UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended December 30, 2023

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Transition Period from ____ to ____

Commission File Number 0-17795

CIRRUS LOGIC, INC.
(Exact name of registrant as specified in its charter)

Delaware	**77-0024818**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
800 W. 6th Street Austin, Texas	**78701**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (512) 851-4000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, $0.001 par value	CRUS	The NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☑	Accelerated Filer	☐
Non-accelerated Filer	☐	Smaller Reporting Company	☐
		Emerging Growth Company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☑

The number of shares of the registrant's common stock, $0.001 par value, outstanding as of February 2, 2024 was 53,934,984.

CIRRUS LOGIC, INC.

FORM 10-Q QUARTERLY REPORT

QUARTERLY PERIOD ENDED DECEMBER 30, 2023

TABLE OF CONTENTS

Part I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CIRRUS LOGIC, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS
(in thousands)

	December 30, 2023 (unaudited)	March 25, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 483,931	$ 445,784
Marketable securities	32,842	34,978
Accounts receivable, net	217,269	150,473
Inventories	256,675	233,450
Prepaid assets	48,804	35,507
Prepaid wafers	84,854	60,638
Other current assets	61,010	57,026
Total current assets	1,185,385	1,017,856
Long-term marketable securities	70,260	36,509
Right-of-use lease assets	140,993	128,145
Property and equipment, net	167,579	162,972
Intangibles, net	31,677	38,876
Goodwill	435,936	435,936
Deferred tax assets	34,116	35,580
Long-term prepaid wafers	73,492	134,363
Other assets	77,675	73,729
Total assets	$ 2,217,113	$ 2,063,966
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 56,231	$ 81,462
Accrued salaries and benefits	44,352	50,606
Software license agreements	31,678	20,948
Current lease liabilities	19,906	18,442
Acquisition-related liabilities	—	21,361
Other accrued liabilities	26,427	23,521
Total current liabilities	178,594	216,340
Long-term liabilities:		
Non-current lease liabilities	138,415	122,631
Non-current income taxes	52,247	59,013
Other long-term liabilities	47,097	7,700
Total long-term liabilities	237,759	189,344
Stockholders' equity:		
Capital stock	1,735,824	1,670,141
Accumulated earnings (deficit)	66,633	(9,320)
Accumulated other comprehensive loss	(1,697)	(2,539)
Total stockholders' equity	1,800,760	1,658,282
Total liabilities and stockholders' equity	$ 2,217,113	$ 2,063,966

The accompanying notes are an integral part of these consolidated condensed financial statements.

CIRRUS LOGIC, INC.
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
(in thousands, except per share amounts; unaudited)

	Three Months Ended		Nine Months Ended	
	December 30, 2023	December 24, 2022	December 30, 2023	December 24, 2022
Net sales	$ 618,984	$ 590,582	$ 1,417,063	$ 1,524,795
Cost of sales	301,520	293,877	693,616	754,170
Gross profit	317,464	296,705	723,447	770,625
Operating expenses				
Research and development	112,672	118,063	323,092	343,250
Selling, general and administrative	37,604	37,262	107,306	115,502
Restructuring costs	(360)	—	1,959	—
Total operating expenses	149,916	155,325	432,357	458,752
Income from operations	167,548	141,380	291,090	311,873
Interest income	5,124	2,995	13,914	5,047
Interest expense	(235)	(218)	(696)	(680)
Other expense	(337)	(3,716)	(30)	(2,915)
Income before income taxes	172,100	140,441	304,278	313,325
Provision for income taxes	33,377	36,964	74,548	82,953
Net income	$ 138,723	$ 103,477	$ 229,730	$ 230,372
Basic earnings per share	$ 2.57	$ 1.87	$ 4.22	$ 4.13
Diluted earnings per share	$ 2.50	$ 1.83	$ 4.09	$ 4.02
Basic weighted average common shares outstanding	54,016	55,239	54,449	55,748
Diluted weighted average common shares outstanding	55,592	56,583	56,160	57,280

The accompanying notes are an integral part of these consolidated condensed financial statements.

CIRRUS LOGIC, INC.
CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands; unaudited)

	Three Months Ended		Nine Months Ended	
	December 30, 2023	December 24, 2022	December 30, 2023	December 24, 2022
Net income	$ 138,723	$ 103,477	$ 229,730	$ 230,372
Other comprehensive income (loss), before tax				
Foreign currency translation gain (loss)	445	468	(347)	(1,235)
Unrealized gain (loss) on marketable securities	1,266	533	1,505	(407)
(Provision) benefit for income taxes	(266)	(112)	(316)	86
Comprehensive income	$ 140,168	$ 104,366	$ 230,572	$ 228,816

The accompanying notes are an integral part of these consolidated condensed financial statements.

CIRRUS LOGIC, INC.
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(in thousands; unaudited)

	Nine Months Ended	
	December 30, 2023	December 24, 2022
Cash flows from operating activities:		
Net income	$ 229,730	$ 230,372
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	36,283	52,358
Stock-based compensation expense	67,113	59,108
Deferred income taxes	1,122	6,430
Loss on retirement or write-off of long-lived assets	74	306
Other non-cash adjustments	2,276	3,017
Restructuring costs	1,959	—
Net change in operating assets and liabilities:		
Accounts receivable	(67,558)	(30,229)
Inventories	(23,223)	(13,990)
Prepaid wafers	36,654	—
Other assets	11,682	4,516
Accounts payable and other accrued liabilities	(32,201)	(26,619)
Income taxes payable	8,598	(3,455)
Acquisition-related liabilities	(21,361)	9,488
Net cash provided by operating activities	251,148	291,302
Cash flows from investing activities:		
Maturities and sales of available-for-sale marketable securities	23,418	10,346
Purchases of available-for-sale marketable securities	(53,525)	(9,469)
Purchases of property, equipment and software	(30,593)	(23,764)
Investments in technology	(57)	(1,315)
Net cash used in investing activities	(60,757)	(24,202)
Cash flows from financing activities:		
Payment of acquisition-related holdback	—	(30,949)
Issuance of common stock, net of shares withheld for taxes	610	1,524
Repurchase of stock to satisfy employee tax withholding obligations	(16,851)	(16,563)
Repurchase and retirement of common stock	(136,003)	(156,382)
Net cash used in financing activities	(152,244)	(202,370)
Net increase in cash and cash equivalents	38,147	64,730
Cash and cash equivalents at beginning of period	445,784	369,814
Cash and cash equivalents at end of period	$ 483,931	$ 434,544

The accompanying notes are an integral part of these consolidated condensed financial statements.

CIRRUS LOGIC, INC.
CONSOLIDATED CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands; unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Earnings (Deficit)	Accumulated Other Comprehensive Loss	Total
Three Months Ended	Shares	Amount				
Balance, September 24, 2022	55,426	$ 55	$ 1,618,122	$ 40,927	$ (4,490)	$ 1,654,614
Net income	—	—	—	103,477	—	103,477
Change in unrealized gain (loss) on marketable securities, net of tax	—	—	—	—	421	421
Change in foreign currency translation adjustments	—	—	—	—	468	468
Issuance of stock under stock option plans and other, net of shares withheld for employee taxes	499	1	392	(13,541)	—	(13,148)
Repurchase and retirement of common stock	(713)	(1)	—	(49,998)	—	(49,999)
Stock-based compensation	—	—	20,487	—	—	20,487
Balance, December 24, 2022	55,212	$ 55	$ 1,639,001	$ 80,865	$ (3,601)	$ 1,716,320
Balance, September 23, 2023	54,237	$ 54	$ 1,712,656	$ (1,213)	$ (3,142)	$ 1,708,355
Net income	—	—	—	138,723	—	138,723
Change in unrealized gain (loss) on marketable securities, net of tax	—	—	—	—	1,000	1,000
Change in foreign currency translation adjustments	—	—	—	—	445	445
Issuance of stock under stock option plans and other, net of shares withheld for employee taxes	473	1	47	(13,719)	—	(13,671)
Repurchase and retirement of common stock	(781)	(1)	—	(57,158)	—	(57,159)
Stock-based compensation	—	—	23,067	—	—	23,067
Balance, December 30, 2023	53,929	$ 54	$ 1,735,770	$ 66,633	$ (1,697)	$ 1,800,760
Nine Months Ended						
Balance, March 26, 2022	56,596	$ 57	$ 1,578,370	$ 23,435	$ (2,045)	$ 1,599,817
Net income	—	—	—	230,372	—	230,372
Change in unrealized gain (loss) on marketable securities, net of tax	—	—	—	—	(321)	(321)
Change in foreign currency translation adjustments	—	—	—	—	(1,235)	(1,235)
Issuance of stock under stock option plans and other, net of shares withheld for employee taxes	637	1	1,523	(16,563)	—	(15,039)
Repurchase and retirement of common stock	(2,021)	(3)	—	(156,379)	—	(156,382)
Stock-based compensation	—	—	59,108	—	—	59,108
Balance, December 24, 2022	55,212	$ 55	$ 1,639,001	$ 80,865	$ (3,601)	$ 1,716,320
Balance, March 25, 2023	55,098	$ 55	$ 1,670,086	$ (9,320)	$ (2,539)	$ 1,658,282
Net income	—	—	—	229,730	—	229,730
Change in unrealized gain (loss) on marketable securities, net of tax	—	—	—	—	1,189	1,189
Change in foreign currency translation adjustments	—	—	—	—	(347)	(347)
Issuance of stock under stock option plans and other, net of shares withheld for employee taxes	589	1	611	(16,845)	—	(16,233)
Repurchase and retirement of common stock	(1,758)	(2)	—	(136,932)	—	(136,934)
Stock-based compensation	—	—	65,073	—	—	65,073
Balance, December 30, 2023	53,929	$ 54	$ 1,735,770	$ 66,633	$ (1,697)	$ 1,800,760

The accompanying notes are an integral part of these consolidated condensed financial statements.

CIRRUS LOGIC, INC.
NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(unaudited)

1. Basis of Presentation

The unaudited consolidated condensed financial statements have been prepared by Cirrus Logic, Inc. ("Cirrus Logic," "we," "us," "our," or the "Company") pursuant to the rules and regulations of the Securities and Exchange Commission (the "Commission"). The accompanying unaudited consolidated condensed financial statements do not include complete footnotes and financial presentations. As a result, these financial statements should be read along with the audited consolidated financial statements and notes thereto for the year ended March 25, 2023, included in our Annual Report on Form 10-K filed with the Commission on May 19, 2023. In our opinion, the financial statements reflect all material adjustments, including normal recurring adjustments, necessary for a fair presentation of the financial position, operating results and cash flows for those periods presented. The preparation of financial statements in conformity with United States ("U.S.") generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect reported assets, liabilities, revenues and expenses. Actual results could differ from those estimates and assumptions. Moreover, the results of operations for the interim periods presented are not necessarily indicative of the results that may be expected for the entire year.

2. Recently Issued Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740) - Improvements to Income Tax Disclosures.* The guidance provides qualitative and quantitative updates to the rate reconciliation and income taxes paid disclosures, requiring more consistent categories and greater disaggregation of information by jurisdiction. This ASU is effective for financial statements issued for annual periods beginning after December 15, 2024, with early adoption permitted, to be applied on a prospective basis, although retrospective application is also permitted. The Company is currently evaluating the impact of this guidance on the financial statements and related disclosures.

3. Marketable Securities

The Company's investments have been classified as available-for-sale securities in accordance with U.S. GAAP. Marketable securities are categorized on the Consolidated Condensed Balance Sheet as "*Marketable securities*", within the short-term or long-term classification, as appropriate, based on the original maturity.

The following table is a summary of available-for-sale securities at December 30, 2023 (in thousands):

As of December 30, 2023	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value (Net Carrying Amount)
Corporate debt securities	$ 97,244	$ 314	$ (604)	$ 96,954
U.S. Treasury securities	5,107	1	(82)	5,026
Agency discount notes	1,135	—	(13)	1,122
Total securities	$ 103,486	$ 315	$ (699)	$ 103,102

The Company typically invests in highly-rated securities with original maturities generally ranging from one to three years. The Company's specifically identified gross unrealized losses of $0.7 million related to securities with total amortized costs of approximately $50.2 million at December 30, 2023. Securities in a continuous unrealized loss position for more than 12 months as of December 30, 2023 had an aggregate amortized cost of $37.6 million and an aggregate unrealized loss of $0.6 million. The Company may sell certain of its marketable securities prior to their stated maturities for strategic reasons including, but not limited to, anticipated or actual changes in credit rating and duration management. The Company records an allowance for credit loss when a decline in investment market value is due to credit-related factors. When evaluating an investment for impairment, the Company reviews factors including the length of time and extent to which fair value has been below cost basis, the financial condition of the issuer, changes in market interest rates and whether it is more likely than not the Company will be required to sell the investment before recovery of the investment's cost basis. As of December 30, 2023, the Company does not consider any of its investments to be impaired.

The following table is a summary of available-for-sale securities at March 25, 2023 (in thousands):

As of March 25, 2023	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value (Net Carrying Amount)
Corporate debt securities	$ 66,753	$ 91	$ (1,825)	$ 65,019
Non-U.S. government securities	510	—	(3)	507
U.S. Treasury securities	5,728	17	(151)	5,594
Agency discount notes	385	—	(18)	367
Total securities	$ 73,376	$ 108	$ (1,997)	$ 71,487

The Company's specifically identified gross unrealized losses of $2.0 million related to securities with total amortized costs of approximately $64.0 million at March 25, 2023. Securities in a continuous unrealized loss position for more than 12 months as of March 25, 2023 had an aggregate amortized cost of $56.3 million and an aggregate unrealized loss of $1.9 million. As of March 25, 2023, the Company did not consider any of its investments to be impaired.

The cost and estimated fair value of available-for-sale securities by contractual maturities were as follows (in thousands):

	December 30, 2023		March 25, 2023	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Within 1 year	$ 33,370	$ 32,842	$ 35,824	$ 34,978
After 1 year	70,116	70,260	37,552	36,509
Total	$ 103,486	$ 103,102	$ 73,376	$ 71,487

4. Fair Value of Financial Instruments

The Company has determined that the only material assets and liabilities in the Company’s financial statements that are required to be measured at fair value on a recurring basis are the Company’s cash equivalents and marketable securities portfolio. The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company’s cash equivalents and marketable securities portfolio consist of money market funds, debt securities, non-U.S. government securities, U.S Treasury securities and securities of U.S. government-sponsored enterprises and are reflected on our Consolidated Condensed Balance Sheets under the headings cash and cash equivalents, marketable securities, and long-term marketable securities. The Company determines the fair value of its marketable securities portfolio by obtaining non-binding market prices from third-party pricing providers on the last day of the quarter, whose sources may use quoted prices in active markets for identical assets (Level 1 inputs) or inputs other than quoted prices that are observable either directly or indirectly (Level 2 inputs) in determining fair value.

The Company's long-term revolving credit facility, described in Note 8 - Revolving Credit Facility, bears interest at a base rate plus applicable margin or forward-looking secured overnight financing rate ("Term SOFR") plus 10 basis points plus applicable margin. As of December 30, 2023, there are no amounts drawn under the facility and the fair value is zero.

As of December 30, 2023 and March 25, 2023, the Company has no Level 3 assets or liabilities. There were no transfers between Level 1, Level 2, or Level 3 measurements for the three months ended December 30, 2023.

The following summarizes the fair value of our financial instruments at December 30, 2023 (in thousands):

	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
Assets:				
Cash equivalents				
Money market funds	$ 437,248	$ —	$ —	$ 437,248
Available-for-sale securities				
Corporate debt securities	$ —	$ 96,954	$ —	$ 96,954
U.S. Treasury securities	5,026	—	—	5,026
Agency discount notes	—	1,122	—	1,122
	$ 5,026	$ 98,076	$ —	$ 103,102

The following summarizes the fair value of our financial instruments at March 25, 2023 (in thousands):

	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
Assets:				
Cash equivalents				
Money market funds	$ 406,265	$ —	$ —	$ 406,265
Available-for-sale securities				
Corporate debt securities	$ —	$ 65,019	$ —	$ 65,019
Non-U.S. government securities	—	507	—	507
U.S. Treasury securities	5,594	—	—	5,594
Agency discount notes	—	367	—	367
	$ 5,594	$ 65,893	$ —	$ 71,487

5. Derivative Financial Instruments

Foreign Currency Forward Contracts

The Company uses foreign currency forward contracts to reduce the earnings impact that exchange rate fluctuations have on non-functional currency balance sheet exposures. The Company recognizes both the gains and losses on foreign currency forward contracts and the gains and losses on the remeasurement of non-functional currency assets and liabilities within "*Other expense*" in the Consolidated Condensed Statements of Income. The Company does not apply hedge accounting to these foreign currency derivative instruments.

As of December 30, 2023, the Company held one foreign currency forward contract denominated in British Pound Sterling with a notional value of $4.9 million. The fair value of this contract was not material as of December 30, 2023.

The before-tax effect of derivative instruments not designated as hedging instruments was as follows (in thousands):

	Three Months Ended		Nine Months Ended		
	December 30, 2023	**December 24, 2022**	**December 30, 2023**	**December 24, 2022**	**Location**
Gain (loss) recognized in income:					
Foreign currency forward contracts	$ 88	$ 348	$ (384)	$ (447)	Other expense

6. Accounts Receivable, net

The following are the components of accounts receivable, net (in thousands):

	December 30, 2023	**March 25, 2023**
Gross accounts receivable	$ 217,269	$ 150,473
Allowance for doubtful accounts	—	—
Accounts receivable, net	$ 217,269	$ 150,473

The increase in accounts receivable is due to normal variations in the timing of collections and billings.

7. Inventories

Inventories are comprised of the following (in thousands):

	December 30, 2023	**March 25, 2023**
Work in process	$ 153,080	$ 116,088
Finished goods	103,595	117,362
	$ 256,675	$ 233,450

The increase in inventory balance from fiscal year-end is due to inventory build associated with fulfilling our wafer purchase commitments per our long-term capacity agreement with GLOBALFOUNDRIES Singapore Pte. Ltd. ("GlobalFoundries"). See further details in Note 13 - Commitments and Contingencies.

8. Revolving Credit Facility

On July 8, 2021, the Company entered into a second amended and restated credit agreement (the "Second Amended Credit Agreement") with Wells Fargo Bank, National Association, as administrative agent, and the lenders party thereto. The Second Amended Credit Agreement provides for a $300 million senior secured revolving credit facility (the "Revolving Credit Facility"). The Revolving Credit Facility matures on July 8, 2026 (the "Maturity Date"). The Revolving Credit Facility is required to be guaranteed by all of Cirrus Logic's material domestic subsidiaries (the "Subsidiary Guarantors"). The Revolving

Credit Facility is secured by substantially all the assets of Cirrus Logic and any Subsidiary Guarantors, except for certain excluded assets.

On March 20, 2023, the Company, entered into the First Amendment (the "Amendment") to its Second Amended Credit Agreement, with the lending institutions party thereto and Wells Fargo Bank, National Association, as administrative agent. The Amendment updates the benchmark interest rate provisions to replace the London interbank offered rate ("LIBOR") with the Term SOFR, for the purposes of calculating interest under the terms of the Second Amended Credit Agreement.

Borrowings under the Revolving Credit Facility may, at Cirrus Logic's election, bear interest at either (a) a base rate plus the applicable margin ("Base Rate Loans") or (b) a Term SOFR rate plus a 10 basis point credit spread adjustment plus the applicable margin. The applicable margin ranges from 0% to 0.75% per annum for Base Rate Loans and 1.00% to 1.75% per annum for SOFR Loans based on the ratio of consolidated funded indebtedness to consolidated EBITDA for the most recently ended period of four consecutive fiscal quarters (the "Consolidated Leverage Ratio"). A Commitment Fee accrues at a rate per annum ranging from 0.175% to 0.275% (based on the Consolidated Leverage Ratio) on the average daily unused portion of the commitment of the lenders.

The Revolving Credit Facility contains certain financial covenants providing that (a) the ratio of consolidated funded indebtedness (minus up to $200 million of unrestricted cash and cash equivalents available on such date) to consolidated EBITDA for the prior four consecutive quarters must not be greater than 3.00 to 1.00 (the "Consolidated Net Leverage Ratio") and (b) the ratio of consolidated EBITDA for the prior four consecutive quarters to consolidated interest expense paid or payable in cash for the prior four consecutive quarters must not be less than 3.00 to 1.00 (the "Consolidated Interest Coverage Ratio"). The Second Amended Credit Agreement also contains customary negative covenants limiting the ability of Cirrus Logic or any Subsidiary to, among other things, incur debt, grant liens, make investments, effect certain fundamental changes, make certain asset dispositions, and make certain restricted payments. Further, the Second Amended Credit Agreement contains customary affirmative covenants, including, among others, covenants regarding the payment of taxes and other obligations, maintenance of insurance, reporting requirements, and compliance with applicable laws and regulations.

As of December 30, 2023, the Company had no amounts outstanding under the Revolving Credit Facility and was in compliance with all covenants under the Second Amended Credit Agreement.

9. Revenues

Disaggregation of revenue

We disaggregate revenue from contracts with customers by product line and ship to location of the customer. Sales are designated in the respective product line categories of Audio and High-Performance Mixed-Signal ("HPMS").

Total net sales based on the product line disaggregation criteria described above are shown in the table below (in thousands).

	Three Months Ended		Nine Months Ended	
	December 30, 2023	December 24, 2022	December 30, 2023	December 24, 2022
Audio Products	$ 378,597	$ 347,297	$ 857,258	$ 939,604
HPMS Products	240,387	243,285	559,805	585,191
	$ 618,984	$ 590,582	$ 1,417,063	$ 1,524,795

The geographic regions that are reviewed are China, the United States, and the rest of the world. Total net sales based on the geographic disaggregation criteria described are as follows (in thousands):

	Three Months Ended		Nine Months Ended	
	December 30, 2023	December 24, 2022	December 30, 2023	December 24, 2022
China	$ 429,240	$ 397,222	$ 899,168	$ 1,008,967
United States	9,115	22,140	16,157	42,439
Rest of World	180,629	171,220	501,738	473,389
	$ 618,984	$ 590,582	$ 1,417,063	$ 1,524,795

10. Restructuring Costs

In the fourth quarter of fiscal year 2023, the Company decided to abandon or sublease office space at various properties worldwide to align our real property lease arrangements with our anticipated operating needs. In addition, on July 12, 2023, the Company announced a workforce reduction of approximately 5% of its global employees. This action was taken in response to overall market conditions and the impact of a new product previously scheduled for introduction in fall 2023 that did not come to market as anticipated. In the second quarter of fiscal year 2024, the Company incurred severance and other related charges of $2.3 million related to the July restructuring event. In the third quarter of fiscal year 2024, a recovery of restructuring costs of $0.4 million was recorded for the settlement of certain lease obligations related to abandoned office space associated with the fourth quarter fiscal year 2023 restructuring event. Restructuring costs are presented separately on the Consolidated Condensed Statement of Income. As of December 30, 2023, restructuring liabilities totaled approximately $2.0 million. We expect the remaining restructuring-related liabilities to be paid out in cash during fiscal years 2024 and 2025. Restructuring liabilities are presented within "*Other accrued liabilities*" and "*Other long-term liabilities*" on the Consolidated Condensed Balance Sheet.

11. Income Taxes

Our provision for income taxes is based on estimated effective tax rates derived from an estimate of annual consolidated earnings before taxes, adjusted for nondeductible expenses, other permanent items, and any applicable income tax credits.

The following table presents the provision for income taxes (in thousands) and the effective tax rates:

	Three Months Ended		Nine Months Ended	
	December 30, 2023	December 24, 2022	December 30, 2023	December 24, 2022
Income before income taxes	$ 172,100	$ 140,441	$ 304,278	$ 313,325
Provision for income taxes	$ 33,377	$ 36,964	$ 74,548	$ 82,953
Effective tax rate	19.4 %	26.3 %	24.5 %	26.5 %

Our income tax expense was $33.4 million and $37.0 million for the third quarters of fiscal years 2024 and 2023, respectively, resulting in effective tax rates of 19.4 percent and 26.3 percent, respectively. Our income tax expense was $74.5 million and $83.0 million for the first nine months of fiscal years 2024 and 2023, respectively, resulting in effective tax rates of 24.5 percent and 26.5 percent, respectively.

Effective tax rates for all periods presented were unfavorably impacted by a provision in the Tax Cuts and Jobs Act of 2017 that requires research and development ("R&D") expenditures incurred in tax years beginning after December 31, 2021 to be capitalized and amortized ratably over five or fifteen years depending on the location in which the research activities are conducted, resulting in higher global intangible low-taxed income ("GILTI"), which is treated as a period cost. In addition, our effective tax rates for all periods presented were unfavorably impacted by U.S. tax rules related to refundable tax credits, including R&D expenditure credits available to us in the United Kingdom, that reduce the amount of foreign tax credits available to offset GILTI. Our effective tax rates for the third quarter of fiscal year 2023 and the first nine months of fiscal years 2024 and 2023 were higher than the federal statutory rate primarily due to these two items, partially offset by the effect of income earned in certain foreign jurisdictions that is taxed below the federal statutory rate. Our effective tax rate for the third quarter of fiscal year 2024 was lower than the federal statutory rate due to tax benefits recognized for decreased GILTI inclusions in our fiscal year 2023 U.S. tax return and fiscal year 2024 estimated effective tax rate resulting from a change in capitalized R&D expenditures.

The Company records unrecognized tax benefits for the estimated risk associated with tax positions taken on tax returns. At December 30, 2023, the Company had unrecognized tax benefits of $32.9 million, all of which would impact the effective tax rate if recognized. It is reasonably possible that unrecognized tax benefits will decrease by $0.8 million due to the expiration of a statute of limitations within the next twelve months. The Company's total unrecognized tax benefits are classified as "*Non-current income taxes"* in the Consolidated Condensed Balance Sheets. The Company recognizes interest and penalties related to unrecognized tax benefits in the provision for income taxes. As of December 30, 2023, the balance of accrued interest and penalties, net of tax, was $8.6 million.

On July 27, 2015, the U.S. Tax Court issued an opinion in Altera Corp. et al. v. Commissioner which concluded that the regulations relating to the treatment of stock-based compensation expense in intercompany cost-sharing arrangements were invalid. In 2016 the U.S. Internal Revenue Service appealed the decision to the U.S. Court of Appeals for the Ninth Circuit (the "Ninth Circuit"). On July 24, 2018, the Ninth Circuit issued a decision that was subsequently withdrawn and a reconstituted panel conferred on the appeal. On June 7, 2019, the Ninth Circuit reversed the decision of the U.S. Tax Court and upheld the cost-sharing regulations. On February 10, 2020, Altera Corp. filed a Petition for a Writ of Certiorari with the Supreme Court of the United States, which was denied by the Supreme Court on June 22, 2020. Although the issue is now resolved in the Ninth Circuit, the Ninth Circuit's opinion is not binding in other circuits. The potential impact of this issue on the Company, which is not located within the jurisdiction of the Ninth Circuit, is unclear at this time. We will continue to monitor developments related to this issue and the potential impact of those developments on the Company's current and prior fiscal years.

The Company and its subsidiaries are subject to U.S. federal income tax as well as income tax in multiple state and foreign jurisdictions. Fiscal years 2017 through 2023 remain open to examination by the major taxing jurisdictions to which the Company is subject, although carry forward attributes that were generated in tax years prior to fiscal year 2017 may be adjusted upon examination by the tax authorities if they have been, or will be, used in a future period.

The Company's fiscal year 2017, 2018, and 2019 federal income tax returns are under examination by the U.S. Internal Revenue Service ("IRS"). The IRS has proposed adjustments that would increase U.S. taxable income related to transfer pricing matters with respect to our U.S. and U.K. affiliated companies. The final Revenue Agent's Report asserts additional tax of approximately $168.3 million, excluding interest, and imposes penalties of approximately $63.7 million. The Company does not agree with the IRS's positions and intends to vigorously dispute the proposed adjustments. The Company intends to pursue resolution through the administrative process with the IRS Independent Office of Appeals and is awaiting the scheduling of an opening conference. If necessary, the Company will seek resolution through judicial remedies. The Company expects it could take a number of years to reach resolution on these matters. Although the final resolution of these matters is uncertain, the Company believes adequate amounts have been reserved for any adjustments to the provision for income taxes that may ultimately result. However, if the IRS prevails in these matters, the amount of assessed tax, interest, and penalties, if any, could be material and may have an adverse impact on our financial position, results of operations, and cash flows in future periods. The Company is not under an income tax audit in any other major taxing jurisdiction.

12. Net Income Per Share

Basic net income per share is based on the weighted effect of common shares issued and outstanding and is calculated by dividing net income by the basic weighted average shares outstanding during the period. Diluted net income per share is calculated by dividing net income by the weighted average number of common shares used in the basic net income per share calculation, plus the equivalent number of common shares that would be issued assuming exercise or conversion of all potentially dilutive common shares outstanding. These potentially dilutive items consist primarily of outstanding stock options and restricted stock grants.

The following table details the calculation of basic and diluted earnings per share for the three and nine months ended December 30, 2023 and December 24, 2022 (in thousands, except per share amounts):

	Three Months Ended		Nine Months Ended	
	December 30, 2023	December 24, 2022	December 30, 2023	December 24, 2022
Numerator:				
Net income	$ 138,723	$ 103,477	$ 229,730	$ 230,372
Denominator:				
Weighted average shares outstanding	54,016	55,239	54,449	55,748
Effect of dilutive securities	1,576	1,344	1,711	1,532
Weighted average diluted shares	55,592	56,583	56,160	57,280
Basic earnings per share	$ 2.57	$ 1.87	$ 4.22	$ 4.13
Diluted earnings per share	$ 2.50	$ 1.83	$ 4.09	$ 4.02

The weighted outstanding shares excluded from our diluted calculation for the three and nine months ended December 30, 2023 were 388 thousand and 394 thousand, respectively, as the shares were anti-dilutive. The weighted outstanding shares excluded from our diluted calculation for the three and nine months ended December 24, 2022 were 273 thousand and 253 thousand, respectively, as the shares were anti-dilutive.

13. Commitments and Contingencies

Capacity Reservation Agreement

On July 28, 2021, the Company entered into a Capacity Reservation and Wafer Supply Commitment Agreement (the “Capacity Reservation Agreement”) with GlobalFoundries to provide the Company a wafer capacity commitment and wafer pricing for Company products for calendar years 2022-2026 (the “Commitment Period”).

The Capacity Reservation Agreement requires GlobalFoundries to provide, and the Company to purchase, a defined number of wafers on a quarterly basis for the Commitment Period, subject to shortfall payments. In exchange for GlobalFoundries’ capacity commitment, the Company paid a $60 million non-refundable capacity reservation fee, which is amortized over the Commitment Period. The balance of this reservation fee is $33 million as of December 30, 2023, and is recorded in "*Other current assets*" and "*Other assets*" on the Consolidated Condensed Balance Sheets within the short-term or long-term classification, as appropriate. In addition, the Company pre-paid GlobalFoundries $195 million for future wafer purchases, which are credited back to the Company as a portion of the price of wafers purchased, which began in the Company's second fiscal quarter of 2024. The balance of the prepayment is $158 million at December 30, 2023, and is currently recorded in "*Long-term prepaid wafers*" and "*Prepaid wafers*" on the Consolidated Condensed Balance Sheets.

Lease Agreement

In the second quarter of fiscal year 2024, the Company commenced an 11-year operating lease for corporate office space in Chandler, Arizona, and recognized a liability of $17 million for future lease payments and a corresponding right-of-use lease asset. Lease liabilities and right-of-use lease assets are presented separately on the Consolidated Condensed Balance Sheets as of December 30, 2023.

14. Legal Matters

From time to time, we are involved in legal proceedings concerning matters arising in connection with the conduct of our business activities. We regularly evaluate the status of legal proceedings in which we are involved in order to assess whether a loss is probable or there is a reasonable possibility that a loss or additional loss may have been incurred, and to determine if accruals are appropriate. We further evaluate each legal proceeding to assess whether an estimate of possible loss or range of loss can be made.

Based on current knowledge, management does not believe that there are any pending matters that could potentially have a material adverse effect on our business, financial condition, results of operations or cash flows. However, we are engaged in various legal actions in the normal course of business. There can be no assurances in light of the inherent uncertainties involved in any potential legal proceedings, some of which are beyond our control, and an adverse outcome in any legal proceeding could be material to our results of operations or cash flows for any particular reporting period.

15. Stockholders' Equity

Common Stock

The Company issued a net 0.5 million and 0.6 million shares of common stock for the three and nine months ended December 30, 2023, respectively, and 0.5 million and 0.6 million for the three and nine months ended December 24, 2022, respectively, pursuant to the Company's equity incentive plans.

Share Repurchase Program

In fiscal year 2024, the Company's net stock repurchases are subject to a 1 percent excise tax under the Inflation Reduction Act, included as a reduction to accumulated earnings (deficit) in the Consolidated Condensed Statements of Stockholders' Equity. Disclosure of repurchased amounts and related average costs exclude the impact of excise taxes.

In January 2021, the Board of Directors authorized the repurchase of $350 million of the Company’s common stock. The Company completed share repurchases under the 2021 authorization in the first quarter of fiscal year 2024. In July 2022, the Board of Directors authorized the repurchase of up to an additional $500 million of the Company's common stock. As of December 30, 2023, approximately $134.9 million of the Company's common stock has been repurchased under the 2022 share repurchase authorization, leaving approximately $365.1 million available for repurchase. During the three months ended December 30, 2023, the Company repurchased 0.8 million shares of the Company's common stock under the 2022 authorization for $56.9 million, at an average cost of $72.93 per share. During the nine months ended December 30, 2023, the Company repurchased 1.8 million shares of the Company's common stock under the combined 2021 and 2022 authorizations for $136.0 million, at an average cost of $77.39 per share.

16. Segment Information

We determine our operating segments in accordance with FASB guidelines. Our Chief Executive Officer (“CEO”) has been identified as the chief operating decision maker under these guidelines.

The Company operates and tracks its results in one reportable segment, but reports revenue in two product lines, Audio and HPMS. Our CEO receives and uses enterprise-wide financial information to assess financial performance and allocate resources, rather than detailed information at a product line level. Additionally, our product lines have similar characteristics and customers. They share support functions such as sales, public relations, supply chain management, various research and development and engineering support, in addition to the general and administrative functions of human resources, legal, finance and information technology. Therefore, there is no complete, discrete financial information maintained for these product lines. Revenue by product line is disclosed in Note 9 - Revenues.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read along with the unaudited consolidated condensed financial statements and notes thereto included in Item 1 of this Quarterly Report on Form 10-Q, as well as the audited consolidated financial statements and notes thereto and Management’s Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended March 25, 2023, contained in our fiscal year 2023 Annual Report on Form 10-K filed with the Securities and Exchange Commission (the “Commission”) on May 19, 2023. We maintain a website at investor.cirrus.com, which makes available free of charge our most recent annual report and all other filings we have made with the Commission.

Special Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q including Management’s Discussion and Analysis of Financial Condition and Results of Operations and certain information incorporated herein by reference contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, (the "Exchange Act"). These forward-looking statements are based on expectations, estimates, forecasts and projections and the beliefs and assumptions of our management as of the filing of this Form 10-Q. In some cases, forward-looking statements are identified by words such as “expect,” “anticipate,” “target,” “project,” “believe,” “goals,” “estimates,” “intend,” and variations of these types of words and similar expressions which are intended to identify these forward-looking statements. In addition, any statements that refer to our plans, expectations, strategies or other characterizations of future events or circumstances are forward-looking statements. Readers are cautioned that these forward-looking statements are predictions and are subject to risks, uncertainties and assumptions that are difficult to predict. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements and readers should not place undue reliance on such statements. We undertake no obligation, and expressly disclaim any duty, to revise or update publicly any forward-looking statement for any reason.

For additional information regarding known material factors that could cause our actual results to differ from our projected results, please see *“Item 1A - Risk Factors”* in our 2023 Annual Report on Form 10-K filed with the Commission on May 19, 2023, and in *"Part II, Item 1A - Risk Factors*” within this Quarterly Report on Form 10-Q. Readers should carefully review these risk factors, as well as those identified in other documents filed by us with the Commission.

Overview

Cirrus Logic, Inc. (“Cirrus Logic,” “We,” “Us,” “Our,” or the “Company”) is a leader in low-power, high-precision mixed-signal processing solutions that create innovative user experiences for the world’s top mobile and consumer applications.

The Company remains committed to our three-pronged strategy for growing our business: first, maintaining our leadership position in smartphone audio; second, increasing HPMS content in smartphones; and third, leveraging our strength in audio and HPMS to expand into additional applications and markets with new and existing components. During the third quarter of fiscal year 2024, we continued to execute on these strategic initiatives that we expect will drive additional diversification of our portfolio and expand our addressable market.

Critical Accounting Policies and Estimates

Our discussion and analysis of the Company’s financial condition and results of operations are based upon the unaudited consolidated condensed financial statements included in this report, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts. We evaluate the estimates on an on-going basis. We base these estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

There have been no significant changes during the three and nine months ended December 30, 2023, to the information provided under the headings “*Critical Accounting Estimates*” and "*Summary of Significant Accounting Policies*" included in our fiscal year 2023 Annual Report on Form 10-K for the fiscal year ended March 25, 2023.

Recently Issued Accounting Pronouncements

For a discussion of recently issued accounting pronouncements, refer to Note 2 of the Notes to the Consolidated Condensed Financial Statements.

Results of Operations

Our fiscal year is the 52- or 53-week period ending on the last Saturday in March. Fiscal year 2024 is a 53-week fiscal year, including a 14-week fiscal third quarter. Fiscal year 2023 was a 52-week fiscal year.

The following table summarizes the results of our operations for the third quarter and first nine months of fiscal years 2024 and 2023, respectively, as a percentage of net sales. All percentage amounts were calculated using the underlying data in thousands, unaudited:

	Three Months Ended		Nine Months Ended	
	December 30, 2023	December 24, 2022	December 30, 2023	December 24, 2022
Net sales	100 %	100 %	100 %	100 %
Gross margin	51 %	50 %	51 %	51 %
Research and development	18 %	20 %	23 %	23 %
Selling, general and administrative	6 %	6 %	8 %	8 %
Restructuring costs	— %	— %	— %	— %
Income from operations	27 %	24 %	20 %	20 %
Interest income	1 %	1 %	1 %	— %
Interest expense	— %	— %	— %	— %
Other income (expense)	— %	(1)%	— %	— %
Income before income taxes	28 %	24 %	21 %	20 %
Provision for income taxes	5 %	6 %	5 %	5 %
Net income	23 %	18 %	16 %	15 %

Net Sales

Net sales for the third quarter of fiscal year 2024 increased $28.4 million, or 5 percent, to $619.0 million from $590.6 million in the third quarter of fiscal year 2023. Net sales from our audio products increased $31.3 million, primarily driven by higher smartphone unit volumes and an additional week of revenue in the quarter associated with the 53-week year, partially offset by continued weakness in sales of general market products other than smartphones. Net sales from HPMS products decreased $2.9 million for the quarter versus the third quarter of fiscal year 2023, primarily due to a decline in general market sales excluding smartphones.

Net sales for the first nine months of fiscal year 2024 decreased $107.7 million, or 7 percent, to $1.4 billion from $1.5 billion for the first nine months of fiscal year 2023. Net sales from our audio products decreased $82.3 million, primarily driven by continued weakness in general market sales, and, to a lesser extent, reduction in components shipping in tablets. Net sales from HPMS products decreased $25.4 million for the year versus the first nine months of fiscal year 2023, primarily due to a decline in components shipping in smartphones.

International sales, including sales to U.S.-based end customers that manufacture products through contract manufacturers or plants located overseas, were approximately 99 percent and 96 percent of net sales for the third quarters of fiscal years 2024 and 2023, respectively, and 99 percent and 97 percent for the first nine months of fiscal years 2024 and 2023, respectively. Our sales are denominated primarily in U.S. dollars.

Since the components we produce are largely proprietary, we consider our end customer to be the entity specifying the use of our component in their design. These end customers may purchase our products directly from us, through distributors, or third-party manufacturers contracted to produce their designs. For the third quarter of fiscal years 2024 and 2023, our ten largest end customers represented approximately 96 percent and 94 percent of our net sales, respectively, and 95 percent and 92 percent of our net sales for the first nine months of fiscal years 2024 and 2023, respectively.

We had one end customer, Apple Inc., that purchased through multiple contract manufacturers and represented approximately 89 percent and 88 percent of the Company's total net sales for the third quarter of fiscal years 2024 and 2023, respectively, and 87 percent and 83 percent for the first nine months of fiscal years 2024 and 2023, respectively.

No other end customer or distributor represented more than 10 percent of net sales for the three and nine months ended December 30, 2023 or December 24, 2022.

For more information, please see *"Part II, Item 1A - Risk Factors"* — "We depend on a limited number of customers and distributors for a substantial portion of our sales, and the loss of, or a significant reduction in orders from, or pricing on products sold to, any key customer or distributor could significantly reduce our sales and our profitability."

Gross Margin

Gross margin was 51.3 percent in the third quarter of fiscal year 2024, up from 50.2 percent in the third quarter of fiscal year 2023. The increase was primarily due to reduced supply chain costs, primarily driven by the absence of wafer premiums and expedite fees, and favorable inventory reserves. The increase was partially offset by a less favorable product mix.

Gross margin was 51.1 percent for the first nine months of fiscal year 2024, up from 50.5 percent for the first nine months of fiscal year 2023 due to reduced supply chain costs, primarily driven by the absence of wafer premiums and expedite fees, and favorable inventory reserves. The increase was mostly offset by a less favorable product mix.

Research and Development Expense

Research and development expense for the third quarter of fiscal year 2024 was $112.7 million, a decrease of $5.4 million, from $118.1 million in the third quarter of fiscal year 2023. Significant drivers of the decrease included reduced amortization of acquisition intangibles expense, increased R&D incentives, and reduced acquisition-related costs, partially offset by higher employee-related, stock-based compensation and facilities-related expenses for the quarter.

Research and development expense for the first nine months of fiscal year 2024 was $323.1 million, a decrease of $20.2 million, from $343.3 million for the first nine months of fiscal year 2023, primarily due to reduced amortization of acquisition intangibles expense, increased R&D incentives, and lower variable compensation, acquisition-related and product development costs, partially offset by higher employee-related, stock-based compensation, and facilities-related expenses for the period.

Selling, General and Administrative Expense

Selling, general and administrative expense for the third quarter of fiscal year 2024 was $37.6 million, an increase of $0.3 million, from $37.3 million in the third quarter of fiscal year 2023.

Selling, general and administrative expense for the first nine months of fiscal year 2024 was $107.3 million, a decrease of $8.2 million, from $115.5 million for the first nine months of fiscal year 2023, primarily due to lower variable compensation costs and employee-related expenses for the period.

Restructuring Costs

Restructuring costs for the third quarter and first nine months of fiscal year 2024 were $(0.4) million and $2.0 million, respectively. These costs were primarily related to the facilities restructuring and workforce reduction actions previously disclosed. See Note 10 - Restructuring Costs for additional information.

Interest Income

The Company reported interest income of $5.1 million and $13.9 million, for the three and nine months ended December 30, 2023, respectively and $3.0 million and $5.0 million for the three and nine months ended December 24, 2022, respectively. Interest income increased in the current period due to higher yields on combined average cash, cash equivalents and marketable securities balances, compared to the prior period.

Interest Expense

The Company reported interest expense of $0.2 million and $0.7 million for the three and nine months ended December 30, 2023, respectively and $0.2 million and $0.7 million for the three and nine months ended December 24, 2022, respectively. Interest expense consists primarily of commitment fees associated with the Company's Revolving Credit Facility (see Note 8 - Revolving Credit Facility).

Other Expense

For the three and nine months ended December 30, 2023, the Company reported other expense of $0.3 million and $0.0 million, respectively, and $3.7 million and $2.9 million in other expense for the three and nine months ended December 24, 2022, respectively. This activity primarily related to remeasurement on foreign currency denominated monetary assets and liabilities and an equity investment write down in fiscal year 2023.

Income Taxes

Our provision for income taxes is based on estimated effective tax rates derived from an estimate of annual consolidated earnings before taxes, adjusted for nondeductible expenses, other permanent items and any applicable credits.

The following table presents the provision for income taxes (in thousands) and the effective tax rates:

	Three Months Ended		Nine Months Ended	
	December 30, 2023	**December 24, 2022**	**December 30, 2023**	**December 24, 2022**
Income before income taxes	$ 172,100	$ 140,441	$ 304,278	$ 313,325
Provision for income taxes	$ 33,377	$ 36,964	$ 74,548	$ 82,953
Effective tax rate	19.4 %	26.3 %	24.5 %	26.5 %

Our income tax expense for the third quarter of fiscal year 2024 was $33.4 million compared to $37.0 million for the third quarter of fiscal year 2023, resulting in effective tax rates of 19.4 percent and 26.3 percent, respectively. Our income tax expense was $74.5 million and $83.0 million for the first nine months of fiscal years 2024 and 2023, respectively, resulting in effective tax rates of 24.5 percent and 26.5 percent, respectively. Effective tax rates for all periods presented were unfavorably impacted by a provision in the Tax Cuts and Jobs Act of 2017 that requires research and development ("R&D") expenditures incurred in tax years beginning after December 31, 2021 to be capitalized and amortized ratably over five or fifteen years depending on the location in which the research activities are conducted, resulting in higher global intangible low-taxed income ("GILTI"), which is treated as a period cost. In addition, our effective tax rates for all periods presented were unfavorably impacted by U.S. tax rules related to refundable tax credits, including R&D expenditure credits available to us in the United Kingdom, that reduce the amount of foreign tax credits available to offset GILTI. Our effective tax rates for the third quarter of fiscal year 2023 and the first nine months of fiscal year 2024 and 2023 were higher than the federal statutory rate primarily due to these two items, partially offset by the effect of income earned in certain foreign jurisdictions that is taxed below the federal statutory rate. Our effective tax rate for the third quarter of fiscal year 2024 was lower than the federal statutory rate due to tax benefits recognized for decreased GILTI inclusions in our fiscal year 2023 U.S. tax return and fiscal year 2024 estimated effective tax rate resulting from a change in capitalized R&D expenditures.

Liquidity and Capital Resources

We require cash to fund our operating expenses and working capital requirements, including outlays for inventory, capital expenditures, share repurchases, and strategic acquisitions. Our principal sources of liquidity are cash on hand, cash generated from operations, cash generated from the sale and maturity of marketable securities, and available borrowings under our $300 million Revolving Credit Facility.

Cash generated from our operating activities is net income adjusted for certain non-cash items and changes in working capital. Cash generated from operations was $251.1 million for the first nine months of fiscal year 2024 versus $291.3 million generated for the corresponding period of fiscal year 2023. The cash flow from operations during the first nine months of fiscal year 2024 was related to the cash components of our net income and an $87.4 million unfavorable change in working capital, primarily as a result of an increase in accounts receivables (see Note 6) and inventory and decreases in accounts payable and other accrued liabilities and acquisition-related liabilities, partially offset by prepaid wafer usage (related to the Capacity Reservation Agreement) beginning in the second quarter of fiscal year 2024. The Company anticipates inventory to remain at increased levels during fiscal year 2024 as we balance product demand and wafer purchase commitments. The cash flow from operations during the corresponding period of fiscal year 2023 was related to the cash components of our net income and a $60.3 million unfavorable change in working capital, primarily as a result of an increase in accounts receivables and inventory and a decrease in accounts payable and other liabilities.

Net cash used in investing activities was $60.8 million during the first nine months of fiscal year 2024 versus $24.2 million during the first nine months of fiscal year 2023. The cash used in investing activities in the first nine months of fiscal year 2024 was related to capital expenditures of $30.7 million and net purchases of marketable securities of $30.1 million. The cash used in investing activities in the corresponding period in fiscal year 2023 was related to capital expenditures and technology investments of $25.1 million, partially offset by net sales of marketable securities of $0.9 million.

Net cash used in financing activities was $152.2 million during the first nine months of fiscal year 2024 and was primarily associated with stock repurchases for the period of $136.0 million. The cash used in financing activities during the first nine months of fiscal year 2023 of $202.4 million was primarily associated with stock repurchases during the period of $156.4 million and the payment of the Acquisition-related holdback of $30.9 million.

Our future capital requirements will depend on many factors, including the rate of sales growth, market acceptance of our products, the timing and extent of research and development projects, potential future acquisitions of companies or technologies, inventory build, and commitments under the Capacity Reservation Agreement with GlobalFoundries (discussed further in Note 13 - Commitments and Contingencies of the Notes to the Consolidated Condensed Financial Statements). We believe our expected future cash earnings, existing cash, cash equivalents, investment balances, and available borrowings under our Revolving Credit Facility will be sufficient to meet our capital requirements both domestically and internationally, in the short-term (i.e. the next 12 months) and in the long-term, although we could be required, or could elect, to seek additional funding prior to that time.

Revolving Credit Facility

On July 8, 2021, the Company entered into a second amended and restated credit agreement (the “Second Amended Credit Agreement”) with Wells Fargo Bank, National Association, as administrative agent, and the lenders party thereto. The Second Amended Credit Agreement provides for a $300 million senior secured revolving credit facility (the “Revolving Credit Facility”). The Revolving Credit Facility matures on July 8, 2026 (the “Maturity Date”). The Revolving Credit Facility is required to be guaranteed by all of Cirrus Logic’s material domestic subsidiaries ("Subsidiary Guarantors"). The Revolving Credit Facility is secured by substantially all the assets of Cirrus Logic and any Subsidiary Guarantors, except for certain excluded assets.

On March 20, 2023, the Company, entered into the First Amendment (the "Amendment") to its Second Amended Credit Agreement, with the lending institutions party thereto and Wells Fargo Bank, National Association, as administrative agent. The Amendment updates the benchmark interest rate provisions to replace the London interbank offered rate ("LIBOR") with the forward-looking secured overnight financing rate ("Term SOFR"), for the purposes of calculating interest under the terms of the Second Amended Credit Agreement.

As of December 30, 2023, the Company had no amounts outstanding under the Revolving Credit Facility and was in compliance with all covenants under the Second Amended Credit Agreement.

See Note 8 — Revolving Credit Facility for additional information including material terms and related covenants.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risks associated with interest rates on our debt securities, currency movements on non-functional currency assets and liabilities, and the effect of market factors on the value of our marketable securities. We assess these risks on a regular basis and have established policies that are designed to protect against the adverse effects of these and other potential exposures. We use forward contracts to manage exposure to foreign currency exchange risk attributable to certain non-U.S. dollar balance sheet exposures. Gains and losses from these foreign currency forward contracts are recognized currently in earnings along with the gains and losses resulting from remeasuring the underlying exposures. For further description of our market risks, see “*Part II – Item 7A – Quantitative and Qualitative Disclosures about Market Risk”* in our fiscal year 2023 Annual Report on Form 10-K filed with the Commission on May 19, 2023. For related financial statement impact see Note 5 - Derivative Financial Instruments.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures

As required by Rule 13a-15(b) of the Exchange Act, we have evaluated, under the supervision and with the participation of our management, including our chief executive officer (CEO) and chief financial officer (CFO), the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the Commission rules and forms and (ii) accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Based upon the evaluation, our management, including our CEO and CFO, has concluded that our disclosure controls and procedures were effective as of December 30, 2023.

Changes in control over financial reporting

There has been no change in the Company's internal control over financial reporting during the quarter ended December 30, 2023, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Information regarding legal proceedings to which the Company is a party is set forth in Note 14 – Legal Matters to our unaudited consolidated condensed financial statements and is incorporated herein by reference.

ITEM 1A. RISK FACTORS

In evaluating all forward-looking statements, you should specifically consider risk factors that may cause actual results to vary from those contained in the forward-looking statements. Various risk factors associated with our business are included in our Annual Report on Form 10-K for the year ended March 25, 2023, as filed with the Commission on May 19, 2023, and available at www.sec.gov. Other than as set forth below, there have been no material changes to those risk factors previously disclosed in our Annual Report on Form 10-K for the fiscal year ended March 25, 2023.

We depend on a limited number of customers and distributors for a substantial portion of our sales, and the loss of, or a significant reduction in orders from, or pricing on products sold to, any key customer or distributor could significantly reduce our sales and our profitability.

While we generate sales from a broad base of customers worldwide, the loss of any of our key customers, or a significant reduction in sales or selling prices to any key customer, or reductions in selling prices made to retain key customer relationships, would significantly reduce our revenue, margins and earnings and adversely affect our business. For the third quarter of fiscal years 2024 and 2023, our ten largest end customers represented approximately 96 percent and 94 percent of our net sales, respectively. For the first nine month periods of fiscal years 2024 and 2023, our ten largest end customers represented approximately 95 percent and 92 percent of our net sales, respectively. We had one end customer, Apple Inc., that purchased through multiple contract manufacturers and represented approximately 89 percent and 88 percent of the Company's total net sales for the third quarter of fiscal years 2024 and 2023, respectively and 87 percent and 83 percent for the first nine months of fiscal years 2024 and 2023, respectively. No other end customer or distributor represented more than 10 percent of net sales for the three and nine months ended December 30, 2023, or December 24, 2022.

We may not be able to maintain or increase sales to certain of our key customers for a variety of reasons, including:

- most of our customers can stop incorporating our products into their own products with limited notice to us and suffer little or no penalty;

- our agreements with our customers typically do not require them to purchase a minimum quantity of our products;

- many of our customers have pre-existing or concurrent relationships with our current or potential competitors that may affect the customers' decisions to purchase our products;

- many of our customers have sufficient resources to internally develop technology solutions and semiconductor components that could replace the products that we currently supply in our customers' end products;

- our customers face intense competition from other manufacturers that do not use our products;

- our customers may be subject to investigations and litigation that could result in injunctive or other relief that negatively impacts sales of their products, which in turn would result in a decrease in demand for our products;

- our customers regularly evaluate alternative sources of supply in order to diversify their supplier base, which increases their negotiating leverage with us and their ability to either obtain or dual-source components from other suppliers; and

- our current customers may be hesitant in some cases to award new business to us based on their desire to manage their supply chain risks around any potential over-dependence on a supplier or supply chain.

In addition, our dependence on a limited number of key customers may make it easier for them to pressure us on price reductions or to not accept price increases resulting from unexpected or additional cost increases or fees associated with our suppliers. We have experienced pricing pressure from certain key customers, and we expect that the average selling prices ("ASPs") for certain of our products will decline from time to time, potentially reducing our revenue, margins, and earnings.

Our key customer relationships often require us to develop new products that may involve significant technological challenges. Our customers frequently place considerable pressure on us to meet tight development schedules. In addition, we have entered, and may again enter in the future, into customer agreements providing for exclusivity periods during which we may only sell specified products or technology to a specific customer. Even without exclusivity periods, the products that we develop are often specific to our customer's system architecture and frequently cannot be sold to other customers. Accordingly, we have in the past and may in the future devote a substantial amount of resources to strategic relationships, which could detract from or delay our completion of other important development projects or the development of next-generation products and technologies, and notwithstanding our efforts, our customers may not be obligated to purchase new products that we develop for them, which could impact our operating results, financial condition, and cash flows. For example, in April 2023, we were informed that a new product that we had developed for a key customer for introduction in the fall of calendar 2023 was no longer expected to come to market as planned.

Our reliance on certain customers may continue to increase, which could heighten the risks associated with having key customers, including making us more vulnerable to significant reductions in revenue, margins, and earnings; pricing pressure; and other adverse effects on our business.

Because we depend on subcontractors internationally to perform key manufacturing functions for us, we are subject to political, economic, climate and natural disaster risks that could disrupt the fabrication, assembly, packaging, or testing of our products.

We depend on third-party subcontractors, primarily in Asia, for the fabrication, assembly, packaging, and testing of most of our products. International operations may be subject to a variety of risks, including political instability, global health conditions, currency controls, exchange rate fluctuations, changes in import/export regulations, tariff and freight rates, as well as the risks of natural disasters such as earthquakes, tsunamis, and floods. The potential physical impacts of climate change, including high heat events, power or water shortages, fires, rising sea levels, changes in storm patterns or intensities, or other extreme weather conditions, are uncertain and could impact operations at our subcontractors. Any disruption to our manufacturing cycle could adversely affect our operations and financial results.

Although we seek to reduce our dependence on any one subcontractor, the substantial majority of our semiconductor wafers are manufactured by TSMC at fabs in Taiwan, and GlobalFoundries in Singapore and Germany. This concentration of subcontractors and manufacturing operations, subjects us to the risks of conducting business internationally, including associated political and economic conditions. If we experience manufacturing problems at a particular location, or a supplier is unable to continue operating due to financial difficulties, natural disasters, political or economic turmoil or conflict, or other reasons, we would be required to transfer manufacturing to a backup supplier. Transferring from a primary supplier to another facility would likely result in increased production costs and a delay in production. Further, such a transition may not be possible, particularly in a supply constrained environment. There are only a few foundries that are currently available for certain advanced processing technologies that we utilize or may utilize. As a result, delays in our production or shipping by the parties to whom we outsource these functions could reduce our sales, damage our customer relationships, and damage our reputation in the marketplace, any of which could harm our business, results of operations, and financial condition.

For example, we rely on several third-party suppliers located in Taiwan. Any deterioration in the social, political, or economic conditions in Taiwan, particularly as it relates to China-Taiwan relations, may disrupt our business operations and materially and adversely affect our results of operations. Similarly, our operations could be harmed, and our costs could increase, if the war in Ukraine results in a shortage of materials that our suppliers require to manufacture our products.

In addition, we are currently working with a supplier that is headquartered in Israel on the development of additional manufacturing alternatives. The declaration of war by Israel against Hamas, the rising tensions in the Middle East, and the resulting actions that may be taken by governments in response to the war could potentially impact or delay the supplier's ability to provide timely engineering support that may be required to advance our efforts to develop future manufacturing alternatives.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table provides information about purchases of equity securities that are registered by us pursuant to Section 12 of the Exchange Act during the three months ended December 30, 2023 (in thousands, except per share amounts):

Monthly Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (1)
September 24, 2023 - October 21, 2023	286	$ 71.52	286	$ 401,587
October 22, 2023 - November 18, 2023	258	$ 76.58	258	$ 381,874
November 19, 2023 - December 30, 2023	237	$ 70.67	237	$ 365,126
Total	781	$ 72.93	781	$ 365,126

(1) The Company currently has one active share repurchase authorization, the $500 million in share repurchases authorized by the Board of Directors in July 2022. Share repurchases are to be funded from existing cash and intended to be effected from time to time in accordance with applicable securities laws through the open market, including pursuant to a Rule 10b5-1 trading plan, or in privately negotiated transactions. The timing of repurchases and the actual amount purchased depend on a variety of factors including general market and economic conditions and other corporate considerations. The authorization does not have an expiration date, does not obligate the Company to repurchase any particular amount of common stock, and may be modified or suspended at any time at the Company's discretion. The Company repurchased 0.8 million shares of its common stock for an aggregate of $56.9 million during the third quarter of fiscal year 2024, under the 2022 share repurchase authorization. These shares were repurchased in the open market and were funded from existing cash. All shares of our common stock that were repurchased were retired as of December 30, 2023.

In fiscal year 2024, the Company's net stock repurchases are subject to a 1 percent excise tax under the Inflation Reduction Act, included as a reduction to accumulated earnings (deficit) in the Consolidated Condensed Statements of Stockholders' Equity. Disclosure of repurchased amounts and related average costs exclude the impact of excise taxes.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Trading Arrangements

The following table details contracts, instructions and written plans for the purchase or sale of securities, which were entered into during the third quarter of fiscal year 2024. None of our directors or Section 16 officers entered into or terminated a non-Rule 10b5-1 trading arrangement during the third quarter of fiscal year 2024.

Name and Title	Action	Trading Arrangement [1]	Date of Adoption	Expiration Date	Aggregate Number of Securities to be Purchased or Sold Pursuant to the Trading Arrangement [2]
Scott Thomas - Senior Vice President, General Counsel	Adoption	Rule 10b5-1(c)	November 15, 2023	November 1, 2024	up to 16,760 to be sold

[1] Except as indicated by footnote, each trading arrangement marked as "Rule 10b5-1(c)" is intended to satisfy the affirmative defense of Rule 10b5-1(c), as amended.
[2] Includes shares to be acquired upon the exercise of employee stock options.

ITEM 6. EXHIBITS

The following exhibits are filed as part of or incorporated by reference into this Report:

Number	Description
3.1	Certificate of Incorporation of Registrant, filed with the Delaware Secretary of State on August 26, 1998 (1)
3.2	Amended and Restated Bylaws of Registrant (2)
31.1	Certification of Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Principal Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Chief Executive Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Principal Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

1. Incorporated by reference from Registrant's Report on Form 10-K for the fiscal year ended March 31, 2001, filed with the Commission on June 22, 2001 (Registration No. 000-17795).
2. Incorporated by reference from Registrant's Report on Form 8-K filed with the Commission on March 8, 2023 (Registration No. 000-17795).

* The certifications attached as Exhibits 32.1 and 32.2 accompanying this Quarterly Report on Form 10-Q are deemed furnished and not filed with the SEC and are not to be incorporated by reference into any filing of the Registrant under the Securities Act of 1933, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CIRRUS LOGIC, INC.

Date: February 6, 2024

/s/ Venk Nathamuni

Venk Nathamuni

Chief Financial Officer

CERTIFICATION

pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, John M. Forsyth, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cirrus Logic, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 6, 2024

/s/ John M. Forsyth

John M. Forsyth

President and Chief Executive Officer

CERTIFICATION

pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Venk Nathamuni, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cirrus Logic, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 6, 2024

/s/ Venk Nathamuni

Venk Nathamuni

Chief Financial Officer

Certification Pursuant to 18 U.S.C. Section 1350,
as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Cirrus Logic, Inc. (the “Company”) on Form 10-Q for the period ended December 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, John M. Forsyth, Chief Executive Officer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This Certification has not been, and shall not be deemed, “filed” with the Securities and Exchange Commission.

Date:	February 6, 2024	/s/ John M. Forsyth
		John M. Forsyth
		President and Chief Executive Officer

Certification Pursuant to 18 U.S.C. Section 1350,
as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Cirrus Logic, Inc. (the “Company”) on Form 10-Q for the period ended December 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Venk Nathamuni, Chief Financial Officer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This Certification has not been, and shall not be deemed, “filed” with the Securities and Exchange Commission.

Date: February 6, 2024

/s/ Venk Nathamuni

Venk Nathamuni
Chief Financial Officer