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

FORM 10-Q

(Mark One)

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

For the quarterly period ended October 2, 2021 or

☐ **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 000-18548

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

Delaware	**2100 Logic Drive** **San Jose**	**77-0188631**
(State or other jurisdiction of incorporation or organization)		(I.R.S. Employer Identification No.)
	California	**95124**
	(Address of principal executive offices)	(Zip Code)

(408) 559-7778
(Registrant's telephone number, including area code)
N/A
(Former name, former address, and former fiscal year, if changed since last report)
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, $0.01 par value	XLNX	The Nasdaq Global Select Market

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 x No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). Yes x 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 the 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	x	Accelerated filer	o	Non-accelerated filer	o
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 provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No x

Shares outstanding of the registrant's common stock:

Class	Shares Outstanding as of October 15, 2021
Common Stock, $0.01 par value	247,880,415

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be found throughout this Quarterly Report and involve numerous known and unknown risks and uncertainties and are based on current expectations. The reader should not place undue reliance on these forward-looking statements. Our actual results could differ materially from those anticipated in these forward-looking statements for many reasons, including those risks discussed under "Risk Factors" and elsewhere in this document. Often, forward-looking statements can be identified by the use of forward-looking words, such as "may," "will," "could," "should," "expect," "believe," "anticipate," "estimate," "continue," "plan," "intend," "project" and other similar terminology, or the negative of such terms. We disclaim any responsibility to update or revise any forward-looking statement provided in this Quarterly Report or in any of our other communications for any reason.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

XILINX, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(In thousands, except per share amounts)	Three Months Ended October 2, 2021	Three Months Ended September 26, 2020	Six Months Ended October 2, 2021	Six Months Ended September 26, 2020
Net revenues	$ 935,770	$ 766,535	$ 1,814,376	$ 1,493,208
Cost of revenues:				
Cost of products sold	293,327	218,120	576,768	444,223
Amortization of acquisition-related intangibles	10,150	6,696	19,216	13,393
Total cost of revenues	303,477	224,816	595,984	457,616
Gross margin	632,293	541,719	1,218,392	1,035,592
Operating expenses:				
Research and development	253,881	219,647	501,856	429,760
Selling, general and administrative	126,319	113,793	251,239	219,176
Amortization of acquisition-related intangibles	2,252	2,862	5,093	5,724
Total operating expenses	382,452	336,302	758,188	654,660
Operating income	249,841	205,417	460,204	380,932
Interest and other expense, net	(9,204)	(10,771)	(8,204)	(22,924)
Income before income taxes	240,637	194,646	452,000	358,008
Provision for income taxes	6,092	830	11,114	70,356
Net income	$ 234,545	$ 193,816	$ 440,886	$ 287,652
Net income per common share:				
Basic	$ 0.95	$ 0.79	$ 1.79	$ 1.18
Diluted	$ 0.94	$ 0.79	$ 1.77	$ 1.17
Cash dividends per common share	$ —	$ 0.38	$ —	$ 0.76
Shares used in per share calculations:				
Basic	247,765	244,837	246,344	243,602
Diluted	250,457	246,763	249,478	245,847

See notes to condensed consolidated financial statements.

XILINX, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended		Six Months Ended	
(In thousands)	**October 2, 2021**	**September 26, 2020**	**October 2, 2021**	**September 26, 2020**
Net income	$ 234,545	$ 193,816	$ 440,886	$ 287,652
Other comprehensive income (loss), net of tax:				
Change in net unrealized gains (losses) on available-for-sale securities	(220)	(100)	(669)	267
Reclassification adjustment for (gains) losses on available-for-sale securities	(1)	132	20	(145)
Change in unrealized gains (losses) on hedging transactions	(181)	2,420	52	9,549
Reclassification adjustment for (gains) losses on hedging transactions	(771)	(1,337)	(2,943)	350
Cumulative translation adjustment, net	(4,220)	4,834	(2,951)	1,968
Other comprehensive income (loss)	(5,393)	5,949	(6,491)	11,989
Total comprehensive income	$ 229,152	$ 199,765	$ 434,395	$ 299,641

See notes to condensed consolidated financial statements.

XILINX, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except par value amounts)	October 2, 2021	April 3, 2021
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,683,071	$ 1,438,528
Short-term investments	1,738,156	1,640,371
Accounts receivable, net	405,040	285,214
Inventories	285,568	311,085
Prepaid expenses and other current assets	73,257	71,064
Total current assets	4,185,092	3,746,262
Property, plant and equipment, at cost	1,024,236	1,004,187
Accumulated depreciation and amortization	(688,053)	(659,164)
Net property, plant and equipment	336,183	345,023
Goodwill	633,200	620,697
Acquisition-related intangibles, net	167,295	171,592
Other assets	673,791	635,627
Total Assets	$ 5,995,561	$ 5,519,201
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 107,429	$ 116,046
Accrued payroll and related liabilities	368,178	328,344
Income taxes payable	47,696	48,468
Other accrued liabilities	90,883	131,697
Total current liabilities	614,186	624,555
Long-term debt	1,493,311	1,492,688
Long-term income taxes payable	436,999	460,926
Other long-term liabilities	55,520	54,071
Total Liabilities	2,600,016	2,632,240
Commitments and contingencies (Note 17)		
Stockholders' equity:		
Preferred stock, $.01 par value	—	—
Common stock, $.01 par value	2,478	2,458
Additional paid-in capital	1,457,663	1,383,494
Retained earnings	1,944,008	1,503,122
Accumulated other comprehensive loss	(8,604)	(2,113)
Total stockholders' equity	3,395,545	2,886,961
Total Liabilities and Stockholders' Equity	$ 5,995,561	$ 5,519,201

See notes to condensed consolidated financial statements.

XILINX, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(In thousands)	Six Months Ended October 2, 2021	Six Months Ended September 26, 2020
Cash flows from operating activities:		
Net income	$ 440,886	$ 287,652
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of software	63,100	61,998
Amortization - others	36,511	30,375
Stock-based compensation	137,329	108,822
Deferred income taxes	(32,991)	(10,028)
Others	(2,713)	3,462
Changes in assets and liabilities:		
Accounts receivable, net	(119,825)	(89,468)
Inventories	25,517	22,292
Prepaid expenses and other current assets	(11,581)	(995)
Other assets	(29,254)	(21,530)
Accounts payable	(5,830)	(3,035)
Accrued liabilities	31,965	81,781
Income taxes payable	(21,100)	21,728
Net cash provided by operating activities	512,014	493,054
Cash flows from investing activities:		
Purchases of available-for-sale securities	(2,326,323)	(2,743,360)
Proceeds from sale and maturity of available-for-sale and equity securities	2,210,316	1,231,731
Purchases of property, plant and equipment and software	(32,145)	(30,792)
Acquisition of business, net of cash acquired	(30,533)	—
Other investing activities	1,827	(12,198)
Net cash used in investing activities	(176,858)	(1,554,619)
Cash flows from financing activities:		
Repurchases of common stock	—	(53,682)
Taxes paid related to net share settlements of restricted stock units	(83,006)	(53,425)
Proceeds from issuance of common stock through various stock plans	19,866	20,114
Payment of dividends to stockholders	—	(185,519)
Proceeds from issuance of long-term debt, net	—	744,427
Other financing activities	(27,473)	(17,277)
Net cash provided by (used in) financing activities	(90,613)	454,638
Net increase (decrease) in cash and cash equivalents	244,543	(606,927)
Cash and cash equivalents at beginning of period	$ 1,438,528	1,777,703
Cash and cash equivalents at end of period	$ 1,683,071	$ 1,170,776
Supplemental disclosure of cash flow information:		
Interest paid	$ 19,969	$ 21,289
Income taxes paid, net	$ 65,145	$ 59,145

See notes to condensed consolidated financial statements.

XILINX, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

Three Months Ended October 2, 2021 **(In thousands, except per share amounts)**	Common Stock Outstanding Shares	Common Stock Outstanding Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
Balance as of July 3, 2021	245,909	$ 2,459	$ 1,410,893	$ 1,709,463	$ (3,211)	$ 3,119,604
Components of comprehensive income:						
Net income	—	—	—	234,545	—	234,545
Other comprehensive loss	—	—	—	—	(5,393)	(5,393)
Issuance of common shares under employee stock plans, net	1,914	19	(22,950)	—	—	(22,931)
Stock-based compensation expense	—	—	69,720	—	—	69,720
Balance as of October 2, 2021	247,823	$ 2,478	$ 1,457,663	$ 1,944,008	$ (8,604)	$ 3,395,545

Six Months Ended October 2, 2021 **(In thousands, except per share amounts)**	Common Stock Outstanding Shares	Common Stock Outstanding Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
Balance as of April 3, 2021	245,808	$ 2,458	$ 1,383,494	$ 1,503,122	$ (2,113)	$ 2,886,961
Components of comprehensive income:						
Net income	—	—	—	440,886	—	440,886
Other comprehensive loss	—	—	—	—	(6,491)	(6,491)
Issuance of common shares under employee stock plans, net	2,015	20	(63,160)	—	—	(63,140)
Stock-based compensation expense	—	—	137,329	—	—	137,329
Balance as of October 2, 2021	247,823	$ 2,478	$ 1,457,663	$ 1,944,008	$ (8,604)	$ 3,395,545

XILINX, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

Three Months Ended September 26, 2020	Common Stock Outstanding		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
(In thousands, except per share amounts)	Shares	Amount				
Balance as of June 27, 2020	243,231	$ 2,432	$ 1,194,748	$ 1,136,710	$ (14,237)	$ 2,319,653
Components of comprehensive income:						
Net income	—	—	—	193,816	—	193,816
Other comprehensive income	—	—	—	—	5,949	5,949
Issuance of common shares under employee stock plans, net	1,828	18	(31,933)	—	—	(31,915)
Stock-based compensation expense	—	—	58,439	—	—	58,439
Cash dividends declared ($0.38 per common share)	—	—	—	(93,105)	—	(93,105)
Balance as of September 26, 2020	245,059	$ 2,450	$ 1,221,254	$ 1,237,421	$ (8,288)	$ 2,452,837

Six Months Ended September 26, 2020	Common Stock Outstanding		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
(In thousands, except per share amounts)	Shares	Amount				
Balance as of March 28, 2020	243,810	$ 2,438	$ 1,145,083	$ 1,187,805	$ (20,277)	$ 2,315,049
Components of comprehensive income:						
Net income	—	—	—	287,652	—	287,652
Other comprehensive income	—	—	—	—	11,989	11,989
Issuance of common shares under employee stock plans, net	1,934	19	(35,173)	—	—	(35,154)
Repurchase and retirement of common stock	(685)	(7)	2,522	(52,517)	—	(50,002)
Stock-based compensation expense	—	—	108,822	—	—	108,822
Cash dividends declared ($0.76 per common share)	—	—	—	(185,519)	—	(185,519)
Balance as of September 26, 2020	245,059	$ 2,450	$ 1,221,254	$ 1,237,421	$ (8,288)	$ 2,452,837

See notes to condensed consolidated financial statements.

XILINX, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Basis of Presentation

The accompanying interim condensed consolidated financial statements have been prepared in conformity with United States (U.S.) generally accepted accounting principles (GAAP) for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X, and should be read in conjunction with the Xilinx, Inc. (Xilinx or the Company) consolidated financial statements filed with the U.S. Securities and Exchange Commission (SEC) on Form 10-K for the fiscal year ended April 3, 2021. The interim financial statements are unaudited, but reflect all adjustments which are, in the opinion of management, of a normal, recurring nature necessary to provide a fair statement of results for the interim periods presented. The results of operations for the interim periods shown in this report are not necessarily indicative of the results that may be expected for the fiscal year ending April 2, 2022 or any future period.

The Company uses a 52- to 53-week fiscal year ending on the Saturday nearest March 31. Fiscal 2022 is a 52-week year ending on April 2, 2022 and fiscal 2021 was a 53-week year ended on April 3, 2021. The quarters ended on October 2, 2021 and September 26, 2020 each consisted of 13 weeks.

Merger with Advanced Micro Devices, Inc.

On October 27, 2020, the Company announced that it had entered into an Agreement and Plan of Merger, dated October 26, 2020 (as it may be amended from time to time, the Merger Agreement) with Advanced Micro Devices, Inc., a Delaware corporation (AMD), and Thrones Merger Sub, Inc., a wholly-owned subsidiary of AMD (Merger Sub), under which, subject to the satisfaction or (to the extent permissible) waiver of the conditions set forth therein, Merger Sub will merge with and into the Company, and the Company will survive the merger as a wholly-owned subsidiary of AMD (Merger). Under the terms of the Merger Agreement, at the effective time of the Merger (Effective Time), each share of common stock, par value $0.01 per share, of the Company, issued and outstanding immediately prior to the Effective Time (other than treasury shares and any shares of Company common stock held by AMD or Merger Sub) will be converted into the right to receive 1.7234 fully paid and non-assessable shares of common stock, par value $0.01 per share, of AMD (with cash being paid, without interest and less applicable withholding taxes, in lieu of any fractional shares of AMD common stock).

The Merger has been approved by the Company’s board of directors, the board of directors of AMD, the Company's stockholders and the stockholders of AMD. The completion of the Merger is subject to customary closing conditions, including, among others, the receipt of various regulatory approvals. Subject to the satisfaction or (to the extent permissible) waiver of such conditions, the Merger is currently expected to close by the end of calendar year 2021. The Company cannot guarantee that the Merger will be completed on a timely basis or at all or that, if completed, it will be completed on the terms set forth in the Merger Agreement.

The aggregate financial advisor fees associated with the Merger are $90.0 million in total, $9.0 million of which was paid upon the public announcement of the Merger, and the remainder is contingent upon the closing of the Merger. The Company is also obligated to pay up to an additional $40.0 million calculated based on the extent to which the value of the Company’s shares in the Merger at the time of closing exceeds a specified threshold. If the Merger is not completed, the Company could be required to pay a termination fee of $1.00 billion to AMD under certain circumstances as described in the Merger Agreement or AMD could be required to pay a termination fee to the Company equal to $1.50 billion, or $1.00 billion under certain circumstances, as described in the Merger Agreement.

Note 2. Recent Accounting Changes and Accounting Pronouncements
Recent Accounting Pronouncements Adopted

Income Taxes

In December 2019, the FASB issued ASU 2019-12, *Simplifying the Accounting for Income Taxes,* which simplifies the accounting for income taxes as part of the overall initiative to reduce complexity in accounting standards. Amendments include removal of certain exceptions to the general principles of Accounting Standards Codification 740, Income Taxes. The amendments also include simplification in several other areas, such as recognition of deferred tax assets on step-up in tax basis in goodwill and accounting for franchise tax that is partially based on income. For public entities, the guidance was effective for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years, which for Xilinx was the first quarter of fiscal 2022. The standard provides different transition methods for the various provisions. The Company adopted the new authoritative guidance in the first quarter of fiscal 2022 and the impact was not material to the Company's condensed consolidated financial statements.

Note 3. Significant Customers and Concentrations of Credit Risk

Avnet, Inc. (Avnet), one of the Company’s distributors, distributes the Company’s products worldwide. As of October 2, 2021 and April 3, 2021, Avnet accounted for 27% and 13% of the Company’s total net accounts receivable, respectively. Net revenues from Avnet accounted for 48% of the Company’s worldwide net revenues in both the second quarter and the first six months of fiscal 2022. Net revenues from Avnet accounted for 41% and 43% of the Company’s worldwide net revenues in the second quarter and the first six months of fiscal 2021, respectively. While the percentage of worldwide net revenues from Avnet fluctuates from period to period, overall the percentage is within historical ranges.

For the second quarter and the first six months of fiscal 2022, approximately 63% and 65% of the Company's net revenues were from products sold to distributors for subsequent resale to original equipment manufacturers (OEMs) or their subcontract manufacturers, respectively. For the second quarter and the first six months of fiscal 2021 the percentages of the Company's net revenues from distributors were 52% and 57%, respectively.

No other distributor or end customer accounted for more than 10% of the Company’s worldwide net revenues for the second quarter and the first six months of fiscal 2022 and 2021.

The Company is subject to concentrations of credit risk primarily in its trade accounts receivable and investments in debt securities to the extent of the amounts recorded on the condensed consolidated balance sheet. The Company attempts to mitigate the concentrations of credit risk in its trade receivables through its credit evaluation process, collection terms, distributor sales to diverse end customers and through geographical dispersion of sales. The Company generally does not require collateral for receivables from its end customers or distributors.

The Company mitigates concentrations of credit risk in its investments in debt securities by currently investing approximately 96% of its portfolio in AA (or its equivalent) or higher-grade securities as rated by Standard & Poor’s or Moody’s Investors Service. Additionally, Xilinx limits its investments in the debt securities of a single issuer based upon the issuer’s credit rating and attempts to further mitigate credit risk by diversifying risk across geographies and type of issuer. The Company’s methods to arrive at investment decisions are not solely based on the rating agencies’ credit ratings. Xilinx also performs additional credit due diligence and conducts regular portfolio credit reviews, including a review of counterparty credit risk related to the Company’s forward currency exchange contracts.

As of October 2, 2021, all of the mortgage-backed securities in the Company's investment portfolio were issued by U.S. government-sponsored enterprises and agencies and are rated AA+ by Standard & Poor’s and Aaa by Moody’s Investors Service.

Note 4. Fair Value Measurements

The authoritative guidance for fair value measurements established by the FASB defines fair value as the exchange price that would be received from selling an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which Xilinx would transact and also considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions and risk of nonperformance.

The Company determines the fair value for marketable debt securities using industry standard pricing services, data providers and other third-party sources and by internally performing valuation testing and analysis. The Company primarily uses a consensus price or weighted-average price for its fair value assessment. The Company determines the consensus price using market prices from a variety of industry standard pricing services, data providers, security master files from large financial institutions and other third-party sources and uses those multiple prices as inputs into a distribution-curve-based algorithm to determine the daily market value. The pricing services use multiple inputs to determine market prices, including reportable trades, benchmark yield curves, credit spreads and broker/dealer quotes as well as other industry and economic events. For certain securities with short maturities, such as discount commercial paper and certificates of deposit, the security is accreted from purchase price to face value at maturity. If a subsequent transaction on the same security is observed in the marketplace, the price on the subsequent transaction is used as the current daily market price and the security will be accreted to face value based on the revised price.

The Company validates the consensus prices by taking random samples from each asset type and corroborating those prices using reported trade activity, benchmark yield curves, binding broker/dealer quotes or other relevant price information. There have not been any changes to the Company’s fair value methodology during the second quarter of fiscal 2022 and the Company did not adjust or override any fair value measurements as of October 2, 2021.

Fair Value Hierarchy

The fair value framework requires the categorization of assets and liabilities into three levels based upon the assumptions (inputs) used to price the assets or liabilities. The guidance for fair value measurements requires that assets and liabilities carried at fair value be classified and disclosed in one of the following categories:

Level 1 — Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 — Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities 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 asset or liability.

Level 3 — Unobservable inputs to the valuation methodology that are supported by little or no market activity and that are significant to the measurement of the fair value of the assets or liabilities. Level 3 assets and liabilities include those whose fair value measurements are determined using pricing models, discounted cash flow methodologies or similar valuation techniques, as well as significant management judgment or estimation.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

In instances where the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Company’s assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability. The following tables present information about the Company’s assets and liabilities measured at fair value on a recurring basis as of October 2, 2021 and April 3, 2021:

(In thousands)	October 2, 2021 (Level 1)	(Level 2)	(Level 3)	Total Fair Value
Assets				
Cash equivalents:				
Money market funds	$ 375,559	$ —	$ —	$ 375,559
Financial institution securities	—	186,991		186,991
Non-financial institution securities	—	283,291	—	283,291
U.S. government and agency securities	409,976	24,999	—	434,975
Foreign government and agency securities	—	197,979	—	197,979
Short-term investments:				
Financial institution securities	—	348,895	—	348,895
Non-financial institution securities	—	216,951	—	216,951
U.S. government and agency securities	349,905	114,991	—	464,896
Foreign government and agency securities	—	496,881	—	496,881
Mortgage-backed securities	—	157,782	—	157,782
Asset-backed securities	—	159	—	159
Commercial mortgage-backed securities	—	52,592	—	52,592
Total assets measured at fair value	$ 1,135,440	$ 2,081,511	$ —	$ 3,216,951
Liabilities				
Derivative financial instruments, net	$ —	$ (190)	$ —	$ (190)
Total liabilities measured at fair value	$ —	$ (190)	$ —	$ (190)
Net assets measured at fair value	$ 1,135,440	$ 2,081,321	$ —	$ 3,216,761

(In thousands)	April 3, 2021 (Level 1)	(Level 2)	(Level 3)	Total Fair Value
Assets				
Cash equivalents:				
Money market funds	$ 583,390	$ —	$ —	$ 583,390
Financial institution securities	—	274,985	—	274,985
Non-financial institution securities	—	158,981	—	158,981
Foreign government and agency securities	—	247,979	—	247,979
Short-term investments:				
Financial institution securities	—	159,997	—	159,997
Non-financial institution securities	—	374,854	—	374,854
U.S. government and agency securities	378,686	189,481	—	568,167
Foreign government and agency securities	—	414,876	—	414,876
Mortgage-backed securities	—	109,603	—	109,603
Asset-backed securities	—	172	—	172
Commercial mortgage-backed securities	—	12,702	—	12,702
Derivative financial instruments, net	—	3,519	—	3,519
Total assets measured at fair value	$ 962,076	$ 1,947,149	$ —	$ 2,909,225

For certain of the Company’s financial instruments, including cash held in banks, accounts receivable and accounts payable, the carrying amounts approximate fair value due to their short maturities, and are therefore excluded from the fair value tables above.

Financial Instruments Not Recorded at Fair Value on a Recurring Basis

The Company's $750.0 million principal amount of 2.950% senior notes due June 1, 2024 (2024 Notes) and $750.0 million principal amount of 2.375% senior notes due June 1, 2030 (2030 Notes) are measured at fair value on a quarterly basis for disclosure purposes. The fair values of the 2024 Notes and 2030 Notes as of October 2, 2021 were approximately $791.1 million and $769.0 million, respectively, based on the last trading price for the period (classified as Level 2 in fair value hierarchy due to relatively low trading volume).

Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

As of October 2, 2021, the Company had non-marketable securities in private companies of $115.5 million, which were classified as Level 3 assets. The Company's investments in non-marketable equity securities of private companies are recorded at fair value if the Company recognizes an observable price adjustment or an impairment. Such impairment losses or observable price adjustments were not material during all periods presented. The Company's investments in non-financial assets such as property, plant and equipment, goodwill and acquisition-related intangibles, are recorded at cost (net of accumulated depreciation or amortization, where applicable). These non-financial assets are reduced to fair value when impaired.

Note 5. Financial Instruments

The following is a summary of cash equivalents and available-for-sale securities as of the end of the periods presented:

	October 2, 2021				April 3, 2021			
(In thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Money market funds	$ 375,559	$ —	$ —	$ 375,559	$ 583,390	$ —	$ —	$ 583,390
Financial institution securities	535,886	—	—	535,886	434,982	—	—	434,982
Non-financial institution securities	500,240	2	—	500,242	533,835	—	—	533,835
U.S. government and agency securities	899,884	6	(19)	899,871	568,122	45	—	568,167
Foreign government and agency securities	694,906	—	(46)	694,860	662,855	—	—	662,855
Mortgage-backed securities	157,087	1,431	(736)	157,782	108,460	1,488	(345)	109,603
Asset-backed securities	145	14	—	159	159	13	—	172
Commercial mortgage-backed securities	52,816	51	(275)	52,592	12,622	86	(6)	12,702
	$ 3,216,523	$ 1,504	$ (1,076)	$ 3,216,951	$ 2,904,425	$ 1,632	$ (351)	$ 2,905,706

Financial institution securities include securities issued or managed by financial institutions in various forms, such as commercial paper and time deposits. Substantially all time deposits were issued by institutions outside the U.S. as of October 2, 2021 and April 3, 2021.

The following tables show the fair values and gross unrealized losses of the Company's investments, aggregated by investment category, for individual securities that have been in a continuous unrealized loss position for the length of time specified, as of October 2, 2021 and April 3, 2021:

	October 2, 2021					
	Less Than 12 Months		12 Months or Greater		Total	
(In thousands)	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
U.S. government and agency securities	$ 604,915	$ (19)	$ —	$ —	$ 604,915	$ (19)
Foreign government and agency securities	99,939	(46)	—	—	99,939	(46)
Mortgage-backed securities	81,432	(706)	1,886	(30)	83,318	(736)
Commercial mortgage-backed securities	43,672	(271)	497	(4)	44,169	(275)
	$ 829,958	$ (1,042)	$ 2,383	$ (34)	$ 832,341	$ (1,076)

	April 3, 2021					
	Less Than 12 Months		12 Months or Greater		Total	
(In thousands)	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Mortgage-backed securities	$ 37,442	$ (216)	$ 9,835	$ (129)	$ 47,277	$ (345)
Commercial mortgage-backed securities	2,671	(5)	181	(1)	2,852	(6)
	$ 40,113	$ (221)	$ 10,016	$ (130)	$ 50,129	$ (351)

The Company reviewed the investment portfolio and determined that the gross unrealized losses on these investments as of October 2, 2021 and April 3, 2021 were temporary in nature as evidenced by the fluctuations in the gross unrealized losses within the investment categories. The marketable debt securities (financial and non-financial institution securities, U.S. and foreign government and agency securities, asset-backed securities, mortgage-backed securities and commercial mortgage-backed securities) are highly rated by the credit rating agencies, there have been no defaults on any of these securities and the Company has received interest payments as they become due. Therefore, the Company believes that it will be able to collect both principal and interest amount due to the Company. Additionally, in the past several years a portion of the Company's investment in the mortgage-backed securities was redeemed or prepaid by the debtors at par. Furthermore, the aggregate of individual unrealized losses that had been outstanding for twelve months or more was not significant as of October 2, 2021 and April 3, 2021. The Company neither intends to sell these investments nor concludes that it is more-likely-than-not that it will have to sell them until recovery of their carrying values.

The amortized cost and estimated fair value of marketable debt securities, by contractual maturity, are shown in the table below. Actual maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations without call or prepayment penalties.

(In thousands)	October 2, 2021 Amortized Cost	October 2, 2021 Estimated Fair Value
Due in one year or less	$ 2,631,493	$ 2,631,441
Due after one year through five years	12,880	12,901
Due after five years through ten years	14,549	14,993
Due after ten years	182,042	182,057
	$ 2,840,964	$ 2,841,392

As of October 2, 2021, $210.0 million of marketable debt securities with contractual maturities of greater than one year were classified as short-term investments. Additionally, the above table does not include investments in money market funds because these investments do not have specific contractual maturities.

Certain information related to available-for-sale securities is as follows:

	Three Months Ended		Six Months Ended	
(In thousands)	October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
Proceeds from sale of available-for-sale securities	$ 872	$ 18,798	$ 5,854	$ 56,455
Gross realized gains on sale of available-for-sale securities	$ 1	$ 53	$ 38	$ 413
Gross realized losses on sale of available-for-sale securities	—	(224)	(64)	(224)
Net realized gains (losses) on sale of available-for-sale securities	$ 1	$ (171)	$ (26)	$ 189
Amortization of premiums (discounts) on available-for-sale securities	$ 501	$ (25)	$ 892	$ (117)

The cost of securities matured or sold is based on the specific identification method.

Note 6. Derivative Financial Instruments

The Company’s primary objective for holding derivative financial instruments is to manage foreign currency exchange rate risk and interest rate risk. As a result of the use of derivative financial instruments, the Company is exposed to the risk that counterparties to derivative contracts may fail to meet their contractual obligations. The Company manages counterparty credit risk in derivative contracts by reviewing counterparty creditworthiness on a regular basis, establishing collateral requirement and limiting exposure to any single counterparty. The right of set-off that exists with certain transactions enables the Company to net amounts due to and from the counterparty, reducing the maximum loss from credit risk in the event of counterparty default.

In March and May 2020, the Company entered into interest rate swap contracts with an independent financial institution in an effort to reduce the risk of changes in the underlying benchmark interest rate. During the first quarter of fiscal 2021, the Company unwound the interest rate swap contracts and recognized an immaterial loss. The loss is being amortized as an additional increase to interest expense over the remaining life of the 2030 Notes. There was no ineffectiveness during all periods presented.

Note 7. Stock-Based Compensation Plans

The Company’s equity incentive plans are broad-based, long-term retention programs that cover employees, consultants and non-employee directors of the Company. These plans are intended to attract and retain talented employees, consultants and non-employee directors and to provide such persons with a proprietary interest in the Company.

Stock-Based Compensation

The following table summarizes stock-based compensation expense related to stock awards granted under the Company's equity incentive plans and rights to acquire stock granted under the Company's Employee Stock Purchase Plan (ESPP):

	Three Months Ended		Six Months Ended	
(In thousands)	October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
Stock-based compensation included in:				
Cost of revenues	$ 3,797	$ 2,963	$ 7,407	$ 5,684
Research and development	42,273	36,110	83,735	66,479
Selling, general and administrative	23,650	19,366	46,187	36,659
	$ 69,720	$ 58,439	$ 137,329	$ 108,822

Employee Stock Option Plans

The types of awards allowed under the 2007 Equity Incentive Plan (2007 Equity Plan) include incentive stock options, non-qualified stock options, restricted stock units (RSUs), restricted stock and stock appreciation rights. As of October 2, 2021, 9.5 million shares remained available for grant under the 2007 Equity Plan.

RSU Awards

A summary of the Company's RSU activity and related information is as follows:

	RSUs Outstanding	
(Shares in thousands)	Number of Shares	Weighted-Average Grant-Date Fair Value Per Share
March 28, 2020	6,780	$ 80.53
Granted	3,885	$ 106.36
Vested	(2,558)	$ 71.07
Cancelled	(680)	$ 85.26
April 3, 2021	7,427	$ 96.45
Granted	2,507	$ 136.18
Vested	(2,355)	$ 83.29
Cancelled	(209)	$ 106.66
October 2, 2021	7,370	$ 113.54

The estimated fair values of RSUs were calculated based on the market price of Xilinx common stock on the date of grant, reduced by the present value of dividends expected to be paid on Xilinx common stock prior to vesting. The per share weighted-average fair value of RSUs granted during the second quarter of fiscal 2022 was $135.77, ($95.59 for the second quarter of fiscal 2021), which were calculated based on estimates at the date of grant using the following weighted-average assumptions:

	Three Months Ended		Six Months Ended	
	October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
Risk-free interest rate	0.6 %	0.3 %	0.6 %	0.3 %
Dividend yield	— %	1.5 %	— %	1.5 %

For the majority of RSUs granted, the number of shares of common stock issued on the date the RSU awards vest is net of the minimum statutory withholding requirements that the Company pays in cash to the appropriate taxing authorities on behalf of the Company's employees. During the first six months of fiscal 2022 and 2021, the Company withheld $83.0 million and $53.4 million worth of RSU awards, respectively, to satisfy the employees’ tax obligations.

During the second quarter and the first six months of fiscal 2022, the Company realized excess tax benefits of $10.5 million and $30.1 million, respectively, primarily from RSU vesting. During the second quarter and the first six months of fiscal 2021, the excess tax benefits were $12.4 million and $12.7 million, respectively, primarily from RSU vesting. These tax benefits were recorded in the condensed consolidated statements of income as a component of the provision (benefit) for income taxes.

Employee Stock Purchase Plan

Under the Company’s ESPP, shares are only issued during the second and fourth quarters of each fiscal year. Employees purchased 259 thousand shares for $19.8 million during the second quarter of fiscal 2022 and 283 thousand shares for $19.8 million during the second quarter of fiscal 2021. The per-share weighted-average fair value of stock purchase rights granted under the ESPP during the second quarter of fiscal 2022 and 2021 was $47.42 and $31.40, respectively. The fair values of stock purchase plan rights granted in the second quarter of fiscal 2022 and 2021 were estimated using the Black-Scholes option pricing model at the date of grant using the following assumptions:

	2022	2021
Expected life of options (years)	1.25	1.25
Expected stock price volatility	0.40	0.38
Risk-free interest rate	0.1 %	0.1 %
Dividend yield	— %	1.4 %

The next scheduled purchase under the ESPP is in the fourth quarter of fiscal 2022. As of October 2, 2021, 11.6 million shares were available for future issuance under the Company's ESPP.

Note 8. Net Income Per Common Share

The computation of basic net income per common share for all periods presented is derived from information on the condensed consolidated statements of income, and there are no reconciling items in the numerator used to compute the diluted net income per common share. The following table summarizes the computation of basic and diluted net income per common share:

	Three Months Ended		Six Months Ended	
(In thousands, except per share amounts)	October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
Net income available to common stockholders	$ 234,545	$ 193,816	$ 440,886	$ 287,652
Weighted average common shares outstanding-basic	247,765	244,837	246,344	243,602
Dilutive effect of employee equity incentive plans	2,692	1,926	3,134	2,245
Weighted average common shares outstanding-diluted	250,457	246,763	249,478	245,847
Basic net income per common share	$ 0.95	$ 0.79	$ 1.79	$ 1.18
Diluted net income per common share	$ 0.94	$ 0.79	$ 1.77	$ 1.17

The total shares used in the denominator of the diluted net income per common share calculation include potentially dilutive common equivalent shares outstanding that are not included in basic net income per common share calculation. The diluted shares were calculated by applying the treasury stock method to the impact of the equity incentive plans.

Certain shares of outstanding stock options and RSUs were excluded from diluted net income per common share calculation by applying the treasury stock method, as their inclusion would have been anti-dilutive. These excluded options and RSUs were immaterial for the second quarter and the first six months of fiscal 2022 and 2021, respectively, but could be dilutive in the future if the Company's average share price increases and is greater than the combined exercise prices and the unamortized fair values of these options and RSUs.

Note 9. Inventories

Inventories are stated at the lower of actual cost (determined using the first-in, first-out method), or market (estimated net realizable value) and are comprised of the following:

(In thousands)	October 2, 2021	April 3, 2021
Raw materials	$ 32,936	$ 25,927
Work-in-process	192,699	220,228
Finished goods	59,933	64,930
	$ 285,568	$ 311,085

Note 10. Debt

2024 Notes

On May 30, 2017, the Company issued the 2024 Notes at a discounted price of 99.887% of par. Interest on the 2024 Notes is payable semi-annually on June 1 and December 1. The effective interest rate of the 2024 Notes is 2.968%. The coupon interest rate of the 2024 Notes is 2.950%.

The Company received $745.2 million from the issuance of the 2024 Notes, after the debt discount and deduction of debt issuance costs. The debt discounts and issuance costs are amortized to interest expense over the term of the 2024 Notes. As of October 2, 2021, the remaining term of the 2024 Notes is approximately 2.7 years.

The following table summarizes the carrying value of the 2024 Notes as of October 2, 2021 and April 3, 2021:

(In thousands)	October 2, 2021	April 3, 2021
Principal amount of the 2024 Notes	$ 750,000	$ 750,000
Unamortized discount of the 2024 Notes	(344)	(405)
Unamortized debt issuance costs associated with 2024 Notes	(1,513)	(1,797)
Carrying Value of the 2024 Notes	$ 748,143	$ 747,798

Interest expense related to the 2024 Notes was included in interest and other income (expense), net on the condensed consolidated statements of income as follows:

	Three Months Ended		Six Months Ended	
(In thousands)	October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
Contractual coupon interest	$ 5,444	$ 5,444	$ 10,887	$ 10,887
Amortization of debt issuance costs	142	142	284	284
Amortization of debt discount, net	31	30	61	59
Total interest expense related to the 2024 Notes	$ 5,617	$ 5,616	$ 11,232	$ 11,230

2030 Notes

On May 19, 2020, the Company issued the 2030 Notes at a discounted price of 99.973% of par. Interest on the 2030 Notes is payable semi-annually on June 1 and December 1. The effective interest rate of the 2030 Notes is 2.378%. The coupon interest rate of the 2030 Notes is 2.375%.

The Company received $744.4 million from the issuance of the 2030 Notes, after the debt discount and deduction of debt issuance costs. The debt discounts and issuance costs are amortized to interest expense over the term of the 2030 Notes. As of October 2, 2021, the remaining term of the 2030 Notes is approximately 8.7 years.

The following table summarizes the carrying value of the 2030 Notes as of October 2, 2021 and April 3, 2021:

(In thousands)	October 2, 2021	April 3, 2021
Principal amount of the 2030 Notes	$ 750,000	$ 750,000
Unamortized discount of the 2030 Notes	(178)	(187)
Unamortized debt issuance costs associated with 2030 Notes	(4,654)	(4,923)
Carrying Value of the 2030 Notes	$ 745,168	$ 744,890

Interest expense related to the 2030 Notes was included in interest and other income (expense), net on the condensed consolidated statements of income as follows:

	Three Months Ended		Six Months Ended	
(In thousands)	October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
Contractual coupon interest	$ 4,521	$ 4,521	$ 9,043	$ 6,565
Amortization of debt issuance costs	134	134	269	179
Amortization of debt discount, net	5	4	9	7
Total interest expense related to the 2030 Notes	$ 4,660	$ 4,659	$ 9,321	$ 6,751

Note 11. Common Stock Repurchase Program

The Board of Directors (Board) has approved stock repurchase programs enabling the Company to repurchase its common stock and debentures in the open market or through negotiated transactions with independent financial institutions. On October 22, 2019, the Board authorized another program (2019 Repurchase Program) to repurchase the Company's common stock and debentures up to $1.00 billion. The 2019 Repurchase Program has no stated expiration date.

Through October 2, 2021, the Company has used $716.3 million of the $1.00 billion authorized under the 2019 Repurchase Program, leaving $283.7 million available for future repurchases. Pursuant to the terms of the Merger Agreement, the Company suspended its repurchase program on October 27, 2020, the date the Company announced its planned merger with AMD. The Company’s current policy is to retire all repurchased shares, and consequently, no treasury shares were held as of October 2, 2021 and April 3, 2021.

There was no common stock repurchase during the first six months of fiscal 2022. During the first six months of fiscal 2021, the Company repurchased 0.7 million shares of common stock in the open market for a total of $53.7 million.

Note 12. Interest and Other Expense, Net

The components of interest and other expense, net are as follows:

	Three Months Ended		Six Months Ended	
(In thousands)	October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
Interest income	$ 1,142	$ 1,969	$ 2,859	$ 6,923
Interest expense	(10,277)	(14,226)	(20,553)	(25,883)
Other income (expense), net	(69)	1,486	9,490	(3,964)
Total interest and other expense, net	$ (9,204)	$ (10,771)	$ (8,204)	$ (22,924)

Note 13. Accumulated Other Comprehensive Loss

Comprehensive income (loss) is defined as the change in equity of a company during a period from transactions and other events and circumstances from non-owner sources. The components of the Company's accumulated other comprehensive loss are as follows:

(In thousands)	October 2, 2021	April 3, 2021
Accumulated unrealized gains on available-for-sale securities, net of tax	$ 334	$ 983
Accumulated unrealized losses on hedging transactions, net of tax	(1,987)	904
Accumulated cumulative translation adjustment, net of tax	(6,951)	(4,000)
Total accumulated other comprehensive loss	$ (8,604)	$ (2,113)

The related tax effects of other comprehensive income (loss) were not material for all periods presented.

Note 14. Income Taxes

The Company recorded a tax provision of $6.1 million and $11.1 million for the second quarter and the first six months of fiscal 2022, respectively, representing effective tax rates of 2.5% for both periods. The Company recorded a tax benefit of $0.8 million and a tax provision of $70.4 million for the second quarter and the first six months of fiscal 2021, respectively, representing effective tax rates of 0.4% and 19.7%, respectively.

The difference between the U.S. federal statutory tax rate of 21% and the Company's effective tax rate in the second quarter and first six months of fiscal 2022 was primarily due to the beneficial impact of income earned in lower tax rate jurisdictions and excess tax benefits with respect to stock-based compensation, which was partially offset by the U.S. tax on global intangible low-taxed income (GILTI).

The difference between the U.S. federal statutory tax rate of 21% and the Company's effective tax rate in the second quarter and first six months of fiscal 2021 was primarily due to the beneficial impact of income earned in lower tax rate jurisdictions and excess tax benefits with respect to stock-based compensation, which was partially offset by tax on GILTI. The first six months of fiscal 2021 also included the recognition of the cumulative adverse impact of including stock-based compensation in the intercompany research and development (R&D) cost sharing arrangement.

During fiscal 2021, the U.S. Supreme Court (Supreme Court) denied certiorari of the Ninth Circuit Court of Appeals (Ninth Circuit) decision in the case of Altera Corp. v. Commissioner (Altera), which concerned related party R&D cost sharing arrangements and required stock-based compensation to be included in the pool of costs to be shared. While the Company is not a party to the case, it is subject to the findings. Pursuant to the Supreme Court’s decision not to review the case, the Company recorded expense during fiscal 2021 for taxes and interest representing the cumulative adverse impact. Despite the decision in the Altera tax case, the Company has concluded that the related law remains unsettled and will continue to monitor developments and the potential effect on its condensed consolidated financial statements and tax filings.

The Company’s total gross unrecognized tax benefits as of October 2, 2021, determined in accordance with authoritative guidance for measuring uncertain tax positions, increased by $6.1 million in the second quarter of fiscal 2022 to $159.3 million. The total amount of unrecognized tax benefits that, if realized in a future period, would favorably affect the effective tax rate was $120.3 million as of October 2, 2021.

The Company’s policy is to include interest and penalties related to income tax liabilities within the provision for income taxes on the condensed consolidated statements of income. The balance of accrued interest and penalties recorded in the condensed consolidated balance sheets was $5.1 million as of October 2, 2021 compared to $4.1 million in the same prior year period. The amounts of interest and penalties included in the Company's provision for income taxes were not material for all periods presented.

The statutes of limitations have closed for U.S. federal income tax purposes for years through fiscal 2017 and for significant U.S. state income tax purposes for years through fiscal 2014. The statutes of limitations have closed for Ireland and India income tax purposes for years through fiscal 2016 and for Singapore income tax purposes for years through fiscal 2015.

Note 15. Leases and Commitments

The Company leases some of its facilities and office buildings under non-cancelable operating leases that expire at various dates through August 2029. Additionally, the Company entered into a land lease in conjunction with its building in Singapore, which will expire in November 2035 and the lease cost was settled in an up-front payment in June 2006. Some of the operating leases for facilities and office buildings require payment of operating costs, including property taxes, repairs, maintenance and insurance. Most of the Company’s leases contain renewal options for varying terms. These renewal terms can extend the lease term from 1 to 15 years and are included in the lease term when it is reasonably certain that the Company will exercise the option. The following table presents the maturities of lease liabilities as of October 2, 2021:

Fiscal	(In thousands)
2022 (remaining six months)	$ 6,570
2023	9,773
2024	7,799
2025	7,012
2026	6,934
Thereafter	22,992
Total lease payments	$ 61,080
Less: Imputed interest	(11,305)
Total lease liabilities	$ 49,775

The Company's leases were included as a component of the following condensed consolidated balance sheet lines:

(In thousands)	October 2, 2021	April 3, 2021
Other assets	$ 46,535	$ 48,322
Other accrued liabilities	9,158	10,461
Other long-term liabilities	40,617	40,858

The components of lease costs were as follows:

	Three Months Ended		Six Months Ended	
(In thousands)	October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
Operating lease cost	$ 3,747	$ 3,558	$ 7,545	$ 7,258
Lease income	(569)	(1,050)	(1,148)	(1,972)
Total lease cost	$ 3,178	$ 2,508	$ 6,397	$ 5,286

Other information related to leases were as follows:

	Six Months Ended	
(In thousands)	October 2, 2021	September 26, 2020
Cash paid for operating leases included in operating cash flows	$ 6,882	$ 6,808

	October 2, 2021	September 26, 2020
Weighted-average remaining lease term - operating leases (in years)	6.6	7.1
Weighted-average remaining discount rate - operating leases	5.5 %	5.7 %

Other commitments as of October 2, 2021 totaled $230.7 million and consisted of purchases of inventory and other non-cancelable purchase obligations related to subcontractors that manufacture silicon wafers and provide assembly and some test services. The Company expects to receive and pay for these materials and services in the next three to six months, as the products meet delivery and quality specifications. Additionally, as of October 2, 2021, the Company had $33.3 million commitments primarily related to open purchase orders from ordinary operations. These commitments expire at various dates through December 2023.

Note 16. Product Warranty and Indemnification

The Company generally sells products with a limited warranty for product quality. The Company provides an accrual for known product issues if a loss is probable and can be reasonably estimated. As of the end of the second quarter of fiscal 2022 and the end of fiscal 2021, the accrual balances of the product warranty liability were immaterial.

The Company offers, subject to certain terms and conditions, to indemnify customers and distributors for costs and damages awarded against these parties in the event the Company’s hardware products are found to infringe third-party intellectual property rights, including patents, copyrights or trademarks, and to compensate certain customers for limited specified costs they actually incur in the event the Company's hardware products experience epidemic failure. To a lesser extent, the Company may from time-to-time offer limited indemnification with respect to its software products. The terms and conditions of these indemnity obligations are limited by contract, which obligations are typically perpetual from the effective date of the agreement. The Company has historically received only a limited number of requests for indemnification under these provisions and has not made any significant payments pursuant to these provisions. The Company cannot estimate the maximum amount of potential future payments, if any, that the Company may be required to make as a result of these obligations due to the limited history of indemnification claims and the unique facts and circumstances that are likely to be involved in each particular claim and indemnification provision. However, there can be no assurances that the Company will not incur any financial liabilities in the future as a result of these obligations.

Note 17. Contingencies

Patent Litigation

On October 18, 2019, a patent infringement lawsuit was filed by Arbor Global Strategies LLC (Arbor) against the Company in the U.S. District Court in Delaware (Arbor Global Strategies LLC, v. Xilinx, Inc., Case No. 1:19-cv-01986). The lawsuit pertains to four patents and Arbor seeks unspecified damages, interest, attorneys’ fees, and costs. The Company filed a motion to dismiss the case on December 19, 2019 that was denied on August 12, 2020. On September 4, 2020, the Company filed four inter parties review (IPR) petitions directed at each of the four Arbor patents. On March 5, 2021, the Patent Trial and Appeal Board (PTAB) entered decisions granting institution of all four IPR petitions. Subsequently, the parties filed an agreed stay motion on March 10, 2021 for the district court litigation. On March 11, 2021, the Court issued an order staying the case until the issuance of the PTAB’s Final Written Decision on the last-instituted of the parties’ pending IPRs, which is expected no later than March 2022. The Company is unable to estimate its range of possible loss, if any, in this matter at this time.

On December 5, 2019, Analog Devices, Inc. (ADI) filed a patent infringement lawsuit against the Company in the United States District Court for the District of Delaware (Analog Devices, Inc. v. Xilinx, Inc., Case No. 1-19-cv-02225). The lawsuit pertains to eight patents and ADI seeks unspecified damages, interest, attorneys’ fees, costs, and a permanent injunction. The Company filed its answer and counterclaims alleging infringement by ADI of eight patents on January 21, 2020. The Company filed amended counterclaims on April 3, 2020. The Company filed a motion to strike ADI’s affirmative defense of inequitable conduct on May 8, 2020, which the Court granted on February 9, 2021. The parties exchanged infringement contentions on August 17, 2020, and invalidity contentions on September 15, 2020. Between July 17 and December 4, 2020, the Company filed nine IPR petitions challenging the patentability of seven ADI asserted patents. The PTAB entered decisions granting institution of IPR on six ADI asserted patents, U.S. Patent No. 10,250,250, U.S. Patent No. 8,487,659, U.S. Patent No. 7,012,463, U.S. Patent No. 7,286,075, U.S. Patent No. 6,900,750 and U.S. Patent No. 7,719,452. The PTAB entered a decision denying institution of IPR on one ADI asserted patent, U.S. Patent No. 7,274,321. Between August 31 and September 15, 2020, ADI filed eight IPR petitions challenging eight Xilinx asserted patents. The PTAB entered decisions granting institution of IPR on eight Xilinx asserted patents, U.S. Patent No. 8,548,071, U.S. Patent No. 7,224,184, U.S. Patent No. 7,088,767, U.S. Patent

No. 7,187,709, U.S. Patent No. 7,015,838, U.S. Patent No. 7,280,590, U.S. Patent No. 7,116,251 and U.S. Patent No. 6,975,132. On February 22, 2021, the Court issued an order staying the case until the issuance of the PTAB's Final Written Decision on the last-instituted of the parties' pending IPRs, which is expected no later than May 2022. At that time, if either party believes a stay should continue, that party may file a motion with the Court within 10 days after the issuance of the last decision, and the other party may oppose. The Company is unable to estimate its range of possible loss, if any, in this matter at this time.

On April 30, 2020, a patent infringement lawsuit was filed by FG SRC LLC (SRC) against the Company in the U.S. District Court in Delaware (FG SRC LLC, v. Xilinx, Inc., Case No. 1:20-cv-00601). The lawsuit pertains to two patents and SRC seeks unspecified damages, interest, and an on-going royalty. The Company filed its answer to the complaint on June 29, 2020. On July 20, 2020, SRC filed an amended complaint. On August 3, 2020, the Company filed a motion to dismiss the amended complaint. On August 6, 2020, the Company filed a motion to stay this case in Delaware bankruptcy court in view of the pending bankruptcy of the prior owner of the patents. This motion to stay was denied on September 23, 2020. The motion to dismiss was denied on February 10, 2021. On March 22, 2021, SRC filed an amended complaint removing one of the two previously asserted patents. Discovery in the case is now open. SRC's infringement contentions were received on June 3, 2021, and invalidity contentions were served on July 22, 2021. A trial has been set for March 20, 2023. The Company is unable to estimate its range of possible loss, if any, in this matter at this time.

On September 16, 2020, five patent infringement lawsuits (Case Nos. 1:20-cv-01228, 1:20-cv-01229, 1:20-cv-01231, 1:20-cv-01232 1:20-cv-01233) were filed by WSOU Investments, LLC - d/b/a Brazos Licensing and Development (WSOU Investments) in the U.S. District Court in Delaware. Each lawsuit pertains to a single patent and WSOU Investments seeks unspecified damages, interest, attorneys' fees, and costs. On November 9, 2020, the Company filed a motion to dismiss WSOU Investments' indirect infringement claims in each of the cases. In response, WSOU Investments filed amended complaints, limiting its request for pre-suite damages to the direct infringement claims. The Company filed motions to dismiss the indirect infringement claims in the amended complaints on December 7, 2020. The Court entered a scheduling order on September 13, 2021, setting a trial date for June 2023. On June 8, 2021, the Court entered an order in each of the cases, dismissing the indirect infringement claims. The Company is unable to estimate its range of possible loss, if any, in this matter at this time.

The Company intends to continue to protect and defend its intellectual property (IP) vigorously.

On August 9, 2021, a former employee filed a lawsuit against the Company (Case No. 21-cv-385612) in the Superior Court of California in the County of Santa Clara. The lawsuit alleges fourteen causes of action, which include claims for violations of employment law under the theory of retaliation, for trade secret misappropriation under the federal Defend Trade Secrets Act, and various causes of action for common law and statutory forms of fraud. The plaintiff is seeking $365.0 million in damages. The Company demurred to the complaint on September 20, 2021. The Court has not set a date for hearing the demurrer. Discovery in the case is now open. The Company is unable to estimate its range of possible loss, if any, in this matter at this time. The Company's management intends to contest the case vigorously.

From time to time, the Company is involved in various disputes and litigation matters that arise in the ordinary course of its business. These include disputes and lawsuits related to intellectual property, mergers and acquisitions, licensing, contract law, tax, regulatory, distribution arrangements, employee relations and other matters. Periodically, the Company reviews the status of each matter and assesses its potential financial exposure. If the potential loss from any claim or legal proceeding is considered probable and a range of possible losses can be estimated, the Company accrues a liability for the estimated loss. Legal proceedings are subject to uncertainties, and the outcomes are difficult to predict. Because of such uncertainties, accruals are based only on the best information available at the time. As additional information becomes available, the Company continues to reassess the potential liability related to pending claims and litigation and may revise estimates.

Note 18. Goodwill and Acquisition-Related Intangibles

A summary of the goodwill and acquisitions-related intangibles balances as of October 2, 2021 and April 3, 2021 was as follows:

(In thousands)	October 2, 2021	April 3, 2021	Weighted-Average Amortization Life
Goodwill	$ 633,200	$ 620,697	
Core technology, gross	$ 279,763	$ 249,847	
Less accumulated amortization	(152,223)	(133,007)	
Core technology, net	127,540	116,840	3.6 years
Other intangibles, gross	95,759	95,759	
Less accumulated amortization	(73,092)	(67,999)	
Other intangibles, net	22,667	27,760	3.0 years
In-process research and development	17,088	26,992	
Total acquisition-related intangibles, gross	392,610	372,598	
Less accumulated amortization	(225,315)	(201,006)	
Total acquisition-related intangibles, net	$ 167,295	$ 171,592	

During the first quarter of fiscal 2022, the Company completed an immaterial business combination, which resulted in increases to goodwill and core technology intangibles.

Based on the carrying value of acquisition-related intangibles recorded as of October 2, 2021, and assuming no subsequent acquisition or impairment of the underlying assets, the annual amortization expense for acquisition-related intangibles is expected to be as follows:

Fiscal	(In thousands)
2022 (remaining six months)	$ 24,014
2023	47,819
2024	43,569
2025	20,729
2026	12,912
Thereafter	1,164
Total	$ 150,207

In-process research and development is not subject to amortization prior to the completion of the projects and therefore the balance is excluded from the above annual amortization expense schedule.

Note 19. Segment Information

The Company designs, develops and markets programmable logic semiconductor devices and the related software design tools. The Company operates and tracks its results in one operating segment. The Company sells its products to OEMs and to electronic components distributors who resell these products to OEMs or subcontract manufacturers. Net revenues by geography for the periods indicated were as follows:

(In thousands)	Three Months Ended October 2, 2021	Three Months Ended September 26, 2020	Six Months Ended October 2, 2021	Six Months Ended September 26, 2020
North America	$ 240,029	$ 223,781	$ 440,023	$ 410,075
Asia Pacific	448,863	365,898	909,275	758,930
Europe	155,633	136,109	289,424	228,860
Japan	91,245	40,747	175,654	95,343
Total net revenues	$ 935,770	$ 766,535	$ 1,814,376	$ 1,493,208

Geographic revenue information for the second quarter and the first six months of fiscal 2022 and 2021 reflects the geographic ship-to location of the distributors or OEMs who purchased the Company's products. This may differ from the geographic location of the end customers.

The Company's end market revenue data is derived from the understanding of end customers' primary markets, which is based on reports provided by distributors and the Company's internal records. The Company classifies end markets into businesses with similar market drivers: Aerospace & Defense, Industrial and Test, Measurement & Emulation (AIT); Automotive, Broadcast & Consumer; Wired & Wireless; and Data Center. Additionally, revenue recognized from shipments to distributors but not yet subsequently sold to the end markets is classified as Channel Revenue. The Channel Revenue represents the difference between the shipments to distributors and what the distributors subsequently sold to the end customers within the same period.

(% of total net revenues)	Three Months Ended October 2, 2021	Three Months Ended September 26, 2020	Six Months Ended October 2, 2021	Six Months Ended September 26, 2020
AIT	40 %	44 %	39 %	44 %
Automotive, Broadcast and Consumer	22	16	21	14
Wired and Wireless	31	26	30	29
Data Center	9	14	9	13
Channel Revenue	(2)	—	1	—
Total net revenues	100 %	100 %	100 %	100 %

Note 20. Subsequent Events

On October 27, 2021 the Company's Board of Directors voted unanimously to declare a cash dividend of $0.37 per outstanding share of common stock payable on November 15, 2021 to all stockholders of record at the close of business on November 8, 2021. The dividend is conditioned upon and will only be payable if the Merger has not closed on or before the record date for such dividend.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Impact of COVID-19

The social and economic impact of the COVID-19 outbreak has continued since it was declared a pandemic by the World Health Organization in March 2020. While COVID-19 did not have a significant impact on our financial results in the second quarter and the first six months of fiscal 2022, it is difficult to accurately predict the ultimate impact that COVID-19 will have on our future results from operations, financial condition, liquidity and cash flows due to numerous uncertainties, including the availability, distribution and adoption of the vaccine, the applicability of government regulations related to the pandemic and the vaccine, the duration and severity of the pandemic and related containment measures. Our compliance with these measures has impacted, and could continue to impact, our business and operations, as well as those of our key customers, suppliers (including contract manufacturers) and other counterparties, for an indefinite period of time. During this unprecedented time, our priority has been to support our employees, customers, partners and communities, while positioning Xilinx for the future. For example, almost all of our employees have been working remotely since March 16, 2020. In addition, employees of many of our customers are also working remotely, which may delay the timing of some orders and deliveries expected in fiscal 2022.

As we continue to experience uncertainties and disruptions in connection with COVID-19, it remains uncertain when we would eventually resume normal operations in a post-pandemic environment. Uncertainties and disruptions caused by the COVID-19 pandemic continue to affect the overall demand from customers and the availability of supply chain, logistical services and component supply, which may adversely impact our business and financial results. For example, recent sharp increases in demand for semiconductor products, combined with the pandemic’s impacts, have resulted in a global shortage of manufacturing capacities, increased lead times, inability to meet demand, and increased costs in the semiconductor industry. As a result, we may experience increases in the costs to manufacture our products and may not be able to manufacture and deliver all orders placed by our customers on time. We will continue to closely monitor the pandemic's associated effects, such as our ability to collect receivables from those customers significantly impacted by COVID-19 related closures and disruptions, as well as changes in orders in a given period likely to affect our revenues in future periods, particularly if experienced on a sustained basis.

We currently expect that current cash and cash equivalent balances and cash flows that are generated from operations will be sufficient to meet our domestic and international working capital needs and other capital and liquidity requirements in the foreseeable future.

Critical Accounting Policies and Estimates

The methods, estimates and judgments we use in applying our most critical accounting policies have a significant impact on the results we report in our condensed consolidated financial statements. The SEC has defined critical accounting policies as those that are most important to the portrayal of our financial condition and results of operations and require us to make our most difficult and subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. Based on this definition, our critical accounting policies include: valuation of marketable securities, which impacts losses on debt and equity securities when we record impairments; revenue recognition, which impacts the recording of revenues; and valuation of inventories, which impacts cost of revenues and gross margin. Our critical accounting policies also include: the assessment of impairment of long-lived assets, which impacts their valuation; the assessment of the recoverability of goodwill, which impacts goodwill impairment; accounting for income taxes, which impacts the provision or benefit recognized for income taxes, as well as the valuation of deferred tax assets recorded on our condensed consolidated balance sheet; and accounting for business combinations, which impacts the valuation of tangible and intangible assets recognized and liabilities assumed. For additional discussion, please refer to the information under the caption "Critical Accounting Policies and Estimates" in "Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations" included in our Form 10-K for the year ended April 3, 2021 filed with the SEC, and to "Note 2. Recent Accounting Changes and Accounting Pronouncements" to our condensed consolidated financial statements, included in Part I. "Financial Information." We also have other key accounting policies that are not as subjective, and therefore, their application would not require us to make estimates or judgments that are as difficult, but which nevertheless could significantly affect our financial reporting.

Due to the ongoing COVID-19 pandemic, there has been uncertainty and disruption in the global economy and financial markets. While we are not currently aware of any specific event or circumstance that would require an update to our estimates or judgments or a revision of the carrying value of our assets or liabilities as of October 2, 2021, these estimates may change as new events occur and additional information is obtained. Actual results could differ materially from these estimates under different assumptions or conditions.

Results of Operations: second quarter and first six months of fiscal 2022 compared to the second quarter and first six months of fiscal 2021

The following table sets forth statement of income data as a percentage of net revenues for the periods indicated:

	Three Months Ended		Six Months Ended	
	October 2, 2021	September 26, 2020	October 2, 2021	September 26, 2020
Net revenues	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**
Cost of revenues:				
Cost of products sold	31.3	28.4	31.7	29.7
Amortization of acquisition-related intangibles	1.1	0.9	1.1	0.9
Total cost of revenues	32.4	29.3	32.8	30.6
Gross margin	**67.6**	**70.7**	**67.2**	**69.4**
Operating expenses:				
Research and development	27.2	28.7	27.7	28.8
Selling, general and administrative	13.5	14.8	13.8	14.7
Amortization of acquisition-related intangibles	0.2	0.4	0.3	0.4
Total operating expenses	40.9	43.9	41.8	43.9
Operating income	**26.7**	**26.8**	**25.4**	**25.5**
Interest and other expense, net	(1.0)	(1.4)	(0.5)	(1.5)
Income before income taxes	**25.7**	**25.4**	**24.9**	**24.0**
Provision for income taxes	0.6	0.1	0.6	4.7
Net income	**25.1 %**	**25.3 %**	**24.3 %**	**19.3 %**

Net Revenues

We sell our products to global manufacturers of electronic products in various end markets. The vast majority of our net revenues is generated by sales of our semiconductor products, but we also generate sales from support products. We classify our product offerings into two categories: Advanced Products and Core Products:

- Advanced Products are our most recent product offerings and include the Versal, UltraScale+, UltraScale and 7-series product families, and our production boards business composed of Alveo, Solarflare, Network, and System-On-Modules.

- Core Products consist of all other product families.

These product categories are modified on a periodic basis to better reflect the maturity of the products and advances in technology. The most recent modification was made on April 3, 2016, which was the beginning of our fiscal 2017, whereby we reclassified our product categories to be consistent with how these categories are analyzed and reviewed internally. Specifically, we are grouping the products manufactured at the 28 nanometer (nm), 20nm, 16nm and 7nm nodes as well as production boards into the Advanced Products category while all other products are grouped in the Core Products category.

Except for Avnet, no other distributor or end customer accounted for more than 10% of our worldwide net revenues for the second quarter and the first six months of fiscal 2022 or 2021.

Net Revenues by Product

Net revenues by product categories for the second quarter and the first six months of fiscal 2022 and 2021 were as follows:

(In millions)	Three Months Ended October 2, 2021	% Change	September 26, 2020	Six Months Ended October 2, 2021	% Change	September 26, 2020
Advanced Products	$ 688.1	28	$ 537.4	$ 1,318.1	28	$ 1,033.0
Core Products	247.7	8	229.1	496.3	8	460.2
Total net revenues	$ 935.8	22	$ 766.5	$ 1,814.4	22	$ 1,493.2

Net revenues from Advanced Products increased in the second quarter and the first six months of fiscal 2022 compared to the comparable prior year periods. The increase was primarily due to higher revenue from the 16nm Zynq and Kintex Ultrascale Plus product families.

Net revenues from Core Products increased in the second quarter and the first six months of fiscal 2022 from the comparable prior year periods. The increase was largely due to higher sales from our Virtex-5 and Virtex-6 product families. Core Products are relatively mature products and, as a result, sales are expected to decline over time.

Net Revenues by End Markets

Our end market revenue data is derived from our understanding of our end customers' primary markets, which is based on reports provided by distributors and our internal records. To provide additional visibility, starting April 1, 2019, we classify our end markets into businesses with similar market drivers: (i) Aerospace & Defense, Industrial and Test, Measurement & Emulation (AIT); (ii) Automotive, Broadcast & Consumer; (iii) Wired & Wireless; and (iv) Data Center. Additionally, we classify revenue recognized from shipments to distributors but not yet subsequently sold to the end markets as Channel Revenue. The Channel Revenue represents the difference between the shipments to distributors and what the distributors subsequently sold to the end customers within the same period. The percentage change calculation in the table below represents the year-to-year dollar change in each end market.

Net revenues by end markets for the second quarter and the first six months of fiscal 2022 and 2021 were as follows:

(% of total net revenues)	Three Months Ended October 2, 2021	% Change in Dollars	September 26, 2020	Six Months Ended October 2, 2021	% Change in Dollars	September 26, 2020
AIT	40 %	13	44 %	39 %	6	44 %
Automotive, Broadcast and Consumer	22	70	16	21	80	14
Wired and Wireless	31	42	26	30	26	29
Data Center	9	(22)	14	9	(13)	13
Channel Revenue	(2)	nm*	—	1	nm*	—
Total net revenues	100 %	22	100 %	100 %	22	100 %

Net revenues from AIT increased, in terms of absolute dollar, in the second quarter and the first six months of fiscal 2022 from the comparable prior year periods. The increases were primarily due to higher sales from Industrial, Scientific, Medical business.

Net revenues from Automotive, Broadcast and Consumer increased, in terms of absolute dollar, in the second quarter and the first six months of fiscal 2022 from the comparable prior year periods. The increases were primarily due to higher sales from Audio, Video and Broadcast and Automotive businesses.

Net revenues from Wired and Wireless increased in the second quarter and the first six months of fiscal 2022 from the comparable prior year periods. The increases were primarily due to higher sales from Wireless business.

Net revenues from Data Center decreased in the second quarter and the first six months of fiscal 2022 from the comparable prior year periods. The decreases were driven primarily by lower sales from Compute applications, which was partially offset by higher sales from High Performance Computing and Networking businesses.

Channel Revenue decreased in the second quarter but increased first six months of fiscal 2022 from the comparable prior year periods. The decrease was primarily due to timing differences between shipments to distributors and subsequent distributor shipments to the end customers in the period. While we strive to improve and maintain the stability of distributor inventory balances, Channel Revenue can fluctuate driven by external factors such as the distributors' own inventory management, distributor revenue growth which may require higher absolute inventory levels and customer service objectives.

Net Revenues by Geography

Geographic revenue information reflects the geographic ship-to location of the distributors, original equipment manufacturers (OEMs) or contract manufacturers who purchased our products. This may differ from the geographic location of the end customers. Net revenues by geography for the second quarter and the first six months of fiscal 2022 and 2021 were as follows:

	Three Months Ended			Six Months Ended		
(In millions)	October 2, 2021	% Change	September 26, 2020	October 2, 2021	% Change	September 26, 2020
North America	$ 240.1	7	$ 223.8	$ 440.1	7	$ 410.1
Asia Pacific	448.9	23	365.9	909.3	20	758.9
Europe	155.6	14	136.1	289.4	26	228.9
Japan	91.2	124	40.7	175.6	84	95.3
Total net revenues	$ 935.8	22	$ 766.5	$ 1,814.4	22	$ 1,493.2

Net revenues in North America increased in the second quarter and the first six months of fiscal 2022 from the comparable prior year periods. The increases for the second quarter and the first six months of fiscal 2022 were primarily due to an increase in distributor shipments and higher sales from Test, Measurement and Emulation and Wired businesses.

Net revenues in Asia Pacific increased in the second quarter and the first six months of fiscal 2022 from the comparable prior year periods. The increases were primarily due to higher sales from Wireless business.

Net revenues in Europe increased in the second quarter and the first six months of fiscal 2022 from the comparable prior year periods. The increases for the second quarter and first six months of fiscal 2022 were primarily due to higher sales from Automotive and Wireless businesses, and were partially offset by decreases from Test, Measurement & Emulation business.

Net revenues in Japan increased in the second quarter and the first six months of fiscal 2022 from the comparable prior year periods. The increases were primarily due to higher sales from Wireless business.

Gross Margin

	Three Months Ended			Six Months Ended		
(In millions)	October 2, 2021	% Change	September 26, 2020	October 2, 2021	% Change	September 26, 2020
Gross margin	$ 632.3	17 %	$ 541.7	$ 1,218.4	18 %	$ 1,035.6
Percentage of net revenues	67.6 %		70.7 %	67.2 %		69.4 %

Gross margin, as a percentage of revenues, was lower in both the second quarter and the first six months of fiscal 2022 from the comparable prior year periods. The decrease, as a percentage of revenue, for the second quarter of fiscal 2022 was driven primarily by changes in the end market mix, as the Wireless and Automotive businesses increased and Aerospace & Defense business decreased. The decrease, as a percentage of revenue, for the first six months of fiscal 2022 was also driven primarily by changes in the end market mix, as the Communications, Automotive and Industrial, Scientific, Medical businesses increased and the Aerospace & Defense business decreased.

Gross margin may be affected in the future due to multiple factors, including but not limited to those set forth in Item 1A. "Risk Factors," included in Part II of this Form 10-Q, shifts in the mix of customers and products, the COVID-19 pandemic, competitive-pricing pressure, manufacturing-yield issues and wafer pricing. We expect to mitigate any adverse impacts from these factors by continuing to improve yields on our Advanced Products, manufacturing efficiencies, and average selling price management. However, continuing growth in wireless business driven by the global deployment ramp of 5G wireless networks would result in lower gross margin percentage in the future.

Price erosion is common in the semiconductor industry, due to advances in product architecture and greater integration of functions that historically has been driven by process technology but increasingly will depend on other means of integration like advanced packaging. In order to compete effectively, we strive to strike a balance between manufacturing cost and price structure to maintain acceptable margins. We historically have been able to offset much of such revenue decline in our mature products with increased revenue from newer products.

Research and Development

	Three Months Ended			Six Months Ended		
(In millions)	October 2, 2021	% Change	September 26, 2020	October 2, 2021	% Change	September 26, 2020
Research and development	$ 253.9	16 %	$ 219.6	$ 501.9	17 %	$ 429.8
Percentage of net revenues	27 %		29 %	28 %		29 %

R&D spending increased by $34.3 million, or 16%, for the second quarter and $72.1 million, or 17% for the first six months of fiscal 2022 from the comparable prior year periods. The increase for both periods was primarily due to increase in headcount and employee compensation (including stock-based compensation and bonus) as well as an increase in mask and wafer costs, outside services spending and depreciation.

R&D spending may increase in the future as new products on advanced process technology, IP cores and software solutions require additional R&D investment to extend our competitive strategy. We may also consider acquisitions to complement our strategy for technology leadership and engineering resources in critical areas.

Selling, General and Administrative

	Three Months Ended			Six Months Ended		
(In millions)	October 2, 2021	% Change	September 26, 2020	October 2, 2021	% Change	September 26, 2020
Selling, general and administrative	$ 126.3	11 %	$ 113.8	$ 251.2	15 %	$ 219.2
Percentage of net revenues	14 %		15 %	14 %		15 %

Selling, general and administrative expenses increased by $12.5 million for the second quarter and $32.1 million for the first six months of fiscal 2022 from the comparable prior year periods. The increase for the second quarter of fiscal 2022 was primarily attributable to increase in headcount and employee compensation (including stock-based compensation and bonus) as well as increase in corporate spending.

Stock-Based Compensation

	Three Months Ended			Six Months Ended		
(In millions)	October 2, 2021	% Change	September 26, 2020	October 2, 2021	% Change	September 26, 2020
Stock-based compensation included in:						
Cost of revenues	$ 3.8	29 %	$ 3.0	$ 7.4	30 %	$ 5.7
Research and development	42.3	17 %	36.1	83.7	26 %	66.4
Selling, general and administrative	23.6	23 %	19.3	46.2	26 %	36.7
	$ 69.7	19 %	$ 58.4	$ 137.3	26 %	$ 108.8

The stock-based compensation expense increased by 19% for the second quarter and 26% for the first six months of fiscal 2022 as compared to the prior year periods. The increase for both periods was primarily due to higher restricted stock unit (RSU) grants to remain competitive in the employment market. In order to retain our current workforce and maintain continuous business operations during the pending period of the merger with AMD, we implemented an employee retention bonus program in December 2020 and June 2021 for certain employees consisting of both cash bonuses and RSUs. The addition of retention RSU grants also contributed to the increase in the second quarter and first six months of fiscal 2022's stock-based compensation expense.

Interest and Other Expense, Net

(In millions)	Three Months Ended			Six Months Ended		
	October 2, 2021	% Change	September 26, 2020	October 2, 2021	% Change	September 26, 2020
Interest and other expense, net	$ (9.2)	(15)%	$ (10.8)	$ (8.2)	(64)%	$ (22.9)
Percentage of net revenues	(1)%		(1)%	(1)%		(2)%

Interest and other expense was a net expense of $9.2 million in the second quarter of fiscal 2022, as compared to a net expense of $10.8 million in the same prior year period. For the first six months of fiscal 2022, interest and other income (expense) was a net expense of $8.2 million compared to a net expense of $22.9 million in the same prior year period. The decrease in both periods was primarily due to lower interest expense as one of the debts matured in March 2021, movements from investments in deferred compensation plan assets, hedging gains and lower interest income.

Provision for Income Taxes

(In millions)	Three Months Ended			Six Months Ended		
	October 2, 2021	% Change	September 26, 2020	October 2, 2021	% Change	September 26, 2020
Provision for income taxes	$ 6.1	634 %	$ 0.8	$ 11.1	(84)%	$ 70.4
Percentage of net revenues	0.6 %		0.1 %	0.6 %		4.7 %
Effective tax rate	2.5 %		0.4 %	2.5 %		19.7 %

The increase in the effective tax rate in the second quarter of fiscal 2022 as compared to the same prior year period was primarily due to a decrease in excess tax benefits with respect to stock-based compensation recognized in the current period. The decrease in the effective tax rate in the first six months fiscal 2022 as compared to the same prior year period was primarily due to the prior year recognition of the cumulative adverse impact of including stock-based compensation in the intercompany R&D cost sharing arrangement as a result of a decision in the Altera tax case.

The difference between the U.S. federal statutory tax rate of 21% and our effective tax rate in the second quarter and first six months of fiscal 2022 was primarily due to the beneficial impact of income earned in lower tax rate jurisdictions and excess tax benefits with respect to stock-based compensation, which was partially offset by tax on GILTI.

The difference between the U.S. federal statutory tax rate of 21% and our effective tax rate in the second quarter and first six months of fiscal 2021 was primarily due to the beneficial impact of income earned in lower tax rate jurisdictions and excess tax benefits with respect to stock-based compensation, which was partially offset by tax on GILTI. The first six months of fiscal 2021 also included the recognition of the cumulative adverse impact of including stock-based compensation in the intercompany R&D cost sharing arrangement.

During fiscal 2021, the Supreme Court denied certiorari of the Ninth Circuit’s decision in the Altera tax case, which concerned related party R&D cost sharing arrangements and required stock-based compensation to be included in the pool of costs to be shared. While we are not a party to the case, we are subject to the findings. Pursuant to the Supreme Court’s decision not to review the case, we recorded expense during fiscal 2021 for taxes and interest representing the cumulative adverse impact. Despite the decision in the Altera tax case, we have concluded that the related law remains unsettled and will continue to monitor developments and the potential effect on our condensed consolidated financial statements and tax filings.

Financial Condition, Liquidity and Capital Resources

We have historically used a combination of cash flows from operations and equity, as well as debt financing to support ongoing business activities, acquire or invest in critical or complementary technologies, purchase facilities and capital equipment, repurchase our common stock and debentures under our repurchase program, pay dividends and finance working capital. Additionally, our investments in debt securities are liquid and available for future business needs.

To date, COVID-19 has not had a significant adverse impact on our liquidity, cash flows or capital resources. However, the ongoing COVID-19 pandemic and the resulting disruption and volatility in the global capital markets may continue, which, depending on future developments, could impact our capital resources and liquidity in the future.

As of October 2, 2021, we had cash, cash equivalents and short-term investments of $3.42 billion and working capital of $3.57 billion. As of April 3, 2021, cash, cash equivalents and short-term investments were $3.08 billion and working capital was $3.12 billion.

As of October 2, 2021, we had $939.5 million of cash and cash equivalents and short-term investments held in our non-U.S. jurisdictions. Substantially all $939.5 million of cash, cash equivalents and short-term investments held by our non-U.S. entities is available for use in the U.S. without incurring additional U.S federal income taxes.

Operating Activities —During the first six months of fiscal 2022, our operations generated net positive cash flow of $512.0 million, which was $23.1 million higher than the $493.1 million generated during the first six months of fiscal 2021. The positive cash flow from operations generated during the first six months of fiscal 2022 was primarily from net income as adjusted for non-cash related items, decrease in inventory and increase in accrued liabilities. These items were partially offset by increases in accounts receivables, prepaid expenses and other assets as well as decreases in income tax payable and accounts payable. Accounts receivable increased by $119.8 million and days sales outstanding increased to 41 days as of October 2, 2021 from 34 days as of April 3, 2021. The increase was primarily due to timing of shipment and collection. We had no collectability issues and our accounts receivable remained current as of October 2, 2021. Our inventory levels as of October 2, 2021 were $25.5 million lower at $285.6 million compared to $311.1 million as of April 3, 2021 and the inventory days decreased to 87 days as of October 2, 2021 from 116 days as of April 3, 2021.

Investing Activities —Net cash used in investing activities was $176.9 million during the first six months of fiscal 2022, which was $1.37 billion lower than the $1.55 billion used during the first six months of fiscal 2021. Net cash used in investing activities during the first six months of fiscal 2022 consisted primarily of $116.0 million for purchases of available-for-sale securities net of proceeds from sale and maturity of available-for-sale securities, $32.1 million for purchases of property, plant, equipment and software and $28.7 million for other investing activities.

Financing Activities —Net cash used in financing activities was $90.6 million in the first six months of fiscal 2022, as compared to $454.6 million of net cash provided in the first six months of fiscal 2021. Net cash used in financing activities during the first six months of fiscal 2022 consisted primarily of $27.5 million payment related to other financing activities and $83.0 million of payment for RSU withholdings. These items were partially offset by the proceeds received from issuance of common stock.

Contractual Obligations

We lease some of our facilities, office buildings and land under non-cancelable operating leases that expire at various dates through August 2029. See "Note 15. Commitments" to our condensed consolidated financial statements, included in Part I. "Financial Information," for a schedule of our operating lease commitments as of October 2, 2021 and additional information about operating leases.

Due to the nature of our business, we depend entirely upon subcontractors to manufacture our silicon wafers and provide assembly and some test services. The lengthy subcontractor lead times require us to order the materials and services in advance, and we are obligated to pay for the materials and services when completed. As of October 2, 2021, we had $230.7 million of outstanding inventory and other non-cancelable purchase obligations to subcontractors. We expect to receive and pay for these materials and services in the next three to six months, as the products meet delivery and quality specifications. As of October 2, 2021, we had $33.3 million commitments primarily related to open purchase orders from ordinary operations. These commitments expire at various dates through December 2023.

As of October 2, 2021, we had $437.0 million of liabilities classified as long-term income taxes payable in the condensed consolidated balance sheets. Of the $437.0 million, $321.1 million was the estimated remaining long-term portion of the one-time transition tax that resulted from the enactment of the Tax Cuts and Jobs Act (TCJA), which will be payable in four annual installments. The residual balance of $115.9 million in the long-term income taxes payable is for uncertain tax positions and related interest and penalties. Due to the inherent uncertainty with respect to the timing of future cash outflows associated with such liabilities, we are unable to reliably estimate the timing of cash settlement with the respective taxing authorities.

Off-Balance-Sheet Arrangements

As of October 2, 2021, we did not have any significant off-balance-sheet arrangements, as defined in Item 303(a)(4)(ii) of SEC Regulation S-K.

Liquidity and Capital Resources

Cash generated from operations is used as our primary source of liquidity and capital resources. Additional sources of liquidity are cash, cash equivalents and short-term investments. We believe our cash, cash equivalents and short-term investments along with cash generated from operations will be sufficient to fund operations, including capital expenditures, working capital needs, debt-related payments and other business requirements over the next 12 months.

Pursuant to the terms of the Merger Agreement, we suspended our repurchase program on October 27, 2020, the date we announced the planned Merger with AMD. There was no common stock repurchase during the first six months of fiscal 2022. During the first six months of fiscal 2021, we repurchased 0.7 million shares of common stock for a total of $53.7 million.

In accordance with the Merger Agreement, our quarterly dividends were suspended until a date that is at least 12 months after the signing date of the Merger Agreement. As permitted as of October 27, 2021 under the terms of the Merger Agreement, our Board of Directors voted unanimously to declare a cash dividend of $0.37 per outstanding share of common stock payable on November 15, 2021 to all stockholders of record at the close of business on November 8, 2021. The dividend is conditioned upon and will only be payable if the Merger has not closed on or before the record date for such dividend. During the first six months of fiscal 2022, there was no dividend payment to stockholders. During the first six months of fiscal 2021, we paid $185.5 million in cash dividends to stockholders, representing $0.37 per common share. Our common stock and debentures repurchase program and dividend policy could be impacted by, among other items, our views on potential future capital requirements relating to R&D, investments and acquisitions, legal risks, principal and interest payments on our debentures and other strategic investments.

We anticipate that existing sources of liquidity and cash flows from operations will be sufficient to satisfy our cash needs for the foreseeable future. We will continue to evaluate opportunities for investments to obtain additional wafer capacity, to secure certain inventory components, to assure supply arrangements, to procure additional capital equipment and facilities, to develop new products, and to potentially acquire technologies or businesses that could complement our business. However, certain risks and other factors, including those discussed in Item 1A included in Part II. "Risk Factors" and below, could affect our cash positions adversely.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

Our exposure to interest rate risk relates to certain types of investments, which consist of fixed income securities with a fair value of approximately $2.84 billion as of October 2, 2021. The fixed income investments include mortgage-backed securities, asset-backed securities, financial institution securities, non-financial institution securities, U.S. and foreign government and agency securities and commercial mortgage-backed securities. Our primary aim with our investment portfolio is to invest available cash while preserving principal and meeting liquidity needs. In accordance with our investment policy, we place investments with high credit quality issuers and limit the amount of credit exposure to any one issuer based upon the issuer's credit rating. These securities are subject to interest rate risk and will decrease in value if market interest rates increase. A hypothetical 100 basis-point (one percentage point) increase or decrease in interest rates compared to rates as of October 2, 2021 would have affected the fair value of our investment portfolio by less than $15 million.

Credit Market Risk

The global credit markets may experience adverse conditions that negatively impact the values of various types of investment and non-investment grade securities. The global credit and capital markets may experience significant volatility and disruption due to instability in the global financial system, uncertainty related to global economic conditions and concerns regarding sovereign financial stability. Therefore, there is a risk that we may incur impairment charges for certain types of investments should credit market conditions deteriorate. See "Note 5. Financial Instruments" to our condensed consolidated financial statements, included in Part 1. "Financial Information."

Foreign Currency Exchange Risk

Sales to all direct OEMs and distributors are denominated in U.S. dollars.

Gains and losses on foreign currency forward contracts that are designated as hedges of anticipated transactions, for which a firm commitment has been attained and the hedged relationship has been effective, are deferred and included in income or expenses in the same period that the underlying transaction is settled. Gains and losses on any instruments not meeting the above criteria are recognized in income or expenses in the condensed consolidated statements of income as they are incurred.

We enter into forward currency exchange contracts to hedge our overseas operating expenses and other liabilities when deemed appropriate. As of October 2, 2021 and April 3, 2021, we had the following outstanding forward currency exchange contracts (in notional amount):

(In millions and U.S. dollars)	October 2, 2021	April 3, 2021
Singapore Dollar	$ 31.3	$ 30.0
Euro	31.9	28.6
Indian Rupee	119.2	99.3
British Pound	24.0	23.8
Chinese Yuan	38.8	33.4
	$ 245.2	$ 215.1

As part of our strategy to reduce volatility of operating expenses due to foreign exchange rate fluctuations, we employ a hedging program with forward outlook of up to two years for major foreign-currency-denominated operating expenses. The outstanding forward currency exchange contracts expire at various dates through August 2023. The net unrealized losses, which approximate the fair market value of the forward currency exchange contracts, are expected to be realized into net income within the next two years.

Our investments in several of our wholly-owned subsidiaries are recorded in currencies other than the U.S. dollar. As the financial statements of these subsidiaries are translated at each quarter end during consolidation, fluctuations of exchange rates between the foreign currency and the U.S. dollar increase or decrease the value of those investments. These fluctuations are recorded within stockholders' equity as a component of accumulated other comprehensive income (loss). Other monetary foreign-denominated assets and liabilities are revalued on a monthly basis with gains and losses on revaluation reflected in net income. A hypothetical 10% favorable or unfavorable change in foreign currency exchange rates as of October 2, 2021 would have affected the annualized foreign-currency-denominated operating expenses of our foreign subsidiaries by less than $18.5 million. In addition, a hypothetical 10% favorable or unfavorable change in foreign currency exchange rates compared to rates as of October 2, 2021 would have affected the value of foreign-currency-denominated cash and investments by less than $16.1 million.

Item 4. Controls and Procedures

We maintain a system of disclosure controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the U.S. Securities Exchange Act of 1934, as amended (Exchange Act), is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms. These controls and procedures are also designed to ensure that such information is accumulated and communicated to our management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), as appropriate to allow timely decisions regarding required disclosure. Internal controls are procedures designed to provide reasonable assurance that: transactions are properly authorized; assets are safeguarded against unauthorized or improper use; and transactions are properly recorded and reported, to permit the preparation of our financial statements in conformity with generally accepted accounting principles.

A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with its policies or procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. We continuously evaluate our internal controls and make changes to improve them as necessary. Our intent is to maintain our disclosure controls as dynamic systems that change as conditions warrant.

An evaluation was carried out, under the supervision of and with the participation of our management, including our CEO and CFO, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a–15(e) and 15d–15(e) under the Exchange Act) as of the end of the period covered by this report. Based upon this evaluation, our CEO and CFO have concluded that, as of the end of the period covered by this Form 10-Q, our disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and is accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter ended October 2, 2021 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting, despite the fact that virtually all of our employees have been working remotely due to the COVID-19 pandemic since March 2020. We are continually monitoring and assessing the pandemic's development to minimize its impact on the effectiveness of our internal controls.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

See "Note 17. Contingencies" to our condensed consolidated financial statements, included in Item 1. "Financial Statements" for information regarding patent litigation.

Item 1A. Risk Factors

The following risk factors and other information included in this Quarterly Report on Form 10-Q should be carefully considered. The risks and uncertainties described below are not the only risks to the Company. Our business operations or financial condition could be impaired by risks and uncertainties not presently known to the Company, or that the Company's management does not currently consider material. If any of the risks described below were to occur, our business, financial condition, operating results and cash flows could be materially adversely affected.

AMD Merger Risks

The pendency of the Merger may have an adverse effect on our business, operating results and stock price.

We and AMD have operated and, until the completion of the Merger, will continue to operate independently. Uncertainty about the Merger may adversely affect our revenue, operating results and stock price, whether or not the Merger is completed. For example, strategic partners, customers, suppliers or other business partners may:

- delay, defer or cease purchasing goods or services from us or providing goods or services to us;
- delay or defer other decisions concerning us;
- cease further joint development activities; or
- otherwise seek to change the terms on which they do business with us.

The uncertainties around the Merger could adversely impact our relationships or contract negotiations with third parties, including our strategic partners, suppliers and other business partners, or those with which we are seeking to establish business relationships. We are subject to additional risks in connection with the announcement and pendency of the Merger which could adversely impact our operating results, including:

- the pendency and outcome of any legal proceedings that may be instituted against us, our directors and others relating to the transactions contemplated by the Merger Agreement;
- the restrictions imposed on our business and operations pursuant to certain covenants set forth in the Merger Agreement, which may prevent us from pursuing certain strategic opportunities without AMD’s approval;
- during the period that the Merger Agreement is in effect, except as permitted by certain limited exceptions in the Merger Agreement or required by their fiduciary duties and subject to the other requirements of the Merger Agreement, our board of directors may not withdraw or adversely modify its recommendation of approval by our stockholders of the Merger, which has the effect of delaying other strategic transactions and may, in some cases, make it impossible to pursue other strategic transactions that are available only for a limited time;
- that we may forego opportunities we might otherwise pursue absent the Merger;
- potential adverse effects on our ability to retain and motivate current employees, and attract and recruit prospective employees who may be uncertain about their future roles and relationships with us following the completion of the Merger; and
- the diversion of our employees’ and management’s attention due to activities related to the Merger, which could otherwise be devoted to other opportunities that may be beneficial to us.

Since the merger consideration our stockholders will receive in the Merger will be in the form of common stock of AMD, our stock price has been and will continue to be adversely impacted by a decline in AMD’s stock price and any adverse developments in AMD’s business outlook. AMD stock price changes may result from a variety of factors, such as changes in its business operations and outlook, changes in general market and economic conditions, and regulatory considerations. These factors are beyond our control.

In addition, we have incurred, and will continue to incur, significant costs, expenses and fees for professional services, other transaction costs and employee retention costs in connection with the Merger, and these fees and costs are payable by us regardless of whether the Merger is consummated.

The Merger may not be completed, may be delayed or may be approved subject to materially burdensome conditions, any of which may adversely affect our business, operating results and stock price. Our and AMD's obligations to consummate the Merger are subject to the satisfaction or waiver of certain closing conditions, including, but not limited to, (i) receipt of regulatory clearance under certain foreign anti-trust laws including in China, (ii) the absence of any order prohibiting the Merger or enactment of any law that makes the consummation of the Merger illegal, (iii) the absence of any material adverse effect on either Xilinx or AMD since the date of the Merger Agreement that is continuing, (iv) subject to certain exceptions, the accuracy of the representations and warranties of the parties in the Merger Agreement, and (v) performance by us and AMD of our respective obligations under the Merger Agreement. There can be no assurance that the conditions to the completion of the Merger will be satisfied in a timely manner or at all. Although we and AMD have agreed to use reasonable best efforts to obtain the requisite governmental approvals, there can be no assurance that these approvals will be obtained, and the governmental entities from which these approvals are required may impose conditions on the completion, or require changes to the terms of, the Merger. Any such conditions or changes could have the effect of jeopardizing or delaying completion of the Merger. Any delay in completing the Merger may significantly affect the synergies projected to result from the Merger and other benefits that the parties expect to achieve if the Merger is successfully completed. If the Merger is not completed by October 26, 2021 (subject to potential automatic extensions to April 26, 2022, in the event receipt of certain required regulatory approvals related to antitrust matters have not been obtained but all other conditions to closing have been satisfied other than those conditions that by their nature are to be satisfied at the closing), either we or AMD may choose to terminate the Merger Agreement. We or AMD may also elect to terminate the Merger Agreement in certain other circumstances, and the parties can mutually decide to terminate the Merger Agreement at any time prior to the closing of the Merger.

Failure to complete the Merger could negatively affect our business, results of operations and stock price.

If the Merger is not completed, our stock price could fall to the extent that our current price reflects an assumption that the Merger will be completed. Furthermore, if the Merger is not completed, we may suffer other consequences that could adversely affect our business, results of operations and stock price, including, but not limited to:

- we could be required to pay a termination fee of $1 billion to AMD under certain circumstances as described in the Merger Agreement;
- we would have incurred significant costs in connection with the Merger that we would be unable to recover, including transaction, legal, employee-related and other costs;
- we may be subject to legal proceedings related to the Merger;
- the failure of the Merger to be consummated may result in negative publicity and a negative impression of us in the investment community;
- disruptions to our business resulting from the announcement and pendency of the Merger, including any adverse changes in our relationships with our customers, strategic partners, suppliers, licensees, other business partners and employees, may continue or intensify in the event the Merger is not consummated;
- we may not be able to take advantage of alternative business opportunities or effectively respond to competitive pressures; and
- we may experience an increase in employee departures.

Litigation filed against us or AMD could prevent or delay, or result in the payment of damages following, the completion of the Merger.

We and members of our board of directors were and may in the future be parties, among others, to various claims and litigation related to the pending Merger, including putative stockholder class actions. Among other remedies, the plaintiffs in such potential future matters could seek to enjoin the Merger. The results of complex legal proceedings are difficult to predict, and could delay or prevent the Merger from becoming effective in a timely manner. Any future litigation could be, time consuming and expensive, could divert management's attention away from their regular business, and, if any potential future lawsuit is adversely resolved, could have a material adverse effect on our financial condition.

One of the conditions to the closing of the Merger is that no applicable governmental entity having jurisdiction over Xilinx, AMD or Merger Sub shall have issued an order, decree or ruling preventing, enjoining or prohibiting the consummation of the Merger that remains in effect, and that no law shall have been entered, issued or adopted by any applicable governmental entity that makes illegal the consummation of the Merger that remains in effect. Consequently, if any plaintiffs secure injunctive or other relief prohibiting, delaying or otherwise adversely affecting our and/or AMD's ability to complete the Merger on the terms contemplated by the Merger Agreement, then such injunctive or other relief may prevent the Merger from becoming effective in a timely manner, or at all.

Business and Operational Risks

The ongoing COVID-19 pandemic could have a material adverse effect on our business, financial condition and results of operations.

The ongoing COVID-19 pandemic has led to severe disruptions in the market and the global and U.S. economies that may continue for a prolonged duration. In response, various governmental bodies and private enterprises have implemented and continue to impose numerous measures to limit the spread of the virus, such as vaccine mandates, travel bans and restrictions, quarantines, shelter-in-place orders, and factory and office shutdowns. These measures and other public and private responses to the pandemic have impacted, and may further impact, our workforce and operations, and those of our customers, partners, vendors and suppliers.

The manufacture of product components, the final assembly of our products and other critical operations are concentrated in certain geographic locations, including the U.S., Singapore, South Korea, and Taiwan. Each of these countries has been affected by the pandemic and has taken measures to limit the spread, and there is considerable uncertainty regarding the impact and duration of such measures and potential future measures. Restrictions on our access to our manufacturing facilities or on our support operations or workforce, similar limitations for our vendors and suppliers, and disruptions of transportation, such as reduced availability of air transport, port closures and increased border controls or closures, could limit our capacity to meet customer demand.

Due to the spread of COVID-19, we have modified our business practices, including employee travel restrictions, employee work locations, and cancellation of physical participation in non-critical meetings, participation in events and conferences pursuant to applicable government guidelines and mandates, and implementation of vaccination guidelines in accordance with U.S. federal mandates. There is no certainty that such measures will be sufficient to mitigate the risks posed by COVID-19, which could adversely impact our ability to perform critical functions, such as the research and development of new products, the manufacture of product components, the final assembly of our products, and the distribution and sale of our products.

The COVID-19 pandemic and the efforts to control it have slowed economic activity and may trigger a recession or a prolonged period of economic slowdown, particularly if the pandemic becomes more severe or continues for an extended period of time. Customer demand may be reduced to the extent customers experience shortages of other necessary materials and are forced to slow production of their end products (with a corresponding decline in the rate at which they purchase materials from us), or to the extent our customers experience reduced consumer demand for their end-products as consumers curtail purchases.

The full extent and nature of the impact of the COVID-19 pandemic and related restrictions and other measures on our business and financial performance are highly uncertain, as the situation continues to evolve. An extended period of disruption to global supply chain and economic activities due to the pandemic, as well as other factors that are currently unforeseeable, could have a material adverse impact on our ability to access sources of liquidity, as well as our financial condition and results of operations. A prolonged impact of the pandemic also could heighten many of the other risks, such as those relating to disruptions on our operations and our reliance on customers and other third parties, described in this Quarterly Report on Form 10-Q.

Our success depends on our ability to develop and introduce new products and our failure to do so would have a material adverse impact on our financial condition and results of operations.

Our success depends in large part on our ability to develop and introduce new products that address customer requirements and compete effectively on the basis of price, density, functionality, power consumption and performance. Consolidation in our industry may increasingly result in our competitors having greater resources, or other synergies, that provide them with a competitive advantage in those regards. The success of new product introductions is dependent upon several factors, including:

- timely completion of new product designs;
- ability to generate new design opportunities and design wins;
- availability of specialized field application engineering resources supporting demand creation and customer adoption of new products;
- ability to utilize advanced manufacturing process technologies on circuit geometries of 28nm and smaller;
- achieving acceptable yields;
- ability to obtain adequate production capacity from our wafer foundries and assembly and test subcontractors;
- ability to obtain advanced packaging;
- availability and completeness of supporting software design tools;
- utilization of predefined IP logic;
- customer acceptance of advanced features in our new products;
- ability of our customers to complete their product designs and bring them to market; and

- market acceptance of our customers' products.

Our product development efforts may not be successful, our new products may not achieve industry acceptance, or we may not achieve the necessary volume of production that would lead to further per unit cost reductions. Revenues relating to our mature products are expected to decline in the future, which is normal for our product life cycles. As a result, we may become increasingly dependent on revenues derived from design wins for our newer products as well as anticipated cost reductions in the manufacture of our current products. We rely primarily on obtaining yield improvements and corresponding cost reductions in the manufacture of existing products, and on introducing new products that incorporate advanced features and other price/performance factors that enable us to increase revenues while maintaining consistent margins. To the extent that such cost reductions and new product introductions do not occur in a timely manner, or to the extent that our products do not achieve market acceptance at prices with higher margins, our financial condition and results of operations could be materially adversely affected.

Public health crises, earthquakes or other natural disasters could disrupt our operations and have a material adverse effect on our financial condition and results of operations.

Our worldwide operations could be disrupted by public health crises such as an outbreak of contagious diseases like COVID-19, earthquakes or other natural disasters such as typhoons, tsunamis, volcano eruptions, fires or floods, as well as disruptions in access to adequate supplies of electricity, natural gas or water. The independent foundries, upon which we rely to manufacture our products, as well as our California and Singapore facilities, are located in regions that are subject to earthquakes, wildfires or other natural disasters. TSMC's and UMC's foundries in Taiwan and our assembly and test partners in other regions as well as many of our operations in California are located in areas that have been seismically active in the past and some of these areas have also been affected by other natural disasters such as typhoons. Disruption of operations at these foundries and our facilities could cause delays in manufacturing and shipments of our products, and could have a material adverse effect on our results of operations. Any catastrophic event in these locations would disrupt our operations, and our insurance may not cover losses resulting from such disruptions of our operations, thereby materially adversely affecting our financial condition and results of operations. Furthermore, natural disasters can also indirectly impact us. For example, our customers' supply of other complimentary products may be disrupted by a natural disaster and may cause them to delay orders of our products. More vertically-integrated competitors may be less exposed to some or all of these and other risks.

We depend on distributors, primarily Avnet, to generate a significant portion of our sales and complete order fulfillment.

Avnet's revenue accounted for 48% of our worldwide net revenues in the second quarter of fiscal 2022 and as of October 2, 2021, Avnet accounted for 27% of our total net accounts receivable. Any adverse change to our relationship with Avnet or our other distributors could have a material impact on our business. Furthermore, if a key distributor materially defaulted on a contract or otherwise failed to perform, our business and financial results would suffer. In addition, we are subject to concentrations of credit risk in our trade accounts receivable, which includes accounts of our distributors. A significant reduction of effort by a distributor to sell our products or a material change in our relationship with one or more distributors may reduce our access to certain end customers and adversely affect our ability to sell our products.

In addition, the financial health of our distributors and our continuing relationships with them are important to our success. Unpredictable economic conditions may adversely impact the financial health of some of these distributors, particularly our smaller distributors. This could increase our credit risk exposure relating to the insolvency of certain distributors, the inability of distributors to obtain credit to finance the purchase of our products, or delayed payment for such purchases. Our business could be harmed if the financial health of these distributors impaired their performance and we were unable to secure alternate distributors.

A number of factors, including our inventory and pricing strategy, can impact our gross margins.

A number of factors can cause our gross margins to fluctuate, including yield, wafer pricing, product mix, market acceptance of our new products, competitive pricing dynamics, licensing costs, geographic and/or market segment pricing strategies. In addition, forecasting our gross margins is difficult because a significant portion of our business is based on turns within the same quarter.

In response to recent sharp increases in demand for semiconductor products and the ongoing global shortage of manufacturing capacities, our foundries, assembly, test, substrate and other component suppliers may increase their fees, which would increase our manufacturing costs. If we are unable to pass on the increased costs to our customers, this may result in a decline in our gross margins. We continue to review our product pricing strategies, which may include raising our average selling prices.

There can be no guarantee that our ongoing efforts to manage cost and product pricing fluctuations will be successful, which could ultimately lead to a decline in gross margins.

While our overall inventory levels fluctuate over time, the inventory of newer product lines may be higher than other products due to a planned increase in safety stock in anticipation of future revenue growth. In the event demand does not materialize, we may be subject to incremental obsolescence costs. In addition, future product cost reductions could adversely impact our inventory valuation as well as our operating results.

Our failure to protect and defend our IP could impair our ability to compete effectively.

We rely upon patent, copyright, trade secret, mask work and trademark laws to protect our IP. We cannot provide assurance that such IP rights can be successfully asserted in the future or will not be invalidated, violated, circumvented or challenged. From time to time, third parties, including our competitors, have asserted against us patent, copyright or other IP rights to technologies that are important to us. Third parties may attempt to misappropriate our IP through electronic or other means or assert infringement claims against us or parties we have agreed to indemnify. Such assertions by third parties may result in costly litigation, indemnity claims or other legal actions, and we may not prevail in such matters or be able to license any valid and infringed patents from third parties on commercially reasonable terms. This could result in the loss of our ability to import and sell our products or require us to pay costly royalties to third parties in connection with sales of our products. Any infringement claim, indemnification claim, or impairment or loss of use of our IP could materially adversely affect our financial condition and results of operations.

Our ability to design and introduce new products in a timely manner is dependent upon third-party IP.

In the design and development of new products and product enhancements, we rely on third-party intellectual property such as software development tools and hardware testing tools. Furthermore, certain product features may rely on intellectual property acquired from third parties, including hardware and software tools and products. The design requirements necessary to meet future consumer demands for more features and greater functionality from semiconductor products may exceed the capabilities of the third-party intellectual property or development tools that are available to us. In addition, hardware and software tools and products procured from third parties may contain design or manufacturing defects, including flaws that could unexpectedly interfere with the operation of our products. If the third-party intellectual property that we use becomes unavailable or fails to produce designs that meet consumer demands, our business could be adversely affected.

Any failure of our information technology systems to function properly could result in business disruption.

We rely on various information technology (IT) systems to manage our operations, including, but not limited to, financial reporting, and we regularly evaluate these systems and make changes to improve them as necessary. Consequently, we periodically implement new, or upgrade or enhance existing, operational and IT systems, procedures and controls. Any delay in the implementation of, or disruption in the transition to, new or enhanced systems, procedures or controls, could harm our ability to record and report financial, management, or operational information on a timely and accurate basis. In addition, hardware and software tools and products procured from third parties included in our IT systems could contain design or manufacturing defects, including flaws that could unexpectedly interfere with the operation of our IT systems. These systems are also subject to power and telecommunication outages or other general system failures. Failure of our IT systems or difficulties in managing them could result in business disruption.

Cyber-attacks and data breaches could have an adverse effect on our business and reputation and negatively impact our financial condition and results of operations.

Security breaches, including cyber-attacks, phishing attacks or attempts to misappropriate or compromise confidential or proprietary information or sabotage enterprise IT systems, are becoming increasingly frequent and more sophisticated. We depend on the uninterrupted operation of our IT systems to manage our operations, store and retrieve business and financial data and facilitate internal communications and communications with customers, subcontractors, suppliers and distribution partners. We experience security incidents of varying degrees on an ongoing basis. We take steps to detect and investigate any security incidents and prevent their recurrence, but, in some cases, we might be unaware of an incident or its magnitude and effects. Because the techniques used to obtain unauthorized access to or sabotage networks and systems change frequently, we may be unable to anticipate these techniques or to implement adequate protections. These security incidents may involve unauthorized access, misuse or disclosure of intellectual property or confidential or proprietary information regarding our business or that of our customers or business partners. We also may be subject to unauthorized access to our IT systems through a security breach or cyber-attack. In the past, there have been attempts by third parties to penetrate and/or infect our network and systems with malicious software in an effort to gain access to our network and systems. Recently, several large organizations have been infected by “ransomware,” through which an attacker gains access to the organization’s computer files, renders them temporarily inaccessible and threatens to permanently delete them if a cash ransom is not paid by a specified deadline. Third parties may continue to attempt to fraudulently induce employees, users, or customers to disclose sensitive information in order to gain access to our network and systems. The IT systems of our remote internet-connected third party server providers (sometimes called the "cloud"), customers, suppliers, and distribution partners and the links between our IT systems and our customers are subject to the same risks as those of our IT systems. The costs to us to prevent, detect or alleviate cyber- or other security problems, bugs, viruses, worms, malicious software programs and security vulnerabilities could be significant, and our efforts to address these problems may not be successful. In addition, as a result of the COVID-19 pandemic, most of our employees have been working remotely, which may pose additional IT security risks. In the event of a security breach, our business and reputation could be harmed and we could be subject to legal and regulatory claims which could negatively impact our financial condition and results of operations.

Acquisitions and strategic investments present risks, and we may not realize the goals that were contemplated at the time of a transaction.

We have acquired technology companies whose products complement our products. We also have made a number of strategic investments in other technology companies. Due to certain covenants in the Merger Agreement relating to the conduct of both parties in the interim period until the Merger is completed, we may be precluded from certain future acquisitions or strategic investments. Risks associated with past or future acquisitions or strategic investments include, but are not limited to:

- our ongoing business may be disrupted and our management's attention may be diverted by investment, acquisition, transition or integration activities;
- an acquisition or strategic investment may not further our business strategy as we expected, and we may not integrate an acquired company or technology as successfully as we expected;
- our operating results or financial condition may be adversely impacted by claims or liabilities that we assume from an acquired company or technology or that are otherwise related to an acquisition;
- we may have difficulty incorporating acquired technologies or products with our existing product lines;
- we may have higher than anticipated costs in continuing support and development of acquired products, and in general and administrative functions that support such products;
- our strategic investments may not perform as expected, and we may be required to recognize a loss on any or all of our strategic investments; and
- we may experience unexpected changes in how we are required to account for our acquisitions and strategic investments pursuant to U.S. GAAP.

The occurrence of any of these risks could have a material adverse effect on our business, results of operations, financial condition or cash flows, particularly in the case of a larger acquisition or several concurrent acquisitions or strategic investments.

Our inability to effectively control the sale of our products on the gray market could have a material adverse effect on our business or results of operations.

We market and sell our products directly to OEMs and through authorized third-party distributors which helps to ensure that products delivered to our customers are authentic and properly handled. From time to time, customers may purchase products bearing our name from the unauthorized "gray market". These parts may be counterfeit, salvaged or re-marked parts, or parts that have been altered, mishandled, or damaged. Gray market products result in shadow inventory that is not visible to us, thus making it difficult to forecast supply or demand. Also, when gray market products enter the market, we and our authorized distributors may compete with brokers of these discounted products, which can adversely affect demand for our products and negatively impact our margins. In addition, our reputation with customers may be negatively impacted when gray market products bearing our name fail or are found to be substandard.

Supply and Manufacturing Risks

We rely on independent foundries for the manufacture of all of our products and a manufacturing problem or insufficient foundry capacity could adversely affect our operations.

Most of our wafers are manufactured in Taiwan by TSMC and UMC. We also have wafers manufactured in South Korea by Samsung Electronics Co., Ltd. Terms with respect to the volume and timing of wafer production and the pricing of wafers produced by the semiconductor foundries are determined through periodic negotiations with these wafer foundries, which usually result in short-term agreements that do not provide for long-term supply or allocation commitments. We are dependent on these foundries to supply the substantial majority of our wafers. We rely on TSMC, UMC and our other foundries to produce wafers with competitive performance attributes. Therefore, the foundries, particularly TSMC which manufactures our newest products, must be able to transition to advanced manufacturing process technologies and increased wafer sizes, produce wafers at acceptable yields and deliver them in a timely manner. Furthermore, we cannot guarantee that the foundries that supply our wafers will offer us competitive pricing terms or other commercial terms important to our business.

We cannot guarantee that our foundries will not experience manufacturing problems, including delays in the realization of advanced manufacturing process technologies or difficulties due to limitations of new and existing process technologies. For example, we may experience supply shortages due to the difficulties that foundries may encounter if they must rapidly increase their production capacities from low utilization levels to high utilization levels because of an unexpected increase in demand. Furthermore, we cannot guarantee that the foundries will be able to manufacture sufficient quantities of our products or that they will continue to manufacture a given product for the full life of the product. We could also experience supply shortages due to very strong demand for our products, or a surge in demand for semiconductors in general, which may lead to tightening of foundry capacity across the industry. For example, recent sharp increases in demand for semiconductor products have resulted in a global shortage of manufacturing capacities. As a result, we may experience increases in the costs to manufacture our products and may not be able to manufacture and deliver all of the orders placed by our customers in time. If we are unable to secure manufacturing capacities from the foundries we rely on, our ability to deliver our products to our customers in time may be negatively impacted. Moreover, foundries may increase their fees in response to the global shortage of manufacturing capacities, which would increase our manufacturing costs that we may not be fully able to pass to our customers. A prolonged shortage in manufacturing capacities of the foundries we rely on could disrupt our operations and negatively impact our financial condition and results of operations. Further, public health crises such as an outbreak of contagious diseases like COVID-19 may affect the operations of our foundries. In addition, weak economic conditions may adversely impact the financial health and viability of the foundries and result in their insolvency or their inability to meet their commitments to us. The insolvency of a foundry or any significant manufacturing problem or insufficient foundry capacity would disrupt our operations and negatively impact our financial condition and results of operations.

Increased costs of wafers and materials, or shortages in wafers and materials, could adversely impact our gross margins and lead to reduced revenues.

If greater demand for wafers is not offset by an increase in foundry capacity, market demand for wafers or production and assembly materials increases, or if a supplier of our wafers or other materials ceases or suspends operations, for example due to shutdown measures implemented in response to the COVID-19 outbreak, our supply of wafers and other materials could become limited. Such shortages raise the likelihood of potential wafer price increases, wafer shortages or shortages in materials at production and test facilities, resulting in potential inability to address customer product demands in a timely manner. For example, in 2011, when certain suppliers located in Japan were forced to temporarily halt production as the result of a natural disaster, this resulted in a tightening of supply for those materials. Such shortages of wafers and materials as well as increases in wafer or materials prices could adversely affect our gross margins and would adversely affect our ability to meet customer demands and lead to reduced revenue.

We are dependent on independent subcontractors for most of our assembly and test services, and unavailability or disruption of these services could negatively impact our financial condition and results of operations.

We are dependent on subcontractors to provide semiconductor assembly, substrate, test and shipment services. Any (i) prolonged inability to obtain wafers with competitive performance and cost attributes, adequate yields or timely delivery, (ii) disruption in assembly, test or shipment services, (iii) delays in stabilizing manufacturing processes and ramping up volume for new products, (iv) transitions to new service providers, or (v) other circumstance that would require us to seek alternative sources of supply, could delay shipments and have a material adverse effect on our ability to meet customer demands. In addition, unpredictable economic conditions may adversely impact the financial health and viability of these subcontractors and result in their insolvency or their inability to meet their commitments to us. These factors would result in reduced net revenues and could negatively impact our financial condition and results of operations.

Industry and Market Risks

The semiconductor industry is characterized by cyclical market patterns and a significant industry downturn could adversely affect our operating results.

The semiconductor industry is highly cyclical and our financial performance has been affected by downturns in the industry. Down cycles are generally characterized by price erosion and weaker demand for our products. Weaker demand for our products resulting from economic conditions in the end markets we serve and reduced capital spending by our customers can result, and in the past has resulted, in excess and obsolete inventories and corresponding inventory write-downs. We attempt to identify changes in market conditions as soon as possible; however, the dynamics of the market in which we operate make prediction of and timely reaction to such events difficult. Due to these and other factors, our past results are not reliable predictors of our future results.

The nature of our business makes our revenues difficult to predict which could have an adverse impact on our business.

In addition to the challenging market conditions we may face, we have limited visibility into the demand for our products, particularly new products, because demand for our products depends upon our products being designed into our end customers' products and those products achieving market acceptance. Due to the complexity of our customers' designs, the design to volume production process for our customers requires a substantial amount of time, frequently longer than a year. In addition, other factors may affect our end customers' demand for our products, including, but not limited to, end customer program delays and the ability of end customers to secure other complementary products. We also are dependent upon "turns," orders received and turned for shipment in the same quarter. These factors make it difficult for us to forecast future sales and project quarterly revenues. The difficulty in forecasting future sales impairs our ability to project our inventory requirements, which could result, and in the past has resulted, in inventory write-downs or failure to meet customer product demands in a timely manner. In addition, difficulty in forecasting revenues compromises our ability to provide forward-looking revenue and earnings guidance.

If we are not able to compete successfully in our industry, our financial results and future prospects will be adversely affected.

Our products compete in several areas of the semiconductor industry which is intensely competitive and characterized by rapid technological change, increasing levels of integration, product obsolescence and continual price erosion. We expect continued competition from our primary PLD competitors such as Intel Corporation (Intel), Lattice Semiconductor Corporation (Lattice) and Microchip Corporation, and from ASSP vendors such as Broadcom Corporation (Broadcom), Marvell Technology Group, Ltd. (Marvell) and Texas Instruments Incorporated (Texas Instruments), as well as from companies such as NVIDIA with whom we historically have not competed. In addition, we expect continued competition from the ASIC market, which has been ongoing since the inception of FPGAs. We believe that important competitive factors in the logic IC industry include:

- product pricing;
- time-to-market;
- product performance, reliability, quality, power consumption and density;
- field upgradeability;
- adaptability of products to specific applications;
- ease of use and functionality of software design tools;
- availability and functionality of predefined IP logic;
- completeness of applicable software solutions;
- adherence to industry-standard programming environments;
- inventory and supply chain management;
- access to leading-edge process technology and assembly capacity;
- ability to provide timely customer service and support; and

- access to advanced packaging technology.

Our strategy for expansion in the logic market includes continued introduction of new product architectures that address high-volume, low-cost and low-power applications as well as high-performance, high-density applications. However, we may not be successful in executing this strategy. In addition, we anticipate continued pressure from our customers to reduce prices, which may outpace our ability to lower the cost for established products.

Other competitors include manufacturers of:

- high-density programmable logic products characterized by FPGA-type architectures;
- high-volume and low-cost FPGAs as programmable replacements for ASICs and ASSPs;
- ASICs and ASSPs with incremental amounts of embedded programmable logic;
- high-speed, low-density complex programmable logic devices;
- high-performance digital signal processing devices;
- products with embedded processors;
- products with embedded multi-gigabit transceivers;
- discrete general-purpose Graphics Processing Units (GPUs) targeting data center and automotive applications; and
- other new or emerging programmable logic products.

Several companies have introduced products that compete with ours or have announced their intention to sell PLD products. To the extent that our efforts to compete are not successful, our financial condition and results of operations could be materially adversely affected.

The benefits of programmable logic have attracted a number of competitors to this segment. We recognize that different applications require different programmable technologies, and we are developing architectures, processes and products to meet these varying customer needs. Recognizing the increasing importance of standard software solutions, we have developed common software design tools that support the full range of our IC products. We believe that automation and ease of design are significant competitive factors in this segment.

We could also face competition from our licensees. In the past we have granted limited rights to other companies with respect to certain aspects of our older technology, and we may do so in the future. Granting such rights may enable these companies to manufacture and market products that may be competitive with some of our older products.

Fluctuations in the average selling prices of our products could have a negative impact on our gross margins.

The average selling prices of our products generally decline as the products mature. We seek to offset the decrease in selling prices through yield improvement, manufacturing cost reductions and increased unit sales. We also continue to develop higher value products or product features that increase the average selling prices of our products, or slow the decline of such prices. However, there is no guarantee that our ongoing efforts will be successful or that they will keep pace with the decline in selling prices of our products, which could ultimately lead to a decline in our revenues and gross margins.

Our products could have defects which could result in reduced revenues and claims against us.

We develop complex and evolving products that include both hardware and software. Despite our testing efforts and those of our subcontractors, defects may be discovered in existing or new products. Such defects may cause us to incur significant warranty, support and repair or replacement costs, divert the attention of our engineering personnel from our product development efforts and harm our relationships with customers. Subject to certain terms and conditions, we have agreed to compensate certain customers for limited specified costs they actually incur in the event our hardware products experience epidemic failure. As a result, epidemic failure and other performance problems could result in claims against us or the delay or loss of market acceptance of our products and would likely harm our business. Our customers could also seek damages from us for their losses.

In addition, we could be subject to product liability claims. A product liability claim brought against us, even if unsuccessful, would likely be time-consuming and costly to defend. Product liability risks are particularly significant with respect to aerospace, automotive and medical applications because of the risk of serious harm to users of these products. Any product liability claim, whether or not determined in our favor, could result in significant expense, divert the efforts of our technical and management personnel, and harm our business.

Legal and Regulatory Risks

We are subject to regulatory and operational risks associated with conducting business operations outside of the U.S. which could adversely affect our business.

In addition to international sales and support operations and development activities, we purchase our wafers from foreign foundries, have our commercial products assembled, packaged and tested by subcontractors located outside the U.S. and utilize third party warehouse operators to store and manage inventory levels for certain of our products. All of these activities are subject to the uncertainties associated with international business operations, including global laws and regulations, trade barriers, economic sanctions, tax regulations, import and export regulations, duties and tariffs and other trade restrictions, changes in trade policies, anti-corruption laws, foreign governmental regulations, potential vulnerability of and reduced protection for IP, longer receivable collection periods, disruptions or delays in production or shipments and the impact from a global pandemic, such as COVID-19 and responsive government measures, any of which could have a material adverse effect on our business, financial condition and/or operating results.

In 2018, the U.S. and China began to impose partial tariffs on each other's products, leading to concerns of a trade war. It is not clear yet how the U.S.-China relationship will proceed under the Biden Administration, but the new Administration has continued to impose export control restrictions and sanctions on Chinese companies that make it difficult to continue to do business with such companies. If tensions continue to escalate between the U.S. and China, such escalation could result in general economic downturn or otherwise have a material adverse effect on our business. For example, ZTE Corporation (ZTE) has been subject to trade restrictions under a denial order issued by the Bureau of Industry and Security (BIS) of the U.S. Department of Commerce. Although ZTE was granted relief from this denial order and is not currently subject to its restrictions, ZTE could become subject to the denial order again if the company fails to comply with the terms of the superseding settlement agreement or BIS determines that further sanctions are appropriate in the future. Also, in May 2019, BIS added Huawei Technologies Co., Ltd. (Huawei) and dozens of its affiliates to the Entity List, which imposes restrictions on the supply of certain U.S. and non-U.S. items and product support to listed Huawei entities. BIS has continued to add other China-based technology companies to the Entity List, including seven supercomputing companies in April 2021 and twenty-three more entities located in China in July 2021, thereby further expanding the scope of companies subject to trade restrictions. In May 2020, the Department of Commerce also published a new interim final rule amending the Foreign-Produced Direct Product Rule under the Export Administration Regulations (EAR) to impose new controls over certain foreign-produced items destined to designated entities on the Entity List (namely, Huawei). The Foreign-Produced Direct Product Rule was revised in August 2020 in order to further restrict access to a broader swath of products by certain entities on the Entity List, including Huawei. As a result of these and other recent trade restrictions, we, along with others in the semi-conductor industry, are unable to sell certain products to Huawei without a license from BIS (for which there is a presumption of denial), and our ability to do business with Huawei has been adversely impacted. Further geopolitical and regulatory changes may result in shifting regulatory barriers, tax regulations and other trade restrictions that could further negatively impact our business, financial condition and/or operating results. In April 2020, for example, BIS announced further export control regulations effective on June 29, 2020, including the elimination of the license exception CIV (civil end-users), which had permitted certain national security-controlled items to be exported to certain destinations, such as China, without a license and the expansion of controls over items for MEU (military end-uses) in China, Russia and Venezuela. BIS also proposed modifications to the license exception APR (additional permissible reexports), which, if enacted, will impose a licensing requirement on items to be reexported to certain destinations. In June 2020, the Department of Commerce also announced the suspension of all Department of Commerce regulations that afford preferential treatment to Hong Kong under the EAR, including the availability of certain export license exceptions. This means that Hong Kong is now treated the same as China under the EAR, which may impact certain of our logistical operations. Furthermore, BIS may still be considering other regulatory changes. We are dependent upon our ability to obtain export licenses, or exceptions to export license requirements, from U.S. and other foreign regulatory agencies. There is no assurance that we will be issued these licenses or be granted exceptions, and failure to obtain such licenses or exceptions could limit our ability to sell our products into certain countries and negatively impact our business, financial condition and/or operating results.

Additional factors that could adversely affect us due to our international operations include volatility in oil prices and increased costs, or limited supply of other natural resources. Moreover, our financial condition and results of operations could be adversely affected in the event of political conflicts, economic crises or changes in international relations affecting countries where our main wafer providers, warehouses, end customers, and contract manufacturers who provide assembly and test services worldwide, are located. For example, the United Kingdom's recent exit from the European Union, commonly referred to as "Brexit," has led to significant instability and uncertainty in such regions, which could have a material adverse effect on our business.

Unfavorable results of legal proceedings could adversely affect our financial condition and operating results.

From time to time we are subject to various legal proceedings and claims that arise out of the ordinary conduct of our business. The amount of damages alleged in certain legal claims may be significant. Certain other claims involving the Company are not yet resolved, including those that are discussed under "Note 17. Contingencies" to our condensed consolidated financial statements, included in Item 1. "Financial Statements" of this Form 10-Q, and additional claims may arise in the future. Results of legal proceedings cannot be predicted with certainty. Regardless of its merit, litigation may be both time-consuming and disruptive to our operations and cause significant expense and diversion of management attention and we may enter into material settlements to avoid these risks. Entering into settlements may result in payment of significant amounts which may materially and adversely affect our financial condition and operation results. Should we fail to prevail in certain matters, or should several of these matters be resolved against us, we may be faced with significant monetary damages or injunctive relief against us that would materially and adversely affect a portion of our business and might materially and adversely affect our financial condition and operating results.

Our failure to comply with the requirements of the Export Administration Regulations (EAR) and the International Traffic and Arms Regulations (ITAR) could have a material adverse effect on our financial condition and results of operations.

Our FPGAs and related technologies are subject to EAR, which are administered by the U.S. Department of Commerce. In addition, we may, from time to time, receive technical data from third parties that is subject to the ITAR, which are administered by the U.S. Department of State. EAR and ITAR govern the export and re-export of these FPGAs, the transfer of related technologies, whether in the U.S. or abroad, and the provision of services. We are required to maintain an internal compliance program and security infrastructure to meet EAR and ITAR requirements.

An inability to obtain the required export licenses, or to predict when they will be granted, increases the difficulties of forecasting shipments. In addition, security or compliance program failures that could result in penalties or a loss of export privileges, as well as stringent licensing restrictions that may make our products less attractive to overseas customers, could have a material adverse effect on our business, financial condition and/or operating results.

The conflict minerals provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act could result in additional costs and liabilities.

In accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act, the SEC established disclosure and reporting requirements for companies whose products incorporate "conflict" minerals mined from the Democratic Republic of Congo and adjoining countries, regardless of whether such products are manufactured by those companies or by third parties. These requirements could affect the sourcing and availability of minerals used in the manufacture of our semiconductor products. The costs associated with complying with the disclosure requirements include those for due diligence in regard to the sources of any conflict minerals used in our products, remediation and other changes to products, processes, or sources of supply as a consequence of such verification activities. We may face reputational challenges if we are unable to sufficiently verify the origins for all minerals used in our products through the due diligence process we implement. Moreover, some of our customers may require that all of the components of our products are certified as conflict-free, and we may be unable to verify the origin of the raw materials used in our products to the extent necessary to make this certification.

Exposure to greater-than-anticipated income tax liabilities, changes in tax rules and regulations, changes in interpretation of tax rules and regulations, or unfavorable assessments from tax audits could affect our effective tax rates, financial condition and results of operations.

We are a U.S.-based multinational company subject to tax in multiple U.S. and foreign tax jurisdictions. Our income tax obligations could be affected by many factors, including but not limited to changes to our corporate operating structure, intercompany arrangements and tax planning strategies. In addition, changes to existing tax rules and regulations under the new
U.S. administration may further affect our tax rates and obligations.

Our income tax expense is computed based on tax rates at the time of the respective financial period. Our future effective tax rates, financial condition and results from operations could be unfavorably affected by changes in the tax rates in jurisdictions where our income is earned, by changes in the tax rules and regulations or the interpretation of tax rules and regulations in the jurisdictions in which we do business or by changes in the valuation of our deferred tax assets.

In addition, we are subject to examinations of our income tax returns by domestic and foreign tax authorities. We regularly assess the likelihood of outcomes resulting from these examinations to determine the adequacy of our provision for income taxes and have reserved for potential adjustments that may result from the current examinations. There can be no assurance that the final determination of any of these examinations will not have an adverse effect on our effective tax rates, financial condition and results of operations.

Liquidity and Capital Resources Risks

Because we have international business and operations, we are vulnerable to the economic conditions of the countries in which we operate and currency fluctuations could have a material adverse effect on our business and negatively impact our financial condition and results of operations.

In addition to our U.S. operations, we also have significant international operations, including foreign sales offices to support our international customers and distributors, our regional headquarters in Ireland and Singapore and an R&D site in India. Sales and operations outside of the U.S. subject us to the risks associated with conducting business in foreign economic and regulatory environments. Our financial condition and results of operations could be adversely affected by unfavorable economic conditions in countries in which we do significant business or by changes in foreign currency exchange rates affecting those countries. We derive more than half of our revenues from international sales, primarily in the Asia Pacific region, Europe and Japan where economic weaknesses have adversely affected our revenues in the past. Sales to all direct OEMs and distributors are denominated in U.S. dollars. Currency instability and volatility and disruptions in the credit and capital markets may increase credit risks for some of our customers and may impair our customers' ability to repay existing obligations. For example, the United Kingdom's "Brexit" transition has created economic uncertainty and currency volatility in the European Union. Increased currency volatility could also positively or negatively impact our foreign-currency-denominated costs, assets and liabilities. In addition, any devaluation of the U.S. dollar relative to other foreign currencies may increase the operating expenses of our foreign subsidiaries adversely affecting our results of operations. Furthermore, because we are increasingly dependent on the global economy, instability in worldwide economic environments occasioned, for example, directly or indirectly by political instability (such as due to Brexit), terrorist activity, U.S. or other military actions, changes to U.S. domestic and foreign policy and international sanctions or other diplomatic actions (potentially including sanctions adopted or under consideration by the U.S. or European Union with respect to Russia or Russian individuals or businesses), could adversely impact economic activity and lead to a contraction of capital spending by our customers generally or in specific regions. Any or all of these factors could adversely affect our financial condition and results of operations in the future.

We are exposed to fluctuations in interest rates and changes in credit risk which could have a material adverse impact on our financial condition and results of operations as it relates to the market value of our investment portfolio.

Our cash, short-term and long-term investments represent significant assets that may be subject to fluctuating or even negative returns depending upon interest rate movements, changes in credit risk and financial market conditions. Global credit market disruptions and economic slowdown and uncertainty have in the past negatively impacted the values of various types of investment and non-investment grade securities. The global credit and capital markets may again experience significant volatility and disruption due to instability in the global financial system, uncertainty related to global economic conditions and concerns regarding sovereign financial stability.

Therefore, there is a risk that we may incur impairment charges for certain types of investments should credit market conditions deteriorate or the underlying assets fail to perform as anticipated. Our future investment income may fall short of expectations due to changes in interest rates or declines in fair values of our debt securities which are judged to be resulting from credit losses. Furthermore, we may suffer losses in principal on our investments if we are forced to sell securities that have declined in market value due to changes in interest rates or financial market conditions.

We have indebtedness that could adversely affect our financial condition and prevent us from fulfilling our debt obligations.

The aggregate amount of our condensed consolidated indebtedness as of October 2, 2021 was $1.50 billion (principal amount), which consists of $750.0 million in aggregate principal amount of our 2.950% senior notes due 2024 (2024 Notes) and $750.0 million in aggregate principal amount of our 2.375% senior notes due 2030 (2030 Notes). We also may incur additional indebtedness in the future. Our indebtedness may:

- make it difficult for us to satisfy our financial obligations, including making scheduled principal and interest payments on the debentures and our other indebtedness;

- limit our ability to borrow additional funds for working capital, capital expenditures, acquisitions or other general corporate purposes;
- limit our ability to use our cash flow or obtain additional financing for future working capital, capital expenditures, acquisitions or other general business purposes;
- require us to use a portion of our cash flow from operations to make debt service payments;
- limit our flexibility to plan for, or react to, changes in our business and industry;
- place us at a competitive disadvantage compared to our less leveraged competitors; and
- increase our vulnerability to the impact of adverse economic and industry conditions.

Our ability to meet our debt service obligations will depend on our future performance, which will be subject to financial, business and other factors affecting our operations, many of which are beyond our control.

The agreements governing our debt obligations contain covenants that may adversely affect our ability to operate our business.

The indentures governing the 2024 Notes and the 2030 Notes contain various covenants limiting our and our subsidiaries' ability to, among other things:

- create certain liens on principal property or the capital stock of certain subsidiaries;
- enter into certain sale and leaseback transactions with respect to principal property; and
- consolidate or merge with, or convey, transfer or lease all or substantially all our assets, taken as a whole, to another person.

A failure to comply with these covenants or other provisions in these agreements could result in events of default under the agreements, which could permit acceleration of the related debt obligations, as well as other debt obligations. Any required repayment as a result of such acceleration could have a material adverse effect on our business, results of operations, financial condition or cash flows.

General Risk Factors

We compete with others to attract and retain key personnel, and any loss of, or inability to attract, such personnel would harm us.

We depend on the efforts and abilities of certain key members of management and other technical personnel. Our future success depends, in part, upon our ability to retain, develop and transition such personnel and attract and retain other highly qualified personnel, particularly product engineers. Competition for such personnel is intense and we may not be successful in hiring or retaining new or existing qualified personnel. Changes to the U.S. immigration laws may also impact the availability of qualified personnel. From time to time we have effected restructurings that eliminate a number of positions. For example, during the fourth quarter of fiscal 2020, we announced cost-saving measures designed to drive structural operating efficiencies across the Company by reducing our global workforce by approximately 5% through a targeted global workforce reduction in force. Even if such personnel are not directly affected by the restructuring effort, such terminations can have a negative impact on morale and our ability to attract and hire new qualified personnel in the future. In addition, the Merger could adversely affect our ability to retain and motivate current employees or attract and recruit prospective employees, each of whom may be uncertain about their future roles and relationships with us following the completion of the Merger. If we are unable to retain or develop existing qualified personnel or are unable to hire new qualified personnel, as needed, our business, financial condition and results of operations could be seriously harmed. Further, changes to our qualified personnel, including key members of management, may be disruptive to our business, and any failure to successfully assimilate key new hires, or to successfully retain, develop and transition promoted employees, could adversely affect our business and results of operations.

General negative economic conditions and any related deterioration in the global business environment could have a material adverse effect on our business, operating results and financial condition.

If weak economic conditions happen, there may be a number of negative effects on our business, including customers or potential customers reducing or delaying orders, the insolvency of key suppliers, potentially causing production delays, the inability of customers to obtain credit, and the insolvency of one or more customers. Any of these effects could impact our ability to effectively manage inventory levels and collect receivables and ultimately decrease our net revenues and profitability.

In preparing our financial statements, we make good faith estimates and judgments that may change or turn out to be erroneous.

In preparing our financial statements in conformity with accounting principles generally accepted in the U.S., we must make estimates and judgments in applying our critical accounting policies. Those estimates and judgments have a significant impact on the results we report in our condensed consolidated financial statements. The most difficult estimates and subjective judgments that we make concern valuation of marketable and non-marketable securities, revenue recognition, inventories, long-lived assets including acquisition-related intangibles, goodwill, taxes and stock-based compensation. We base our estimates on historical experience, input from outside experts and 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. We also have other key accounting policies that are not as subjective, and therefore, their application would not require us to make estimates or judgments that are as difficult, but which nevertheless could significantly affect our financial reporting. Actual results may differ materially from these estimates. If these estimates or their related assumptions change, our operating results for the periods in which we revise our estimates or assumptions could be adversely and materially affected.

If we are unable to maintain effective internal controls, our stock price could be adversely affected.

We are subject to the ongoing internal control provisions of Section 404 of the Sarbanes-Oxley Act of 2002 (the Sarbanes-Oxley Act). Our controls necessary for continued compliance with the Sarbanes-Oxley Act may not operate effectively at all times and may result in a material weakness disclosure. The identification of material weaknesses in internal control, if any, could indicate a lack of proper controls to generate accurate financial statements and could cause investors to lose confidence and our stock price to drop.

Considerable amounts of shares of our common stock are available for issuance under our equity incentive plans, and significant issuances in the future may adversely impact the market price of our common stock.

As of October 2, 2021 we had 2.00 billion authorized common shares, of which 247.8 million shares were outstanding. In addition, 28.5 million shares of common stock were reserved for issuance pursuant to our equity incentive plans and Amended and Restated 1990 Employee Qualified Stock Purchase Plan. The availability of substantial amounts of our common stock resulting from the exercise or settlement of equity awards outstanding under our equity incentive plans, which would be dilutive to existing stockholders, could adversely affect the prevailing market price of our common stock and could impair our ability to raise additional capital through the sale of equity securities.

Item 2. Unregistered Sale of Equity Securities and Use of Proceeds

On October 22, 2019, the Board authorized the 2019 Repurchase Program to repurchase the Company's common stock and debentures up to $1.00 billion. The 2019 Repurchase Program has no stated expiration date. Through October 2, 2021, we have used $716.3 million out of the $1.00 billion authorized under the 2019 Repurchase Program, leaving $283.7 million available for future purchases.

Pursuant to the terms of the Merger Agreement, we suspended our repurchase program on October 27, 2020, the date that we announced our planned merger with AMD. There was no common stock repurchase during the first six months of fiscal 2022.

Item 6. Exhibits

		Incorporated by Reference				
Exhibit No	**Exhibit Title**	**Form**	**File No.**	**Exhibit**	**Filing Date**	**Filed Herewith**
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101.INS	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.					X
101.SCH	XBRL Taxonomy Extension Schema Document					X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document					X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document					X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					X

Items 3, 4 and 5 are not applicable and have been omitted.

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.

XILINX, INC.

Date: October 28, 2021

/s/ Brice Hill

Brice Hill
Executive Vice President and Chief Financial Officer
(as principal financial and accounting officer on behalf of Registrant)

Exhibit 31.1

XILINX, INC.
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Victor Peng, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Xilinx, 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 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 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: October 28, 2021

/s/ Victor Peng

Victor Peng
President and Chief Executive Officer

Exhibit 31.2

XILINX, INC.
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Brice Hill, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Xilinx, 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 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 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: October 28, 2021

/s/ Brice Hill
Brice Hill
Executive Vice President
and Chief Financial Officer

Exhibit 32.1

XILINX, INC.
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 Xilinx, Inc. (the “Company”) on Form 10-Q for the period ended October 2, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Victor Peng, President and Chief Executive Officer of the Company, certify, pursuant to Title 18, Chapter 63, Section 1350 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 28, 2021

/s/ Victor Peng
Victor Peng
President and Chief Executive Officer

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 Xilinx, Inc. and will be retained by Xilinx, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

Exhibit 32.2

XILINX, INC.
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 Xilinx, Inc. (the “Company”) on Form 10-Q for the period ended October 2, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Brice Hill, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to Title 18, Chapter 63, Section 1350 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 28, 2021

/s/ Brice Hill
Brice Hill
Executive Vice President
and Chief Financial Officer

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 Xilinx, Inc. and will be retained by Xilinx, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended.