Silicon Laboratories Inc. Condensed Consolidated Statements of Operations (In thousands, except per share data) (Unaudited)

	Three Mon	Three Months Ended Year Ended		
	January 1, 2022	January 2, 2021	January 1, 2022	January 2, 2021
Revenues	\$ 208,680	\$ 145,829	\$ 720,860	\$ 510,928
Cost of revenues	80,849	61,894	295,468	216,083
Gross profit	127,831	83,935	425,392	294,845
Operating expenses:				
Research and development	71,705	60,554	273,208	235,185
Selling, general and administrative	53,487	41,792	185,022	166,748
Operating expenses	125,192	102,346	458,230	401,933
Operating income (loss)	2,639	(18,411)	(32,838)	(107,088)
Other income (expense):				
Interest income and other, net	2,595	1,206	5,696	9,027
Interest expense	(6,628)	(8,219)	(31,033)	(34,142)
Loss from continuing operations before income taxes	(1,394)	(25,424)	(58,175)	(132,203)
Provision (benefit) for income taxes	884	(2,702)	13,427	(14,602)
Equity-method earnings	7,791	1,375	13,728	2,116
Income (loss) from continuing operations Income (loss) from discontinued operations, net of income	5,513	(21,347)	(57,874)	(115,485)
taxes	(8,611)	30,295	2,175,273	128,016
Net income (loss)	\$ (3,098)	\$ 8,948	\$ 2,117,399	\$ 12,531
Basic earnings (loss) per share:				
Continuing operations	\$ 0.14	\$ (0.49)	\$ (1.35)	\$ (2.64)
Net income	\$ (0.08)	\$ 0.20	\$ 49.44	\$ 0.29
Diluted earnings (loss) per share:				
Continuing operations	\$ 0.13	\$ (0.49)	\$ (1.35)	\$ (2.64)
Net income	\$ (0.08)	\$ 0.20	\$ 47.78	\$ 0.28
Weighted-average common shares outstanding:				
Basic	38,965	43,895	42,830	43,775
Diluted	41,031	44,729	44,315	44,372

Silicon Laboratories Inc. Condensed Consolidated Balance Sheets (In thousands, except per share data) (Unaudited)

Current assets		January 1, 2022	January 2, 2021
Cash and cash equivalents \$1,074,623 \$202,720 Short-term investments 964,582 521,963 Accounts receivable, net 98,313 95,169 Inventories 49,307 47,861 Prepaid expenses and other current assets 51,748 87,103 Current assets of discontinued operations 2,238,573 975,821 Total current assets of discontinued operations 376,389 976,821 Goodwill 376,389 163,483 Other intangible assets, net 118,978 163,483 Other assets, net 77,839 76,675 Non-current assets of discontinued operations 22,958,295 \$1,993,487 Total assets \$2,958,295 \$1,993,487 Current liabilities 447,327 \$54,949 Current portion of convertible debt, net 450,599 134,480 Other current liabilities 450,599 134,480 Other current liabilities 668,827 284,498 Converti liabilities of discontinued operations 157,052 81,650 Current liabilities of discontinued operations	Assets		
Short-term investments 964,582 521,963 Accounts receivable, net 98,313 95,169 Inventories 49,307 47,861 Prepaid expenses and other current assets 51,748 87,103 Current assets of discontinued operations - 21,005 Total current assets 2,238,573 975,821 Property and equipment, net 146,516 135,803 Goodwill 376,389 376,389 Other intangible assets, net 77,839 76,675 Non-current assets of discontinued operations - 265,316 Total assets \$2,958,295 \$1,993,487 Current portion of convertible debt, net \$47,327 \$54,949 Current payable \$47,327 \$54,949 Current portion of convertible debt, net 450,599 134,480 Deferred revenue and returns liability 13,849 12,986 Other current liabilities of discontinued operations - 428,45 Current liabilities of discontinued operations - 428,45 Other non-current liabilities 77,044			
Accounts receivable, net 98,313 95,169 Inventories 49,307 47,861 Prepaid expenses and other current assets 51,748 87,103 Current assets of discontinued operations 2,238,573 975,821 Total current assets 2,238,573 975,821 Property and equipment, net 146,516 135,803 Goodwill 376,389 376,389 Other intangible assets, net 118,978 163,483 Other assets, net 77,839 76,576 Non-current assets of discontinued operations - 265,316 Total assets \$2,958,295 \$1,993,487 **Current liabilities and Stockholders' Equity **Current liabilities Accounts payable \$47,327 \$54,949 Current portion of convertible debt, net 450,599 134,480 Deferred revenue and returns liability 13,849 12,986 Current liabilities of discontinued operations - 428,945 Current liabilities of discontinued operations - 428,945 Other non-current liabil	<u> </u>	\$1,074,623	
Inventories 49,307 47,861 Prepaid expenses and other current assets 51,748 87,103 Current assets of discontinued operations 2,238,573 975,821 Total current assets 2,238,573 975,821 Property and equipment, net 146,516 135,803 Goodwill 376,389 376,389 Other intangible assets, net 77,839 76,675 Non-current assets of discontinued operations - 265,316 Total assets \$2,958,295 \$1,993,487 Current liabilities and Stockholders' Equity ** \$4,932 Current liabilities and Stockholders' Equity ** \$4,932 Current liabilities \$47,327 \$5,4949 Current portion of convertible debt, net 450,599 134,480 Deferred revenue and returns liability 13,849 12,986 Other current liabilities of discontinued operations - 43,332 Total current liabilities 668,827 284,948 Convertible debt, net - 428,945 Other non-current liabilities 77,044 <td>Short-term investments</td> <td>964,582</td> <td>521,963</td>	Short-term investments	964,582	521,963
Prepaid expenses and other current assets 51,748 87,103 Current assets of discontinued operations - 21,005 Total current assets 2,238,573 975,821 Property and equipment, net 146,516 135,803 Goodwill 376,389 376,389 Other intangible assets, net 118,978 163,483 Other assets, net 77,839 76,675 Non-current assets of discontinued operations - 265,316 Total assets \$2,958,295 \$1,993,487 Current liabilities \$47,327 \$54,949 Current portion of convertible debt, net 450,599 134,480 Other current liabilities 157,052 81,993,487 Other current liabilities 668,827 284,498 Current portion of convertible debt, net - 433 Other current liabilities 7,052 86,827 Current portion liabilities 7,052 84,498 Convertible debt, net 7,044 79,752 Non-current liabilities 7,044 79,752 N	Accounts receivable, net	98,313	95,169
Current assets of discontinued operations — 21,005 Total current assets 2,238,573 975,821 Property and equipment, net 146,516 135,803 Goodwill 376,389 376,389 Other intangible assets, net 77,839 76,675 Non-current assets of discontinued operations — 265,316 Total assets **2,958,295 \$1,993,487 **Current liabilities and Stockholders' Equity Current portion of convertible debt, net 450,599 134,480 Current portion of convertible debt, net 450,599 134,480 Other current liabilities 157,052 81,650 Current liabilities of discontinued operations — 428,45 Current liabilities 668,827 284,498 Convertible debt, net — 428,945 Other non-current liabilities 77,044 79,752 Non-current liabilities 745,871 793,646 Commitments and contingencies — 45 Stockholders' equity: — — — F	Inventories	49,307	47,861
Total current assets 2,238,573 975,821 Property and equipment, net 146,516 135,803 Goodwill 376,389 376,389 Other intangible assets, net 118,978 163,483 Other assets, net 77,839 76,675 Non-current assets of discontinued operations	Prepaid expenses and other current assets	51,748	87,103
Property and equipment, net 146,516 135,803 Goodwill 376,389 376,389 Other intangible assets, net 118,978 163,483 Other assets, net 77,839 76,675 Non-current assets of discontinued operations 265,316 Total assets \$2,958,295 \$1,993,487 Current liabilities and Stockholders' Equity Current portion of convertible debt, net 450,599 134,480 Deferred revenue and returns liability 13,849 12,986 Other current liabilities 157,052 81,650 Current liabilities of discontinued operations 433 Total current liabilities 668,827 284,498 Convertible debt, net 428,945 Other non-current liabilities 77,044 79,752 Non-current liabilities of discontinued operations 428,945 Other non-current liabilities of discontinued operations 45,1 Total liabilities 77,044 79,752 Non-current liabilities of discontinued operations	Current assets of discontinued operations		21,005
Goodwill 376,389 376,389 Other intangible assets, net 118,978 163,483 Other assets, net 77,839 76,675 Non-current assets of discontinued operations — 265,316 Total assets \$2,958,295 \$1,993,487 Liabilities and Stockholders' Equity Current liabilities Accounts payable \$47,327 \$54,949 Current portion of convertible debt, net 450,599 134,480 Deferred revenue and returns liability 13,849 12,986 Other current liabilities of discontinued operations — 433 Total current liabilities 668,827 284,498 Convertible debt, net — 428,945 Other non-current liabilities 77,044 79,752 Non-current liabilities of discontinued operations — 451 Total liabilities of discontinued operations — 451 Total liabilities 745,871 793,646 Commitments and contingencies Stockholders' equity Preferred stock – \$0.0001 par value; 250,000 shares authorize	Total current assets	2,238,573	975,821
Other intangible assets, net 118,978 163,483 Other assets, net 77,839 76,675 Non-current assets of discontinued operations - 265,316 Total assets \$2,958,295 \$1,993,487 Liabilities and Stockholders' Equity Current liabilities: Accounts payable \$47,327 \$54,949 Current portion of convertible debt, net 450,599 134,480 Deferred revenue and returns liability 13,849 12,986 Other current liabilities 157,052 81,650 Current liabilities of discontinued operations - 433 Total current liabilities 668,827 284,498 Convertible debt, net - 428,945 Other non-current liabilities 77,044 79,752 Non-current liabilities of discontinued operations - 451 Total liabilities of discontinued operations - 451 Total liabilities 745,871 793,646 Commitments and contingencies 5 - Stockholders' equity: -	Property and equipment, net	146,516	135,803
Other assets, net 77,839 76,675 Non-current assets of discontinued operations - 265,316 Total assets \$2,958,295 \$1,993,487 Current liabilities and Stockholders' Equity Current liabilities Accounts payable \$47,327 \$54,949 Current portion of convertible debt, net 450,599 134,480 Deferred revenue and returns liability 13,849 12,986 Other current liabilities of discontinued operations - 433 Total current liabilities of discontinued operations - 433 Convertible debt, net 668,827 284,498 Convertible debt, net - 428,945 Other non-current liabilities 77,044 79,752 Non-current liabilities of discontinued operations - 451 Total liabilities 745,871 793,646 Commitments and contingencies Stockholders' equity: Preferred stock – \$0.0001 par value; 10,000 shares authorized; no shares issued - - Sa,481 and 43,925 shares issued and outstanding at January 1, 2022 and January 2, 2021, respectively <td>Goodwill</td> <td>376,389</td> <td>376,389</td>	Goodwill	376,389	376,389
Non-current assets of discontinued operations — 265,316 Total assets \$2,958,295 \$1,993,487 Liabilities and Stockholders' Equity Current liabilities: Accounts payable \$47,327 \$54,949 Current portion of convertible debt, net 450,599 134,480 Deferred revenue and returns liability 13,849 12,986 Other current liabilities 157,052 81,650 Current liabilities of discontinued operations 668,827 284,498 Convertible debt, net 77,044 79,752 Other non-current liabilities 77,044 79,752 Non-current liabilities of discontinued operations - 451 Total liabilities 745,871 793,646 Commitments and contingencies 745,871 793,646 Stockholders' equity: - 45 Preferred stock – \$0.0001 par value; 10,000 shares authorized; no shares issued - - Stockholders' equity: 4 4 Common stock – \$0.0001 par value; 250,000 shares authorized; no shares issued - - -	Other intangible assets, net	118,978	163,483
Total assets \$1,993,487 Liabilities and Stockholders' Equity Current liabilities: Accounts payable \$47,327 \$54,949 Current portion of convertible debt, net 450,599 134,480 Deferred revenue and returns liability 13,849 12,986 Other current liabilities of discontinued operations 433 Total current liabilities 668,827 284,498 Convertible debt, net 428,945 Other non-current liabilities 77,044 79,752 Non-current liabilities of discontinued operations 451 Total liabilities of discontinued operations 745,871 793,646 Commitments and contingencies Stockholders' equity: 451 Preferred stock - \$0.0001 par value; 10,000 shares authorized; no shares issued Shares issued Common stock - \$0.0001 par value; 250,000 shares authorized; 38,481 and 43,925 shares issued and outstanding at January 1, 2022 and January 2, 2021, respectively 4 4 Additional paid-in capital	Other assets, net	77,839	76,675
Liabilities and Stockholders' Equity Current liabilities: \$ 47,327 \$ 54,949 Current portion of convertible debt, net 450,599 134,480 Deferred revenue and returns liability 13,849 12,986 Other current liabilities 157,052 81,650 Current liabilities of discontinued operations 433 Total current liabilities 668,827 284,498 Convertible debt, net 428,945 Other non-current liabilities 77,044 79,752 Non-current liabilities of discontinued operations 451 Total liabilities 745,871 793,646 Commitments and contingencies Stockholders' equity: Preferred stock – \$0.0001 par value; 10,000 shares authorized; no shares issued Common stock – \$0.0001 par value; 250,000 shares authorized; 38,481 and 43,925 shares issued and outstanding at January 1, 2022 and January 2, 2021, respectively 4 4 4 Additional paid-in capital 204,359 93,664 Accumulated other comprehensive income (loss) (2,419)	Non-current assets of discontinued operations		265,316
Current liabilities: 47,327 \$4,949 Current portion of convertible debt, net 450,599 134,480 Deferred revenue and returns liability 13,849 12,986 Other current liabilities 157,052 81,650 Current liabilities of discontinued operations 433 Total current liabilities 668,827 284,498 Convertible debt, net 428,945 Other non-current liabilities 77,044 79,752 Non-current liabilities of discontinued operations 451 Total liabilities 745,871 793,646 Commitments and contingencies Stockholders' equity: Preferred stock - \$0.0001 par value; 10,000 shares authorized; no shares issued Stockholders' equity: Common stock - \$0.0001 par value; 250,000 shares authorized; and 43,925 shares issued and outstanding at January 1, 2022 and January 2, 2021, respectively 4 4 Additional paid-in capital 204,359 Retained earnings 2,214,839 993,664 Accumulated other comprehensive income (loss) 2,212,4	Total assets	\$2,958,295	\$1,993,487
Accounts payable \$ 47,327 \$ 54,949 Current portion of convertible debt, net 450,599 134,480 Deferred revenue and returns liability 13,849 12,986 Other current liabilities 157,052 81,650 Current liabilities of discontinued operations 433 Total current liabilities 668,827 284,498 Convertible debt, net 428,945 Other non-current liabilities 77,044 79,752 Non-current liabilities of discontinued operations 451 Total liabilities 745,871 793,646 Commitments and contingencies Stockholders' equity: Preferred stock - \$0.0001 par value; 10,000 shares authorized; no shares issued Stockholders' equity: Common stock - \$0.0001 par value; 250,000 shares authorized; and 43,925 shares issued and outstanding at January 1, 2022 and January 2, 2021, respectively 4 4 Additional paid-in capital 204,359 Retained earnings 2,214,839 993,664 Accumulated other comprehensive income (loss) 2,214,2	Liabilities and Stockholders' Equity		
Current portion of convertible debt, net 450,599 134,480 Deferred revenue and returns liability 13,849 12,986 Other current liabilities 157,052 81,650 Current liabilities of discontinued operations 433 Total current liabilities 668,827 284,498 Convertible debt, net 428,945 Other non-current liabilities 77,044 79,752 Non-current liabilities of discontinued operations 451 Total liabilities 745,871 793,646 Commitments and contingencies Stockholders' equity: Preferred stock – \$0.0001 par value; 10,000 shares authorized; no shares issued Stockholders' equity: Common stock – \$0.0001 par value; 250,000 shares authorized; and 38,481 and 43,925 shares issued and outstanding at January 1, 2022 and January 2, 2021, respectively 4 4 Additional paid-in capital 204,359 Retained earnings 2,214,839 993,664 Accumulated other comprehensive income (loss) (2,419) 1,814 <	Current liabilities:		
Deferred revenue and returns liability 13,849 12,986 Other current liabilities 157,052 81,650 Current liabilities of discontinued operations 433 Total current liabilities 668,827 284,498 Convertible debt, net 428,945 Other non-current liabilities 77,044 79,752 Non-current liabilities of discontinued operations 451 Total liabilities 745,871 793,646 Commitments and contingencies Stockholders' equity: Preferred stock – \$0.0001 par value; 10,000 shares authorized; no shares issued Common stock – \$0.0001 par value; 250,000 shares authorized; 38,481 and 43,925 shares issued and outstanding at January 1, 2022 and January 2, 2021, respectively 4 4 4 Additional paid-in capital 204,359 2,214,839 993,664 Accumulated other comprehensive income (loss) (2,419) 1,814 Total stockholders' equity 2,212,424 1,199,841	Accounts payable	\$ 47,327	\$ 54,949
Other current liabilities157,05281,650Current liabilities of discontinued operations433Total current liabilities668,827284,498Convertible debt, net428,945Other non-current liabilities77,04479,752Non-current liabilities of discontinued operations451Total liabilities745,871793,646Commitments and contingenciesStockholders' equity:Preferred stock - \$0.0001 par value; 10,000 shares authorized; no shares issuedCommon stock - \$0.0001 par value; 250,000 shares authorized; 38,481 and 43,925 shares issued and outstanding at January 1, 2022 and January 2, 2021, respectively44Additional paid-in capital204,359Retained earnings2,214,839993,664Accumulated other comprehensive income (loss)(2,419)1,814Total stockholders' equity2,212,4241,199,841	Current portion of convertible debt, net	450,599	134,480
Current liabilities of discontinued operations Total current liabilities Convertible debt, net Other non-current liabilities Other non-current liabilities Non-current liabilities of discontinued operations Total liabilities of discontinued operations Total liabilities Total liabilities Commitments and contingencies Stockholders' equity: Preferred stock – \$0.0001 par value; 10,000 shares authorized; no shares issued Common stock – \$0.0001 par value; 250,000 shares authorized; 38,481 and 43,925 shares issued and outstanding at January 1, 2022 and January 2, 2021, respectively Additional paid-in capital Retained earnings Accumulated other comprehensive income (loss) Total stockholders' equity 433 428,498 77,044 79,752 793,646 451 793,646	Deferred revenue and returns liability	13,849	12,986
Total current liabilities Convertible debt, net Other non-current liabilities Other non-current liabilities Non-current liabilities of discontinued operations Total liabilities Total liabilities Total liabilities Total liabilities Commitments and contingencies Stockholders' equity: Preferred stock – \$0.0001 par value; 10,000 shares authorized; no shares issued Common stock – \$0.0001 par value; 250,000 shares authorized; 38,481 and 43,925 shares issued and outstanding at January 1, 2022 and January 2, 2021, respectively Additional paid-in capital Accumulated other comprehensive income (loss) Total stockholders' equity 668,827 428,498 77,044 79,752 793,646 45,871 793,646 204,359 Retained earnings 2,214,839 993,664 Accumulated other comprehensive income (loss) Total stockholders' equity 2,212,424 1,199,841	Other current liabilities	157,052	81,650
Convertible debt, net Other non-current liabilities Other non-current liabilities Non-current liabilities of discontinued operations Total liabilities Total liabilities Total liabilities Total liabilities Stockholders' equity: Preferred stock – \$0.0001 par value; 10,000 shares authorized; no shares issued Common stock – \$0.0001 par value; 250,000 shares authorized; 38,481 and 43,925 shares issued and outstanding at January 1, 2022 and January 2, 2021, respectively Additional paid-in capital Accumulated other comprehensive income (loss) Total stockholders' equity 4 2,212,424 1,199,841 Total stockholders' equity 2,212,424 1,199,841	Current liabilities of discontinued operations		433
Other non-current liabilities 77,044 79,752 Non-current liabilities of discontinued operations 451 Total liabilities 745,871 793,646 Commitments and contingencies Stockholders' equity: Preferred stock - \$0.0001 par value; 10,000 shares authorized; no shares issued Common stock - \$0.0001 par value; 250,000 shares authorized; 38,481 and 43,925 shares issued and outstanding at January 1, 2022 and January 2, 2021, respectively 4 Additional paid-in capital 204,359 Retained earnings 2,214,839 993,664 Accumulated other comprehensive income (loss) (2,419) 1,814 Total stockholders' equity 2,199,841	Total current liabilities	668,827	284,498
Non-current liabilities of discontinued operations Total liabilities Commitments and contingencies Stockholders' equity: Preferred stock – \$0.0001 par value; 10,000 shares authorized; no shares issued Common stock – \$0.0001 par value; 250,000 shares authorized; 38,481 and 43,925 shares issued and outstanding at January 1, 2022 and January 2, 2021, respectively Additional paid-in capital Accumulated other comprehensive income (loss) Total stockholders' equity - 451 745,871 793,646	Convertible debt, net		428,945
Total liabilities 745,871 793,646 Commitments and contingencies Stockholders' equity: Preferred stock – \$0.0001 par value; 10,000 shares authorized; no shares issued Common stock – \$0.0001 par value; 250,000 shares authorized; 38,481 and 43,925 shares issued and outstanding at January 1, 2022 and January 2, 2021, respectively 4 Additional paid-in capital 204,359 Retained earnings 2,214,839 993,664 Accumulated other comprehensive income (loss) (2,419) 1,814 Total stockholders' equity 2,212,424 1,199,841	Other non-current liabilities	77,044	79,752
Total liabilities 745,871 793,646 Commitments and contingencies Stockholders' equity: Preferred stock – \$0.0001 par value; 10,000 shares authorized; no shares issued Common stock – \$0.0001 par value; 250,000 shares authorized; 38,481 and 43,925 shares issued and outstanding at January 1, 2022 and January 2, 2021, respectively 4 Additional paid-in capital 204,359 Retained earnings 2,214,839 993,664 Accumulated other comprehensive income (loss) (2,419) 1,814 Total stockholders' equity 2,212,424 1,199,841	Non-current liabilities of discontinued operations		451
Commitments and contingencies Stockholders' equity: Preferred stock – \$0.0001 par value; 10,000 shares authorized; no shares issued Common stock – \$0.0001 par value; 250,000 shares authorized; 38,481 and 43,925 shares issued and outstanding at January 1, 2022 and January 2, 2021, respectively Additional paid-in capital Retained earnings Accumulated other comprehensive income (loss) Call 4,839 Possible 4, 2,214,839 Possible 4, 2,214,839 Possible 5, 2,214,839 Possible 6, 419 Possible 6, 419 Possible 7, 42 Possible 7, 43 Possible 7, 44 Pos	-	745,871	793,646
Stockholders' equity: Preferred stock – \$0.0001 par value; 10,000 shares authorized; no shares issued Common stock – \$0.0001 par value; 250,000 shares authorized; 38,481 and 43,925 shares issued and outstanding at January 1, 2022 and January 2, 2021, respectively Additional paid-in capital Retained earnings Accumulated other comprehensive income (loss) Total stockholders' equity Preferred stock – \$0.0001 par value; 10,000 shares authorized; 4 4 4 4 4 4 4 Additional paid-in capital	Commitments and contingencies	·	
shares issued Common stock - \$0.0001 par value; 250,000 shares authorized; 38,481 and 43,925 shares issued and outstanding at January 1, 2022 and January 2, 2021, respectively 4 4 Additional paid-in capital 204,359 Retained earnings 2,214,839 993,664 Accumulated other comprehensive income (loss) (2,419) 1,814 Total stockholders' equity 2,212,424 1,199,841	Stockholders' equity:		
38,481 and 43,925 shares issued and outstanding at January 1, 2022 and January 2, 2021, respectively 4 4 Additional paid-in capital 204,359 Retained earnings 2,214,839 993,664 Accumulated other comprehensive income (loss) (2,419) 1,814 Total stockholders' equity 2,212,424 1,199,841	shares issued		
Additional paid-in capital 204,359 Retained earnings 2,214,839 993,664 Accumulated other comprehensive income (loss) (2,419) 1,814 Total stockholders' equity 2,212,424 1,199,841	38,481 and 43,925 shares issued and outstanding at	4	4
Retained earnings 2,214,839 993,664 Accumulated other comprehensive income (loss) (2,419) 1,814 Total stockholders' equity 2,212,424 1,199,841			204,359
Accumulated other comprehensive income (loss) (2,419) 1,814 Total stockholders' equity 2,212,424 1,199,841	• •	2.214.839	· · · · · · · · · · · · · · · · · · ·
Total stockholders' equity 2,212,424 1,199,841			
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	Total liabilities and stockholders' equity	\$2,958,295	\$1,993,487

Silicon Laboratories Inc. Condensed Consolidated Statements of Cash Flows (In thousands) (Unaudited)

Net income \$2,117,399 \$12,531 Adjustments to reconcile net income to cash provided by (used in) operating activities of continuing operations: (2,175,273) (128,016) Income from discontinued operations, net of income taxes (2,175,273) (128,016) Depreciation of property and equipment 18,051 16,267 Amortization of other intangible assets 44,505 42,569 Amortization of debt discount and debt issuance costs 22,767 21,433 Loss on extinguishment of convertible debt 3,370 4,060 Stock-based compensation expense 56,842 49,454 Equity-method earnings (13,728) (2,116) Deferred income taxes (3,414) (6,533) Changes in operating assets and liabilities: (3,144) (17,612) Accounts receivable (1,510) 9,148 Prepaid expenses and other assets 44,664 (50,664) Accounts payable (7,704) 15,263 Other current liabilities and income taxes 2,109 3,215 Deferred revenue and returns liability 863 (6,694) Other on-current lia		Year Ended		
Net income \$2,117,399 \$12,531 Adjustments to reconcile net income to cash provided by (used in) operating activities of continuing operations: (2,175,273) (128,016) Depreciation of property and equipment 18,051 16,267 Amortization of other intangible assets 44,505 42,569 Amortization of of beth cintangible assets 22,767 21,433 Loss on extinguishment of convertible debt 3,370 4,060 Stock-based compensation expense 56,842 49,454 Equity-method earnings (13,728) (2,116) Deferred income taxes (3,144) (17,612) Changes in operating assets and liabilities: (1,510) 9,148 Accounts receivable (1,510) 9,148 Prepaid expenses and other assets 44,664 (50,664) Accounts payable (7,704) 15,263 Other current liabilities and income taxes 2,109 3,215 Deferred revenue and returns liability 863 (6,694) Other current liabilities (1,510) (1,519) Net cash provided by (used in) operating activities of continuing oper		January 1,	January 2,	
Adjustments to reconcile net income to eash provided by (used in) operating activities of continuing operations: Income from discontinued operations, net of income taxes	Operating Activities			
operating activities of continuing operations. (2,175,273) (128,016) Income from discontinued operations, net of income taxes (2,175,273) (128,016) Depreciation of property and equipment 18,051 16,267 Amortization of other intangible assets 44,505 42,569 Amortization of debt discount and debt issuance costs 22,767 21,433 Loss on extinguishment of convertible debt 3,370 4,660 Stock-based compensation expense 56,842 49,454 Equity-method earnings (13,728) (2,116) Deferred income taxes (3,144) (6,533) Changes in operating assets and liabilities: (1,510) 9,148 Accounts receivable (1,510) 9,148 Inventories (1,510) 9,148 Prepaid expenses and other assets 44,664 (50,664) Accounts payable (7,704) 15,263 Other current liabilities and income taxes 2,109 3,215 Deferred revenue and returns liability 863 (6,694) Other current liabilities (14,599) 28,856	Net income	\$2,117,399	\$ 12,531	
Income from discontinued operations, net of income taxes	Adjustments to reconcile net income to cash provided by (used in)			
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Proceeds from issuance of debt 845,000 Payments on debt (140,572) (624,737) Repurchases of common stock (1,150,044) (16,287) Payment of taxes withheld for vested stock awards (22,239) (18,124) Proceeds from the issuance of common stock 14,183 15,015 Net cash provided by (used in) financing activities of continuing operations (1,298,672) 200,867 Discontinued Operations (191,642) 144,557 Investing activities 2,747,684 (2,694) Net cash provided by discontinued operations 2,556,042 141,863 Increase (decrease) in cash and cash equivalents 871,903 (24,426) Cash and cash equivalents at beginning of period 202,720 227,146	Net cash used in investing activities of continuing operations	(476,665)	(358,317)	
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Payment of taxes withheld for vested stock awards Proceeds from the issuance of common stock Net cash provided by (used in) financing activities of continuing operations Discontinued Operations		(1,150,044)		
Net cash provided by (used in) financing activities of continuing operations Discontinued Operations	Payment of taxes withheld for vested stock awards	(22,239)		
Discontinued OperationsOperating activities(191,642)144,557Investing activities2,747,684(2,694)Net cash provided by discontinued operations2,556,042141,863Increase (decrease) in cash and cash equivalents871,903(24,426)Cash and cash equivalents at beginning of period202,720227,146	Proceeds from the issuance of common stock	14,183		
Operating activities(191,642)144,557Investing activities2,747,684(2,694)Net cash provided by discontinued operations2,556,042141,863Increase (decrease) in cash and cash equivalents871,903(24,426)Cash and cash equivalents at beginning of period202,720227,146	Net cash provided by (used in) financing activities of continuing operations	(1,298,672)	200,867	
Operating activities(191,642)144,557Investing activities2,747,684(2,694)Net cash provided by discontinued operations2,556,042141,863Increase (decrease) in cash and cash equivalents871,903(24,426)Cash and cash equivalents at beginning of period202,720227,146	Discontinued Operations			
Investing activities2,747,684(2,694)Net cash provided by discontinued operations2,556,042141,863Increase (decrease) in cash and cash equivalents871,903(24,426)Cash and cash equivalents at beginning of period202,720227,146		(191,642)	144,557	
Net cash provided by discontinued operations2,556,042141,863Increase (decrease) in cash and cash equivalents871,903(24,426)Cash and cash equivalents at beginning of period202,720227,146			•	
Cash and cash equivalents at beginning of period 202,720 227,146	Net cash provided by discontinued operations			
Cash and cash equivalents at beginning of period 202,720 227,146	Increase (decrease) in cash and cash equivalents	871.903	(24.426)	

Non-GAAP Financial Measurements

In addition to the GAAP results provided throughout this document, Silicon Labs has provided non-GAAP financial measurements on a basis excluding non-cash and other charges and benefits. Details of these excluded items are presented in the tables below, which reconcile the GAAP results to non-GAAP financial measurements.

The non-GAAP financial measurements do not replace the presentation of Silicon Labs' GAAP financial results. These measurements provide supplemental information to assist management and investors in analyzing Silicon Labs' financial position and results of operations. Silicon Labs has chosen to provide this information to investors to enable them to perform meaningful comparisons of past, present and future operating results and as a means to emphasize the results of core on-going operations.

Unaudited Reconciliation of GAAP to Non-GAAP Financial Measures (In thousands, except per share data)

Non-GAAP Income Statement Items	Three Months Ended January 1, 2022								
	GAAP Measure	GAAP Percent of Revenue	Stock Compensation Expense	Intangible Asset Amortization	Termination Costs	Non- GAAP Measure	Non-GAAP Percent of Revenue		
Revenues	\$208,680								
Gross profit	127,831	61.3%	\$267	\$	\$	\$128,098	61.4%		
Research and development	71,705	34.4%	6,796	7,753		57,156	27.4%		
Selling, general and administrative	53,487	25.6%	12,863	2,781	939	36,904	17.7%		
Operating expenses	125,192	60.0%	19,659	10,534	939	94,060	45.1%		
Operating income	2,639	1.3%	19,926	10,534	939	34,038	16.3%		

Non-GAAP Earnings Per Share and Tax Rate – Continuing Operations		Three Months Ended January 1, 2022								
	GAAP Measure	GAAP Tax Percentage Rate	Stock Compensation Expense	Intangible Asset Amortization	Termination Costs	Investment Fair Value Adjustments	Interest Expense Adjustments	Income Tax Adjustments	Non- GAAP Measure	Non-GAAP Tax Percentage Rate
Income from continuing operations before income taxes	\$6,397		\$19,926	\$10,534	\$939	\$(7,856)	\$5,106	\$	\$35,046	
Provision for income taxes	884	13.8%						2,670	3,554	10.1%
Income from continuing operations	\$5,513								\$31,492	
Diluted shares outstanding	41,031								41,031	
Diluted earnings per share	\$ 0.13								\$ 0.77	

Unaudited Forward-Looking Statements Regarding Business Outlook** (In millions, except per share data)

Business Outlook	Three Months Ending April 2, 2022					
	GAAP Measure	Non-GAAP Adjustments*	Non-GAAP Measure			
Gross margin	63%	0%	63%			
Operating expenses	\$128	\$(23)	\$105			
Effective tax rate	37%	(7)%	30%			
Diluted earnings per share - low	\$ 0.15	\$ 0.43	\$ 0.58			
Diluted earnings per share - high	\$ 0.25	\$ 0.43	\$ 0.68			

^{*} Non-GAAP adjustments include the following estimates: stock compensation expense of \$13 million, intangible asset amortization of \$10 million, and the associated tax impact from the aforementioned items.

** These financial schedules contain forward-looking statements based on Silicon Labs' current expectations. The words "believe," "estimate," "expect," "intend," "anticipate," "plan," "project," "will" and similar phrases as they relate to Silicon Labs are intended to identify such forward-looking statements. These forward-looking statements reflect the current views and assumptions of Silicon Labs and are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Among the factors that could cause actual results to differ materially from those in the forward-looking statements are the following: the effect of the Skyworks transaction on the ability of Silicon Labs to retain and hire key personnel and maintain relationships with its customers, suppliers, advertisers, partners and others with whom it does business, or on its operating results and businesses generally; risks associated with the disruption of management's attention from ongoing business operations due to such transaction; the timing and scope of anticipated share repurchases, and/or dividends; the impact of COVID-19 on the U.S. and global economy, including the restrictions on travel and transportation and other actions taken by governmental authorities and disruptions to the business of our customers or our global supply chain that have occurred or may occur in the future, the ongoing impact of COVID-19 on our employees and our ability to provide services to our customers and respond to their needs; risks that Silicon Labs may not be able to maintain its historical growth; quarterly fluctuations in revenues and operating results; difficulties developing new products that achieve market acceptance; risks associated with international activities (including trade barriers, particularly with respect to China); intellectual property litigation risks; risks associated with acquisitions and divestitures; product liability risks; difficulties managing and/or obtaining sufficient supply from Silicon Labs' distributors, manufacturers and subcontractors; dependence on a limited number of products; absence of long-term commitments from customers; inventory-related risks; difficulties managing international activities; risks that Silicon Labs may not be able to manage strains associated with its growth; credit risks associated with its accounts receivable; dependence on key personnel; stock price volatility; geographic concentration of manufacturers, assemblers, test service providers and customers in Asia that subjects Silicon Labs' business and results of operations to risks of natural disasters, epidemics or pandemics, war and political unrest; debt-related risks; capital-raising risks; the competitive and cyclical nature of the semiconductor industry; average selling prices of products may decrease significantly and rapidly; information technology risks; cyber-attacks against Silicon Labs' products and its networks and other factors that are detailed in the SEC filings of Silicon Laboratories Inc. The level of share repurchases and/or dividends depends on market conditions and the level of other uses of cash. Silicon Labs disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. References in these financial schedules to Silicon Labs shall mean Silicon Laboratories Inc.