

arm

Introducing the first phase of
Arm's market expansion

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This presentation contains forward-looking statements that involve a number of risks and uncertainties. Arm Holdings plc (the "Company" or "Arm") cautions readers that any forward-looking information is not a guarantee of future performance and actual results could differ materially from the information expressed or implied by these forward-looking statements. When used in this presentation, words such as "may," "might," "will," "could," "would," "should," "expect," "is/are likely to," "intend," "plan," "objective," "anticipate," "believe," "estimate," "predict," "potential," "target," "continue," "ongoing" and similar expressions and any other statements that are not historical facts are intended to identify forward-looking statements.

Such forward-looking statements include, but are not limited to, projections and estimates of the TAM for our products and our expectations regarding revenue, licensing and royalty mix and growth, in both the near and long-term; our expectations regarding the impact of the introduction of new products on our existing operations, customer base, and demand; our vision for the future of Arm and AI computing; our ability to implement new products and business initiatives, including the expansion of our business model into production silicon; Arm AGI CPU and its expected performance, scale, efficiency and projected energy savings; our annual product roadmap; data center and agentic AI growth generally, including anticipated data center capacity; the Company's partnerships and customer expectations; projections relating to our future financial results, growth, products and services; our financial position; our market opportunity, demand and growth drivers; and any other statements that are not historical facts.

Forward-looking statements involve a number of risks, uncertainties or other factors beyond our control that may cause actual results to differ materially. These factors include, but are not limited to, our ability to implement our strategic initiatives; our development of new products and technologies; our entry into new business areas, including production silicon, and the associated execution risks; our reliance on third parties to manufacture, assemble, package and test our products; market acceptance of our products; the accuracy of comparative performance benchmarks and claims; the impact of technological development and competition; the development and growth of the AI market generally; any potential design, manufacturing, hardware or software defects; changes in customer preferences and demands; changes in industry standards; global economic, political and market conditions and fluctuations; geopolitical instability, government and industry regulation; and global competition. For a complete discussion of factors that could materially affect our financial results and operations, please refer to the reports we file from time to time with the SEC, including our Annual Report on Form 20-F. Copies of reports we file with the SEC are posted on our website and are available without charge. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

Non-GAAP Financial Measures

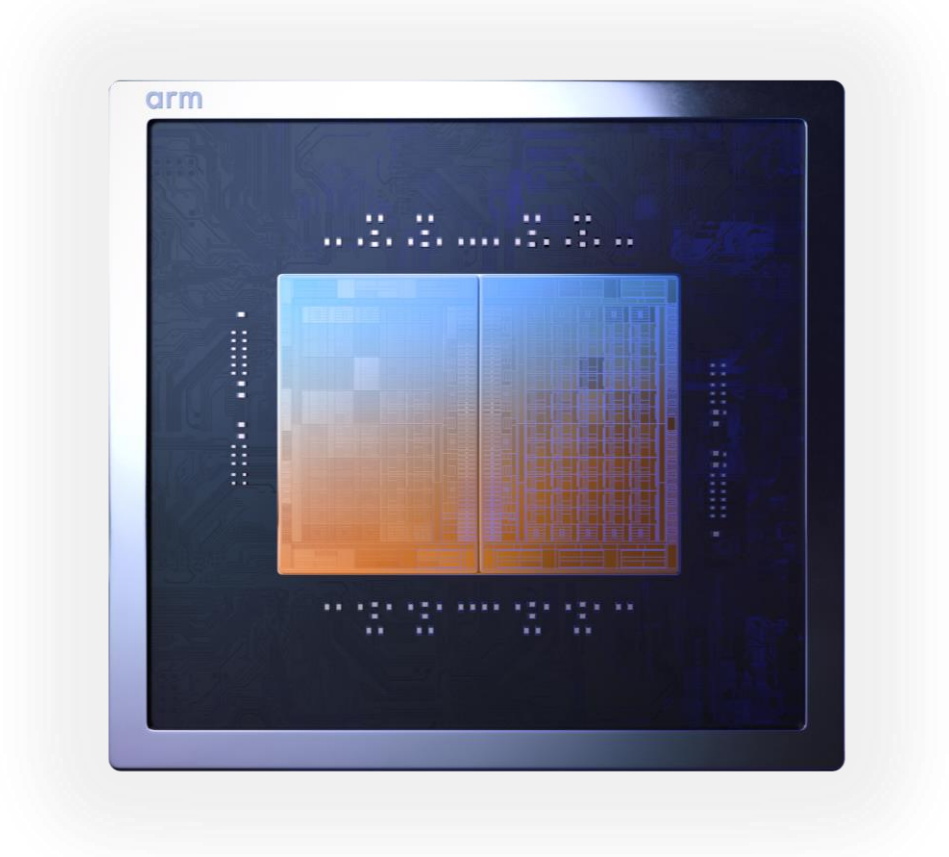
Arm utilizes, and this presentation includes, certain non-GAAP financial measures that differ from measures calculated in accordance with GAAP. Arm's non-GAAP financial measures include non-GAAP operating margin and non-GAAP earnings per share. Arm believes these non-GAAP financial measures provide useful information to investors and others in understanding and evaluating its results of operations, as well as provide a useful measure for period-to-period comparisons of its business performance. Moreover, Arm has included these non-GAAP financial measures because they are key measurements used by its management internally to make operating decisions, including those related to analyzing operating expenses, evaluating performance, and performing strategic planning and annual budgeting. Arm believes that the presentation of its non-GAAP financial measures, when viewed holistically, is helpful to investors in assessing the consistency and comparability of its performance in relation to prior periods and facilitates comparisons of its financial performance relative to its competitors, particularly with respect to competitors that present similar non-GAAP financial measures in addition to their GAAP results.

Non-GAAP financial measures are presented for supplemental financial purposes only, should not be considered a substitute for financial measures prepared in accordance with GAAP, and may not align with similar financial measures presented by Arm's competitors, which may limit the ability of investors to assess Arm's performance relative to certain peer companies.

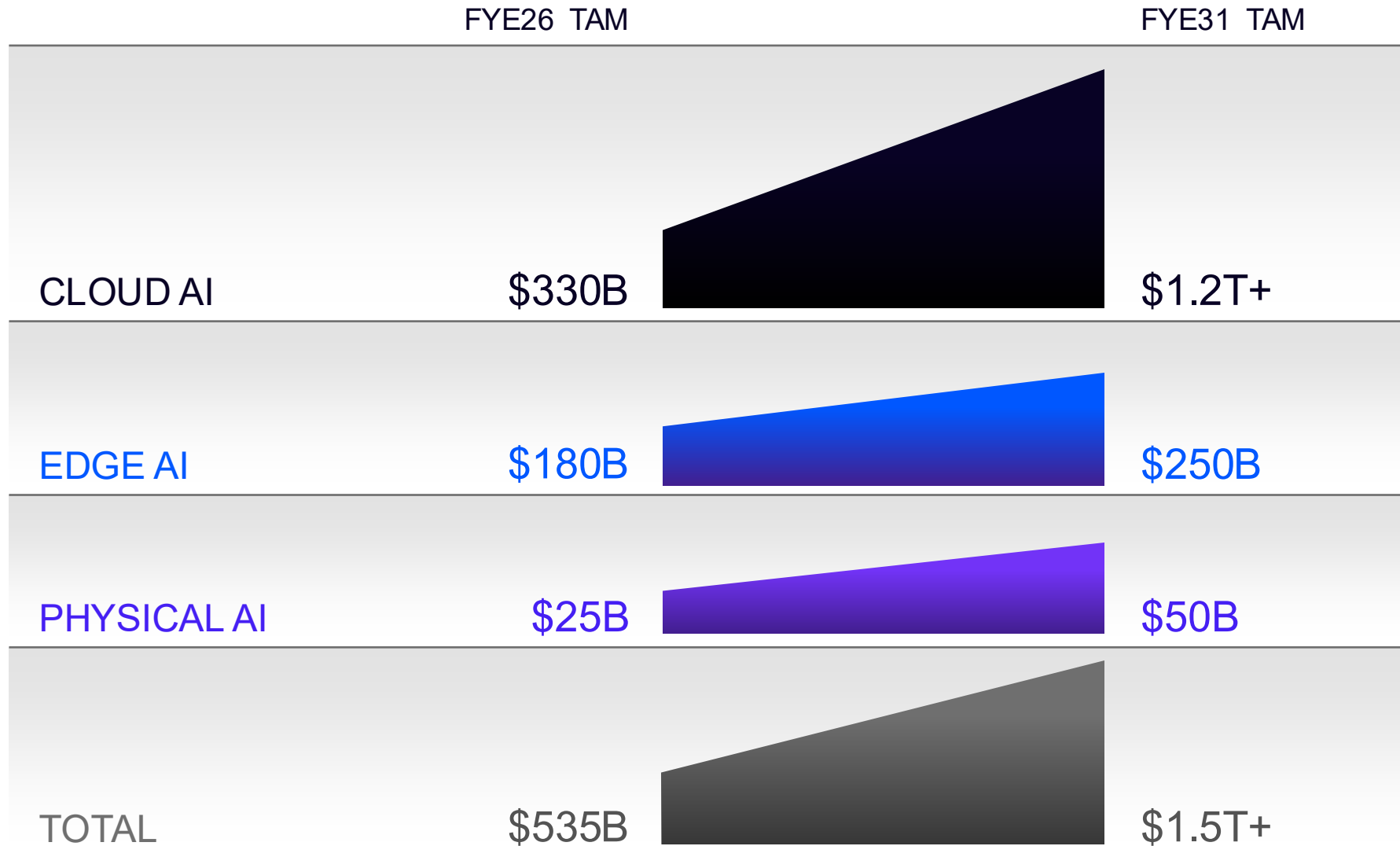
Arm is unable to provide a reconciliation of certain non-GAAP guidance measures to the corresponding GAAP measures on a forward-looking basis because doing so would not be possible without unreasonable effort due to, among other things, the potential variability and limited visibility of the excluded items. For the same reasons, Arm is unable to address the probable significance of the unavailable information.

Introducing the first phase of Arm's market expansion

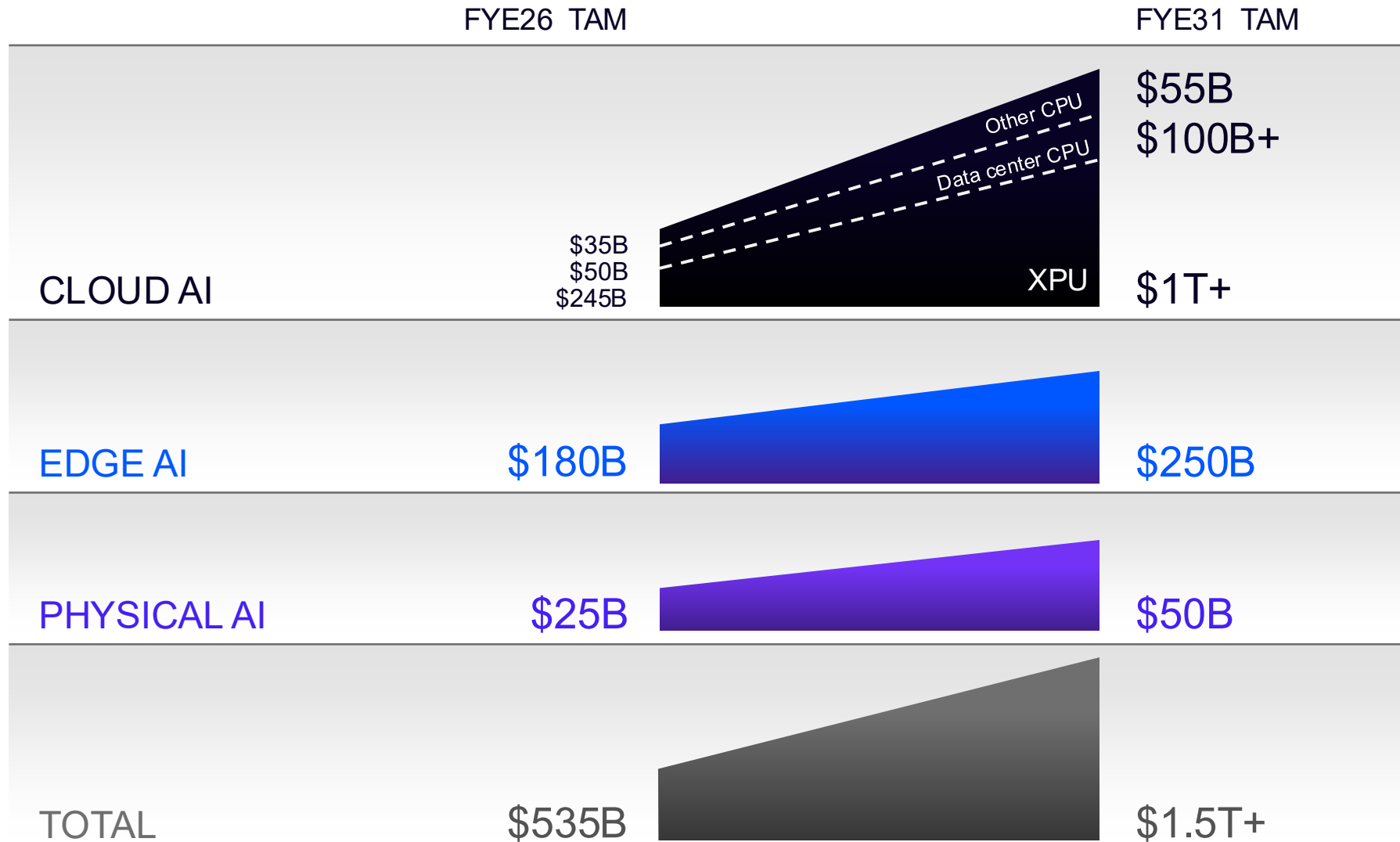
- Customer demand and financial opportunity led to the Arm AGI CPU
- Existing IP/CSS business remains strong
- Combined business is expected to be significantly accretive
- Most R&D investment is already in the business



Massive and growing semiconductor content



Massive and growing semiconductor content



Expanding our opportunity with Arm AGI CPU in Cloud AI TAM

Arm is benefiting from three drivers: Increased value, customer base and market size

Adding chips to CPU IP & CSS
allows Arm to claim all the chip value

\$2.4B

\$24B

Existing opportunity
IP/CSS (FYE26)

Expanded opportunity
whole chip (FYE26)

Expanding our opportunity with Arm AGI CPU in Cloud AI TAM

Arm is benefiting from three drivers: Increased value, customer base and market size

Extending customer base beyond largest cloud service providers



Expanding our opportunity with Arm AGI CPU in Cloud AI TAM

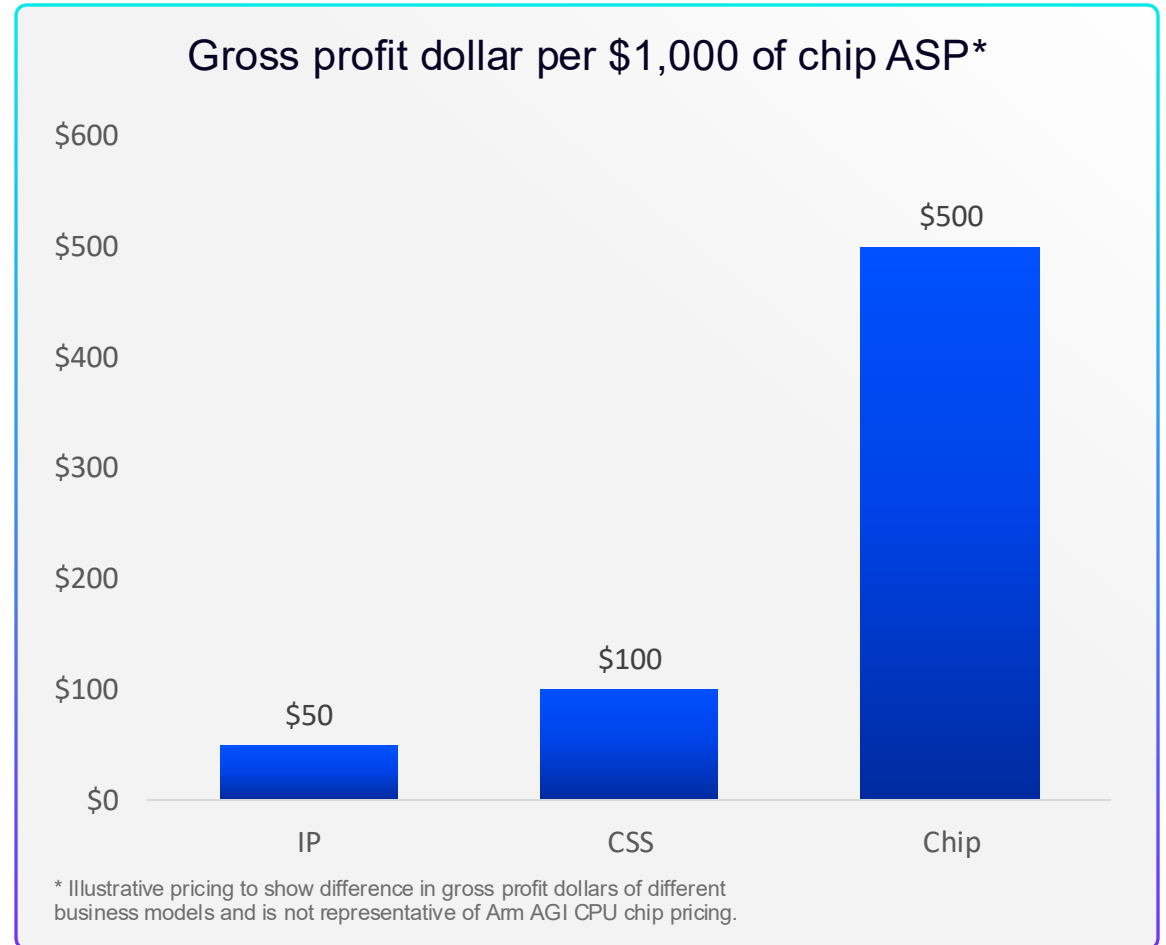
Arm is benefiting from three drivers: Increased value, customer base and market size

Market to FYE31 accelerated by increased agentic AI and inference



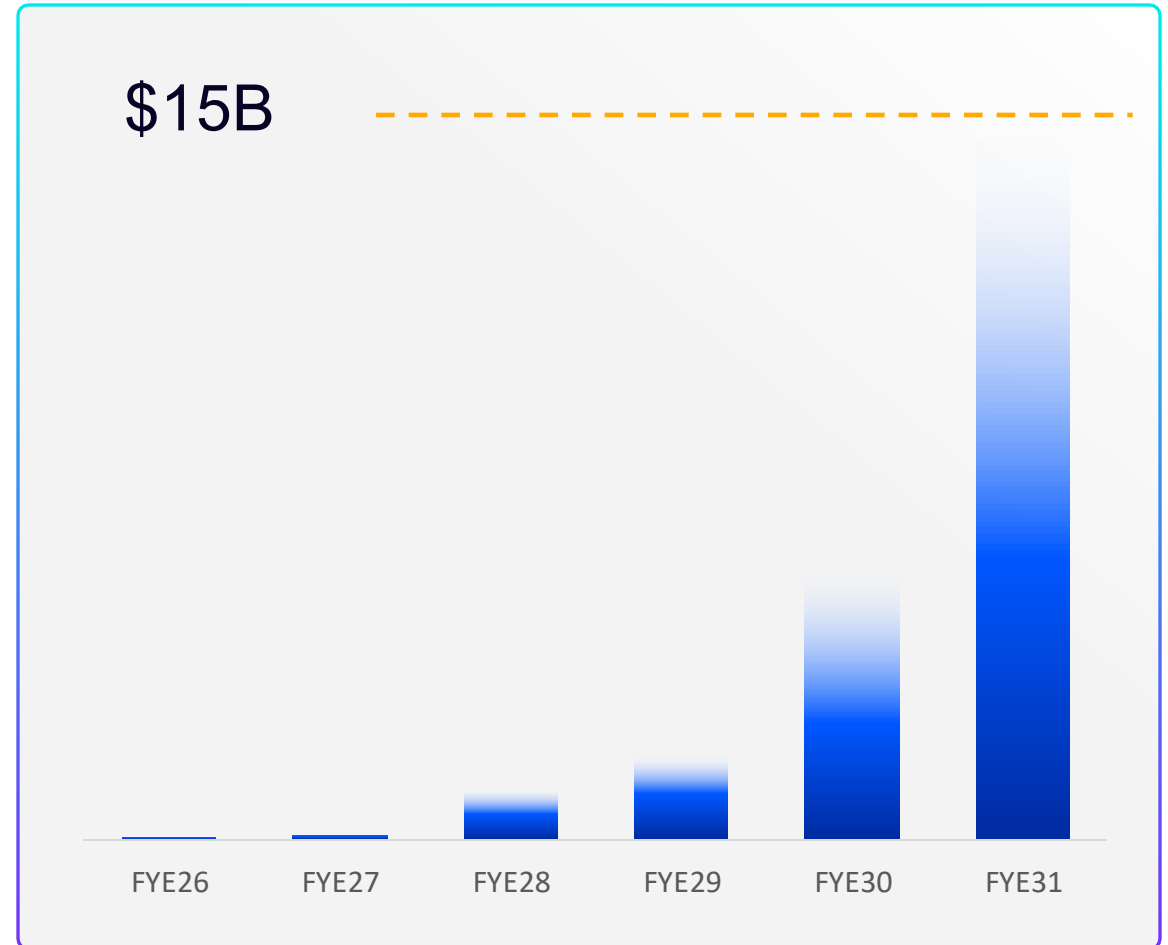
Entering the silicon market with Arm AGI CPU

- Arm is selling Arm AGI CPU primarily to hyperscalers, larger enterprises, and tier-1 server OEMs
- Chip model offers 5x-10x gain in gross profit dollars vs royalty
- CPU IP and CSS both are 100% gross profit but on royalty revenue rates of ~5% and ~10%
- Full chip solution maximizes revenue at ~50% gross profit



Landing the Arm AGI CPU business

- Began with demand pull from new customers
- Arm is uniquely positioned to provide AGI CPU as most of CPU chips are mainly based on Arm IP
- FYE28 is expected to be the first year for meaningful Arm AGI CPU revenue
- Revenue to ramp exponentially to ~\$15B in FYE31



Royalty revenue growth

- Royalty revenue drivers have been
 - End market growth
 - Market share gains
 - Increasing complexity and more cores per chip
 - Higher royalty rates from more advanced Arm technology (Armv9, CSS)



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 - End market growth
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 - Increasing complexity and more cores per chip
 - Higher royalty rates from more advanced Arm technology (Armv9, CSS)
- Chip business expands opportunity – no material impact to royalty revenue trajectory
- Royalty revenue forecast to grow at a 20% CAGR from FYE26 – FYE31



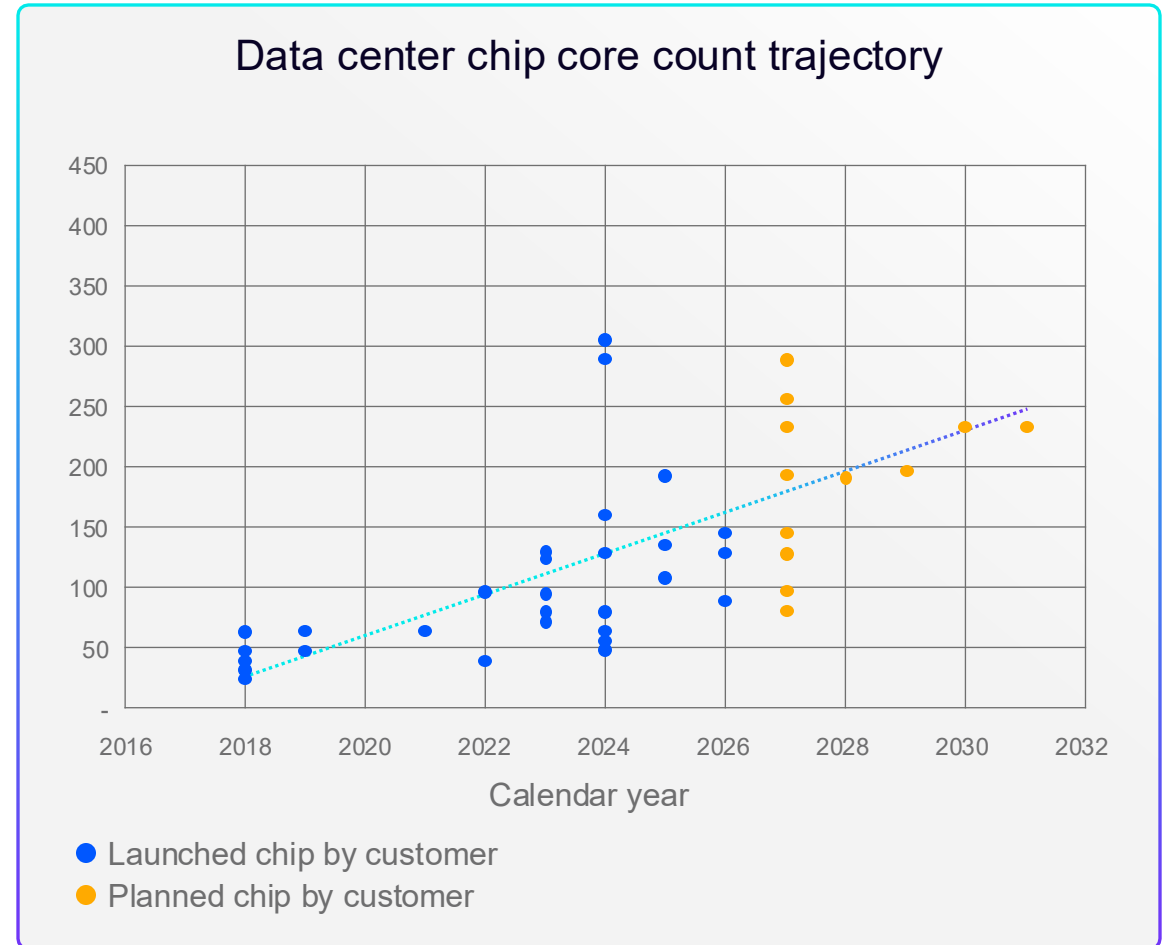
Technology improvements lifting royalty rates

- AI is driving fierce competition in functionality and time to market
- Arm's continuing innovation keeps customers on the leading edge...
- ...and allows Arm to capture more value through improved royalty rates



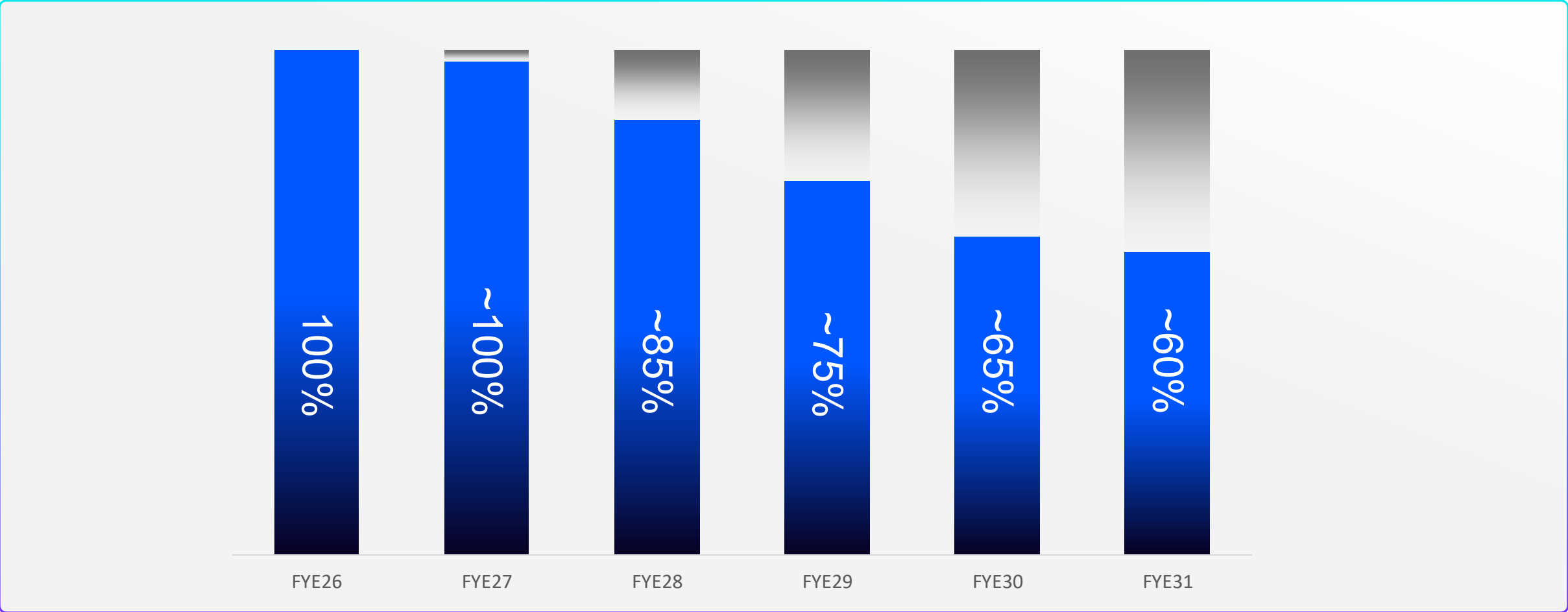
Rising chip complexity also lifting Arm's value per chip

- In the data center, royalty rates per core are rising
- AI, including agentic AI, is driving need for more cores per chip
- Compounding growth supports our high confidence in data center royalty growth

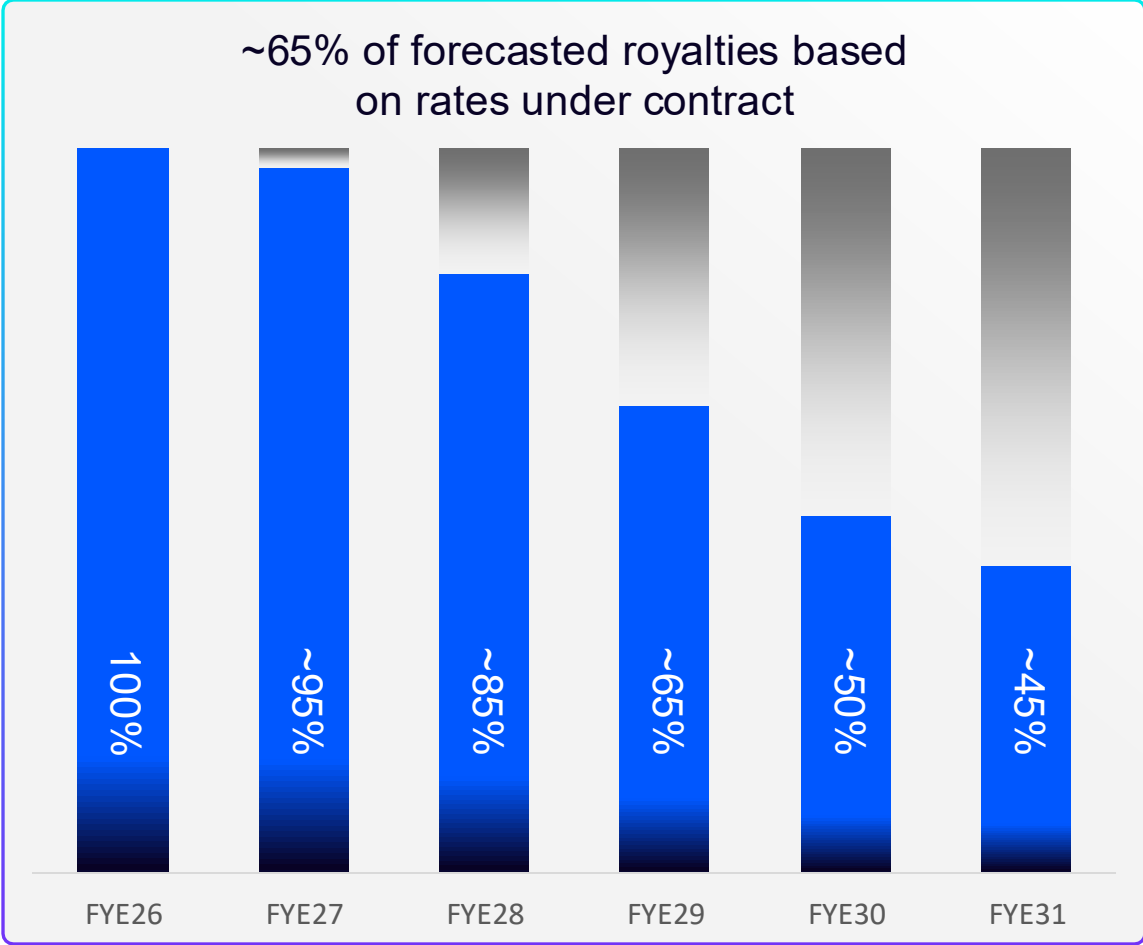


Royalty revenue – percentage in contract drives high confidence

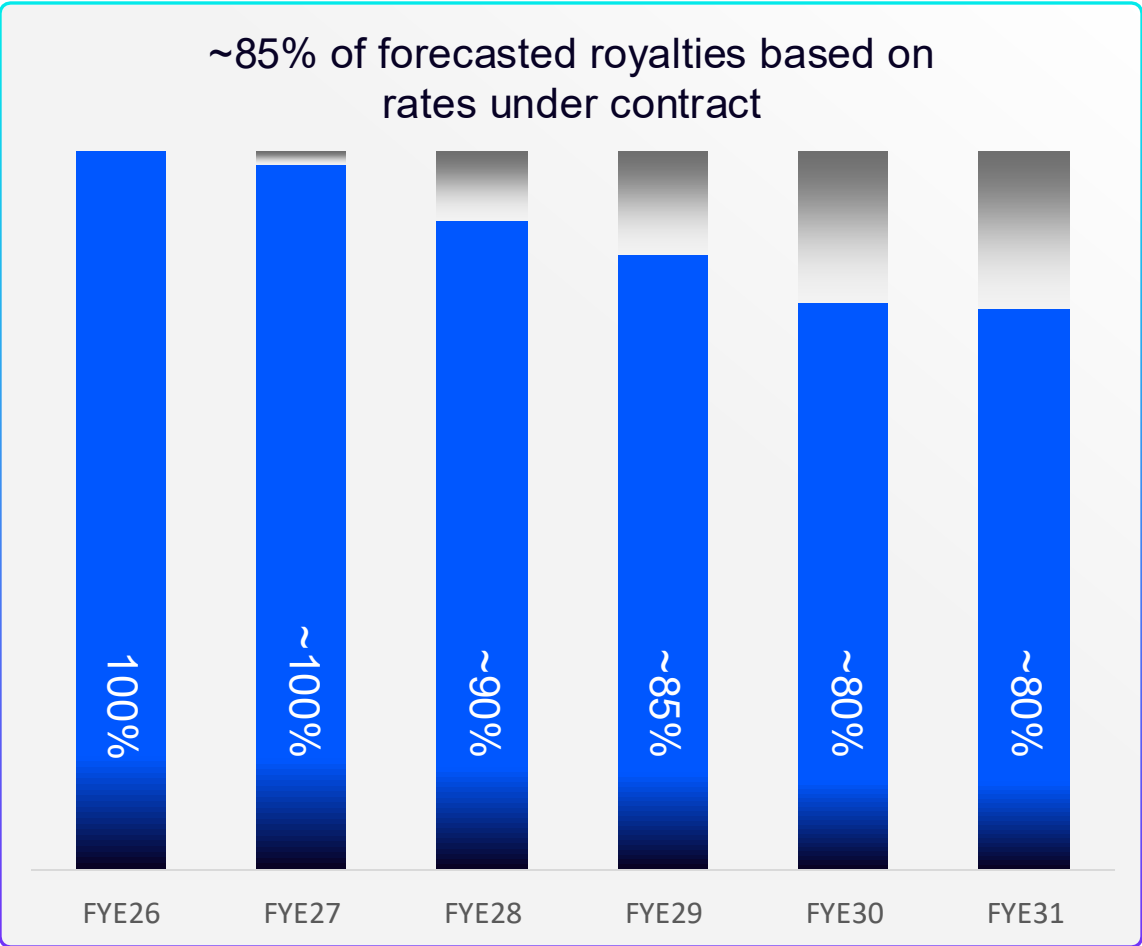
>70% of Arm’s forecasted royalties are based on rates already under contract



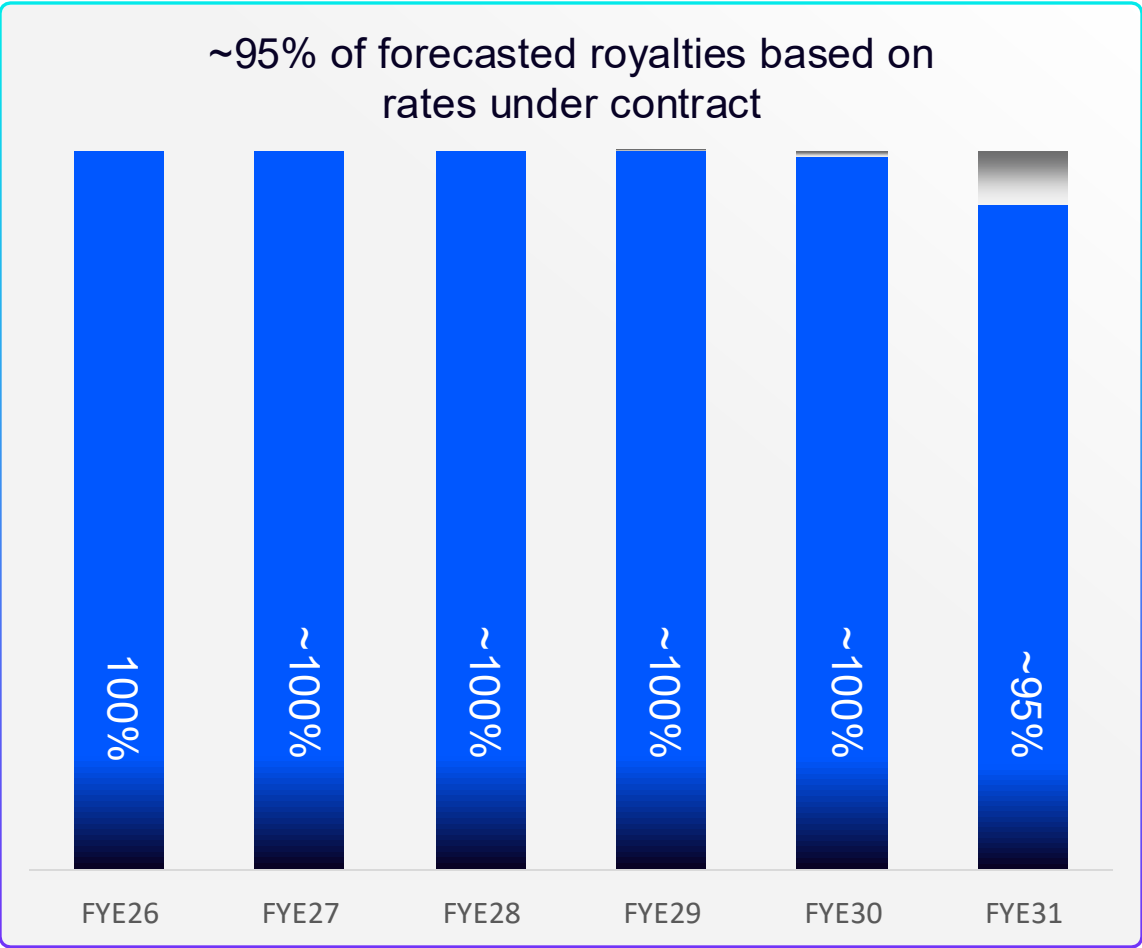
Edge AI: Armv9, CSS driving continued revenue growth



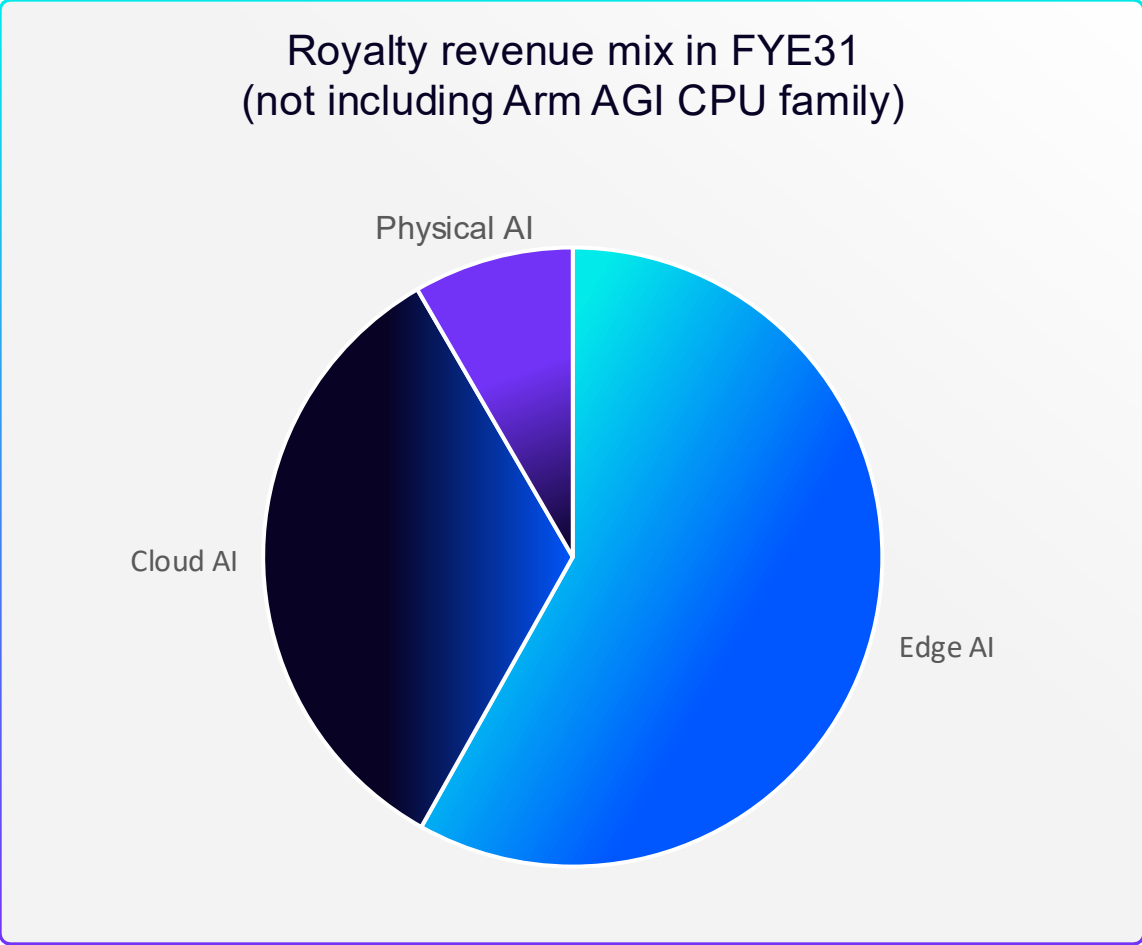
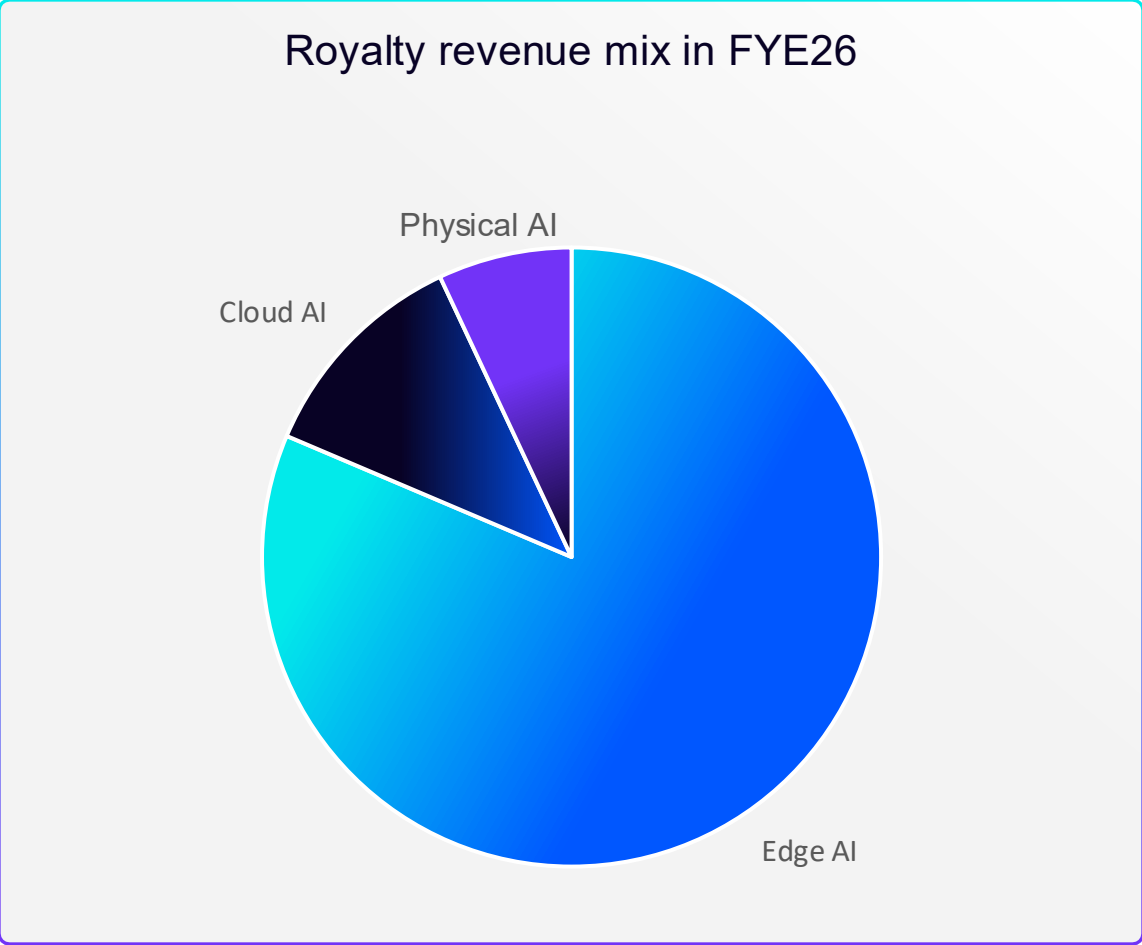
Cloud AI: Market growth, share gains, rising core count, and \$/core



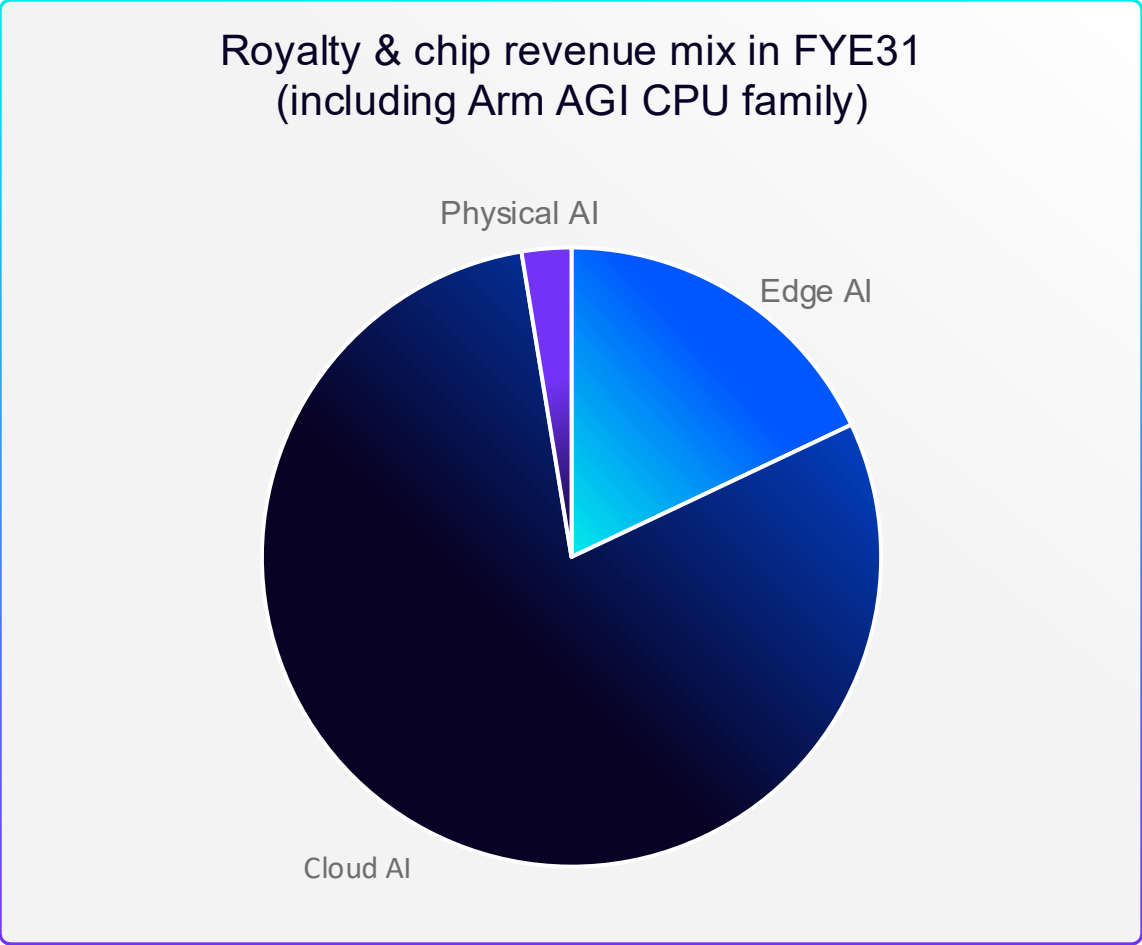
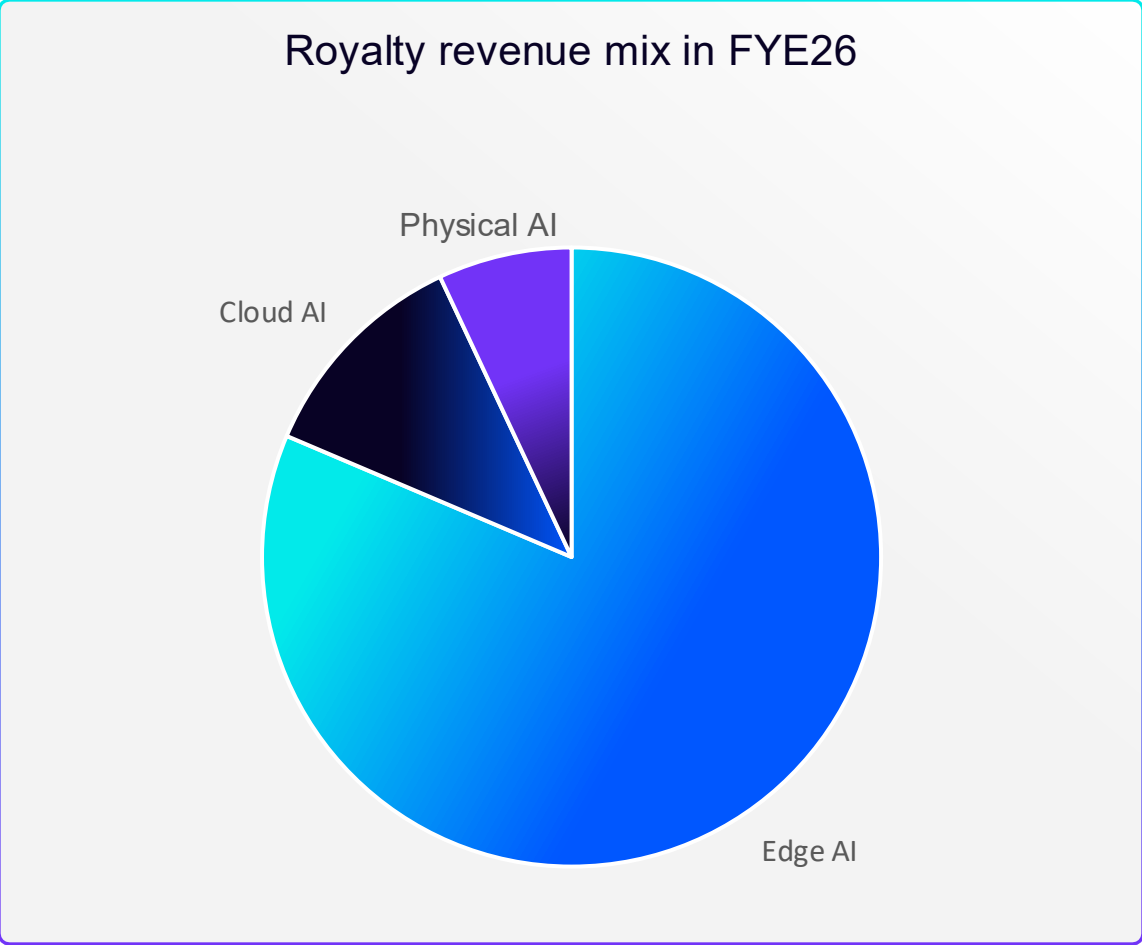
Physical AI: Automotive now, robotics entering early deployment



Cloud AI will be our fastest growing revenue driver

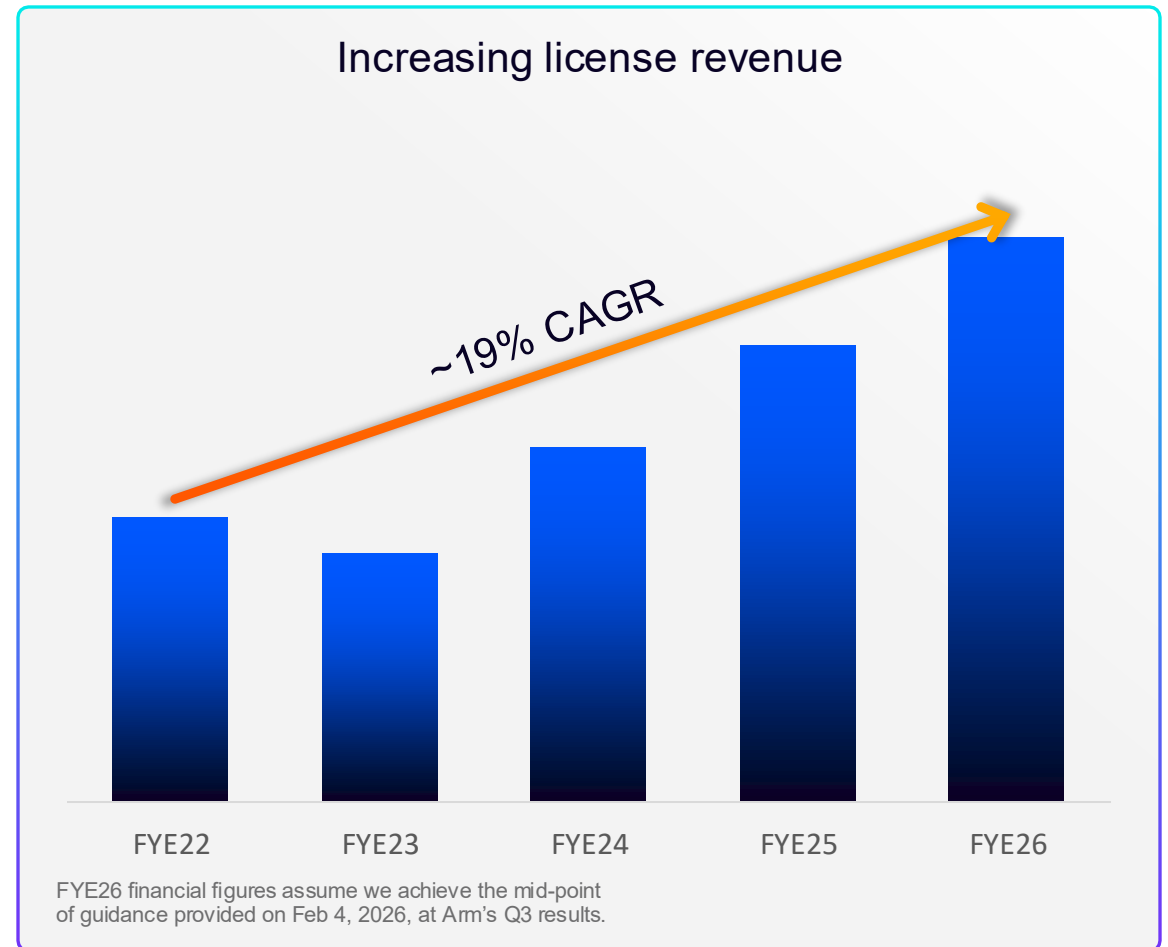


Cloud AI will be our fastest growing revenue driver



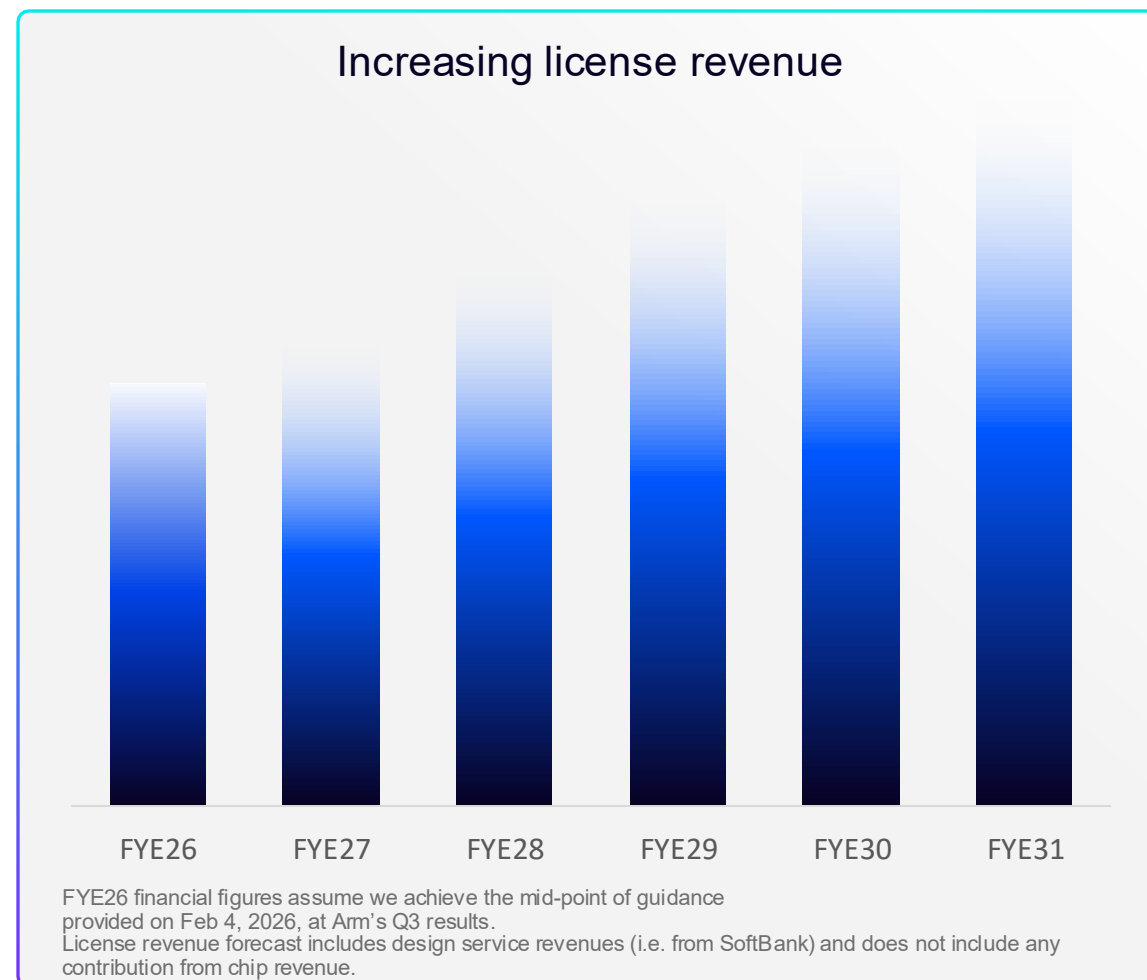
Robust licensing growth today enables future royalty growth

- License revenue growth well ahead of prior long-term expectations



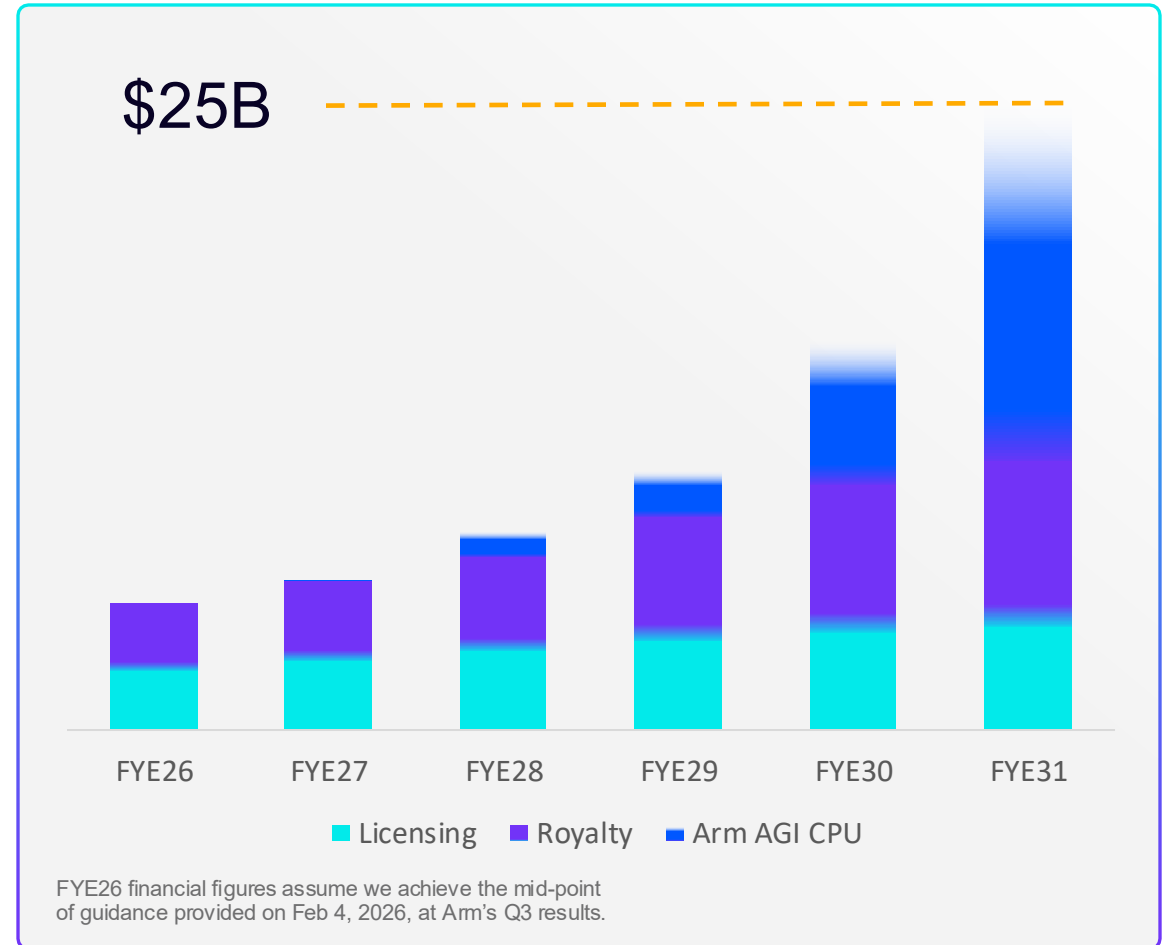
Robust licensing growth today enables future royalty growth

- License revenue growth well ahead of prior long-term expectations
- License revenue to remain above long-term target in the near-term
- This leads to strong royalty growth in future years



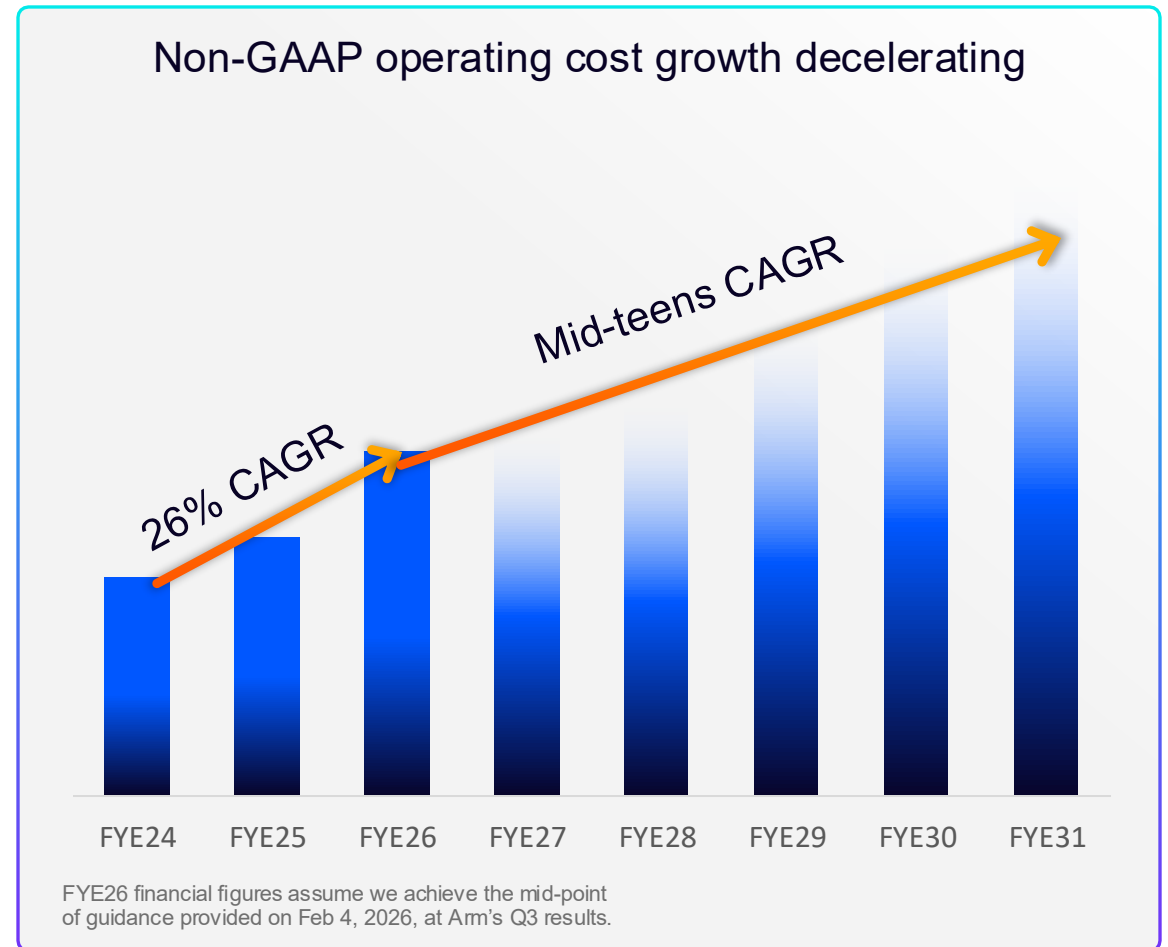
Arm AGI CPU is complementary to Arm's CPU IP / CSS business

- Arm AGI CPU expands Arm's opportunity into an underserved customer base
- Revenues from Arm AGI CPU are additional to CPU IP and CSS license and royalty revenue



Critical mass of R&D already hired – increasing operational leverage

- AI creates unprecedented opportunity
- Our R&D drives a virtuous cycle of new products driving revenue growth
- Arm has already meaningfully ramped R&D to support CPU, CSS, and chip roadmaps
- Forecasting mid-teens opex CAGR FYE26 to FYE31



Strong revenue and operating profit growth yields >\$9 in EPS power

IP/CSS business
in FYE31

IP/CSS revenue

\$10B

Non-GAAP
operating margin

>65%

Arm AGI CPU business
in FYE31

Chip revenue

\$15B

Non-GAAP
operating margin

>30%

Consolidated business
in FYE31

Non-GAAP
earnings per share

>\$9

Arm: Our trajectory is clear

- Arm's existing IP/CSS business remains strong with multiple multi-year growth drivers
- Customer demand and financial opportunity has led us to offer chips
- Combined business is expected to be significantly accretive
- Most R&D investment required is already in the business

Forecast for FYE31

Combined revenue

\$25B

FYE31 EPS power

>\$9