

## Cirrus Logic Inc. (CRUS)

**\$119.99** (Stock Price as of 12/17/2025)

Price Target (6-12 Months): **\$140.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Outperform**

(Since: 10/27/25)

Prior Recommendation: Neutral

Short Term: 1-3 Months

**Zacks Rank: (1-5)**

**1-Strong Buy**

Zacks Style Scores:

VGM: D

Value: C

Growth: D

Momentum: D

### Summary

Cirrus Logic continues to advance its diversification strategy while gaining solid demand for its components integrated into smartphones. It is winning mainstream laptop designs and sampling AI-driven voice products, showing momentum across new markets, such as PCs, automotive, industrial and professional audio. Going ahead, it aims to leverage mixed-signal expertise, expand the addressable market and drive shareholder value via buybacks. For the fiscal third quarter, Cirrus expects revenues to be \$500-\$560 million, while we estimate \$531 million. A stronger product mix is boosting its margins, while an uptick in Opex is driven by rising R&D spending in emerging product lines targeting the PC and general market segments. However, the ongoing slowdown in the Android market remains an overhang, along with stiff rivalry, customer concentration risks and forex woes.

### Data Overview

52 Week High-Low	\$136.92 - \$75.83
20 Day Average Volume (sh)	441,626
Market Cap	\$6.1 B
YTD Price Change	20.5%
Beta	1.08
Dividend / Div Yld	\$0.00 / 0.0%
Industry	<a href="#">Electronics - Semiconductors</a>
Zacks Industry Rank	Top 31% (75 out of 243)

Last EPS Surprise	17.9%
Last Sales Surprise	3.9%
EPS F1 Est- 4 week change	1.7%
Expected Report Date	02/03/2026
Earnings ESP	-4.6%

P/E TTM	14.1
P/E F1	15.9
PEG F1	-6.6
P/S TTM	3.1

### Price, Consensus & Surprise<sup>(1)</sup>



### Sales and EPS Growth Rates (Y/Y %)<sup>(2)</sup>



### Sales Estimates (millions of \$)<sup>(2)</sup>

	Q1	Q2	Q3	Q4	Annual*
2027	374 E	547 E	545 E	403 E	1,869 E
2026	407 A	561 A	531 E	362 E	1,861 E
2025	374 A	542 A	556 A	424 A	1,896 A

### EPS Estimates<sup>(2)</sup>

	Q1	Q2	Q3	Q4	Annual*
2027	0.97 E	2.38 E	2.39 E	1.44 E	7.18 E
2026	1.51 A	2.83 A	2.26 E	0.94 E	7.54 E
2025	1.12 A	2.25 A	2.51 A	1.67 A	7.54 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/17/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/17/2025.

## Overview

Headquartered in Austin, TX, Cirrus Logic is a fabless semiconductor supplier, which develops low-power, high-precision mixed-signal processing solutions.

The company focuses on expanding markets where it can apply its high-precision, low-power mixed-signal processing knowledge to address challenging issues across the analog-to-digital divide. The company is dedicated to pursuing its three-pronged growth strategy: first, preserving its leadership in smartphone audio; second, boosting the amount of high-performance mixed-signal (HPMS) content in smartphones; and third, utilizing its capabilities in audio and HPMS to penetrate new and existing markets and applications.

In fiscal 2025, Cirrus Logic's revenues logged \$1.9 billion.

The company has two reportable segments – Audio and High-Performance Mixed-Signal.

Audio product lines include smart codecs, codecs, analog-to-digital converters, digital-to-analog converters, boosted amplifiers and standalone digital signal processors.

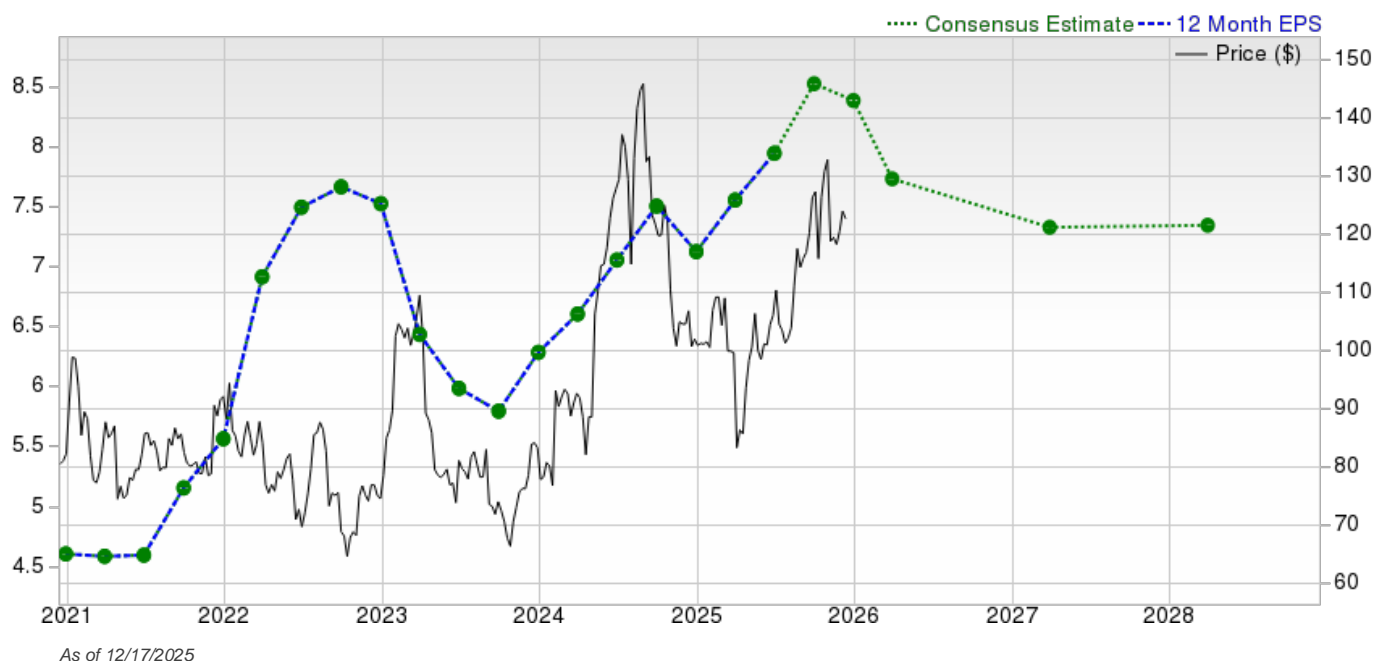
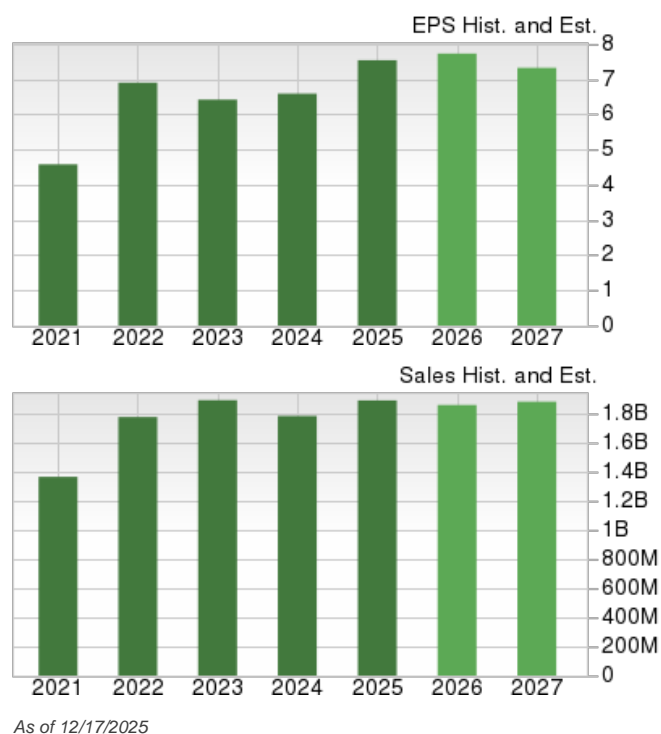
High-Performance Mixed-Signal products include haptic driver and sensing solutions, camera controllers and battery and power ICs.

Audio products represented 60% of fiscal 2025 revenues, while High-Performance Mixed-Signal products made up the remaining 40%.

Cirrus Logic sells products through both — direct and indirect sales channels. The company's list of customers includes worlds' leading electronic manufacturers. Notably, Apple Inc is the company's largest customer representing nearly 89% of its fiscal 2025 sales.

Some of the company's primary competitors include AKM Semiconductor, Analog Devices, Goodix Technology, Infineon Technologies, Monolithic Power Systems, Realtek Semiconductor Corporation, Renesas Electronics Corporation, Shanghai Awinic Technology, Skyworks Solutions, Southchip Semiconductor Technology (China), ST Microelectronics N.V, Synaptics Incorporated and Texas Instruments.

As of Mar 31, 2024, the company employed 1,660 people globally.



## Reasons To Buy:

- ▲ Growing **momentum** in the laptop market and **increasing design** with customers on next-generation flagship smartphones bode well. During fiscal 2025, the company benefited from the launch of the next-generation boosted amplifier, enabling higher audio performance for mobile devices. The debut of Cirrus Logic's first 22-nanometer smart codec advanced its technological leadership. It continues to gain momentum in the laptop market with design wins on major platforms. In the fiscal second quarter, it reported strong design activity across its PC portfolio, with a broad set of consumer and commercial laptops expected to be launched over the next year as SoundWire adoption grows. Having gained early traction in high-end models, the company is now expanding into mainstream programs to access higher volumes and increase its share of the addressable market. In the PC space, the company is reportedly developing advanced audio processing solutions optimized for voice assistants, conferencing and immersive sound experiences — areas where AI-driven features are becoming standard. Similarly, in the automotive sector, Cirrus Logic is exploring integrated solutions that combine voice control, noise management and signal processing for safer and more engaging in-cabin experiences. These additions broaden its portfolio across price points, support higher-volume programs, and create new revenue opportunities by expanding its addressable market. The introduction of general market components was designed to tap into broader opportunities beyond the traditional mobile and consumer markets. These innovations keep Cirrus Logic at the forefront of premium smartphone audio technology. It secured its first mainstream consumer laptop design this quarter, building on recent wins in commercial models. It is expected to ship next year. This milestone reflects solid progress in expanding beyond smartphones and strengthens the company's position for continued momentum in the broader PC market. It continues to diversify its revenues and increase smartphone content with high-performance mixed-signal solutions. Engagement around its camera controllers remains strong, and the technology emerged as a clear differentiator in the latest device generation. Owing to these factors, the company expects the mixed-signal market to expand from \$6.8 billion in 2025 to \$8.5 billion in 2029, driven by growth in both audio and high-performance mixed-signal segments.
- ▲ Cirrus Logic's **long-term growth strategy** centers on three priorities — sustaining leadership in core smartphone audio, expanding its portfolio of high-performance mixed-signal solutions for mobile devices and applying its audio and mixed-signal expertise to enter and scale in new markets. The company is channeling R&D investments into next-generation products with enhanced audio, voice capture and haptic feedback capabilities — technologies that are increasingly important in both consumer electronics and industrial systems. While smartphones remain its core business, the company's true strength lies in its advancing diversification strategy. Much of the custom silicon business delivers returns over longer cycles than typical consumer products. Its newest audio components replace solutions that served flagship phones for five to six years, demonstrating the durability of its designs. This longevity provides strong revenue visibility and allows for the redeployment of R&D resources into new areas that support continued innovation and growth. Beyond custom audio, Cirrus continues to support several Android customers. A leading OEM recently launched a flagship device using two Cirrus boosted amplifiers and a haptic driver. While most general-market R&D is directed toward opportunities outside smartphones, the company remains engaged in next-generation flagship designs and expects additional customer programs to reach the market over time.
- ▲ The company received and started validating its first silicon from a new foundry in December, 2023. The company anticipates that this **partnership** will allow it to provide products that have been created using wafer manufacturing capacity and key wafer supply for new components based in the United States in the future. Also, this will help to qualify the process technology and core IP which are necessary to enable next-generation power solutions. Being a fabless company, it does not have to own or operate foundries for the production of wafers. Instead, it works with third-party contractors and chip assemblers for the manufacturing, assembling and testing of products. It also frees up resources for research and development (R&D) activity that would otherwise have been locked up in capital assets. This approach permits the company to focus more on the designing, developing and marketing side, which reduces operational and financial risk.
- ▲ Cirrus Logic has **enhanced its shareholders' wealth** through share repurchases. The company repurchased 362,000 shares worth \$40 million in the reported quarter. As of Sept. 27, 2025, it had \$414.1 million worth of shares under its existing share repurchase authorization. Share repurchases are a good way of enhancing its shareholders' wealth while boosting the company's earnings. The company's ability to generate solid cash flows is expected to help it sustain current share repurchases, at least in the near term.
- ▲ Cirrus Logic is a cash-rich company with a **strong balance sheet**. Well-off companies not only guarantee protection but are also likely to reward the company's shareholders from its heavy cash registers. As of Sept. 27, 2025, the company had cash and cash equivalents and marketable securities of \$645.9 million with no long-term debt. In the fiscal second quarter, the company generated \$92.2 million of net cash from operations compared with \$8.2 million in the previous-year quarter. Since it has net cash available on its balance sheet, the existing cash can be used for pursuing strategic acquisitions, investment in growth initiatives and distribution to its shareholders.

Robust growth highlights Cirrus Logic's commitment to innovation and adaptability, striving for continued success and market expansion in the consumer electronics sector.

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## Risks<sup>(2)</sup>

- Cirrus Logic's international operations are largely exposed to **foreign currency exchange rate risk**. A substantial portion of the company's sales is derived from outside the United States. Although profitable in the long run, the company's extensive investments in the region will impact margins in the near term. Notably, in fiscal 2025, 99% of the company's sales came from international markets. The current macroeconomic environment and ongoing tariff uncertainties present significant challenges. The situation remains highly fluid, and future trade actions could adversely affect its business. Although the company is monitoring developments closely, the potential for disruption remains. It is engaging with its supply chain to adapt, but these efforts may not fully offset the evolving risks to customer support and overall operations. Hence, we believe that any unfavorable currency fluctuations and an uncertain macroeconomic environment may hinder growth at the company.
  - Cirrus Logic operates in a **highly competitive market**. The company faces significant competition from semiconductor suppliers that offer standard semiconductors, application-specific standard products and fully customized ICs, including embedded software, chip and board-level products. Some of the company's primary competitors include AKM Semiconductor, Analog Devices, Qualcomm Incorporated, NXP Semiconductors N.V., etc. We expect intensifying competition to keep profitability under pressure, at least in the near term.
  - **Customer concentration** is a major concern for Cirrus Logic. While it has a broad global customer base, the loss of any key customer, a significant decline in sales or selling prices to a key customer, or price reductions to maintain key relationships could materially impact its revenue, margins, earnings, and overall business performance. The company may have to pay the price for heavy reliance on Apple. The company generated approximately 89% of its revenues in fiscal 2025 through selling audio chips used in iPhone devices. Any decline in iPhone sales is likely to pose a key threat to its top-line results. Ongoing weakness in the Android market is expected to weigh on overall momentum and raise concerns about sustaining revenue from this channel.
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## Last Earnings Report

### Cirrus Logic Q2 Earnings & Revenues Beat

**Cirrus Logic** reported second-quarter fiscal 2026 adjusted earnings per share (EPS) of \$2.83, which surpassed the Zacks Consensus Estimate of \$2.10. The company reported adjusted EPS of \$2.25 in the prior-year quarter.

Cirrus Logic generated revenues of \$561 million for the September quarter, hitting the high end of its guidance (\$510-\$570 million), driven by strong demand in its core smartphone component business. Sequentially, revenues increased 38%, reflecting higher shipments of smartphones. Year over year, sales rose 4%, mainly due to increased smartphone volumes and contributions from its latest generation products. The top line beat the Zacks Consensus Estimate by 3.9%.

The performance reflects continued adoption of its advanced mixed-signal processing technologies that enhance audio and haptic experiences in premium mobile devices. While smartphones remain the primary revenue driver, Cirrus Logic's progress toward diversification continues to gain momentum. Management highlighted the company's breakthroughs in the PC market, announcing its first mainstream consumer laptop design and expanding partnerships with leading PC platform vendors.

Additionally, its audio and voice processing chips are being increasingly adopted in laptops and tablets. Beyond PCs, the company reported growing customer engagement across several emerging segments, such as professional audio, industrial, automotive and imaging end markets. These diversification efforts position the company for long-term growth across multiple high-value industries.

The company's largest customer accounted for 90% of total revenues in the fiscal second quarter.

### Segment Details

This Texas-based company rearranged its reportable segments and created separate categories — High-Performance Mixed-Signal and Audio — in 2021.

Cirrus Logic's **High-Performance Mixed-Signal** segment includes a few of its non-audio products. It contributed 43% to total revenues in the fiscal second quarter. Revenues from the same division grew 7.8% year over year to \$242.8 million.

The **Audio** segment's sales inched up 0.5% to \$318.2 million and contributed 57% to total revenues.

### Margins

Non-GAAP gross margin improved to 52.5% from 52.2% in the prior-year quarter, mainly due to a favorable product mix, partially offset by higher inventory reserves.

It reported non-GAAP operating expenses of \$127.7 million for the second quarter, below the guidance (\$131-\$137 million), driven by lower product development costs from project timeline shifts and reduced employee-related expenses. Sequentially, OpEx increased 6.9%, mainly led by higher variable compensation, product development costs related to tape-outs and facility expenses, partially offset by lower employee-related costs. Year over year, operating expenses rose 0.7%, primarily due to higher employee-related costs from annual merit increases, partially offset by lower product development expenses.

Non-GAAP operating income of \$167 million grew 6.9% year over year.

Non-GAAP operating profit margin increased to 29.8% from 28.8%.

### Balance Sheet and Cash Flow

The company exited the fiscal second quarter with cash and marketable securities of \$645.9 million compared with \$478.3 million as of Sept. 28, 2024.

As of Sept. 27, 2025, accounts receivable were \$355.4 million.

In the fiscal second quarter, it generated \$92.2 million of net cash from operations compared with \$8.2 million in the previous-year quarter. Free cash flow was \$87.7 million in the quarter under review.

The company repurchased 362,000 shares worth \$40 million in the reported quarter. As of Sept. 27, 2025, it had \$414.1 million worth of shares under its existing share repurchase authorization.

### Fiscal Q3 2026 Outlook: Maintaining Momentum

For the third quarter of fiscal 2026, Cirrus Logic provided a revenue outlook between \$500 million and \$560 million.

The GAAP gross margin is expected to be in the range of 51-53%.

Combined GAAP R&D and SG&A are anticipated to be between \$151 million and \$157 million.

Non-GAAP operating expenses are estimated to be in the band of \$128-\$134 million.

### FY Quarter Ending 3/31/2025

Earnings Reporting Date	Nov 04, 2025
Sales Surprise	3.88%
EPS Surprise	17.92%
Quarterly EPS	2.83
Annual EPS (TTM)	8.52



## Recent News

On Dec. 9, 2025, Cirrus Logic took a major step into the automotive realm with the launch of its CS40L51, CS40L52 and CS40L53 closed-loop haptic driver family. The latest innovations are its first series to achieve AEC-Q100 automotive reliability certification. These chips are engineered to deliver fast, realistic and consistent tactile feedback across multiple scenarios, ensuring drivers and passengers get an intuitive, satisfying response each time they interact with a digital control.

On Aug. 20, 2025, Cirrus Logic expanded its long-standing collaboration with GlobalFoundries, which specializes in semiconductor manufacturing. The initiative is set to boost the development and commercialization of cutting-edge semiconductor technologies, with broader implications for industries ranging from consumer electronics to automobiles.

On June 24, 2025, Cirrus Logic unveiled four new additions to its Pro Audio product family — two analog-to-digital converters and two digital-to-analog converters — that aim to deliver top-tier audio fidelity at a competitive price point. These new components are engineered to address the growing demands of HiFi playback systems, installed audio networks, musical instruments, professional recording environments and USB audio interfaces.

On May 20, 2025, Cirrus Logic partnered with Compal Electronics to introduce AI-powered audio technology that promises to enhance sound performance without compromising clarity or quality. The initiative not only highlights Cirrus Logic's pioneering work on AI audio technology for the PC market but also introduces an innovative approach to solving one of the industry's most persistent audio challenges.

On Jan. 7, 2025, Cirrus Logic partnered with Intel Corporation to unveil a reference design based on the new Intel Core Ultra processors (series 2), formerly codenamed Arrow Lake. The collaboration emphasizes its commitment to innovation and delivering premium audio experiences for PC users across mainstream, premium and high-end market segments.

On Dec. 5, 2024, Cirrus Logic introduced new timing devices, the CS2500, CS2501 and CS2600. Specifically engineered to meet the evolving demands of automotive and professional audio applications, these devices are poised to transform how audio systems synchronize and perform. Full-scale production is slated for May 2025, providing a clear timeline for adoption and integration.

On June 25, 2024, Cirrus Logic launched its latest lineup of digital-to-analog converters and an ultra-high-performance audio CODEC. These innovative solutions are specifically crafted for recording artists, live performers and audiophiles, delivering uncompromising sound quality and exceptional performance.

## Valuation

Shares of Cirrus are up 16.1% in the past six months and 20.3% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 31%, and stocks in the Zacks Computer & Technology sector are up 22.1% in the past six months. Over the past year, the Zacks sub-industry and the sector have increased 39.2% and 23.9%, respectively.

The S&P 500 index is up 16.6% in the six months and 18.1% in the past year.

The stock is currently trading at 19.89X forward 12-month earnings, which compares to 35.31X for the Zacks sub-industry, 27.86X for the Zacks sector and 23.3X for the S&P 500 index.

Over the past five years, the stock has traded as high as 28.61X and as low as 12.42X, with a 5-year median of 18.83X. Our Outperform recommendation indicates that the stock will perform better than the market. Our \$140 price target reflects 22.87X forward 12-month earnings.

The table below shows summary valuation data for CRUS:

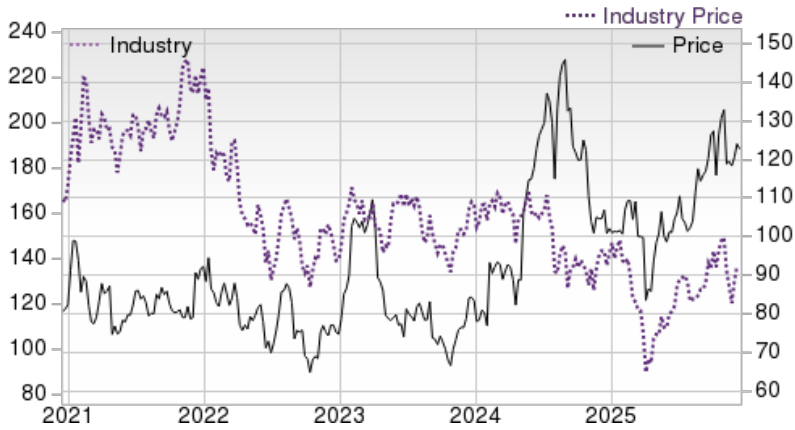
Valuation Multiples - CRUS					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	19.89	35.31	27.86	23.3
	5-Year High	28.61	39.77	29.92	23.78
	5-Year Low	12.42	11.13	18.7	15.73
	5-Year Median	18.83	20.27	26.61	21.22
P/S F12M	Current	3.29	6.48	6.51	5.25
	5-Year High	4.23	9.83	7.39	5.5
	5-Year Low	1.88	3.52	4.24	3.83
	5-Year Median	2.86	5.88	6.29	5.05
EV/EBITDA TTM	Current	10.98	24.14	19.17	18.55
	5-Year High	18.40	27.99	23.68	22.41
	5-Year Low	5.99	8.09	12.03	13.88
	5-Year Median	10.71	15.79	18.35	17.97

As of 12/16/2025

Source: Zacks Investment Research



## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 31% (75 out of 243)



## Top Peers<sup>(1)</sup>

Company (Ticker)	Rec	Rank
Allegro MicroSystems... (ALGM)	Neutral	3
Alpha and Omega Semi... (AOSL)	Neutral	4
Broadcom Inc. (AVGO)	Neutral	2
FormFactor, Inc. (FORM)	Neutral	2
Ichor Holdings, Ltd. (ICHR)	Neutral	3
Silicon Motion Techn... (SIMO)	Neutral	3
Synaptics Incorporat... (SYNA)	Neutral	3
Diodes Incorporated (DIOD)	Underperform	4

## Industry Comparison<sup>(1)</sup> Industry: Electronics - Semiconductors

	CRUS	X Industry	S&P 500	ALAB	DIOD	SYNA
Zacks Recommendation (Long Term)	Outperform	-	-	Neutral	Underperform	Neutral
Zacks Rank (Short Term)	1	-	-	3	4	3
VGM Score	D	-	-	B	C	D
Market Cap	6.12 B	1.04 B	38.58 B	23.69 B	2.32 B	2.88 B
# of Analysts	3	2	22	9	1	5
Dividend Yield	0.00%	0.00%	1.42%	0.00%	0.00%	0.00%
Value Score	C	-	-	F	B	D
Cash/Price	0.10	0.11	0.04	0.05	0.17	0.15
EV/EBITDA	11.14	10.37	14.55	-268.46	9.71	46.86
PEG Ratio	-6.58	1.91	2.20	1.45	NA	0.80
Price/Book (P/B)	3.02	3.23	3.33	18.33	1.19	2.06
Price/Cash Flow (P/CF)	16.48	22.86	15.10	NA	11.77	13.54
P/E (F1)	15.91	33.86	19.71	78.93	43.47	16.95
Price/Sales (P/S)	3.14	5.20	3.09	32.76	1.62	2.60
Earnings Yield	6.44%	1.87%	5.06%	1.27%	2.30%	5.90%
Debt/Equity	0.00	0.04	0.57	0.00	0.01	0.60
Cash Flow (\$/share)	7.35	0.48	8.99	-0.61	4.28	5.45
Growth Score	D	-	-	A	C	C
Hist. EPS Growth (3-5 yrs)	9.18%	-2.58%	8.16%	NA	-23.45%	-41.21%
Proj. EPS Growth (F1/F0)	0.00%	7.60%	8.57%	111.90%	-12.21%	20.44%
Curr. Cash Flow Growth	16.24%	-5.63%	6.75%	273.63%	-45.08%	100.62%
Hist. Cash Flow Growth (3-5 yrs)	11.39%	10.40%	7.43%	NA	-5.35%	-2.94%
Current Ratio	6.50	2.75	1.18	12.78	3.32	2.86
Debt/Capital	0.00%	11.51%	38.01%	0.00%	1.02%	37.36%
Net Margin	19.48%	-3.04%	12.78%	27.50%	4.49%	-4.08%
Return on Equity	19.59%	2.90%	17.00%	13.48%	2.81%	4.35%
Sales/Assets	0.83	0.49	0.53	0.60	0.59	0.43
Proj. Sales Growth (F1/F0)	-1.80%	0.09%	5.79%	110.10%	12.20%	9.50%
Momentum Score	D	-	-	A	D	C
Daily Price Chg	-0.92%	-0.57%	-0.24%	0.89%	-0.30%	-2.56%
1 Week Price Chg	-1.05%	-1.05%	-0.59%	-7.68%	-3.78%	-0.18%
4 Week Price Chg	4.87%	7.60%	2.76%	3.88%	16.89%	23.26%
12 Week Price Chg	-4.96%	-4.54%	2.15%	-37.01%	-8.18%	3.02%
52 Week Price Chg	17.25%	2.30%	12.39%	13.29%	-20.58%	-6.34%
20 Day Average Volume	442,989	602,856	2,743,646	6,449,759	445,240	497,477
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	1.69%	0.00%	0.00%	0.09%	0.00%	-0.35%
(F1) EPS Est 12 week change	11.34%	4.26%	0.69%	19.24%	-12.21%	4.26%
(Q1) EPS Est Mthly Chg	-0.16%	0.00%	0.00%	0.36%	0.00%	-0.15%



## Analyst Earnings Model<sup>(2)</sup>

### Cirrus Logic, Inc. (CRUS)

In \$MM, except per share data

	2020A	2021A	2022A	2023A	2024A	2025A	2026E		2027E		2028E						
	FY	FY	FY	FY	FY	FY	1QA	2QA	3QE	4QE	FY	1QE	2QE	3QE	4QE	FY	FY
FY Ends March 31st	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	30-Jun-25	30-Sep-25	31-Dec-25	31-Mar-26	Mar-26	30-Jun-26	30-Sep-26	31-Dec-26	31-Mar-27	Mar-27	Mar-28
Income Statement																	
Total Revenue	\$1,281.1	\$1,369.2	\$1,781.5	\$1,897.6	\$1,788.9	\$1,896.1	\$407.3	\$561.0	\$531.1	\$361.7	\$1,861.0	\$374.2	\$546.7	\$544.9	\$403.1	\$1,868.9	\$1,992.8
Cost of Revenue, Non-GAAP	\$606.0	\$661.0	\$853.3	\$939.4	\$871.4	\$898.7	\$192.9	\$266.2	\$251.9	\$174.5	\$885.6	\$186.9	\$267.5	\$255.1	\$194.6	\$904.1	\$973.5
Cost of Revenue, GAAP	\$607.0	\$661.9	\$857.8	\$940.6	\$872.8	\$900.0	\$193.2	\$266.6	\$256.5	\$176.4	\$892.7	\$195.0	\$273.6	\$262.0	\$197.7	\$928.2	\$1,011.4
Gross Profit, Non-GAAP	\$675.1	\$708.2	\$928.1	\$958.2	\$917.5	\$997.4	\$214.3	\$294.7	\$279.2	\$187.2	\$975.4	\$187.3	\$279.3	\$289.7	\$208.5	\$964.8	\$1,019.3
Gross Profit, GAAP	\$674.2	\$707.3	\$923.6	\$957.0	\$916.1	\$996.0	\$214.0	\$294.4	\$274.6	\$185.3	\$968.3	\$179.2	\$273.2	\$282.9	\$205.4	\$940.7	\$981.4
Research and Development	\$347.6	\$342.8	\$406.3	\$458.4	\$426.5	\$434.7	\$102.9	\$110.0	\$110.3	\$81.0	\$404.2	\$85.0	\$94.2	\$106.5	\$70.8	\$356.5	\$341.8
Selling, General and Administrative	\$131.1	\$127.0	\$151.0	\$153.1	\$144.2	\$151.0	\$38.7	\$39.6	\$42.8	\$29.3	\$150.4	\$32.5	\$35.8	\$41.6	\$29.4	\$139.2	\$143.6
Lease Impairments and Restructuring			\$0.0	\$10.6	\$2.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Intangibles Impairment			\$0.0	\$85.8	\$0.0	\$1.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Operating Expenses, Non-GAAP	\$402.5	\$401.9	\$456.2	\$486.4	\$470.4	\$494.1	\$119.5	\$127.7	\$128.9	\$100.2	\$476.3	\$113.9	\$124.5	\$136.0	\$98.7	\$473.2	\$471.4
Total Operating Expenses, GAAP	\$500.7	\$470.1	\$557.3	\$707.9	\$572.6	\$585.7	\$141.6	\$149.6	\$153.0	\$110.3	\$554.6	\$117.5	\$130.0	\$148.1	\$100.2	\$495.8	\$485.4
Stock-Based Compensation Expense	\$53.8	\$56.8	\$66.4	\$81.6	\$89.3	\$84.1	\$20.8	\$20.6	\$21.0	\$15.5	\$77.9	\$16.2	\$17.8	\$19.2	\$12.7	\$65.9	\$61.1
Amortization of Acquisition Intangibles	\$23.4	\$12.0	\$27.0	\$32.1	\$8.3	\$7.1	\$1.6	\$1.6	\$2.0	\$1.4	\$6.6	\$1.4	\$1.5	\$1.6	\$1.1	\$5.6	\$5.2
Depreciation and Amortization	\$68.2	\$47.1	\$62.1	\$71.2	\$48.3	\$51.0	\$13.2	\$12.7	\$11.6	\$9.8	\$47.3	\$10.5	\$12.6	\$12.2	\$9.3	\$44.6	\$44.5
Operating Income, Non-GAAP	\$272.6	\$306.3	\$471.9	\$471.8	\$447.1	\$503.3	\$94.9	\$167.0	\$150.3	\$87.0	\$499.1	\$73.4	\$154.8	\$153.7	\$109.8	\$491.7	\$547.9
Operating Income, GAAP	\$173.5	\$237.2	\$366.3	\$249.0	\$343.5	\$410.4	\$72.4	\$144.8	\$121.6	\$75.0	\$413.7	\$61.8	\$143.2	\$134.7	\$105.2	\$444.9	\$496.0
Interest Income	\$9.4	\$5.2	\$0.6	\$9.1	\$20.6	\$33.1	\$8.6	\$8.7	(\$1.6)	(\$9.2)	\$6.4	(\$4.9)	(\$3.0)	(\$1.0)	(\$8.7)	(\$17.5)	(\$55.2)
Other Income(Expense)	(\$1.6)	\$2.8	\$1.7	(\$3.4)	(\$0.1)	\$1.5	(\$0.4)	(\$0.1)	(\$9.2)	(\$20.1)	(\$29.8)	(\$9.9)	(\$8.1)	(\$10.1)	(\$15.7)	(\$43.8)	(\$61.0)
Pre-Tax Income, Non-GAAP	\$280.4	\$314.4	\$474.2	\$480.3	\$467.6	\$537.9	\$103.1	\$157.3	\$139.4	\$67.7	\$457.4	\$58.6	\$143.6	\$142.6	\$85.5	\$430.3	\$431.7
Pre-Tax Income, GAAP	\$181.3	\$245.2	\$368.7	\$254.7	\$363.9	\$113.4	\$80.6	\$153.4	\$110.7	\$45.7	\$390.4	\$47.0	\$132.0	\$123.6	\$80.9	\$383.5	\$379.8
Income Tax, Non-GAAP	\$39.2	\$39.3	\$66.0	\$112.9	\$98.3	\$121.3	\$22.8	\$25.7	\$20.4	\$8.4	\$77.2	\$8.6	\$21.0	\$20.8	\$12.5	\$62.8	\$63.0
Income Tax, GAAP	\$21.8	\$27.9	\$42.3	\$78.0	\$89.4	\$113.4	\$19.9	\$21.8	\$27.7	\$11.4	\$80.8	\$11.8	\$33.0	\$30.9	\$20.2	\$95.9	\$94.9
Tax Rate, Non-GAAP	14.0%	12.5%	13.9%	23.5%	21.0%	22.5%	22.1%	14.6%	14.6%	14.6%	16.9%	14.6%	14.6%	14.6%	14.6%	14.6%	14.6%
Tax Rate, GAAP	12.0%	11.4%	11.5%	30.6%	24.6%	25.5%	24.7%	14.2%	25.0%	25.0%	20.7%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Net Income, Non-GAAP	\$241.2	\$275.0	\$408.2	\$367.4	\$369.3	\$416.6	\$80.3	\$131.6	\$119.1	\$49.2	\$380.2	\$50.0	\$122.6	\$121.8	\$73.0	\$367.5	\$368.7
Net Income, GAAP	\$159.5	\$217.3	\$326.4	\$176.7	\$274.6	\$331.5	\$60.7	\$150.0	\$83.0	\$34.3	\$328.0	\$35.3	\$99.0	\$92.7	\$60.6	\$287.7	\$284.8
Basic Shares Outstanding	58.3	58.1	57.3	55.6	54.3	53.1	51.7	51.2	50.8	50.4	51.0	50.0	49.6	49.2	48.8	49.4	47.8
Diluted Shares Outstanding, Non-GAAP	60.5	60.1	59.1	57.2	56.0	55.2	53.3	53.1	52.7	52.3	52.8	51.9	51.5	51.1	50.7	51.3	49.7
Diluted Shares Outstanding, GAAP	60.5	60.1	59.1	57.2	56.0	55.2	53.3	53.1	52.7	52.3	52.8	51.9	51.5	51.1	50.7	51.3	49.7
Basic EPS	\$2.74	\$3.74	\$5.70	\$3.18	\$5.06	\$6.24	\$1.17	\$2.57	\$1.64	\$0.68	\$6.06	\$0.71	\$2.00	\$1.89	\$1.24	\$5.83	\$5.97
Diluted EPS, Non-GAAP	\$3.99	\$4.58	\$6.90	\$6.42	\$6.59	\$7.54	\$1.51	\$2.83	\$2.26	\$0.94	\$7.54	\$0.97	\$2.38	\$2.39	\$1.44	\$7.18	\$7.44
Diluted EPS, GAAP	\$2.64	\$3.62	\$5.52	\$3.09	\$4.90	\$6.00	\$1.14	\$2.48	\$1.58	\$0.66	\$5.85	\$0.68	\$1.92	\$1.82	\$1.20	\$5.62	\$5.75

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## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

### Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

### Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

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### Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	C
Growth Score	D
Momentum Score	D
VGM Score	D

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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