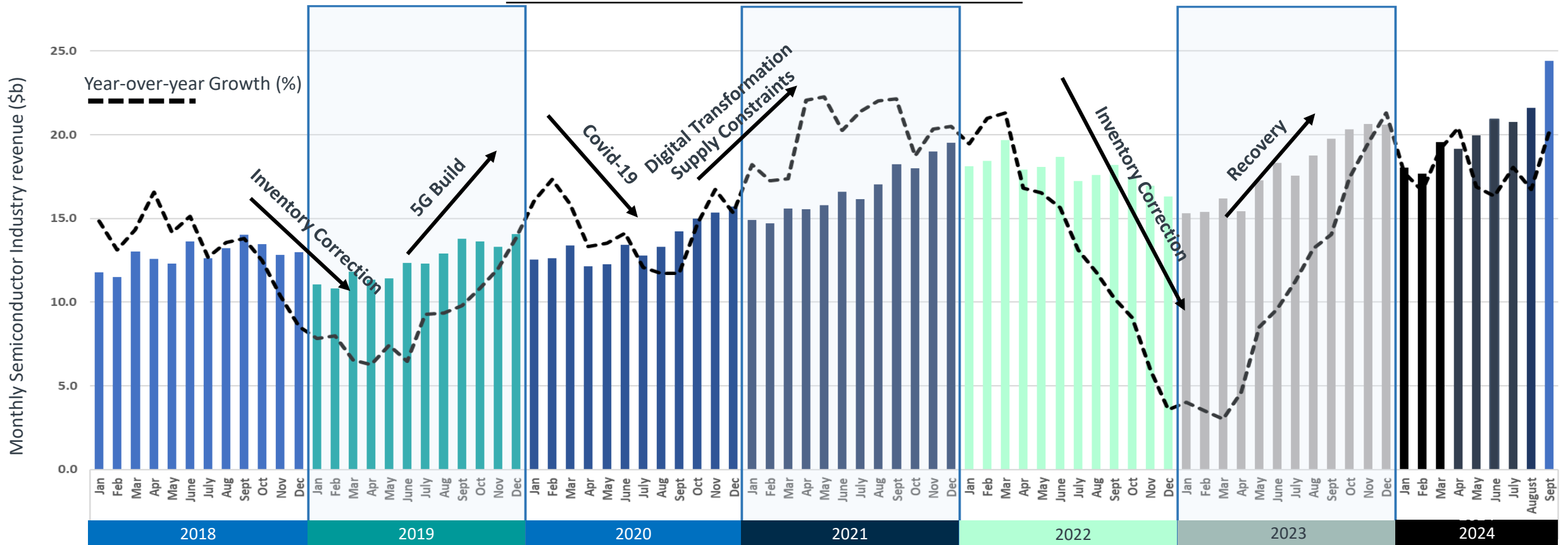
Notes:

1. Depreciation and amortisation for FYE25-Q2 was \$44m
2. See the end of Arm's FYE25-Q2 Shareholder Letter for a reconciliation of Non-GAAP metrics to the most directly comparable GAAP metrics

Semiconductor industry recovered after inventory correction

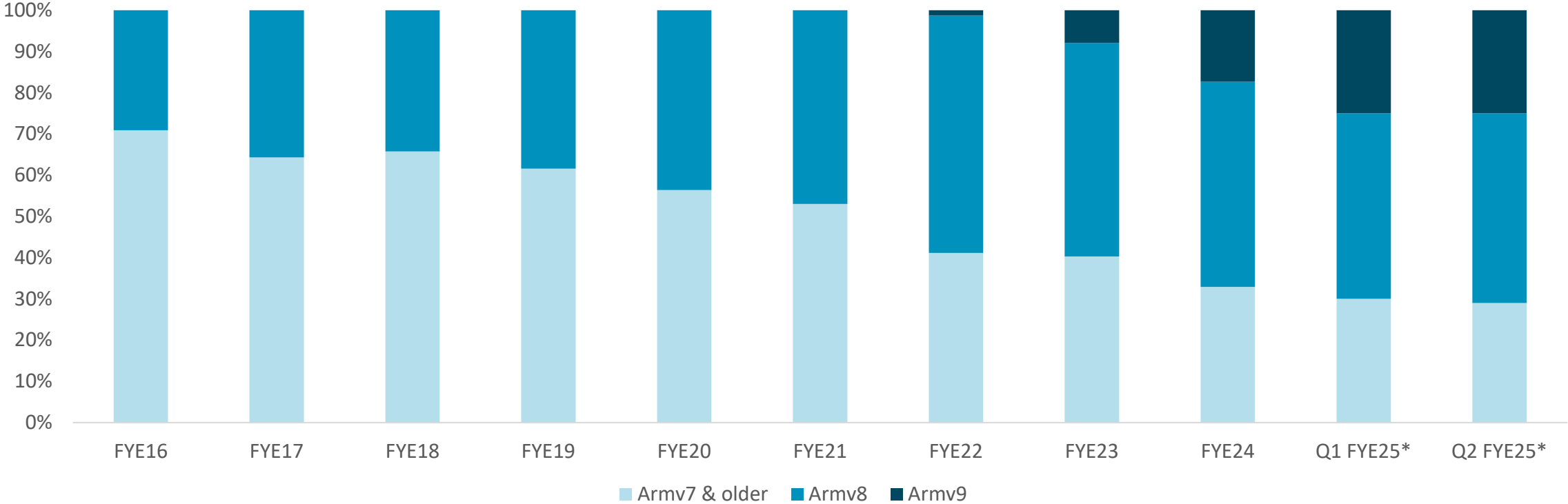
- ✦ After slow start to the year, semiconductor industry has recovered, growing 23% YoY in September to record levels
- ✦ Industry demand driven by AI and consumer. Automotive and industrial electronics are weaker.
- ✦ Smartphone market grew 4.0% YoY in September quarter

Arm Addressable Semiconductor Market



Armv9 adoption driving royalty growth

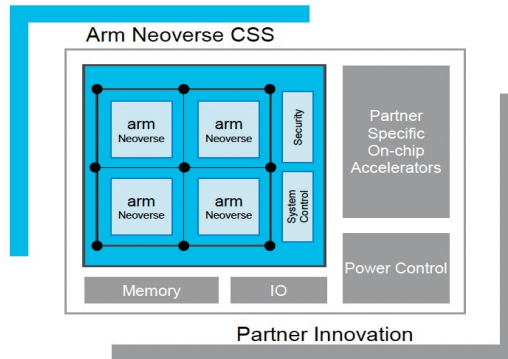
Royalty Revenue by Architecture



- + Armv9 commands a higher royalty per chip than prior architectures
- + Armv9 adoption has started first in smartphones and cloud compute; now moving to consumer electronics and auto

Compute Subsystems are further increasing royalty per chip

Arm's Compute Subsystems (CSS) are being adopted across all target markets



Smartphone

Laptop

Automotive

Cloud



Arm is building an ecosystem to support CSS customers

- Partners have taped out multiple chips and chiplets combining Arm CSS with products and services across the ecosystem

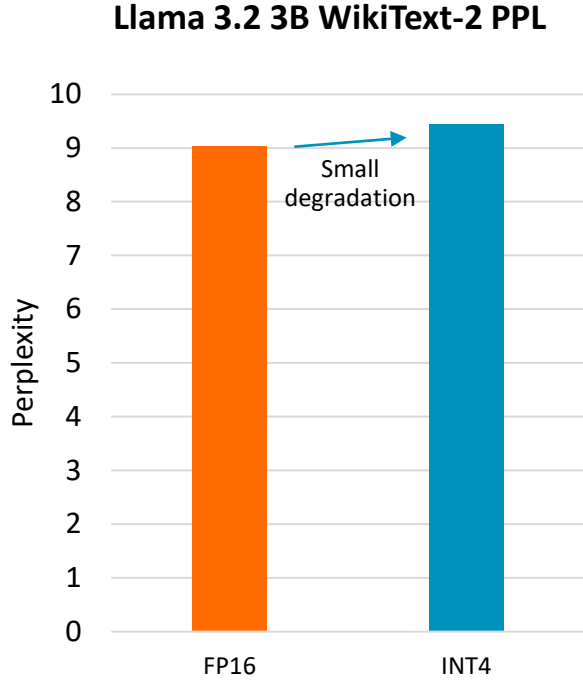
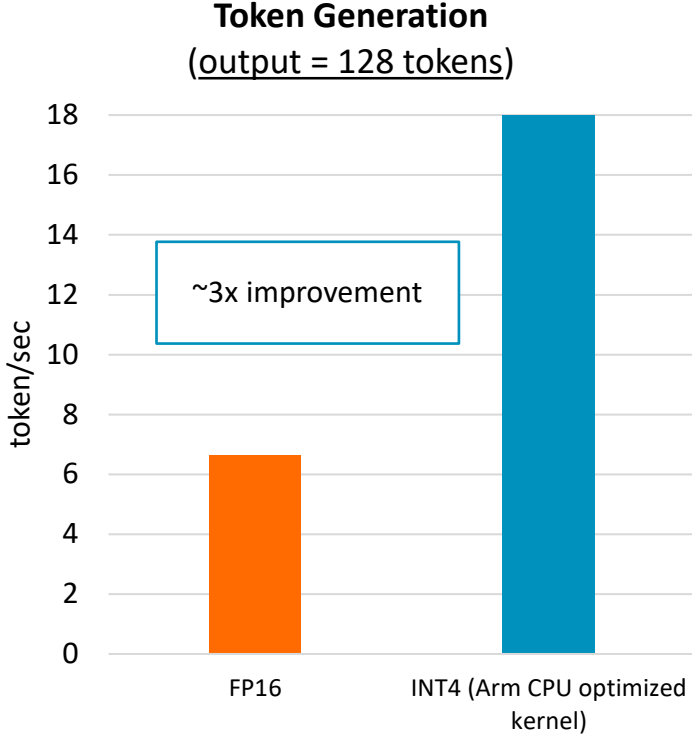
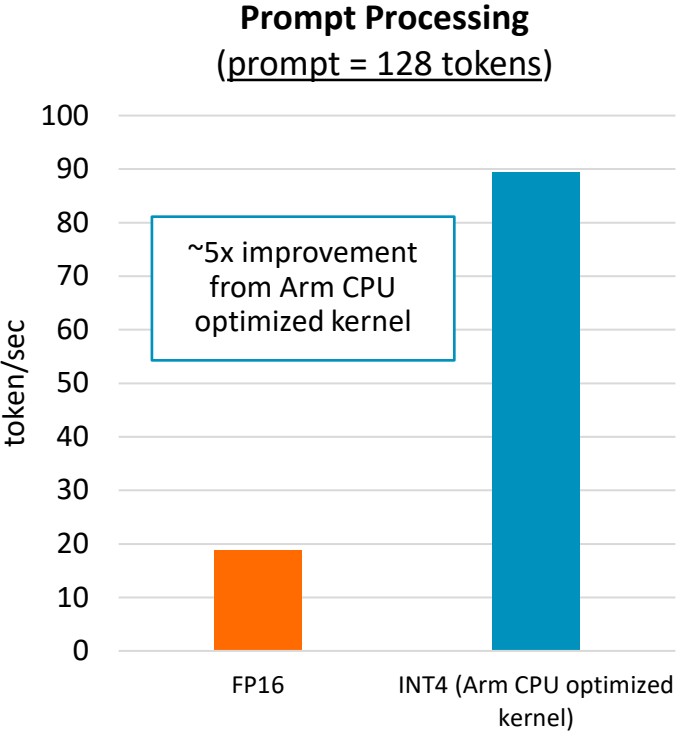
FOUNDRY

DESIGN SERVICES & OEMs

3RD PARTY IP, EDA, & FIRMWARE



Accelerating AI on Arm-based devices (Smartphone*)

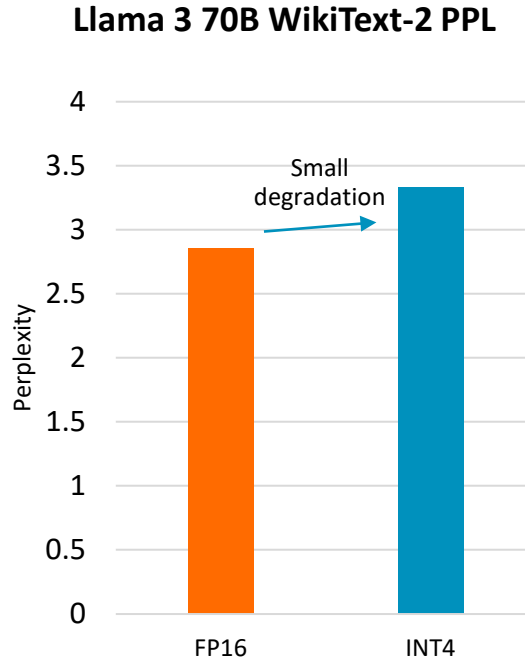
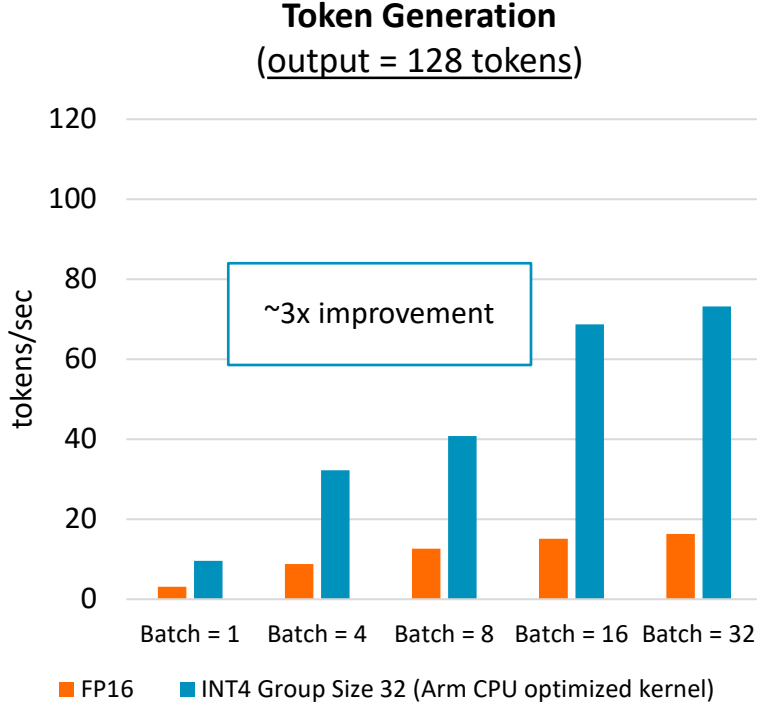
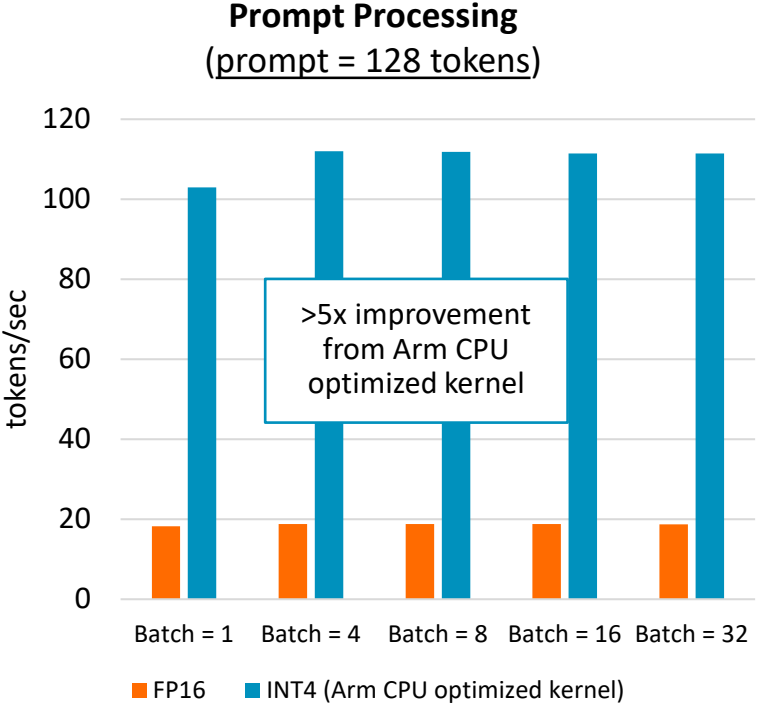


↑ Large improvement in token/s in Arm CPUs

↓ Small degradation in LLM quality from FP16 to INT4

© 2024 Arm * Running Llama 3.2 3 billion parameter model on Xiaomi Redmi K60 which uses a Qualcomm Snapdragon 8 Gen 1 (Arm Cortex-X2, 3x Arm Cortex-A710 and 4x Arm Cortex-A510)

Accelerating AI on Arm-based devices (Server*)



↑ Large improvement in token/s in Arm CPUs

↓ Small degradation in LLM quality from FP16 to INT4

Near-Term Guidance

	Q3 FYE 25	FYE 25
Revenue (\$m)	\$920m - \$970m	\$3.80b - \$4.10b
Non-GAAP Operating Expense (\$m) ¹	~\$525m	~\$2.05b
Non-GAAP fully diluted earnings per share (\$) ¹	\$0.32 - \$0.36	\$1.45 - \$1.65

(1) For more information and definitions of the non-GAAP measures see the “Key Financial and Operating Metrics” section of our most recent Shareholder Letter, available at <https://investors.arm.com/>. A reconciliation of each of the projected non-GAAP operating expense and non-GAAP fully diluted earnings per share, which are forward-looking non-GAAP financial measures, to the most directly comparable GAAP financial measure, is not provided because Arm is unable to provide such reconciliation without unreasonable effort. The inability to provide each reconciliation is due to the unpredictability of the amounts and timing of events affecting the items we exclude from the non-GAAP measure.

The background is a dark, blue-toned digital space filled with numerous floating cubes of various sizes and orientations. Each cube displays a different vibrant, futuristic image or pattern, such as a glowing car chassis, a person wearing a VR headset, a complex network diagram, a close-up of an eye, and abstract geometric patterns. The overall aesthetic is high-tech and immersive.

The Future is Built on **arm**