Elphinstone Research Group

Equity Research Report

Arm Holdings (NASDAQ: ARM)

Q4 2025

Ticker: ARM **Stock Price: 106.48GBP (17/11/25)**
Exchange: NASDAQ **Target Price: 106GBP (16/11/25)**

Recommendation - BUY

Investment Summary.

Arm Holdings is an industry-leading designer of energy-efficient CPU architectures, such as the Armv9and Cortex-A, and compute platforms for semiconductor chips. Founded in 1990 in Cambridge, the company remains headquartered in the city, primarily operating in the US, China, Taiwan, South Korea and Europe. Arm Holdings' business is centred around the licensing of intellectual property (IP) to semiconductor companies such as Qualcomm and NVIDIA, and Original Equipment Manufacturers(OEMs), including the likes of Apple and Samsung and receiving royalties. Possessing a diversified consumer base and scalable licensing model, Arm's long-term strategic direction supports a solid revenue outlook for the future. We are constructive on Arm Holdings, maintaining a BUY view, due to consistent revenue growth, its strong market standing in CPU architecture, its increasing number of licensees and the continued growth of the global AI market. With plans to expand into Cloud & Networking, Internet of Things (IoT) and Embedded Systems, we believe Arm to be well positioned for long-term growth.

Top-line Performance

Arm Holdings is coming off the back of posting their best ever Q1 Revenue performance, being $1.053bn, a growth of 12.1% YoY. FYE2025 also saw Arm post impressive revenue growth, increasing by 23.9% YoY $4.007bn.

Proven Leadership by Rene Haas

Under the leadership of Rene Haas, Arm Holdings has seen tremendous growth, going from an initial stock price of $52 per share after IPO in September 2023, to closing at $169.38 on October 21st, 2025. Not only does he possess deep technical and commercial knowledge, having worked at companies such as Texas Instruments, Xerox and NVIDIA, he has been transformative, being credited with shifting Arm from a licensing-only model to being platform-driven, now offering Compute Subsystems. So far, Haas has led the company through an IPO, repositioning in the AI sector and a strategic transformation. It can be said that under the guidance of Rene Haas, Arm have a solid foundation for continued success.

Risks and Catalysts

Arm Holdings is well-positioned to benefit from AI and data centre expansion plans, with major hyperscalers, including AWS and Google Cloud, adopting Neoverse-based CPUs. Whilst competition from RISC-V poses a threat to Arm's market share in certain segments and regions, such as China, and dependence on the smartphone market and rising R&D costs are ongoing challenges, Arm may still gain from product diversification into subsystems and growth in edge computing and IoT.

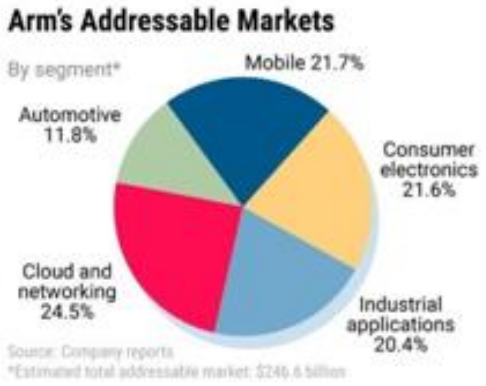
COMPANY OVERVIEW

Arm Holdings plc is a British semiconductor and software design company headquartered in Cambridge, England. It is one of the world's leading providers of processor architectures and intellectual property used in smartphone chips, embedded systems, and data centre technologies. ARM Holdings designs the power for the majority of mobile devices globally, and its technology is licensed by major semiconductor manufacturers. The company was acquired by SoftBank Group in 2016, and it returned to public markets in 2023 with a listing on the NASDAQ. Arm Holdings' asset-light model enables high margins and scalability.

BUSINESS MODEL

The company's main operations involve licensing intellectual property (IP), including designs for CPUs, GPUs, system components, and related software tools to semiconductor manufacturers and OEMs. Arm Holdings is a dominant player within its sector, representing roughly 15-20% of the global semiconductor IP market. Furthermore, it holds a near-monopoly dominance in mobile CPU architecture licensing, with over 99% of the market share.

OPERATING SEGMENTS



Arm Holdings plc reports as a unified business, although its operations can be viewed across several technology domains:

- Client: Designs for mobile and consumer devices, including tablets, smartphones, and wearables. This is Arm Holdings' strongest and most established market.
- Infrastructure: Supports data centre, cloud, and networking applications with high-quality GPU and CPU designs.
- Automotive: Provides AI solutions and processors for infotainment, driving assistance, and autonomous driving systems.
- Internet of Things (IoT): Supplies energy-efficient compute IP for embedded and connected devices.

MANAGEMENT HIGHLIGHTS

Rene Haas has served as Chief Executive Officer (CEO) since 2022. Previously, Mr Haas held senior roles at three AI firms, including Nvidia, where he served as vice president and general manager of the computing business before joining ARM in 2013. During his leadership, ARM Holdings has prioritised expansion into the AI and data centre markets while maintaining its dominance in mobile computing. Haas's strategy emphasises long-term growth through deepening Arm's role in cloud and edge computing and ecosystem partnerships. Yoshimitsu Goto represents SoftBank Group and operates as Chair of the Board. His outlook reinforces Arm's global strategy with SoftBank's broader technology portfolio.

HISTORICAL PERFORMANCE SNAPSHOT

Arm Holdings plc has shown consistent financial strength driven by its sustained global demand for low-power processors and a royalty-based revenue model. FY2024 reported revenue growth exceeding 21% YoY, reflecting the continued adoption of its most recent architecture generations (Armv9). Arm's operating margins remain secure due to its highly scalable royalty revenue and licensing model, which accounts for more than 60% of total income, ensuring steady and stable cash flows. Since their 2023 NASDAQ IPO, Arm's market capitalisation has remained one of the highest within the semiconductor design market, showing investor confidence in their strategic position within the global chip industry.

GEOGRAPHY, PRODUCTS, AND SERVICES

Arm Holdings' intellectual property (IP) and technologies are used globally by leading semiconductor companies, including NVIDIA, Apple, Qualcomm, MediaTek, and Samsung. Its presence extends into major tech economies, with a particularly strong footprint in Asia and North America, where most partners sell and manufacture Arm-based products.
Core product lines include:

- System and Security IP: Components that integrate, interconnect, process, and provide security features into complete system-on-chip (SoCs).

- GPU Architectures: The Immortalis and Mali product families for AI and graphical workloads.

- CPU Architectures: The Neoverse series and Arm Cortex, designed for edge, mobile, and server applications.

1. Industry Overview – Semiconductor IP and CPU Architectures

The semiconductor IP market is growing as chips become more complex and as computing spreads into more devices. Modern SoCs integrate multiple CPU cores, GPUs, memory controllers, security and often AI acceleration. Designing everything in-house is costly and time-consuming; using pre-verified IP blocks from specialist providers like Arm helps customers reduce risk and speed up time-to-market.

Demand is also supported by the proliferation of connected and intelligent devices. Smartphones remain a major volume driver, but processors are increasingly embedded in wearables, smart home devices, industrial equipment, vehicles and infrastructure. Each of these requires power-efficient compute and connectivity, expanding the market for licensable CPU and system IP.

Within CPU architectures, the market is dominated by x86 (Intel and AMD) and Arm-based designs. ARM's reduced instruction set computing (RISC) architecture prioritises performance per watt, making it well-suited to battery-powered and thermally constrained devices such as smartphones, tablets and many embedded systems. Over time, ARM-based chips have also gained traction in laptops, servers and networking equipment as power efficiency has become a critical constraint.

Arm's business model is highly scalable. Once a core design is created, it can be licensed many times with relatively low incremental cost. Licence fees provide near-term revenue and indicate future design wins, while royalties from existing designs create a recurring base that can last for many years as chips remain in production. This typically results in high gross margins and attractive operating leverage, albeit with some volatility driven by licence timing and end-market cycles.

Key structural trends for Arm include:

- **Diversification beyond mobile:** Historically, royalties were concentrated in smartphones. Arm is increasingly targeting data-centre, automotive, infrastructure and IoT markets to broaden its exposure and reduce dependence on any single category.
- **AI and edge computing:** AI workloads are moving from specialist accelerators into general-purpose CPUs and into edge devices such as phones, PCs and cars. Arm is positioning its latest architectures and cores as efficient platforms for on-device AI, aiming to capture value as AI becomes a standard feature in many devices.
- **Higher value per design:** Newer Arm architectures and more complex clusters and subsystems typically command higher royalty rates. As customers migrate to these newer platforms, Arm can grow royalty revenue faster than underlying unit volumes.
- **Custom silicon:** Large technology companies and cloud providers are designing custom chips tailored to their workloads. Arm aims to participate in this trend by offering more complete platform solutions and by supporting both standard cores and architectural licences for custom designs.

2. Competitive Landscape

Arm's competition spans both alternative CPU architectures and other providers of semiconductor IP. The relevant competitors differ by end-market and by product type.

2.1 CPU Architecture Competition

x86 (Intel and AMD)

x86 remains the incumbent architecture in traditional PCs and data-centre servers, backed by a mature ecosystem of hardware and software. However, x86 designs are generally less power-efficient than Arm, which creates opportunities for Arm-based processors in use cases where energy consumption and cooling are key constraints, such as cloud servers and thin-and-light laptops. In these segments, Arm is effectively competing to displace x86 as the default CPU architecture.

RISC-V

RISC-V is an open, royalty-free instruction set that is gaining traction in microcontrollers, IoT devices and some specialised applications. Its open nature and flexibility make it attractive to companies seeking greater control over their CPU roadmap or lower total cost. RISC-V competes most directly with Arm in low-end and embedded markets and represents a longer-term strategic threat if it continues to move upmarket. For now, Arm maintains an advantage in ecosystem maturity, tools and proven high-performance designs.

Custom cores using the ARM instruction set

Some large customers hold architectural licences that allow them to design their own cores implementing the ARM instruction set. These custom cores can compete with Arm's own standard cores on performance, but they still generate royalties for Arm and reinforce the overall Arm ecosystem. This dynamic means Arm sometimes competes with its own customers at the core level, while benefiting from the broader success of the architecture.

2.2 Other Semiconductor IP Providers

At the IP block level, Arm competes with several other vendors:

- CPU, DSP, and interface IP from electronic design automation and IP companies.
- Graphics IP from firms that compete with Arm's Mali GPU offering.
- System IP and interconnect from both specialist IP vendors and in-house teams at large chipmakers.

Arm's differentiation versus these providers includes:

- **Scale and ecosystem:** Arm's architectures are supported by major foundries, operating systems, toolchains and a large developer base. This reduces integration risk and makes Arm the default choice for many new designs.
- **Breadth of platform:** Arm can offer CPU, GPU and system IP, along with software tools and reference designs, enabling customers to adopt a coherent platform rather than assembling multiple components from scratch.

Track record: Long-standing relationships with leading semiconductor vendors an OEMs, and a history of production-proven designs support customer confidence.

End-Market Dynamics, Moat and Risks

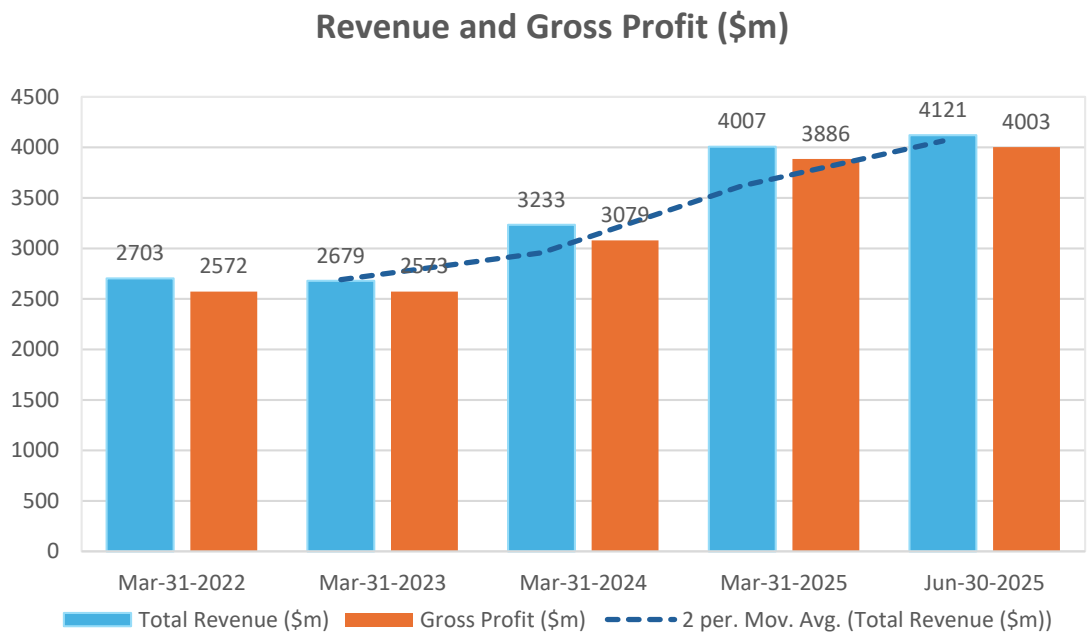
Arm is strongest in **smartphones**, where its CPUs are the industry standard. Competitive pressure mainly comes from customers bringing more IP in-house and from early RISC-V adoption in low-cost devices.

In the **data-centre**, Arm is gaining share against x86 by offering better performance per watt. Continued success depends on software ecosystem support and further adoption of Arm-based server CPUs by cloud providers.

Key Financials

Period	Total Revenue ($m)	Gross Profit ($m)	Margin %	EBITDA ($m)	Margin %	Net Income ($m)	Margin %
Mar-31-2022A	2703	2572	95.1535	830.3	30.7177	549	20.3107
Mar-31-2023A	2679	2573	96.0432	860	32.1015	524	19.5595
Mar-31-2024A	3233	3079	95.2366	224	6.9285	306	9.4648
Mar-31-2025A	4007	3886	96.9802	992.8	24.7766	792	19.7654
Jun-30-2025A	4121	4003	97.1366	941.8	22.8536	699	16.9619

ARM Holdings PLC has delivered steady revenue growth, rising from $2.7 billion in FY2022 to over $4.0 billion in FY2025 (+48%), supported by consistently strong gross profitability. Gross margins remained above 95%, edging up to 97.0% in FY2025. While EBITDA and net income dipped sharply in FY2024, they rebounded strongly in FY2025 to $992.8 million and $792 million, respectively. The June 2025 quarter sustained this momentum, with $4.1 billion in revenue and $941.8 million in EBITDA, signalling continued operational strength into FY2026. Margins likely fell in 2024 due to IPO costs and repercussions, and due to the turmoil and boom of the AI industry as investors raced to deploy capital across the sector. The firm also significantly increased R&D spending to meet demand. This downturn is temporary and is not expected to recur.



Source: S&P CAPITAL IQ

Balance Sheet Strength

Period	Current Ratio	Total Liabilities/Total Assets
Mar-31-2022	2.216487	45.4992
Mar-31-2023	2.595011	40.9991
Mar-31-2024	2.788704	33.2029
Mar-31-2025	5.199138	23.4326
Jun-30-2025	4.988428	25.4177

Regarding balance sheet health, the current ratio has increased steadily over the review period, suggesting improvements in short-term financial flexibility and a strong ability to cover current liabilities. At the same time, leverage has declined quite significantly with the total liabilities-to-assets ratio falling from highs of 45.5% in FY2022. The combination of high liquidity and low leverage underscores a solid balance sheet position, providing ample capacity to withstand operating volatility and support future growth initiatives.

Cash Flow Analysis

Period	Cash from Ops.	Cash from Investing	Total Debt Issued
Mar-31-2022	458	-619	50
Mar-31-2023	739	-138	
Mar-31-2024	1090	-516	
Mar-31-2025	397	-35	
Jun-30-2025	1019	-333	

ARM Holding generated consistently positive operating cash flow. Cash outflows from investing reflect ongoing reinvestment, while minimal new debt issuance and no repayments highlight a conservative funding approach and reliance on internally generated cash.

Source: S&P CAPITAL IQ

ARM Holdings DCF Assumptions

Future Revenue Growth Rates:

The revenue growth rate was derived from various assumptions, including Company Annual Reports, company documents/ announcements, the likelihood of future contracts/ current contracts, S&P Capital IQ data, and the company's current financial position.

Overview & Underlying Assumptions:

Arm has demonstrated a sustained high-growth approach driven by global demand for chip IP, expansion into data centres, and structural shifts toward AI integration. According to Capital IQ, revenues have increased from £2.573 billion (2024 FY) to £3.142 billion (2025 FY), so an annual rate of roughly 22%.

The company's rapid expansion can be attributed to AI workloads, the launch of new royalty-free ARMv9 chip designs, and greater diversification into sectors outside of mobile, such as cloud computing. These developments have positioned ARM favourably compared to the competition, as it remains a critical supplier of semiconductor architecture and design to large firms globally.

However, this growth cannot be sustained forever. Implications from competitor innovations, market saturation, technological advancements, the semiconductor cycle, and macroeconomic headwinds, alongside geopolitical risks and regulatory scrutiny, will create a complex landscape for ARM in the years to come.

Factors such as rising inflation (3.8%, above the Bank of England's 2% target) and elevated base rates (4%) have led to tightening within capital markets, impacting the global economy, reducing demand and heightening borrowing rates. Moreover, ARM is based in Cambridge, England, meaning that the firm may be directly hit by low economic growth, which harms reinvestment within the firm.

Tariff effects and export restrictions between the US and China will pose a significant problem. This is primarily due to the fact that ARM's business model is licensing-based rather than manufacturing-heavy, and its partners' production volumes are directly impacted by global trade tensions. Furthermore, supply chain disruptions remain prominent, as conflicts in the Middle East persist, thereby aggravating energy costs. While Arm's operations are primarily headquartered in Cambridge, UK**,** with regional offices in the United States, Japan, South Korea, and China, this global footprint exposes the firm to regional volatility and currency fluctuations.

Despite these potential disruptors, ARM's monopolistic positioning in CPU architecture, which is spreading across more sectors such as cloud and AI, should enable some sustained growth.

End of 2025 Growth Rate:

Arm has continued high growth due to factors such as enhancements from AI-accelerated computing, rising royalty rates from new ARMv9 designs, and continued diversification beyond mobile to cloud, allowing key differential factors to remain outstripping competitors.

The Rest of Future Years:

Over the medium term, ARM's growth is expected to normalise as the semiconductor market stabilises following the AI-driven spike and catches up on supply lags. Continual benefits from the ARMv9 will positively impact revenue as shifts to more aggressive competitive diversification begin.

However, the combination of rising interest rates**,** supply chain constraints**,** and sluggish economic activity in key economies (including the UK, US, and China) is expected to put downward pressure on capital expenditure in technology and semiconductor manufacturing as well as most global industries. This will indirectly affect ARM's royalty income, as fewer chips may be shipped in the medium term.

Competition from open-source architectures, such as RISC-V, is also an emerging long-term threat, as it offers low-cost, license-free alternatives that could appeal to cost-sensitive clients.

Therefore, it is reasonable to assume that growth will gradually taper from the current low20s range toward the mid-to-high teens through 2027, as reported by Bloomberg, and eventually reach high single digits by the late 2020s.

Sources:

- S&P Capital IQ
- Bloomberg Terminal
- ARM Holdings Annual Reports
- ARM Holdings Website
- The Financial Times
- The Economist

DCF Analysis

			Projection Period			
	2026	2027	2028	2029	2030	
Operating DATA						
Revenues	**3,721.65**	**4,428.77**	**5,225.95**	**6,140.49**	**7,122.96**	13.86%
%Growth	20.00%	19.00%	18.00%	17.50%	16.00%	
COGS	**(176.70)**	**(210.28)**	**(248.12)**	**(291.55)**	**(338.19)**	13.86%
%Revenues	-4.75%	-4.75%	-4.75%	-4.75%	-4.75%	
Gross Profit	**3,544.95**	**4,218.49**	**4,977.82**	**5,848.94**	**6,784.77**	13.86%
%Margin	95.25%	95.25%	95.25%	95.25%	95.25%	
SG&A	**(1,235.44)**	**(1,470.17)**	**(1,734.80)**	**(2,038.39)**	**(2,364.54)**	
%Sales	-33.196%	-33.196%	-33.196%	-33.196%	-33.196%	
EBITDA	**5,023.67**	**5,978.16**	**7,054.23**	**8,288.72**	**9,614.92**	13.86%
%Margin	134.98%	134.98%	134.98%	134.98%	134.98%	
Depreciation&Amort	**243.28**	**289.50**	**341.61**	**401.39**	**465.61**	13.86%
%Sales	6.54%	6.54%	6.54%	6.54%	6.54%	
EBIT	**4,780.39**	**5,688.66**	**6,712.62**	**7,887.33**	**9,149.31**	13.86%
%Margin	128.45%	128.45%	128.45%	128.45%	128.45%	
Taxes at 21%	**1,003.88**	**1,194.62**	**1,409.65**	**1,656.34**	**1,921.35**	
EBIAT	**3,776.51**	**4,494.05**	**5,302.97**	**6,230.99**	**7,227.95**	13.86%
CapEX	-80.54	-95.85	-113.10	-132.89	-154.15	
%Sales	-2.16%	-2.16%	-2.16%	-2.16%	-2.16%	

NWC	334.16	397.65	469.22	551.34	639.55
△NWC	(617.85)	63.49	71.58	82.11	88.21
Free Cash Flow	**3,482.48**	**4,942.88**	**5,829.26**	**6,847.39**	**7,935.93**

DCF Analysis

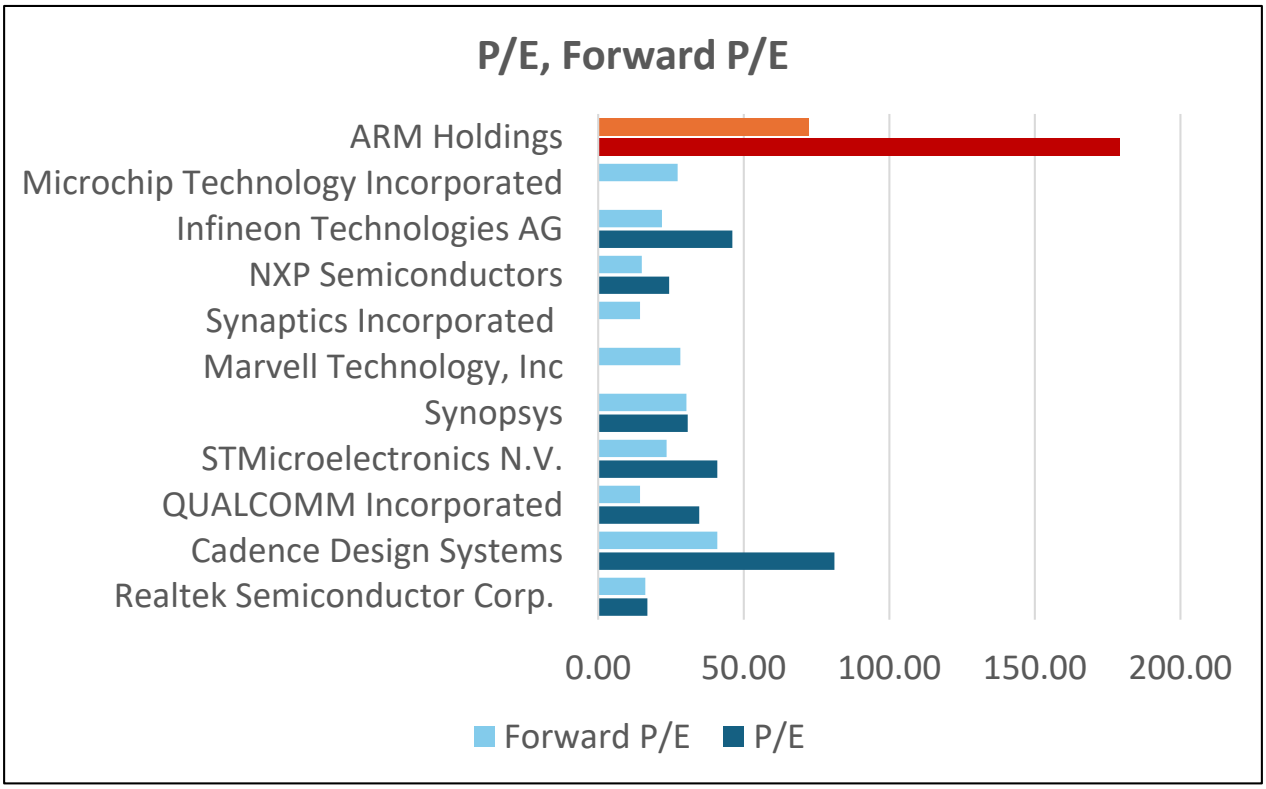
Terminal Value	
EBITDA (2029)	9,614.92
Exit Multiple	16x
Terminal Value	153,838.71
Present Value of TV	111,436.68

Implied Perpetuity Growth Rate	
FCF Terminal	7,935.93
WACC	11.10%
Terminal Value	153,838.71
Implied Growth Rate	5.37%

Implied Share Price	
Present Value of Cash flows	111,436.68
Cash (£m)	1,614
Debt (£m)	319
Shares Outstanding	1,061
Implied Share Price (£)	106.25
Current Share Price	106.21
Upside/Downside	0.04

Recent Share Price Movements (2023-2025)

Peer Comps


P/E, Forward P/E
ARM Holdings
Microchip Technology Incorporated
Infineon Technologies AG
NXP Semiconductors
Synaptics Incorporated
Marvell Technology, Inc
Synopsys
STMicroelectronics N.V.
QUALCOMM Incorporated
Cadence Design Systems
Realtek Semiconductor Corp.
0.00
50.00
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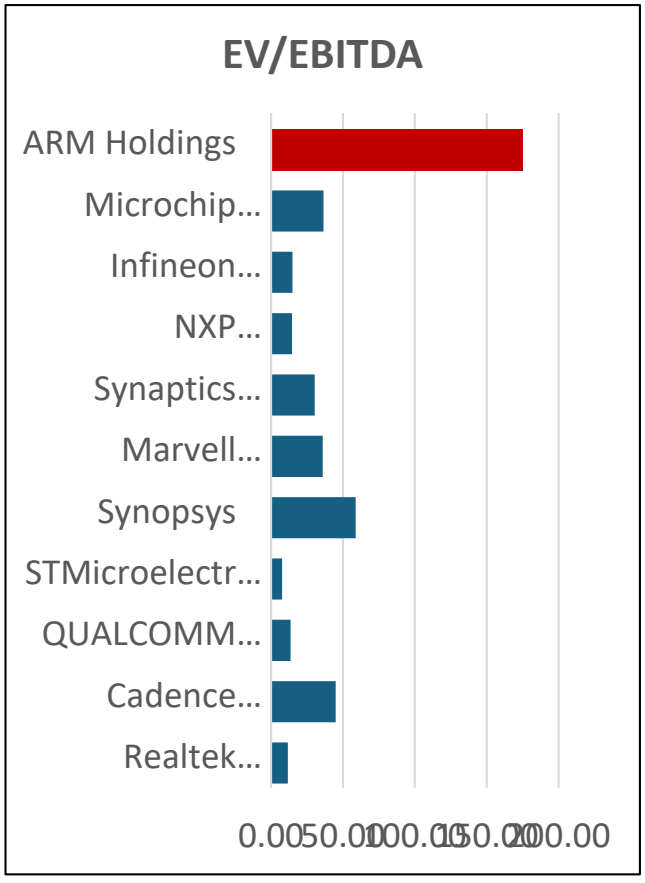
Forward P/E
P/E


EV/EBITDA
ARM Holdings
Microchip...
Infineon...
NXP...
Synaptics...
Marvell...
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STMicroelectr...
QUALCOMM...
Cadence...
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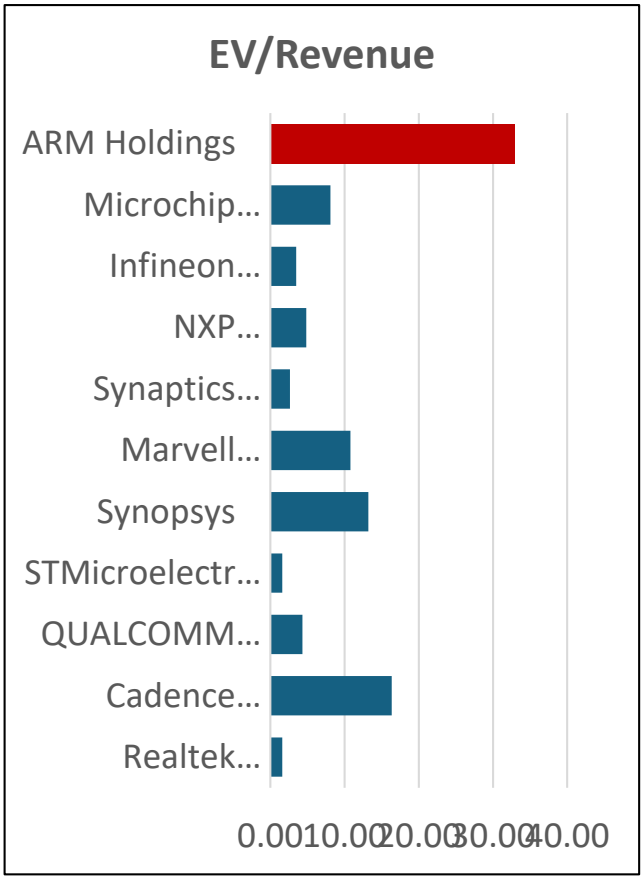
EV/Revenue
ARM Holdings
Microchip...
Infineon...
NXP...
Synaptics...
Marvell...
Synopsys
STMicroelectr...
QUALCOMM...
Cadence...
Realtek...
0.00
10.00
20.00
30.00
40.00

Catalysts & Risks

Catalysts

AI and Data Centre Expansion
Arm stands to gain from the rising use of AI workloads in data centres. Major cloud providers like Amazon, Microsoft, and Google are starting to use custom chips built on Arm's Neoverse CPUs. If this trend continues, Arm could see strong royalty growth as its share in AI servers increases. The broader shift toward Arm-based chips in AI and cloud systems also supports long-term revenue growth.

Higher Royalty Rates and Premium IP Mix
Arm's move from its older v8 architecture to v9 and CSS designs is lifting average royalty rates. These new designs bring rates closer to 5%, compared to around 2.5–3% before. This means Arm can earn more even without a major increase in volume. The higher pricing reflects the stronger performance and flexibility of its next-generation products, which are built to handle AI and advanced computing.

Expanding Developer and Partner Ecosystem
With over 22 million developers and close relationships with companies like Apple, Samsung, NVIDIA, and Qualcomm, Arm's ecosystem gives it a strong competitive position. The scale of both hardware and software support reinforces adoption, creating stable royalty streams and improving visibility of future cash flows.

R&D Investment and Product Diversification
Arm has been increasing its R&D spending in areas like compute subsystems, chiplets, and AI-specific designs such as Ethos and Zena. This helps it move beyond CPU licensing into broader system-level roles. These efforts open new revenue opportunities in AI acceleration and edge computing, and if successful, could expand its earnings base over time.

Risks

Execution and Strategic Complexity
Expanding beyond CPUs into subsystems and chiplets adds technical and operational challenges. If Arm struggles with execution, costs could rise and margins could tighten. Similar transitions have hurt competitors, and missteps here could slow growth or affect profitability.

Smartphone Market Saturation
A large portion of Arm's royalties still comes from smartphones. Slower upgrade cycles or weaker demand in mature markets could weigh on revenue. If diversification into AI and data centre markets takes longer than expected, growth could remain tied to a maturing mobile market.

R&D and Margin Pressure
Higher R&D spending may outpace revenue growth in the near term. If royalty gains don't offset these costs, margins could compress. Sustained expense growth without matching returns would limit future earnings potential.

China Exposure
About one-fifth of Arm's revenue comes from China. Tensions between the U.S. and China, including export restrictions, could hurt access to key customers. At the same time, the Chinese government's push for RISC-V, an open-source chip design, adds further pressure on Arm's position in the region.

Customer Vertical Integration
Major clients like Apple, Google, and Amazon are developing more in-house silicon. As these firms design their own chips, Arm's external licensing opportunities could narrow, reducing long-term royalty visibility.

Bull Case

If the AI Boom continues on its current trajectory and the infrastructure race accelerates, ARM would stand to benefit from continued increases in deal flow and revenue. If the company secures future contracts and delivers on them, it will likely remain ahead of competitors, as shown in the Comps analysis on page 12. This supports a reasonable assumption that the stock price will head towards the £150 range next year. We would not feel comfortable setting a best-case scenario above this range; however, we would maintain a best-case bull of **£150** within the following year.

Bear Case

Amid significant uncertainty in the AI sector, investors are increasingly wary of a bubble. Infrastructure projects aren't keeping up with the speed of expansion and demand. The overreliance on a few companies (Nvidia, Microsoft, OpenAI, Oracle, and Google) also raises fears of a bubble, which could have repercussions across the entire industry if investors panic. The AI race between the US and China is also a significant factor to observe. If China continues to produce cheaper and more efficient AI systems, U.S.-listed companies will be affected, including ARM.

With this in mind, we would set a Bear case at a price range of **£70-£80** in the next few months if investors become fearful. The industry is also being held up and pushed forward by the success of a few large companies, which heavily increases the risk of a fire sale.

These cases are, of course, best/worst for the coming months, and we would retain an average price expectation of £90- £110 if the industry holds over the end of the year and into 2026.

In 2025, Arm Holdings is the leader in the industry in terms of both technology innovation and ESG performance. Major ESG rating providers such as ISS ESG, MSCI, and Sustainalytics document that Arm makes strong advances in sustainability, corporate governance, and in terms of social impact initiatives.

Recent ratings by ISS ESG commend Arm's enhancing governance record with increased board independence, aligned shareholder positions, and effective oversight regimes. These initiatives have pushed Arm's transparency and accountability higher than sector scores for governance standards. MSCI ESG Ratings also reconfirm Arm's excellent grades in risk management with particular strengths in data security, ethics in operation, and active stakeholder engagement.

Environmentally, Arm's carbon intensity reduction target is the standout. In 2025, Arm's disclosures indicate an unambiguous year-on-year decrease in operational emissions due to investments in energy-efficient product development and supply chain management. These initiatives have been well-received by agencies in terms of ARM's openness and aspiration in climate management.

Social considerations also rank highly in ratings. Arm's emphasis on diversity, inclusive work culture, employee well-being, and active community involvement has won praise from its ESG raters. The embedding of sustainability in Arm's business agenda makes it a globally responsible player.

Sustainalytics ESG risk exposure score of **29.00** (upper-end medium risk).

Elphinstone Research Group

Disclosure

This report was prepared by Elphinstone Research Group for academic and educational purposes only. The author does not hold a financial interest in Arm Holdings (ARM).
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