

Forward-Looking Information

This report includes "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to certain disclosures contained in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations." These forward-looking statements include, but are not limited to, statements about our plans, objectives, representations and contentions, and are not historical facts and typically are identified by the use of terms such as "may," "will," "should," "could," "expect," "plan," "anticipate," "believe," "estimate," "forecast," "predict," "potential," "continue" and similar words, although some forward-looking statements are expressed differently. You should be aware that the forward-looking statements included herein represent management's current judgment and expectations, but our actual results, events and performance could differ materially from those expressed or implied by forward-looking statements. We do not intend to update any of these forward-looking statements or publicly announce the results of any revisions to these forward-looking statements, other than as is required under the federal securities laws.

The following discussion should be read in conjunction with, and is qualified in its entirety by reference to, our audited consolidated financial statements included in this report, including the notes thereto.

PART I

We use a 52- or 53-week fiscal year ending on the Saturday closest to March 31 of each year. Fiscal years 2017 and 2015 were 52-week years and fiscal year 2016 was a 53-week year. Our other fiscal quarters end on the Saturday closest to June 30, September 30 and December 31 of each year.

On February 22, 2014, RF Micro Devices, Inc. ("RFMD") and TriQuint Semiconductor, Inc. ("TriQuint") entered into an Agreement and Plan of Merger and Reorganization as subsequently amended on July 15, 2014 (the "Merger Agreement"), providing for the combination of RFMD and TriQuint in a merger of equals (the "Business Combination") under a new holding company named Qorvo, Inc. (the "Company" or "Qorvo"). The transactions contemplated by the Merger Agreement were consummated on January 1, 2015. For financial reporting and accounting purposes, RFMD was the acquirer of TriQuint in the Business Combination. Unless otherwise noted, "we," "our" or "us" in this report refers to RFMD and its subsidiaries, on a consolidated basis, prior to the closing of the Business Combination and to Qorvo and its subsidiaries, on a consolidated basis, after the closing of the Business Combination.

For more information concerning the Business Combination, see Note 6 of the Notes to the Consolidated Financial Statements set forth in Part II, Item 8 of this report.

ITEM 1. BUSINESS.

Company Overview

Qorvo® is a product and technology leader at the forefront of the growing global demand for always-on broadband connectivity. We combine a broad portfolio of radio frequency ("RF") solutions, highly differentiated semiconductor technologies, deep systems-level expertise and scale manufacturing to supply a diverse group of customers in expanding markets, including smartphones and other mobile devices, defense and aerospace, WiFi customer premises equipment, cellular base stations, optical networks, automotive connectivity, and smart home applications. Within these markets, our products enable a broad range of leading-edge applications - from very-high-power wired and wireless infrastructure solutions to ultra-low-power smart home solutions. Our products and technologies help transform how people around the world access their data, transact commerce, and interact with their communities.

Qorvo employs more than 8,600 people. We have world-class manufacturing facilities, and our fabrication facility in Richardson, Texas, is a U.S. Department of Defense ("DoD")-accredited 'Trusted Source' (Category 1A) for gallium arsenide ("GaAs"), gallium nitride ("GaN") and bulk acoustic wave ("BAW") technologies. Our design and manufacturing expertise covers many semiconductor process technologies, which we source both internally and through external suppliers. Our primary wafer fabrication facilities are in Texas, Florida, North Carolina and Oregon, and our primary assembly and test facilities are in China, Costa Rica, Germany and Texas. We also operate design, sales and other manufacturing facilities throughout Asia, Europe and North America.

Qorvo was incorporated in Delaware in 2013. Our principal executive office is located at 7628 Thorndike Road, Greensboro, North Carolina 27409 and our telephone number is (336) 664-1233.

Operating Segments

We design, develop, manufacture and market our products to leading U.S. and international original equipment manufacturers ("OEMs") and original design manufacturers ("ODMs") in the following operating segments:

- *Mobile Products (MP)* - MP supplies cellular RF and WiFi solutions into a variety of mobile devices, including smartphones, notebook computers, wearables, tablets, and cellular-based applications for the Internet of Things ("IoT"). Mobile device manufacturers and mobile network operators are adopting new technologies to address the growing demand for data-intensive, increasingly cloud-based, distributed applications and for mobile devices with smaller form factors, improved signal quality, less heat and longer talk and standby times. New wireless communications standards are being deployed to utilize available spectrum more efficiently. Carrier aggregation ("CA") is being implemented, primarily in the downlink, to support wider bandwidths, increase data rates and improve network performance. These trends increase the complexity of smartphones, require more RF content and place a premium on performance, integration, systems-level expertise, and product and technology portfolio breadth, all of which are MP strengths. We offer a comprehensive product portfolio of BAW and surface acoustic wave ("SAW") filters, power amplifiers ("PAs"), low noise amplifiers ("LNAs"), switches, multimode multi-band PAs and transmit modules, RF power management integrated circuits ("ICs"), diversity receive modules, antenna switch modules, antenna tuning and control solutions, modules incorporating PAs and duplexers ("PADs") and modules incorporating switches, PAs and duplexers ("S-PADs").
- *Infrastructure and Defense Products (IDP)* - IDP is a leading global supplier of RF solutions with a diverse portfolio of solutions that "connect and protect," spanning communications, network infrastructure and defense applications. These applications include high performance defense systems such as radar, electronic warfare and communication systems, WiFi customer premises equipment for home and work, high speed connectivity in Long-Term Evolution ("LTE") and 5G base stations, cloud connectivity via data center communications and telecom transport, automotive connectivity and smart home solutions. Our IDP products include high power GaAs and GaN PAs, LNAs, switches, CMOS system-on-a-chip ("SoC") solutions, premium BAW and SAW filter solutions and various multi-chip and hybrid assemblies.

For financial information about the results of our operating segments for each of the last three fiscal years, see Note 16 of the Notes to the Consolidated Financial Statements set forth in Part II, Item 8 of this report.

Market Overview

Our business is diversified primarily across seven strategic end markets: mobile devices, defense and aerospace, customer premises equipment ("CPE") WiFi, cellular base stations, optical, automotive connectivity and smart home. These markets compose the primary building blocks of the IoT.

Mobile Devices

In our largest market, mobile devices, the most significant trend today is the increasing demand for ubiquitous broadband mobile data. This is driven primarily by video, with data traffic for video exceeding data traffic for web browsing and voice. Compounding this, consumers want higher resolution screens and access to streaming media, real-time traffic/navigation, GPS, Bluetooth® connectivity, WiFi and other energy-consuming applications. In response, leading smartphone providers are adding 4G LTE bands of coverage to their flagship devices to reduce development costs and enable larger, more concentrated marketing budgets in support of fewer models. They are also adding CA technology to enable simultaneous communication over multiple frequency bands. This helps network operators optimize spectral efficiency and provides an enhanced user experience for consumers. Both trends expand RF content and drive higher levels of integration, which can increase performance requirements for RF components and narrow the competitive field. We see these trends continuing, as consumers increasingly expect always-on, ultra-low latency, broadband connectivity and as smartphone manufacturers and network operators seek to enhance performance and the user experience generation-over-generation.

Defense and Aerospace

The global defense and aerospace industries are sharply focused on balancing cost, performance and power consumption. The trends toward phased arrays and higher frequencies of operation are expanding the market opportunities for monolithic microwave integrated circuits ("MMICs") and discrete PAs, LNAs, passive devices, die level solutions and multichip modules leveraging multiple semiconductor technologies and advanced packaging techniques. Additionally, as with all RF communications systems, spectrum is becoming increasingly crowded and requires interference-free connections which are addressed by premium filtering solutions. These factors continue to drive demand for increased reliability and performance to address current and next generation communications for defense and national security capabilities, both domestic and with international partners.

CPE WiFi

In WiFi markets, consumer and enterprise demand for faster data rates, the growth in connected users and the higher performance requirements of 802.11ac and 802.11ax mandate best-in-class RF solutions. WiFi is continuing to proliferate within CPE, including routers, access points, set-top boxes and smart televisions, as well as in automobiles. As spectrum becomes more crowded, the demand for interference-free transmission and reception is expected to drive the demand for high performance filters in RF solutions for WiFi equipment.

Cellular Base Stations

The widespread use of data-intensive applications has driven cellular operators to require more power-efficient designs and solutions that enable increased capacity from cellular networks. To meet network demand, network equipment manufacturers are using techniques such as CA, moving to new RF frequency bands that have wider channel bandwidths and incorporating cloud radio access networks, which use a virtual radio access technology and remote radio heads. As demand for data-intensive applications continues to grow, the next generation network, called 5G, is forecasted to begin commercial rollout in 2020. 5G networks will continue the progression of operating at much higher frequencies, likely at 28GHz and 39GHz. In the meantime, operators will continue to evolve the performance of their LTE networks and run field trials to prove out 5G technologies and solutions. The future trends in the base station market include implementation of Multiple Input Multiple Output ("MIMO") and small cells.

Optical

The optical market continues to evolve beyond what was historically a long haul, telecom application or a metro network application. These applications created networks of fiber optic cable that enabled connections in a transcontinental, regional or city-wide area enabling the high-speed backbone required to address the bandwidth needed for high speed voice or data networks. Today, the optical market continues to grow rapidly as cloud-based applications create a need for hyperscale data centers that require high speed interconnections to connect geographically distributed data center sites. The need for high throughput, efficient data centers, often characterized by cost per gigabit of data transferred, requires a blend of technology, power efficiency and integration capabilities to drive down cost.

Automotive Connectivity

The automobile is becoming a more connected device with the addition of multiple RF based connectivity solutions such as satellite radio, in-car infotainment and LTE connectivity solutions. Looking forward, new standards are expected to be deployed that will connect the car to other vehicles or to highway infrastructure. All of these applications create opportunities that will drive the need for RF solutions that will enhance passenger comfort, convenience and safety. Most of these applications require AEC-Q100 qualified solutions, which is the standard in the automobile industry. Additionally, in this market most of the communications devices will need to share frequency spectrum with either licensed or unlicensed users.

Smart Home

The smart home is a house that contains automated or remotely controlled devices. These devices include sensors that detect light, motion or temperature, or whether doors are open, closed, locked or unlocked, and actuators to implement a command such as lowering the temperature or opening your garage door. Typically, these devices can be controlled via the internet, by a computer or phone or through a direct peer-to-peer connection such as a television remote control. The solutions often utilize industry open standard technologies like Bluetooth Low Energy ("BLE"), ZigBee, and Thread as well as proprietary solutions to link to a central gateway that connects to the internet.

Other Markets

We also participate in a number of smaller or emerging markets including broadband cable, point-to-point radio, Very Small Aperture Terminal ("VSAT"), signal sources, space, smart meters and the emerging cellular machine-to-machine (M2M) market.

Products and Applications

Our semiconductor solutions serve RF, microwave and millimeter-wave applications. We believe our products deliver key advantages relative to competing solutions, as measured by size, weight, linearity, distortion, output power, power-added efficiency, selectivity, frequency control, and other critical performance metrics.

We utilize specialized substrate materials and high-performance process technologies such as GaAs heterojunction bipolar transistors ("HBT"), GaAs pseudomorphic high electron mobility transistors ("pHEMT"), GaN, silicon germanium ("SiGe"), silicon on insulator ("SOI"), and BAW, SAW and temperature compensated SAW ("TC-SAW") filter process technologies.

Mobile Devices

Qorvo's MP product portfolio includes our *RF Fusion*[™] and *RF Flex*[™] product families. *RF Fusion* leverages Qorvo's product and technology leadership, systems-level expertise and advanced integration capabilities to combine all major transmit and receive RF functionality in highly integrated, high-performance split-band placements. Qorvo's *RF Flex* modules leverage our deep systems-level expertise to integrate core cellular transmit and receive functionality in high-performance multiband PA modules and transmit modules. *RF Fusion* solutions support the industry's most advanced smartphone architectures, and *RF Flex* solutions support cost-optimized performance-tier smartphone architectures.

Qorvo is a pioneer in envelope tracking ("ET") technology, which we incorporate into power management components and our most advanced PAs. We also offer ET-capable PAs for third-party power management components. Our ET technology enables us to track the envelope of high-speed modulation signals and adjust the PA in real time to maximize efficiency and maintain the requisite levels of linearity. This is increasingly necessary to maximize data rates and satisfy user expectations for battery life and case temperatures.

Our mobile product portfolio includes filters, duplexers, switches, multimode/multi-band PAs and transmit modules, RF power management ICs, diversity receive modules, antenna switch modules, antenna tuning and control solutions, and modules incorporating PAs, PADs, and S-PADs.

Historically, we have experienced seasonal fluctuations in the sale of mobile products, with revenue strongest in our second and third fiscal quarters and weakest in our fourth fiscal quarter.

Defense and Aerospace

Contractors serving the U.S. and other governments use our high performance and high reliability products for mission critical solutions across the military and aerospace industry. Our die-level integrated circuits and discrete components, MMICs and multi-chip modules are key components for radar, electronic warfare and communications systems. Program applications include major shipboard, airborne and battlefield radar systems as well as communications and electronic warfare. We supply a wide range of products for large-scale programs with long lead-times. Once a component has been designed into an end-use military application, it is generally used during the entire production life of the end-use system.

Our products for defense radar applications bring new capabilities to detect and neutralize threats against aircrews and shipboard and infantry forces around the globe. Our microwave PAs provide the power at the heart of phased array radar. These radars consist of large element arrays composed of many individual integrated circuits, with the capability to track multiple targets simultaneously. We are strategically teamed with top tier contractors to offer this type of capability to new domestic and multi-national production programs, along with retrofits of other essential tactical military assets with critical enhancements and service life extension capabilities.

In the defense communications field, we supply filters, amplifiers and other components for handheld and satellite communications systems. In addition, we use our packaging and integrated assembly expertise to speed designs, facilitate multi-chip package evolution and deliver cost-effective solutions for a variety of customer needs.

We are the leading supplier of GaN-based products to global defense and aerospace markets and are directly engaged with the U.S. government, primarily through contracts with the Defense Advanced Research Project Agency, the Air Force Research Laboratory and the Office of Naval Research, to develop next generation GaN devices for future high-power phased array radar, electronic warfare and communications systems. The DoD has certified our GaN fabrication and production capabilities at Manufacturing Readiness Level 9, the highest in the industry.

CPE WiFi

We address the higher performance requirements demanded in customer premises WiFi equipment through our portfolio of differentiated products, including discrete active high power amplifiers, integrated front-end modules (“iFEMs”) for mid and low power, and our discrete and integrated BAW filter capabilities. Our products primarily target high end WiFi market segments, including retail (routers, extenders and repeaters), enterprise, service provider, and carrier grade WiFi. We are aligned with leading WiFi chipset solution providers to supply world class efficiency and integration through our GaN, GaAs and BAW technologies. Additionally, we use our premium filter technologies to provide coexistence and band-edge solutions to address interference issues due to spectrum crowding. This approach aligns with our key customers’ need for more highly integrated, cost-effective solutions to provide a high quality user experience at affordable prices.

Cellular Base Stations

We offer a broad set of custom RF amplifier solutions, receive module technologies and premium filter solutions to the leading base station OEMs to address the current and future needs of this market. To address the increasing market demands for more power-efficient designs and increased network capacity, we offer transceiver products supporting LTE massive MIMO deployments, primarily in China and Japan. Our integrated solutions for these massive MIMO systems include switch-LNA modules, variable gain amplifiers and integrated PA modules. Our GaAs base station solutions offer differentiated low noise performance, while our GaN amplifiers combine high linearity and efficiency with high output power and low power consumption. Qorvo’s unique technologies and capabilities have enabled us to become a strategic supplier for transceiver solutions with base station OEM market leaders, and we expect to continue to grow these relationships with new product categories in the near future.

We are leveraging our legacy defense product capabilities across low frequencies up through millimeter wave to respond to the product demands of the next generation 5G networks for sub-6GHz and millimeter wave solutions. Our current products are embedded in ongoing 5G field trials, and we have multiple product development engagements with top OEMs to intersect network operators’ timelines for deployment of 5G networks.

Optical

We have been supplying market leading linear and nonlinear driver solutions to the optical market for more than ten years and have leveraged this market position by extending our product offerings to include trans-impedance amplifiers (“TIAs”) for long haul telecom, metro and datacenter interconnect applications. These differentiated, value-added products balance performance with the cost per gigabit for our customers. Achieving this balance requires a mix of internal and external semiconductor technologies and innovative packaging. Technologies used for our optical products include GaAs pHEMT, Indium Phosphide (“InP”), SiGe and silicon. In addition, we were the first to offer optical drivers with surface mount packaging and we continue to innovate to create smaller products that consume less power and enhance throughput to address the 40G, 100G, 200G and beyond markets.

Automotive Connectivity

To address the growing demand for connected car solutions, including solutions for cellular LTE, WiFi, and satellite digital audio radio service, we offer a product portfolio that includes differentiated BAW filters, LNAs, switches, PAs and LTE front end solutions, all of which meet or exceed the industry’s automotive level quality and reliability standards. Our market-leading BAW and SAW solutions address interference issues due to licensed and unlicensed frequency bands being contiguous or overlapping. We leverage our mobile and customer premises equipment WiFi and cellular LTE product portfolios and other technology combinations to address the industry needs. We have products on multiple reference designs with key chipset makers to address future vehicle-to-vehicle communication requirements.

Smart Home

Our product portfolio for the smart home market consists of silicon CMOS SoC devices and the associated firmware and software to drive the radio functions and enable application software to interface with the SoC. To augment the SoC, we offer various configurations of filtering and amplification utilizing our extensive portfolio of filters, amplifiers and LNAs. Our solutions are vertically focused on applications that perform the functions of remote controls, and we provide support to our customers to enable development of application software to run on our platforms. Our solutions typically support open standard technologies such as BLE, ZigBee, and Thread. Our smart home product development efforts are focused on driving more functionality and system power savings features into our hardware and software architectures to address the needs of battery powered devices, primarily remote controls. We are also engaged with overall ecosystem providers to develop products beyond remote controls to address next generation smart home applications.

Manufacturing

The majority of our products are multi-chip modules utilizing multiple semiconductor process technologies. These products have varying degrees of complexity and contain semiconductors and other components that are manufactured in-house or outsourced. We are a leading supplier of RF solutions and a leading manufacturer of GaAs HBT, GaAs pHEMT, GaN, SAW, TC-SAW and BAW products.

We operate wafer fabrication facilities for the production of GaAs, GaN, SAW, TC-SAW and BAW wafers in Richardson, Texas; Apopka, Florida; Greensboro, North Carolina; and Hillsboro, Oregon. In the first quarter of fiscal 2017, we acquired an additional wafer fabrication facility in Farmers Branch, Texas, which we currently plan to use to expand our BAW filter capacity. We also use multiple silicon-based process technologies, including SOI, SiGe and CMOS. We outsource all silicon manufacturing to leading silicon foundries located throughout the world. We have a global supply chain and ship millions of units per day.

We have our own flip chip and wafer-level packaging (“WLP”) technologies and also use external suppliers for these and other packaging technologies. In flip chip packages, the electrical connections are created directly on the surface of the die, which eliminates wirebonds so the die may be attached directly to a substrate or leadframe. This type of technology provides a higher density interconnection than wirebonded die and enables smaller form factors with improved thermal and electrical performance. We use WLP technologies for our SAW, TC-SAW and BAW filter products.

Once semiconductor wafers are manufactured, they are singulated, or separated, into individual units called die. Prior to singulation of wafers into die, we regularly conduct wafer level tests which could include electrical validation, RF testing through the designed frequency bands, as well as visual inspection. For module products, the next step is assembly. During assembly, the die and other components are placed on high-density interconnect substrates to provide connectivity between the die and the components. This populated substrate is formed into a microelectronic package. Next, the products are tested for RF performance and prepared for shipment through a tape and reel process. We primarily use internal assembly facilities in the United States, China, Costa Rica and Germany, and we also utilize external suppliers. We also manufacture large volumes of WLP die and discrete filters that our customers directly assemble into their products.

Manufacturing yields can vary significantly between products, based on a number of factors, including product complexity and the maturity of our manufacturing processes. To maximize wafer yields and quality, we test products multiple times, maintain continuous reliability monitoring and conduct numerous quality control inspections throughout the production flow.

Our internal manufacturing facilities require a high level of fixed costs, consisting primarily of occupancy costs, maintenance, repair, equipment depreciation, and fixed labor costs related to manufacturing and process engineering.

ICs and filter products are highly complex and sensitive to contaminants, and semiconductor fabrication requires highly controlled, clean environments. Wafers can be rejected, or die on a wafer can be found to be nonfunctional as a result of minute impurities, variances in the fabrication process or defects in the masks used to transfer circuits onto the wafers.

Our manufacturing facilities worldwide are certified to the ISO 9001 quality standard and select locations are certified to additional automotive (TS-16949), aerospace (AS-9100) and environmental (ISO 14001) standards. These stringent standards are audited and certified by third-party auditors in addition to our continuous internal self-audits. The ISO 9001 standard is based on a number of quality management principles including a strong customer focus, the motivation of top management, the process approach and continual improvement. ISO/TS-16949 is the highest international quality standard for the global automotive industry and incorporates ISO technical specifications that are more stringent than ISO 9001 quality management systems requirements. AS-9100 is the standardized quality management system for the aerospace industry. ISO 14001 is an internationally agreed upon standard for an environmental management system. We require that all of our key vendors and suppliers be compliant with these standards, as applicable.

Raw Materials

We purchase numerous raw materials, passive components and substrates for our products and manufacturing processes. For our GaAs and GaN manufacturing operations, we use several raw materials, including GaAs wafers and GaN on silicon carbide wafers. For our acoustic filter manufacturing operations, we use several raw materials, including wafer starting materials made from quartz, silicon, lithium niobate or lithium tantalite, as well as ceramic or metal packages. Relatively few companies produce these materials. We are leading the industry in developing SAW filters using six-inch lithium niobate wafers, and we have qualified more than one source for this wafer starting material. For all of our SAW operations, we utilize multiple qualified wafer and mask set vendors. Our most significant suppliers of ceramic surface mount packages are based in Japan.

For our silicon-based integrated circuits, we use third-party foundries. High demand for SOI wafers for our switch products has led to supply constraints in the past, and we have addressed this by qualifying new silicon foundries and obtaining supply commitments from existing silicon suppliers.

Our manufacturing strategy includes a balance of internal and external sites (primarily for assembly operations), which helps reduce costs, provides flexibility of supply, and minimizes the risk of supply disruption. We routinely qualify multiple sources of supply and manufacturing sites to reduce the risk of supply interruptions or price increases and closely monitor suppliers' key performance indicators. Our suppliers' and our manufacturing sites are geographically diversified (with our largest volume sources distributed throughout Southern and Eastern Asia). We believe we have adequate sources for the supply of raw materials, passive components and substrates for our products and manufacturing needs.

Customers

We design, develop, manufacture and market products for leading U.S. and international OEMs and ODMs. We also collaborate with leading baseband reference design partners located primarily in the U.S. and China.

We provided our products to our largest end customer, Apple Inc. ("Apple"), through sales to multiple contract manufacturers, which in the aggregate accounted for 34%, 37%, and 32% of total revenue in fiscal years 2017, 2016 and 2015, respectively. Huawei Technologies Co., Ltd. ("Huawei") accounted for 11%, 12% and 7% of our total revenue in fiscal years 2017, 2016 and 2015, respectively. Samsung Electronics Co., Ltd. accounted for 7%, 7% and 14% of our total revenue in fiscal years 2017, 2016 and 2015, respectively. These customers primarily purchase cellular RF and WiFi solutions offered by our MP segment for a variety of mobile devices, including smartphones, notebook computers, wearables, tablets and cellular-based applications for the IoT. In fiscal 2017, Huawei was the largest customer for our IDP segment, primarily purchasing solutions for base stations, telecom transport and WiFi-enabled CPE applications.

Some of our sales to overseas customers are made under export licenses that must be obtained from the U.S. Department of Commerce.

Information about revenue (including segment revenue), operating profit or loss and total assets is presented in Part II, Item 8, "Financial Statements and Supplementary Data" of this report.

Sales and Marketing

We sell our products worldwide directly to customers as well as through a network of domestic and foreign sales representative firms and distributors. We select our domestic and foreign sales representatives based on technical skills and sales experience, the presence of complementary product lines and the customer base served. We provide ongoing training to our internal and external sales representatives and distributors to keep them educated about our products. We maintain an internal sales and marketing organization that is responsible for key account management, application engineering support for customers, sales and advertising literature, and technical presentations for industry conferences. Our sales and customer support centers are located near our customers throughout the world.

Our web site contains extensive product information, and we publish a comprehensive product selection guide annually. Our global team of application engineers interacts with customers during all stages of design and production, maintains regular contact with customer engineers, provides product application notes and engineering data, and assists in the resolution of technical problems. We maintain close relationships with our customers and platform providers and provide them strong technical support to help anticipate future product needs and enhance their customer experience.

Research and Development

We maintain a high level of investment in research and development ("R&D") to develop the advanced technologies and products necessary to lead in the markets we serve. Our R&D activities focus primarily on large, competitive design win opportunities for major programs at key customers, which typically requires us to improve the year-over-year functional density, performance, size and cost of our products. We also devote significant R&D resources for targeted development of new products for general release to various markets. Our R&D efforts require us to focus on both continuous improvement in our processes for design and manufacture as well as innovation in fundamental areas like materials, simulation and modeling, circuit design, device packaging and test.

We have developed several generations of GaAs, GaN, BAW and SAW process technologies that we manufacture internally. We invest in these technologies to improve device performance, reduce die size and reduce manufacturing costs. We also help develop and qualify technologies made by key suppliers, including SOI for switches and RF signal conditioning solutions, SiGe and InP for amplifiers, and CMOS for power management devices and SoC solutions. We combine these external technologies with our proprietary design methods, intellectual property and other expertise to improve performance, increase integration and reduce the size and cost of our products.

We invest in GaN process technologies and continue to develop and release new GaN-based products to exploit GaN's performance advantages. The inherent wide band gap, high electron mobility, and high breakdown voltage characteristics of GaN semiconductor devices offer significant performance advantages versus competing technologies.

We develop and qualify advanced packaging technologies to allow us to eliminate wire bonds, reduce component size and height, improve performance and reduce package costs. We are also investing in large scale module assembly and test capabilities to bring these technologies to market in very high volumes.

In fiscal years 2017, 2016 and 2015, we incurred approximately \$470.8 million, \$448.8 million and \$257.5 million, respectively, in R&D expenses. We expect to continue to spend substantial funds on R&D in support of our growth and product diversification.

Competition

We operate in a competitive industry characterized by rapid advances in technology and new product introductions. Our customers' product life cycles are often short, and our competitiveness depends on our ability to improve our products and processes faster than our competitors, anticipate changing customer requirements and successfully develop and launch new products while reducing our costs. Our competitiveness is also affected by the quality of our customer service and technical support and our ability to design customized products that address each customer's particular requirements within their cost limitations. The selection process for our products to be included in our customers' products is highly competitive, and our customers provide no guarantees that our products will be included in the next generation of products introduced.

We compete primarily with the following companies: Analog Devices, Inc.; Broadcom Limited; M/A-COM Technology Solutions, Inc.; Murata Manufacturing Co., Ltd.; Northrop Grumman Corporation; Qualcomm Technologies, Inc.; Skyworks Solutions, Inc.; and Sumitomo Electric Device Innovations.

Many of our current and potential competitors have entrenched market positions and customer relationships, established patents and other intellectual property and substantial technological capabilities. In some cases, our competitors are also our customers or suppliers. Additionally, many of our competitors may have significantly greater financial, technical, manufacturing and marketing resources than we do, which may allow them to implement new technologies and develop new products more quickly than we can.

Intellectual Property

We believe our intellectual property, including patents, copyrights, trademarks and trade secrets, is important to our business, and we actively seek opportunities to leverage our intellectual property portfolio to promote our business interests. We also actively seek to monitor and protect our global intellectual property rights and to deter unauthorized use of our intellectual property and other assets. Such efforts can be difficult because of the absence of consistent international standards and laws. Moreover, we respect the intellectual property rights of others and have implemented policies and procedures to mitigate the risk of infringing or misappropriating third party intellectual property.

Patent applications are filed within the U.S. and in other countries where we have a market presence. On occasion, some applications do not mature into patents for various reasons, including rejections based on prior art. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as U.S. laws. We have more than 1,200 patents that expire from 2017 to 2037. We also continue to acquire patents through acquisitions or direct prosecution efforts and engage in licensing transactions to secure the right to practice third parties' patents. In view of our rapid innovation and product development and the comparative pace of governments' patenting processes, there is no guarantee that our products will not be obsolete before the related patents expire or are granted. However, we believe the duration and scope of our most relevant patents are sufficient to support our business, which as a whole is not significantly dependent on any particular patent or other intellectual property right. As we expand our products and offerings, we also seek to expand our patent prosecution efforts to cover such products.

We periodically register federal trademarks, service marks and trade names that distinguish our product brand names in the market. We also monitor these marks for their proper and intended use. Additionally, we rely on non-disclosure and confidentiality agreements to protect our interest in confidential and proprietary information that gives us a competitive advantage, including business strategies, unpatented inventions, designs and process technology. Such information is closely monitored and made available only to those employees whose responsibilities require access to the information.

Backlog

Our sales are the result of standard purchase orders or specific agreements with customers. We maintain Qorvo-owned finished goods inventory at certain customers' "hub" locations and do not recognize revenue until our customers draw down the inventory at these hubs. Our customers' projections of consumption of hub inventory and quantities on purchase orders, as well as the shipment schedules, are frequently revised within agreed-upon lead times to reflect changes in the customers' needs. Because industry practice allows customers to cancel orders with limited advance notice prior to shipment, and with little or no penalty, we believe that backlog as of any particular date may not be a reliable indicator of our future revenue levels.

Employees

On April 1, 2017, we had more than 8,600 employees. We believe that our future prospects will depend, in part, on our ability to continue to attract and retain skilled employees. Competition for skilled personnel is intense, and the number of persons with relevant experience, particularly in RF engineering, product design and technical marketing, is limited. None of our U.S. employees are represented by a labor union. A number of our employees in Germany (less than 5% of our global workforce as of April 1, 2017) are represented by internal works councils. We have never experienced any work stoppage, and we believe that our current employee relations are good.

Geographic Financial Summary

A summary of our operations by geographic area is as follows (in thousands):

	Fiscal Year		
	2017	2016	2015
Revenue:			
United States	\$ 467,031	\$ 306,328	\$ 315,775
International	2,565,543	2,304,398	1,395,191
	April 1, 2017	April 2, 2016	March 28, 2015
Long-lived tangible assets:			
United States	\$ 1,082,754	\$ 816,882	\$ 697,305
China	244,728	183,836	126,509
Other countries	64,450	46,170	59,557

Sales, for geographic disclosure purposes, are based on the “sold to” address of the customer. The “sold to” address is not always an accurate representation of the location of final consumption of our products. Of our total revenue for fiscal 2017, approximately 62% (\$1,866.0 million) was attributable to customers in China and 13% (\$398.4 million) was attributable to customers in Taiwan. Of our total revenue for fiscal years 2016 and 2015, approximately 61% (\$1,601.0 million) and 49% (\$841.0 million), respectively, was attributable to customers in China and 14% (\$365.1 million) and 19% (\$332.5 million), respectively, was attributable to customers in Taiwan.

For financial information regarding our operations by geographic area, see Note 16 of the Notes to the Consolidated Financial Statements set forth in Part II, Item 8 of this report.

For a summary of certain risks associated with our foreign operations, see Item 1A, “Risk Factors.”

Environmental Matters

By virtue of operating our wafer fabrication facilities, we are subject to a variety of extensive and changing domestic and international federal, state and local governmental laws, regulations and ordinances related to the use, storage, discharge and disposal of toxic, volatile or otherwise hazardous chemicals used in the manufacturing process. We provide our own manufacturing waste water treatment and disposal for most of our manufacturing facilities and we have contracted for the disposal of hazardous waste. State agencies require us to report usage of environmentally hazardous materials, and we have retained appropriate personnel to help ensure compliance with all applicable environmental regulations. We believe that costs arising from existing environmental laws will not have a material adverse effect on our financial position or results of operations.

We are an ISO 14001 certified manufacturer with a comprehensive Environmental Management System (“EMS”) in place in order to help ensure control of the environmental aspects of the manufacturing process. Our EMS mandates compliance and establishes appropriate checks and balances to minimize the potential for non-compliance with environmental laws and regulations.

We actively monitor the hazardous materials that are used in the manufacture, assembly and testing of our products, particularly materials that are retained in the final product. We have developed specific restrictions on the content of certain hazardous materials in our products, as well as those of our suppliers and outsourced manufacturers and subcontractors. This helps to ensure that our products are compliant with the requirements of the markets into which the products will be sold. For example, our products are compliant with the European Union RoHS Directive (2011/65/EU on the Restriction of Use of Hazardous Substances), which prohibits the sale in the European Union market of new electrical and electronic equipment containing certain families of substances above a specified threshold.

We do not currently anticipate any material capital expenditures for environmental control facilities in fiscal 2018.

Access to Public Information

We make available, free of charge through our website (<http://www.qorvo.com>), our annual and quarterly reports on Forms 10-K and 10-Q (including related filings in XBRL format) and current reports on Form 8-K and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") as soon as reasonably practicable after we electronically file these reports with, or furnish them to, the U.S. Securities and Exchange Commission ("SEC"). The public may also request a copy of our forms filed with the SEC, without charge upon written request, directed to:

Investor Relations Department
Qorvo, Inc., 7628 Thorndike Road Greensboro, NC 27409-9421

The information contained on, or that can be accessed through, our website is not incorporated by reference into this Annual Report on Form 10-K. We have included our website address as a factual reference and do not intend it as an active link to our website.

In addition, the SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at <http://www.sec.gov>. You may also read and copy any documents that we file with the SEC at the SEC's Public Reference Room located at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for information on the operation of the Public Reference Room.

ITEM 1A. RISK FACTORS.

Our operating results fluctuate.

Our revenue, earnings, margins and other operating results have fluctuated significantly in the past and may fluctuate significantly in the future. If demand for our products fluctuates as a result of economic conditions or for other reasons, our revenue and profitability could be impacted. Our future operating results will depend on many factors, including the following:

- business, political and macroeconomic changes, including downturns in the semiconductor industry and the overall global economy;
- changes in consumer confidence caused by many factors, including changes in interest rates, credit markets, expectations for inflation, unemployment levels, and energy or other commodity prices;
- fluctuations in demand for our customers' products;
- our ability to predict customer demand accurately to limit obsolete inventory, which would reduce our margins;
- the ability of third-party foundries and other third-party suppliers to manufacture, assemble and test our products in a timely and cost-effective manner;
- our customers' and distributors' ability to manage the inventory that they hold and to forecast accurately their demand for our products;
- our ability to achieve cost savings and improve yields and margins on our new and existing products; and
- our ability to utilize our capacity efficiently or acquire additional capacity in response to customer demand.

It is likely that our future operating results could be adversely affected by one or more of the factors set forth above or other similar factors. If our future operating results are below the expectations of stock market analysts or our investors, our stock price may decline.