



Skyworks to Acquire Infrastructure & Automotive Business From Silicon Labs

April 22, 2021

• SAFE HARBOR STATEMENT

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TRANSACTION OVERVIEW



- Skyworks to acquire Infrastructure & Automotive (“I&A”) business of Silicon Labs in an all-cash asset transaction valued at \$2.75 billion
- The acquisition encompasses the technology portfolios and related assets of Silicon Labs in:
 - Power / Isolation
 - Timing
 - Broadcast
- Team of 350+ employees, including Silicon Labs’ I&A senior management, will join Skyworks

• STRATEGICALLY COMPELLING TRANSACTION

Proven, Highly Profitable Business Aligned with Skyworks' Strategy

Immediately Accretive


















Accelerates Revenue Diversification

Complementary Product Portfolio in Attractive Markets

Combined Market Opportunity ~\$20 Billion Annually

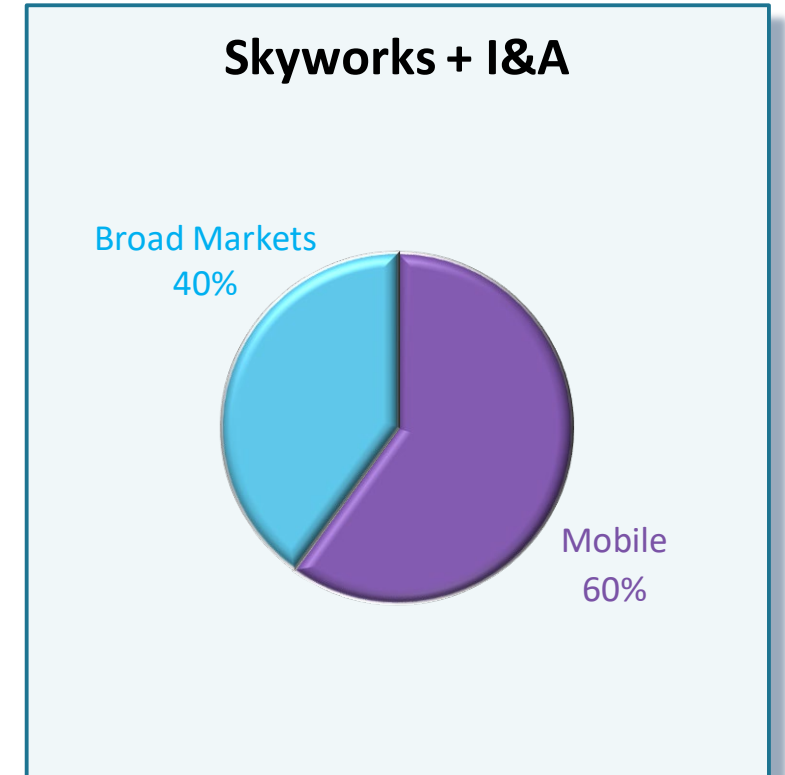
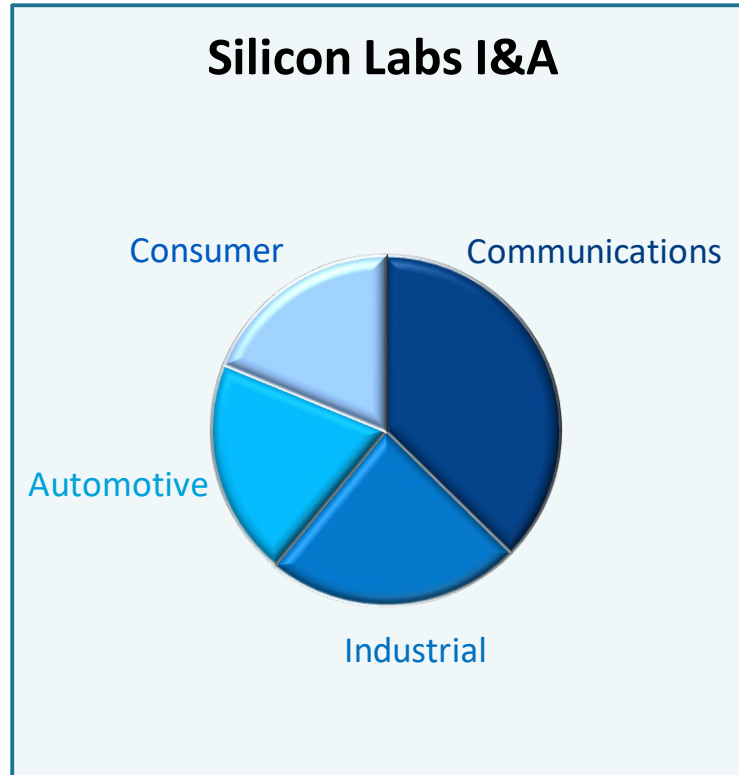
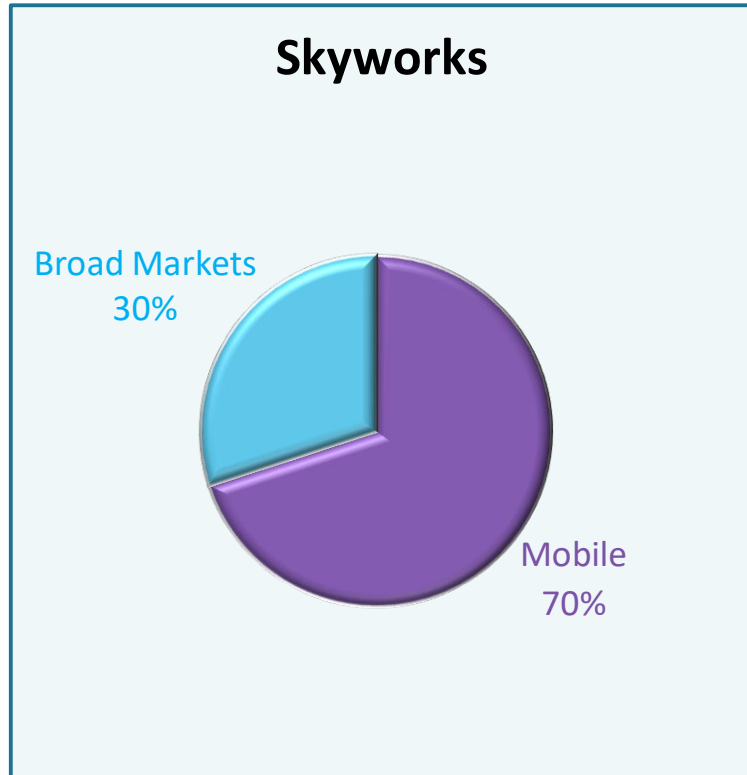
Shared Culture of Innovation and Technology Leadership

SILICON LABS I&A BUSINESS SNAPSHOT

Selected Products	Timing  XO/VCXO  Clock Generators  Clock Buffers  Synchronization  Jitter Atten. Clocks  Wireless Clocks	Power/Isolation  Digital Isolator  Isolated Driver  Isolated Analog  Isolated ADC  Power Over Ethernet  Data & Voice Modems	Broadcast  Automotive Radios  Digital Radios  Multi-Band Radios  STB & TV Tuners  DTV & Sat. Demodulators
Focus Markets	<ul style="list-style-type: none">• 5G wireless infrastructure• Optical data communications• Data center• Industrial & automotive	<ul style="list-style-type: none">• Electric and hybrid vehicles• Industrial & motor control• Power supply• Solar, medical, military/aero	<ul style="list-style-type: none">• Automotive• Smart home• Consumer

Highly Profitable Business Model with Solid Design Wins in High-Growth Markets














































ACCELERATES REVENUE DIVERSIFICATION



**Total Revenue Exceeds \$5 Billion
Broad Markets Becomes 40% of Mix**

COMPLEMENTARY PORTFOLIO WITH DIVERSIFIED CUSTOMER BASE

SKYWORKS + SILICON LABS I&A

Automotive	Communications & Data Center	Industrial	Consumer
  	 	 	 
  		 	  
 	 	 	 
  	 	 	 
  	 	 	  

SILICON LABS I&A

- No Single Customer accounts for >10%
- Top 10 Customers make up ~30% of revenue
- 4,000+ Customers make up remaining ~70% of revenue

• SHARED CULTURE OF INNOVATION AND DESIGN EXCELLENCE



Silicon Labs' I&A senior leadership team brings **over 85** years of combined experience



All **key senior leaders** are expected to join Skyworks, along with I&A's more than **350 employees**

TRANSACTION SUMMARY

Terms

- All-cash transaction of \$2.75 billion

Financial Impact

- Base-line revenue of ~\$375 million in 2020
- Immediately accretive

Management

- Silicon Labs' I&A senior management to join Skyworks along with a team of 350+ employees

Financing

- \$2.5 billion of new debt and the remainder from Skyworks' balance sheet cash

Closing

- Expected to close during the third calendar quarter of 2021
- Subject to customary closing conditions and regulatory approvals

TRANSACTION FINANCING AND CAPITAL ALLOCATION

Credit Facility

- \$2.5 billion of new transaction debt at close
 - \$1.5 billion of committed term loan
 - \$1.0 billion of investment grade bonds

Liquidity

- Approximately \$1.0 billion of cash after transaction closing
- New undrawn credit facility of \$750 million as supplemental liquidity
- Consistent historical record of strong cash generation to be further bolstered by the acquisition

Leverage

- Pro forma leverage at close expected to be ~1.1x
- Expected to de-lever rapidly within 18 months

Capital Allocation Policy

- Rapid de-levering with term loan repayment
- Expected to maintain current dividend policy, but temporarily suspend the share repurchase program
- Committed to maintain investment grade rating

FURTHER STRENGTHENS BEST-IN-CLASS FINANCIAL MODEL

Accelerates Path to Achieving Target Model

