



ARM Holdings PLC (ARM US)

COMPANY DESCRIPTION

Headquartered in Cambridge, U.K., **Arm** was founded in 1990 as **Advanced RISC Machines Ltd.** through a collaboration between **Acorn Computers**, **Apple**, and **VLSI Technology**. The company specializes in designing and licensing microprocessors, graphics units, and other related tech components and software. The chip architecture designed by **Arm** is distinctively different from designs most commonly used in modern PC and laptops (i.e. "x86 Architecture" used by firms such as **Intel/AMD**) and lends itself for mobile applications, prioritizing energy efficiency over performance. 🚀

BUSINESS MODEL

As a "fabless" semiconductor firm, **Arm** doesn't manufacture chips themselves. Instead, they license their technology to other companies. Arm specializes in *Reduced Instruction Set Computing* (RISC) semiconductors. Their power-efficient designs have made Arm the preferred choice for the vast majority of smartphones, tablets, and an expanding array of IoT devices. Major companies like **Apple**, **Amazon**, **Qualcomm**, and **Samsung** license Arm's designs to power their devices, underlining Arm's critical role in the modern computing landscape. Arm's revenue sources include intellectual property licensing, royalties, software and development systems sales, professional services such as training and design consultation, as well as support and maintenance services. 🚀

IPO HISTORY AND ACQUISITION BY SOFTBANK

On 04/17/1998, **Arm** began trading on the London Stock Exchange and the Nasdaq National Market led by Morgan Stanley Dean Witter. The

British semiconductor company offered 11,730,000 shares (3,910,000 ADSs) at £5.75 per share (or \$29.17 per ADS), valuing the firm at £264 million based on the offering price (around \$400m). In 2016, The chip designer was taken private by **SoftBank Group** for ca. £24 billion (or \$31 billion) in cash, a **▲42.98%** premium. 🚀

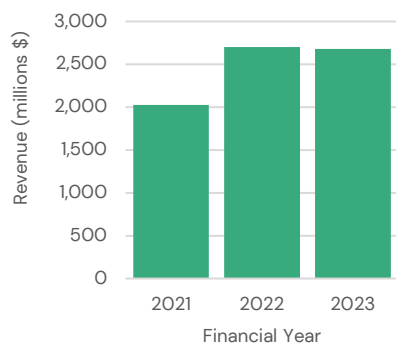
2023 IPO RELAUNCH

In 2020, **SoftBank** attempted to sell **Arm** to **Nvidia** for roughly \$40 billion. However, the deal attracted significant scrutiny from global antitrust regulators, leading to its collapse in early 2022. Subsequently, **SoftBank** weighed the option of relisting Arm in London or pursuing a dual listing, as done before. Yet, the IPO plan was put on hold, and Arm decided on a sole U.S. listing in 2023. Overseen by **Barclays** and backed by 26 other underwriters, Arm released 95.5 million shares at \$51 each, the peak of its projected price range (\$47 - \$51). This pegs the company's value at an estimated \$52.33 billion at the time of the offer. Trading for Arm is slated to commence on September 14, 2023 (Thursday). 🚀

SoftBank Group is expected to beneficially own approximately 90% following the completion of this offering. **AMD**, **Apple**, **Cadence Design Systems**, **Google**, **Intel**, **MediaTek**, **NVIDIA**, **Samsung**, **Synopsys**, and **TSMC** (collectively referred to as the "Cornerstone Investors") have, separately indicated an interest in purchasing up to an aggregate of \$735 million of the ADSs offered in this offering. 🚀

As the selling shareholder, **SoftBank** will receive all net proceeds from the sale, while **Arm** will not receive any proceeds. 🚀

BUSINESS HISTORY & GROWTH OUTLOOK



250Bn+

Arm-based chips shipped since inception

30.6Bn

Arm-based chips reported as shipped in FYE23

30M+

Developer hours 1st decade of Armv9

15M+

Software Developers on Arm

SOURCE: ARM F-1 FILING

SELECT FIRMS/PRODUCTS USING ARM CHIPS
(PAST AND PRESENT)

INDUSTRY COMPARISON (AS OF 06/13/2023)

COMPANY	STOCK SYMBOL	IPO DATE	INITIAL RETURN	OFFER TO DATE (TR)	2023 YTD (TR)	BETA TO BENCHMARK	REVENUE (Latest FY)	P/S Ratio
arm	ARM US	09/14/2023	TBA	TBA	TBA	N/A	\$2.7 billion	~18.77x
nvidia	NVDA US	01/22/1999	64.06%	198118.40%	211.24%	1.66	\$27.0 billion	34.41x
intel	INTC US	Intel went public in 1971			46.46%	1.55	\$63.1 billion	2.97x
AMD	AMD US	AMD went public in 1972			66.30%	1.67	\$23.6 billion	7.94x
IBM	IBM US	IBM went public in 1911			4.02%	0.76	\$60.5 billion	2.20x