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

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of May 2026

Commission File Number 001-40974

GLOBALFOUNDRIES Inc.

400 Stonebreak Road Extension
Malta, NY 12020

Indicate by check mark whether the Registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Attached hereto is the following exhibit.

Exhibit 99.1	Unaudited Interim Condensed Consolidated Financial Statements as of March 31, 2026 and December 31, 2025 and for the three months ended March 31, 2026 and 2025, Management's Discussion and Analysis of Financial Condition and Results of Operations for the three months ended March 31, 2026 and 2025

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.

GLOBALFOUNDRIES Inc.

Date: May 5, 2026	By:	/s/ Sam Franklin
	Name:	Sam Franklin
	Title:	Chief Financial Officer

GLOBALFOUNDRIES Inc.

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INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of March 31, 2026 and December 31, 2025
(Unaudited, in millions, except share amounts)

	As of	
	March 31 2026	**December 31 2025**
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,849	$ 1,809
Marketable securities	1,154	1,241
Receivables, prepayments and other assets	1,347	1,578
Inventories	1,686	1,577
Total current assets	**6,036**	**6,205**
Non-current assets:		
Property, plant and equipment, net	7,210	7,223
Marketable securities	770	939
Goodwill and intangible assets, net	1,366	1,368
Right-of-use assets	597	569
Receivables, prepayments and other assets	606	498
Deferred tax assets	191	231
Other non-current financial assets	121	108
Total non-current assets	**10,861**	**10,936**
Total assets	**$ 16,897**	**$ 17,141**
LIABILITIES AND EQUITY		
Current liabilities:		
Trade payables and other current liabilities	$ 2,130	$ 2,154
Current portion of deferred income from government grants	49	59
Current portion of lease obligations	66	69
Current portion of long-term debt	84	86
Total current liabilities	**2,329**	**2,368**
Non-current liabilities:		
Non-current portion of long-term debt	1,063	1,065
Other non-current liabilities	876	862
Non-current portion of lease obligations	511	487
Non-current portion of deferred income from government grants	196	202
Provisions	174	174
Total non-current liabilities	**2,820**	**2,790**
Total liabilities	**$ 5,149**	**$ 5,158**
Equity:		
Share capital		
Ordinary shares, $0.02 par value, 548,416,440 and 555,888,455 shares issued and outstanding as of March 31, 2026 and December 31, 2025, respectively	$ 11	$ 11
Additional paid-in capital	23,850	24,220
Accumulated deficit	(12,278)	(12,381)
Accumulated other comprehensive income	110	78
Equity attributable to the shareholders of GLOBALFOUNDRIES Inc.	**11,693**	**11,928**
Non-controlling interests	55	55
Total equity	**11,748**	**11,983**
Total liabilities and equity	**$ 16,897**	**$ 17,141**

See accompanying notes to the interim condensed consolidated financial statements

GLOBALFOUNDRIES Inc.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
for the Three Months Ended March 31, 2026 and 2025
(Unaudited, in millions, except per share amounts)

	Three Months Ended March 31	
	2026	**2025**
Net revenue	$ 1,634	$ 1,585
Cost of revenue	1,183	1,230
Gross profit	**451**	**355**
Research and development expenses	132	127
Selling, general and administrative expenses and other	139	77
Operating expenses	**271**	**204**
Income from operations	**180**	**151**
Finance income (expense), net	15	14
Other income (expense), net	(10)	30
Income before income taxes	**185**	**195**
Income tax (expense) benefit	(81)	16
Net income	**$ 104**	**$ 211**
Attributable to:		
Shareholders of GLOBALFOUNDRIES Inc.	103	210
Non-controlling interests	1	1
Net income	**$ 104**	**$ 211**
Net earnings per share attributable to the equity holders of the Company:		
Basic	$ 0.19	$ 0.38
Diluted	$ 0.18	$ 0.38
Weighted average common shares outstanding:		
Basic	555	554
Diluted	561	557

See accompanying notes to the interim condensed consolidated financial statements

GLOBALFOUNDRIES Inc.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
for the Three Months Ended March 31, 2026 and 2025
(Unaudited, in millions)

	Three Months Ended March 31	
	2026	**2025**
Net income		
Attributable to:		
Shareholders of GLOBALFOUNDRIES Inc.	$ 103	$ 210
Non-controlling interests	1	1
Net income	**$ 104**	**$ 211**
Other comprehensive income, net of tax:		
Items that may be reclassified subsequently to income:		
Foreign exchange fluctuation reserve	$ (3)	$ 5
Effective portion of changes in the fair value of cash flow hedges	41	31
Fair value gain (loss) on investments measured at fair value through other comprehensive income	(7)	1
Total other comprehensive income	**$ 31**	**$ 37**
Attributable to:		
Shareholders of GLOBALFOUNDRIES Inc.	$ 32	$ 36
Non-controlling interests	(1)	1
Total other comprehensive income	**$ 31**	**$ 37**
Total comprehensive income	**$ 135**	**$ 248**
Attributable to:		
Shareholders of GLOBALFOUNDRIES Inc.	$ 135	$ 246
Non-controlling interests	—	2
Total comprehensive income	**$ 135**	**$ 248**

See accompanying notes to the interim condensed consolidated financial statements

GLOBALFOUNDRIES Inc.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
for the Three Months Ended March 31, 2026 and 2025
(Unaudited, in millions)

	Three Months Ended March 31	
	2026	**2025**
OPERATING ACTIVITIES		
Net income	$ 104	$ 211
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	311	352
Share-based compensation	60	42
Gain on acquisition of joint venture interest	—	(31)
Finance income	(37)	(39)
Finance expense	22	25
Deferred income taxes, net	67	(64)
Gain on disposal of property, plant and equipment	(9)	(32)
Other operating activities	(2)	(12)
Change in assets and liabilities, net of acquisitions:		
Receivables, prepayments and other assets	215	—
Inventories	(109)	(177)
Trade and other payables	(102)	33
Net change in working capital	4	(144)
Interest received	34	32
Interest paid	(8)	(8)
Income taxes paid	(4)	(1)
Net cash provided by operating activities	**$ 542**	**$ 331**
INVESTING ACTIVITIES		
Purchases of property, plant and equipment and intangible assets	(312)	(166)
Purchases of marketable securities	(390)	(397)
Proceeds from sale of marketable securities	267	50
Proceeds from maturities of marketable securities	375	286
Acquisitions, net of cash acquired	—	(19)
Other investing activities	9	35
Net cash used in investing activities	**$ (51)**	**$ (211)**
FINANCING ACTIVITIES		
Purchase of treasury stock	(400)	—
Repayments of debt and lease obligations	(20)	(733)
Proceeds from issuance of equity instruments, net of taxes paid	(30)	16
Net cash used in financing activities	**$ (450)**	**$ (717)**
Effect of exchange rate changes on cash and cash equivalents	(1)	1
Net increase (decrease) in cash and cash equivalents	**$ 40**	**$ (596)**
Cash and cash equivalents at the beginning of the period	1,809	2,192
Cash and cash equivalents at the end of the period	**$ 1,849**	**$ 1,596**

See accompanying notes to the interim condensed consolidated financial statements

GLOBALFOUNDRIES Inc.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
for the Three Months Ended March 31, 2026 and 2025
(Unaudited, in millions)

	Equity Attributable to Shareholders of GLOBALFOUNDRIES Inc.								
	Ordinary Shares								
	Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Hedging Reserve	Foreign Currency Translation and Investments Reserves	Total	Non-Controlling Interests	Total Equity
December 31, 2024	**553**	**$ 11**	**$ 24,014**	**$ (13,266)**	**$ 19**	**$ (2)**	**$ 10,776**	**$ 48**	**$ 10,824**
Proceeds from issuance of equity instruments, net of withholding taxes	2	—	(10)	—	—	—	(10)	—	(10)
Share-based compensation	—	—	42	—	—	—	42	—	42
Net income	—	—	—	210	—	—	210	1	211
Other comprehensive income	—	—	—	—	31	5	36	1	37
March 31, 2025	**555**	**$ 11**	**$ 24,046**	**$ (13,056)**	**$ 50**	**$ 3**	**$ 11,054**	**$ 50**	**$ 11,104**
December 31, 2025	**556**	**$ 11**	**$ 24,220**	**$ (12,381)**	**$ 65**	**$ 13**	**$ 11,928**	**$ 55**	**$ 11,983**
Proceeds from issuance of equity instruments, net of withholding taxes	2	—	(30)	—	—	—	(30)	—	(30)
Treasury shares	(10)	—	(400)	—	—	—	(400)	—	(400)
Share-based compensation	—	—	60	—	—	—	60	—	60
Net income	—	—	—	103	—	—	103	1	104
Other comprehensive income	—	—	—	—	41	(9)	32	(1)	31
March 31, 2026	**548**	**$ 11**	**$ 23,850**	**$ (12,278)**	**$ 106**	**$ 4**	**$ 11,693**	**$ 55**	**$ 11,748**

See accompanying notes to the interim condensed consolidated financial statements

Note 1. Corporate Information

Company Operations

GLOBALFOUNDRIES Inc. (“GlobalFoundries”) is an exempted company with limited liability incorporated under the laws of the Cayman Islands. The address of GlobalFoundries’ registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104 Cayman Islands.

GLOBALFOUNDRIES Inc. (“we,” “GF,” or the “Company”) is one of the world’s leading manufacturers of semiconductors the world relies on to live, work and connect, enabling the scaling of Artificial Intelligence ("AI") in the cloud, and the transition of AI into the physical world. We manufacture differentiated, essential integrated circuits (“ICs”) that are used in billions of electronic devices across various industries.

Note 2. Basis of Presentation, Summary of Material Accounting Policies and Critical Judgments, Estimates and Assumptions

Statement of Compliance — The interim condensed consolidated financial statements ("interim financial statements") have been prepared in accordance with International Accounting Standards ("IAS") 34*, Interim Financial Reporting* ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"). Certain information and footnote disclosures normally included in the annual audited consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) Accounting Standards, as issued by the IASB, have been omitted or condensed. These interim financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in GlobalFoundries' Annual Report on Form 20-F for the year ended December 31, 2025. The interim financial statements have been prepared on a basis consistent with the accounting policies disclosed in the December 31, 2025 audited consolidated financial statements.

The interim financial statements are unaudited and reflect adjustments (consisting of normal recurring adjustments) that are, in the opinion of management, necessary to provide a fair statement of results for the interim periods in accordance with IAS 34 as issued by the IASB.

The interim financial statements were approved and authorized to be issued by the Audit, Risk and Compliance Committee of GlobalFoundries’ Board of Directors on May 05, 2026, and subsequent events have been evaluated for their potential effect on the interim financial statements through May 05, 2026.

Summary of Material Accounting Policies and Critical Judgments, Estimates and Assumptions — The summary of material accounting policies and critical judgments, estimates and assumptions adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Company's annual audited consolidated financial statements contained in our Annual Report on Form 20-F for the year ended December 31, 2025.

Recent Accounting Pronouncements, Adopted:

The Company adopted the following amended IFRS standards, effective January 1, 2026.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9, *Financial Instruments* and IFRS 7, *Financial Instruments: Disclosures*) – The amendments clarify the requirements for the timing of recognition and derecognition of financial assets and liabilities. The amendments also add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion for financial assets that do not relate to basic lending risks, and add new disclosures for certain instruments with contractual terms that can change cash flows based on contingent events. The adoption of these amendments did not result in a material impact to the Company’s consolidated financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 – These narrow-scope amendments relate to clarifications, simplifications, corrections or changes to improve consistency in the following IFRS standards: IFRS 7, *Financial Instruments: Disclosures*, IFRS 9, *Financial Instruments*, IFRS 10, *Consolidated Financial Instruments* and IAS 7, *Statement of Cash Flows*. The adoption of these amendments did not result in a material impact to the Company’s consolidated financial statements.

Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7 – These amendments include clarifying the application of the own-use requirements for nature-dependent electricity contracts, permitting hedge accounting if these contracts are used as hedging instruments and adding new disclosure requirements to enable investors to understand the effect of these contracts on the Company’s financial performance and cash flows. The adoption of these standards, including disclosures that will be made when certain plants commence commercial operations, did not result in a material impact to the Company's consolidated financial statements.

Recent Accounting Pronouncements, Not Adopted:

The Company has not adopted the following new, revised or amended IFRS standards that have been issued by the IASB that are not yet effective:

IFRS 18, *Presentation and Disclosure in Financial Statements* ("IFRS 18") — This new standard will replace IAS 1, *Presentation of Financial Statements* ("IAS 1"). The key concepts in IFRS 18 relate to the structure of the statement of profit and loss, required disclosures in the financial statements for certain management-defined performance measures and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

- IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit and loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.
- It also requires disclosure of management-defined performance measures and subtotals of income and expenses and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.
- In addition, narrow-scope amendments have been made to IAS 7, *Statement of Cash Flows,* which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows. In addition, there are consequential amendments to several other standards.

The effective date for adoption of this standard is annual periods beginning on or after January 1, 2027. Retrospective application is required, hence, the comparative information will be recast in accordance with IFRS 18. The Company is currently assessing the detailed implications of applying the new standard on the consolidated financial statements.

- Although the adoption of IFRS 18 has no impact on the Company's net income, the Company expects that grouping items of income and expenses into the new categories may impact how operating profit is calculated and reported. For example, items currently in "Other income (expense), net" would be reclassified to "Other operating expenses", "Other investing expenses" and "Other financing expenses" lines.
- The Company does not expect a significant change in the information currently disclosed in the notes to the consolidated financial statements because the requirement to disclose material information remains unchanged. However, the way in which information is grouped may be changed.
- For the first annual period of application of IFRS 18, disclosures are required for a reconciliation for each line item in the consolidated statement of operations between the stated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.

As of the date the accompanying financial statements were authorized for issue, the Company continues to evaluate the impact on its consolidated financial position and performance as a result of the initial adoption of the aforementioned standards or interpretations and related applicable periods.

(Unaudited, in millions, except per share amounts or otherwise indicated)

Note 3. Net Revenue

The following table presents the Company's revenue disaggregated based on revenue source, timing of revenue recognition and the end markets that we serve, for the three month periods ended March 31, 2026 and 2025. The Company believes these categories best depict the nature and timing of revenue:

	Three Months Ended March 31	
	2026	**2025**
Type of goods and services:		
Manufacturing Services	$ 1,425	$ 1,397
Technology Services	209	188
Total	**$ 1,634**	**$ 1,585**
Timing of revenue recognition:		
Revenue recognized over time	$ 164	$ 138
Revenue recognized at a point in time	1,470	1,447
Total	**$ 1,634**	**$ 1,585**
End Markets:		
Smart Mobile Devices	$ 558	$ 586
Communications Infrastructure & Datacenter	230	174
Home and Industrial IoT	255	328
Automotive	382	309
Technology Services	209	188
Total	**$ 1,634**	**$ 1,585**

Effective January 1, 2026, the Company updated the terminology used to describe revenue categories. Revenue previously presented as "Wafer revenue" and "Non-wafer revenue" is now presented as "Manufacturing Services" and "Technology Services," respectively. Manufacturing Services include volume production and sales of finished semiconductor products. Technology Services include non-recurring engineering services, mask production, process qualification, post-fabrication services such as bump, test and packaging, and revenue from intellectual property licenses, related royalties and other items. We believe these categories better reflect the depth and breadth of our business model today. This change in presentation does not impact the composition of revenue, total revenue reported or revenue recognition policies. Prior periods have been conformed to the current period presentation.

Note 4. Business Combination

Acquisition of Advanced Micro Foundry Pte. Ltd. – On November 18, 2025, the Company completed its acquisition of Advanced Micro Foundry Pte. Ltd. ("AMF"). AMF is a pioneering silicon photonics foundry based in Singapore. The acquisition is expected to enhance the Company's scale, differentiation and customer base in silicon photonics and optical networking.

The total purchase consideration was $453 million in cash paid on the closing date. The fair value of consideration transferred was determined by the Company with the assistance of an independent appraiser as part of the purchase price allocation.

Assets acquired and liabilities assumed at the date of acquisition are as follows:

(in millions)		Fair value
Assets		
Current assets	$	87
Other noncurrent assets		36
Developed technology		74
In-process research and development		63
Customer relationships		66
Liabilities		
Trade payables and other current liabilities		(14)
Other noncurrent liabilities		(34)
Net identifiable assets acquired	**$**	**278**
Add: Goodwill[(1)]	$	175
Net assets acquired	**$**	**453**

(1) Goodwill is mainly attributable to the workforce, synergies, and expected future growth potential from access to new markets. Goodwill recognized will not be deductible for income tax purposes.

The fair value of certain identifiable assets and liabilities primarily relating to working capital adjustment, including deferred tax liability, have been determined provisionally, and are subject to adjustments as we obtain additional information. Any adjustments to the purchase price allocation will be made as soon as practicable, but no later than one year from the acquisition date.

The valuation of acquired intangible assets consisting of the developed technology, in-process research and development (“IPR&D”) and customer relationships were determined based on management’s estimates and consultation with an independent appraiser. The fair value of developed technology and IPR&D was estimated using the relief from royalty method, while the customer relationships were measured at fair value using the multiperiod excess earnings method. Significant estimations and assumptions inherent in the valuation method were employed by the Company, which included, but were not limited to, future cash flows, expected revenue growth rates, royalty rates, technology migration curve and discount rate applied to future cash flows.

Acquisition of MIPS Holdings Inc.– On August 13, 2025, the Company completed its acquisition of MIPS Holdings Inc. ("MIPS"). MIPS is a leading provider of computing subsystems for autonomous platforms serving the automotive, industrial, and embedded markets. The acquisition is expected to expand the Company’s portfolio of customizable intellectual property (“IP”) offerings and enhance the Company's ability to differentiate its process technologies through advanced IP and software capabilities.

Details of the purchase consideration:

(in millions)		Amount
Cash	$	215
Replacement share-based payment awards		11
Total purchase consideration	$	226

The fair value of consideration transferred was determined by the Company with the assistance of an independent appraiser as part of the purchase price allocation.

Assets acquired and liabilities assumed at the date of acquisition are as follows:

(in millions)	**Fair value**
Assets	
Current assets	$ 13
Other noncurrent assets	13
Developed technology	39
In-process research and development	44
Customer relationships	49
Liabilities	
Trade payables and other current liabilities	(20)
Other noncurrent liabilities	(7)
Net identifiable assets acquired	**$ 131**
Add: Goodwill[(1)]	$ 95
Net assets acquired	**$ 226**

(1) Goodwill is mainly attributable to the workforce, synergies, and expected future growth potential from access to new markets. Goodwill recognized will not be deductible for income tax purposes.

The fair values of certain identifiable assets and liabilities primarily relating to working capital adjustments, including deferred tax liabilities have been determined provisionally and are subject to adjustments as we obtain additional information. Any adjustments to the purchase price allocation will be made as soon as practicable, but no later than one year from the acquisition date.

The fair value of deferred tax liability has been determined provisionally and is subject to adjustments as we obtain additional information. Any adjustments to the purchase price allocation will be made as soon as practicable, but no later than one year from the acquisition date.

The valuation of acquired intangible assets consisting of the developed technology, IPR&D and customer relationships were determined based on management's estimates and consultation with an independent appraiser. The fair value of the developed technology and the IPR&D was estimated using the relief from royalty method, while the customer relationships were fair valued using the multiperiod excess earnings method. Significant estimations and assumptions inherent in the valuation method were employed by the Company, which included, but were not limited to, future cash flows, expected revenue growth rates, royalty rates, technology migration curve and discount rate applied to future cash flows.

Other business combinations – Silicon Manufacturing Partners Pte Ltd ("SMP") was a joint venture between Avago Technologies International Sales Pte. Limited ("Avago Singapore") and GLOBALFOUNDRIES Singapore Pte. Ltd. ("GlobalFoundries Singapore"). As of December 31, 2024, we held a 49% interest in SMP and managed all aspects of its manufacturing operations. On January 2, 2025, we acquired the remaining 51% of the shares in the share capital of SMP from Avago Singapore, thereby making SMP a wholly-owned subsidiary of GlobalFoundries. Total purchase price consideration of $64 million was allocated to the fair values of net assets acquired and resulted in the recognition of $37 million goodwill and the derecognition of the existing investment in the joint venture.

On November 14, 2025, the Company completed its acquisition of InfiniLink Inc. ("InfiniLink") for $48 million. InfiniLink specializes in advanced optical data connectivity chips intended for hyper-scale data centers and enterprises. The acquisition is expected to enhance the Company's in-house design capabilities and further strengthen competitiveness in optics. We recognized goodwill, other intangible assets and deferred tax liabilities of $29 million, $30 million and $11 million, respectively, based on the preliminary allocation of the purchase price to the estimated fair values of the assets acquired and liabilities assumed.

On January 13, 2026, the Company entered into a definitive agreement with Synopsys, Inc. ("Synopsys") for the acquisition of Synopsys' ARC Processor IP Solutions business and its teams of engineers and designers. This strategic acquisition builds on the differentiated capabilities the Company gained through the MIPS acquisition by expanding our RISC-V and custom processor IP portfolio and software tools and accelerates time-to-market for custom silicon solutions. The transaction is expected to be completed towards the end of the first half of calendar year 2026, subject to the satisfaction of customary closing conditions. The acquisition has not closed as of March 31, 2026 and, accordingly, no amounts related to this acquisition have been reflected in the Company's interim financial statements.

(Unaudited, in millions, except per share amounts or otherwise indicated)

Note 5. Income taxes

For tax reporting purposes, the Company consolidates its entities under GLOBALFOUNDRIES Inc., a Cayman Islands entity. As a Cayman Islands entity, the Company's domestic statutory income tax rate is 0.0%. The difference between the Company's domestic statutory income tax rate and its effective income tax rate reflected in income tax benefit or income tax expense is primarily due to the effect of tax rates and permanent differences in other jurisdictions in which the Company operates. Applicable to tax years beginning in 2025, the Company's effective tax rate is not currently materially impacted by Pillar Two minimum top-up taxes but may be in the future.

The effective tax rate was 43.8% and (8.2)% for the three months ended March 31, 2026 and 2025. The increase was primarily the result of tax expense related to exchange rate differences on the basis of certain non-monetary assets in Germany.

Note 6. Earnings Per Share

Basic earnings per share ("EPS") is based upon the weighted average number of common shares outstanding during the period. Diluted earnings per share is based upon the weighted average number of common shares outstanding during the period, assuming the issuance of common shares for all potentially dilutive common shares outstanding.

The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended March 31	
	2026	**2025**
Numerator		
Net income attributable to equity shareholders of the Company	$ 103	$ 210
Denominator		
Basic weighted average ordinary shares outstanding	555	554
Effect of potentially dilutive shares from employee equity plans	6	3
Diluted weighted average ordinary shares outstanding	561	557
Total basic and diluted EPS attributable to equity shareholders:		
Basic	$ 0.19	$ 0.38
Diluted	$ 0.18	$ 0.38

(Unaudited, in millions, except per share amounts or otherwise indicated)

Note 7. Property, Plant and Equipment

	Land and Land Improvements	Buildings and Leasehold Improvements	Equipment	Computers	Construction in Progress	Total
Cost						
As of December 31, 2025	**$ 92**	**$ 7,797**	**$ 24,387**	**$ 465**	**$ 480**	**$ 33,221**
Additions	—	2	2	—	240	244
Transfers from construction in progress	—	(2)	72	2	(72)	—
Disposals	—	—	(67)	—	—	(67)
Effect of exchange rate changes	—	(2)	(11)	—	—	(13)
As of March 31, 2026	**$ 92**	**$ 7,795**	**$ 24,383**	**$ 467**	**$ 648**	**$ 33,385**
Net book value as of March 31, 2026	**$ 60**	**$ 2,484**	**$ 4,004**	**$ 24**	**$ 638**	**$ 7,210**
Accumulated Depreciation and Impairment						
As of December 31, 2025	**$ 32**	**$ 5,256**	**$ 20,261**	**$ 439**	**$ 10**	**$ 25,998**
Additions	—	56	192	4	—	252
Disposals	—	—	(66)	—	—	(66)
Effect of exchange rate changes	—	(1)	(8)	—	—	(9)
As of March 31, 2026	**$ 32**	**$ 5,311**	**$ 20,379**	**$ 443**	**$ 10**	**$ 26,175**

For the three months ended March 31, 2026 and 2025, depreciation expense of property, plant and equipment was $252 million and $310 million, respectively.

(Unaudited, in millions, except per share amounts or otherwise indicated)

Note 8. Receivables, Prepayments and Other Assets

	March 31, 2026	December 31, 2025
Current:		
Trade receivables, other than related parties	$ 719	$ 1,041
Other receivables	247	254
Unbilled accounts receivable[1]	88	63
Receivables from government grants	225	167
Other current financial assets	68	53
Total	**$ 1,347**	**$ 1,578**
Non-current:		
Unbilled accounts receivable[1]	$ 18	$ 18
Advances to suppliers	164	173
Receivables from government grants	208	100
Equity investments	105	101
Other	111	106
Total	**$ 606**	**$ 498**

[1] Unbilled accounts receivable represents amounts recognized on revenue contracts less associated advances and progress billings. These amounts will be billed in accordance with the agreed-upon contractual terms or rendering services.

The following table summarizes the activity in the Company's unbilled accounts receivable for the three months ended March 31, 2026 and for the twelve months ended December 31, 2025, respectively:

	March 31, 2026	December 31, 2025
Balance, beginning of period	$ 81	$ 38
Revenue recognized during the period	53	177
Amounts invoiced	(28)	(135)
Other	—	1
Balance, end of period	**$ 106**	**$ 81**

Note 9. Inventories

Inventories consist of the following:

	March 31, 2026	December 31, 2025
Work in progress	$ 1,145	$ 1,018
Raw materials and supplies	681	649
Inventory reserves	(140)	(90)
Total	**$ 1,686**	**$ 1,577**

For the three months ended March 31, 2026 and 2025, the Company recognized $61 million and $16 million, respectively, within cost of revenue to write down certain inventories to their estimated net realizable value. There were no significant reversals of any write-down of inventories.

Note 10. Leases

The Company has various lease agreements for certain of its offices, facilities and equipment, with a weighted average remaining lease term of 13.4 years and weighted average discount rate of 4.2% as of March 31, 2026. Leases may include one or more options to renew. Renewal terms are not included in the determination of the lease term unless the renewals are deemed to be reasonably certain at the time of lease commencement. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. All leases were measured under a single criterion with the exception of those with terms not exceeding 12 months and low-value leases.

(Unaudited, in millions, except per share amounts or otherwise indicated)

The following table outlines the carrying amounts of right-of-use assets:

	March 31, 2026	December 31, 2025
Land and improvements	$ 60	$ 60
Buildings, leasehold improvements and equipment	537	509
Total	**$ 597**	**$ 569**

The following table summarizes the depreciation of right-of-use assets:

	Three Months Ended March 31	
	2026	2025
Land and improvements	$ 1	$ 1
Buildings, leasehold improvements and equipment	15	12
Total	**$ 16**	**$ 13**

For the three months ended March 31, 2026 and 2025, the additions to right-of-use assets were $43 million and $13 million, respectively, interest expense was $6 million and $6 million, respectively, and cash outflow for leases was $18 million and $33 million, respectively.

Note 11. Trade Payables and Other Liabilities

	March 31, 2026	December 31, 2025
Current:		
Trade payables	$ 419	$ 491
Accrued expenses	539	452
Contract liabilities[(1)]	584	718
Advances and deposits	70	44
Payables for property, plant and equipment and intangible assets	390	335
Other[(2)]	128	114
Total	**$ 2,130**	**$ 2,154**
Non-current:		
Payables for intangible assets	147	150
Contract liabilities[(1)]	491	512
Other[(2)]	238	200
Total	**$ 876**	**$ 862**

[(1)] Contract liabilities comprise contractual obligations for payments received in advance of the satisfaction of performance obligations for wafers, as well as NRE services.

[(2)] Other includes other financial liabilities due from related parties, deferred tax liabilities and non-current advances and deposits.

(Unaudited, in millions, except per share amounts or otherwise indicated)

The following table presents the activities in contract liabilities as of March 31, 2026 and December 31, 2025

	March 31, 2026	December 31, 2025
Beginning contract liabilities balance	$ 1,230	$ 1,584
Cash receipts in advance of satisfaction of performance obligations	45	782
Released to the consolidated statements of operations	(200)	(1,124)
Other[1]	—	(12)
Ending contract liabilities balance	**$ 1,075**	**$ 1,230**
Current	$ 584	$ 718
Non-current	491	512
Total	**$ 1,075**	**$ 1,230**

[1] Includes $0 and $15 million primarily due to the unbilled accounts receivable balance applied against the related contract liabilities for a certain customer's non-recurring engineering arrangement as of March 31, 2026 and December 31, 2025, respectively.

Note 12. Long Term Debt

The following table outlines the terms and carrying amounts of the Company's debt:

Description	Currency	Nominal Interest Rate	Interest Payment Terms	Principal Payment Terms	Year of Maturity	March 31 2026	December 31 2025
2021 SGD EDB Loan	SGD	1.40%	Semi-Annual	Semi-Annual	2041	23	24
Various	EUR, USD	Various			2026-2032	61	62
Current total						**$ 84**	**$ 86**
2021 SGD EDB Loan	SGD	1.40%	Semi-Annual	Semi-Annual	2041	1,024	1,023
Various	EUR, USD	Various			2032	39	42
Non-current total						**$ 1,063**	**$ 1,065**
Total						**$ 1,147**	**$ 1,151**

The following table summarizes unutilized credit facilities available to the Company to maintain liquidity to fund operations:

	March 31, 2026	December 31, 2025
Revolving Credit Facility	$ 1,011	$ 1,011
Uncommitted Credit Facilities[1]	105	105
Total	**$ 1,116**	**$ 1,116**

[1] Credit facility made available to the Company, but the lender is not obligated to loan funds.

Assets pledged as security – Certain property, plant and equipment with a carrying amount of $2.6 billion have been pledged to secure borrowings under pledged agreements for the Company. The Company is not allowed to pledge these assets as security for other borrowings or to sell them outside normal course of business.

Note 13. Commitments and Contingencies

Commitments – The Company enters into several purchase agreements and supplementary agreements with its third-party manufacturers and suppliers for future deliveries of equipment and components. In addition, the Company enters into intellectual property and licensing agreements with third parties. The total future payments under these agreements amounted to $725 million as of March 31, 2026. Purchase commitments of $652 million are due within the next 12 months.

Additionally, the Company obtained letters of credit and bank guarantees to guarantee payments for utility suppliers, foreign statutory payroll related charges, and other purposes. The Company has obtained total facilities of $132 million as of March 31, 2026 and December 31, 2025.

Contingencies – From time to time, the Company is a party to claims that arise in the normal course of business. These claims include allegations of infringement of intellectual property rights of others as well as other claims of liability. In addition, the Company, on a case by case basis, includes intellectual property indemnification provisions in the terms of sale and technology licenses with third parties. The Company is also subject to various taxes in the different jurisdictions in which it operates. These include property, goods and services, and other non-income taxes. The Company accrues costs associated with these matters when they become probable and reasonably estimable. The Company does not believe it is probable that losses associated with these matters beyond those already recognized will be incurred in amounts that would be material to the interim financial statements.

The Company has determined that due to the complexity of calculation of the Advanced Manufacturing Investment Tax Credit ("AMITC") under the Internal Revenue Code Section 48D, and uncertainties regarding compliance with program conditions, it is probable that a portion of AMITC computed and claimed in the United States may be repayable. Management recorded its best estimate of the amount of the AMITC that may be repayable totaling $55 million as of March 31, 2026. The amount of the reserve may change depending on future assessments by tax authorities.

Note 14. Fair Value Measurements

The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices in active markets in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for similar assets or liabilities 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 for which little or no market data exists, therefore requiring management judgment to develop the Company's own models with estimates and assumptions.

Cash Equivalents – Cash equivalents include investments in government obligation-based money market funds, other money market instruments and interest-bearing deposits with initial or remaining terms of three months or less. The fair value of cash equivalents approximates its carrying value due to the short-term nature of these instruments.

Marketable Securities – Marketable securities utilizing Level 1 and Level 2 inputs include U.S. Treasury Securities, U.S. Government Sponsored Enterprises, floating rate securities, money market mutual funds, corporate debt instruments and other notes, bonds or debt securities issued by non-U.S. sovereign or multilateral entities, as these securities all have quoted prices in active markets.

Derivatives – Derivative contracts are classified within Level 2. The fair values of these contracts are determined using observable market inputs, including exchange rates, interest rates, commodity prices and maturity dates to generate pricing curves, which are used to value the positions. The market inputs are generally actively quoted and can be validated through external sources. For derivative positions with maturity dates which fall between the dates of quoted prices, interpolation of rate or maturity scenarios are used in determining fair values.

Equity Securities – Equity securities consist of non-marketable investments in private companies and are classified within Level 3. These securities are initially measured at cost, which approximates fair value, and subsequently re-measured though profit and loss based on recent observable transactions when available

(Unaudited, in millions except for per share amount and otherwise stated)

The following table presents the Company’s assets and liabilities measured at fair value on a recurring basis:

	Total		Quoted Prices Identical Assets / Liabilities (Level 1)		Significant Other Inputs (Level 2)		Significant Unobservable Inputs (Level 3)	
December 31, 2025								
Assets:								
Cash equivalents[1]	$	1,331	$	1,331	$	—	$	—
Investments in marketable securities [2]	$	2,181	$	565	$	1,616	$	—
Derivatives[3]	$	161	$	—	$	161	$	—
Investments in equity securities[4]	$	101	$	—	$	—	$	101
Liabilities:								
Derivatives[3]	$	37	$	—	$	37	$	—
March 31, 2026								
Assets:								
Cash equivalents[1]	$	1,414	$	1,414	$	—	$	—
Investments in marketable securities[2]	$	1,924	$	515	$	1,409	$	—
Derivatives[3]	$	189	$	—	$	189	$	—
Investments in equity securities[4]	$	105	$	—	$	—	$	105
Liabilities:								
Derivatives[3]	$	31	$	—	$	31	$	—

[1] Included in cash and cash equivalents on the Company’s interim condensed consolidated statements of financial position.

[2] Consists of investments in marketable debt securities such as government, agency, and corporate bonds. Included in current and non-current marketable securities on the Company's interim condensed consolidated statements of financial position.

[3] Consists of foreign currency forward contracts, interest rate swaps, cross currency swaps and commodity swaps.

[4] Included in current and non-current receivables, prepayments and other assets on the Company’s interim condensed consolidated statements of financial position

During the three months ended March 31, 2026 and 2025, there were no transfers between Level 1, Level 2 or Level 3 fair value measurements.

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

Certain assets such as investments in equity securities, intangible assets and property, plant and equipment, and other non-financial assets, are recorded at fair value only if an impairment or observable price adjustment is recognized in the current period.

Financial Instruments Not Recorded at Fair Value on a Recurring Basis

Financial instruments not recorded at fair value on a recurring basis include grants receivable, loans receivable, lease obligations and the current and non-current portions of the Company’s long-term debt which are measured at amortized cost.

The following shows the carrying amounts and fair values of the Company’s financial liabilities at amortized cost ("FLAC") not recorded at fair value on a recurring basis. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	March 31, 2026		December 31, 2025	
Financial Liabilities	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Other long-term debt	1,147	1,079	1,151	1,156

Estimated fair values of long-term debt are based on quoted prices for similar liabilities for which significant inputs are observable and represent a Level 2 valuation. The fair values are estimated based on the type of loan and maturity. The Company estimates the fair value using market interest rates for debts with similar maturities.

Note 15. Equity

On February 11, 2026, the Company announced that its Board of Directors approved a share repurchase authorization of up to $500 million of its ordinary shares. Under the repurchase authorization, GF may purchase its ordinary shares on a discretionary basis from time to time through open market repurchases, in privately negotiated transactions, through purchases made in compliance with Rule 10b-18 and/or Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, or other means. The actual timing and amount of any share repurchases remains subject to a variety of factors, including share price, trading volume, market conditions, compliance with applicable legal requirements, and other general business considerations. The authorization does not require GF to repurchase any specific number of ordinary shares. The authorization is valid for an initial period of 12 months and may be modified, suspended or terminated at any time.

On March 13, 2026 the Company repurchased 7.3 million ordinary shares from Mubadala Technology Investment Company ("MTIC"), a majority shareholder, at the price of $40.85 per share, for an aggregate purchase amount of $300 million under our share repurchase authorization.

During the three months ended March 31, 2026, the Company repurchased an additional 2.3 million ordinary shares for $100 million for a weighted average price of $43.88.

As of March 31, 2026, approximately $100 million of ordinary shares remained authorized for repurchase under our share repurchase authorization.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-looking Statements

This document includes “forward-looking statements” that reflect our current expectations and views of future events. These forward-looking statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995 and include but are not limited to, statements regarding our financial outlook, future guidance, product development, business strategy and plans, and market trends, opportunities and positioning. These statements are based on current expectations, assumptions, estimates, forecasts, projections and limited information available at the time they are made. Words such as “expect,” “anticipate,” “should,” “believe,” “hope,” “target,” “project,” “goals,” “estimate,” “potential,” “predict,” “may,” “will,” “might,” “could,” “intend,” “shall,” "outlook," "on track" and variations of these terms or the negative of these terms and similar expressions are intended to identify these forward-looking statements, although not all forward-looking statements contain these identifying words. Forward-looking statements are subject to a broad variety of risks and uncertainties, both known and unknown. Any inaccuracy in our assumptions and estimates could affect the realization of the expectations or forecasts in these forward-looking statements. For example, our business could be impacted by geopolitical conditions such as the ongoing political and trade tensions with China and the continuation of conflicts in the Middle East and Ukraine; ongoing political developments in the United States, and in particular, any political and policy-related changes that may impact our industry and the market generally, such as the imposition of trade controls, tariffs and counter-tariffs between the United States and its trade partners and new legislation; the market for our products may develop or recover more slowly than expected or than it has in the past; we may fail to achieve the full benefits of our strategic optimization efforts; our operating results may fluctuate more than expected; there may be significant fluctuations in our results of operations and cash flows related to our revenue recognition or otherwise; a network or data security incident that allows unauthorized access to our network or data or our customers' data could result in a system disruption, loss of data or damage our reputation; we could experience interruptions or performance problems associated with our technology, including a service outage; global economic conditions could deteriorate, including due to rising inflation and any potential recession; the expected benefits of our announced partnerships may fail to materialize; and we may fail to achieve the anticipated results or benefits from funding received (including awards under the U.S. CHIPS and Science Act and New York State Green CHIPS) and our expected results and planned or further expansions and operations may not proceed as planned if funding we expect to receive is delayed or withheld for any reason. It is not possible for us to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results or outcomes to differ materially from those contained in any forward-looking statements we may make. Moreover, we operate in a competitive and rapidly changing market, and new risks may emerge from time to time. You should not rely upon forward-looking statements as predictions of future events. These statements are based on our historical performance and on our current plans, estimates and projections in light of information currently available to us, and therefore you should not place undue reliance on them.

Although we believe that the expectations reflected in our statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances described in the forward-looking statements will be achieved or occur. Moreover, neither we, nor any other person, assume responsibility for the accuracy and completeness of these statements. Recipients are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date such statements are made and should not be construed as statements of fact. Except to the extent required by federal securities laws, we undertake no obligation to update any information or any forward-looking statements as a result of new information, subsequent events or any other circumstances after the date hereof, or to reflect the occurrence of unanticipated events. For a discussion of potential risks and uncertainties, please refer to the risk factors and cautionary statements in our 2025 Annual Report on Form 20-F, current reports on Form 6-K and other reports filed with the Securities and Exchange Commission (SEC). Copies of our SEC filings are available on our Investor Relations website, investors.gf.com, or from the SEC website, www.sec.gov.

OPERATING AND FINANCIAL REVIEWS AND PROSPECTS

Overview

GLOBALFOUNDRIES Inc. (“we,” “GF,” or the “Company”) is one of the world’s leading manufacturers of semiconductors the world relies on to live, work and connect, enabling the scaling of Artificial Intelligence ("AI") in the cloud, and the transition of AI into the physical world. We manufacture differentiated, essential integrated circuits (“ICs”) that are used in billions of electronic devices across various industries. Our specialized manufacturing processes, extensive library of qualified circuit-building block designs (known as IP titles or IP blocks), and advanced transistor and device technology allow us to serve a wide range of customers, including the global leaders in IC design. We deliver optimized solutions for critical applications that drive key secular growth end markets, ensuring that our products meet stringent requirements for functionality, performance and power efficiency.

Our technology portfolio spans differentiated, essential chip technologies including digital, analog, mixed-signal, RF, ultra-low power and embedded memory enabling the connected, secure and intelligent systems that power the digital world. To address the varied needs of our customers, we invest in a broad portfolio, including ultra-low power and feature-rich CMOS, RF, power, optical networking, advanced packaging and IP. Our core technologies such as FinFET, FD-SOI (“FDX™”), RF-SOI, SiGe, RF GaN, BCD and high-voltage BCD, power GaN and silicon photonics deliver the performance, efficiency and integration needed to support next-generation applications in connectivity, power management and high-speed data processing.

Revenue Sources

The principal source of our revenue is derived from Manufacturing Services primarily through volume production and sales of finished semiconductor products, which accounted for approximately 87% and 88% of our net revenue for the three months ended March 31, 2026 and 2025, respectively. The remaining portion of net revenue is generated from Technology Services, including non-recurring engineering services, mask production, process qualification, post-fabrication services such as bump, test and packaging and revenue from intellectual property licenses, related royalties and other items.

Market Dynamics and Strategic Focus

The industry remained subject to volatility due to uncertainties in global trade policy, geopolitical events and the macroeconomic environment. These factors led to incremental caution and uncertainty in the demand outlook, particularly for consumer-centric end markets. In addition, recent global events highlighted the semiconductor industry's vulnerability to materials available and energy supply. GlobalFoundries' diverse supply chain and resilient sourcing largely insulated it from these impacts. The Company continues to monitor and adapt to changes in key macroeconomic indicators, including inflation, interest rates, and GDP growth. The Company remains focused on executing its strategic priorities, including but not limited to: 1) deepening customer and ecosystem relationships, 2) achieving operational scale and efficiencies across our manufacturing footprint, 3) pursuing continuous improvement in cost optimization, 4) investing in a diversified and differentiated technology portfolio.

Components of Results of Operations

Net Revenue

Effective January 1, 2026, the Company updated the terminology used to describe revenue categories. Revenue previously presented as "Wafer revenue" and "Non-wafer revenue" is now presented as "Manufacturing Services" and "Technology Services," respectively. Manufacturing Services include volume production and sales of finished semiconductor products. Technology Services include non-recurring engineering services, mask production, process qualification, post-fabrication services such as bump, test and packaging, and revenue from intellectual property licenses, related royalties and other items. We believe these categories better reflect the depth and breadth of our business model today,

This change in presentation does not impact the composition of revenue, total revenue reported or revenue recognition policies. Prior period amounts presented have been conformed to the current period presentation.

Cost of Revenue

Cost of revenue consists primarily of material expenses, depreciation and amortization, employee-related expenses, restructuring expenses, facility costs and costs of fixed assets, including maintenance and spare parts. Material expenses primarily include the costs of raw wafers, test wafers, photomasks, resists, process gases, process chemicals, other operating supplies and external service costs for wafer manufacturing. Costs related to NRE services are also included within the cost of revenue. As it pertains to inflation and inflationary headwinds we are facing within our business, we have experienced an increase in costs for materials and energy, and we expect these increases to continue to have an adverse impact on our financial results of operations while these economic conditions persist.

Depreciation and amortization charges primarily include the depreciation of clean room production equipment. Commencement of depreciation related to construction in progress and property, plant and equipment involves determining when the assets are available for their intended use. Employee-related expenses primarily include employee wages and salaries, social security contributions and benefit costs for operators, maintenance technicians, process engineers, supply chain, IT production, yield improvement and health and safety roles. Facility costs primarily consist of the costs of electricity, water and other utilities and services.

Operating Expenses

Our operating expenses consist of research and development ("R&D"), selling, general and administrative expenses (“SG&A”), and restructuring charges. Personnel costs are the most significant component of our operating expenses, and consist of salaries, benefits, bonuses, share-based compensation and commissions.

Research and Development

Our R&D efforts are focused on developing highly differentiated process technologies and solutions. Our R&D expenses include personnel costs, material costs, software license and intellectual property expenses, facility costs, supplies, professional and consulting fees, and depreciation on equipment used in R&D activities. Our development roadmap includes new platform investments, platform features and extensions, and investments in emerging technology capabilities and solutions. We expense R&D costs as incurred. We believe that continued investment in our technology portfolio is important for our future growth and acquisition of new customers. Based on our current business activities, we expect our R&D as a percentage of revenue to increase modestly as we integrate the acquisition of MIPS and following the expected completion of Synopsys ARC IP acquisition.

Selling, General and Administrative and other

SG&A and other expenses consist primarily of personnel-related costs, including sales commissions to independent sales representatives and professional fees, including costs of accounting, audit, legal, regulatory and tax compliance. Additionally, costs related to advertising, trade shows, corporate marketing, certain contract cancellation fees, gains and losses on tool sales, withholding taxes and allocated overhead costs are also included in SG&A and other expenses. We expect our SG&A and other as a percentage of revenue to be relatively stable over time as expenses grow in line with increased revenue.

Other Operating Charges

Finance Income (Expense), net

Finance income (expense), net consists of interest earned on our cash and cash equivalents and marketable securities, net of any interest expense on borrowings, amortization of debt issuance costs under our term loans, revolving credit facility, finance leases and other credit facilities we maintain with various financial institutions.

Other Income (Expense), net

Other income (expense), net consists of our share of profit of our joint venture, one-time gains and losses and other miscellaneous income and expense items unrelated to our core operations. Included are gains and losses relating to hedging activities.

Income Tax Expense (Benefit)

Income tax expense consists primarily of income taxes in jurisdictions in which we conduct business, which mainly include Germany, Singapore and the U.S. federal and state income taxes.

A. Results of Operations

Comparison of Three months ended March 31, 2026 and 2025 (in millions).

The following table sets forth our consolidated statements of operations data for the periods indicated:

	Three Months Ended March 31	
	2026	2025
Net revenue	$ 1,634	$ 1,585
Cost of revenue	1,183	1,230
Gross profit	**451**	**355**
Research and development expenses	132	127
Selling, general and administrative expenses and other	139	77
Operating expenses	**271**	**204**
Income from operations	**180**	**151**
Finance income (expense), net	15	14
Other income (expense), net	(10)	30
Income before income taxes	**185**	**195**
Income tax (expense) benefit	(81)	16
Net income	**$ 104**	**$ 211**

Net Revenue

	Three Months Ended March 31			
	2026	2025	Change	% Change
Net revenue	$ 1,634	$ 1,585	$ 49	3.1 %

Net revenue increased by $49 million, or 3.1%, for the three months ended March 31, 2026, compared to the three months ended March 31, 2025. The increase was primarily driven by higher wafer shipment volumes totalling 579 thousand (300mm equivalent), a 6.6% increase from the prior period and by an 11.2% increase in Technology Services revenue driven by stronger mask and reticle revenue. This was offset by lower average selling prices for certain customers in specific end markets.

End Markets:	Three Months Ended March 31			
	2026	2025	Change	% Change
Smart Mobile Devices	$ 558	$ 586	$ (28)	(4.8)%
Communications Infrastructure & Datacenter	230	174	56	32.2 %
Home and Industrial IoT	255	328	(73)	(22.3)%
Automotive	382	309	73	23.6 %
Technology Services	209	188	21	11.2 %
Total	**$ 1,634**	**$ 1,585**	**$ 49**	**3.1 %**

For the three months ended March 31, 2026, Manufacturing Services in two of four end markets, in addition to Technology Services, experienced revenue growth compared to the three months ended March 31, 2025. Communications, Infrastructure & Datacenter grew 32.2% year-over-year, driven by growth in data center networking and satellite communications. The Automotive end market increased 23.6% year-over-year, driven by continued share gains and content expansion across automotive microcontroller units and smart sensors. Home and Industrial IoT declined 22.3% year over year, primarily due to a reduction of revenue from wafer shipments to customers in the personal computing space. Smart Mobile Devices declined 4.8% year-over-year, due to volume decrease tied to broader mobile market weakness. Technology Services revenue increased 11.2% year-over-year, driven by stronger mask and reticle revenue.

Cost of Revenue

	Three Months Ended March 31			
	2026	2025	Change	% Change
Cost of revenue	$ 1,183	$ 1,230	$ (47)	(3.8)%
Gross margin	*27.6 %*	*22.4 %*	*+520bps*	

Cost of revenue decreased by $47 million, or 3.8%, for the three months ended March 31, 2026 compared to the three months ended March 31, 2025. The year-over-year change was driven by $52 million lower depreciation and amortization expense primarily due to some of our manufacturing equipment being fully depreciated partially offset by $3 million higher share-based compensation.

Gross margin increased to 27.6% for the three months ended March 31, 2026 from 22.4% for the three months ended March 31, 2025. The increase of 520 basis points was primarily driven by improvements in manufacturing services revenue mix, lower depreciation and amortization expense, partially offset by lower customer underutilization payments.

Operating Expenses

Research and Development Expenses

	Three Months Ended March 31			
	2026	2025	Change	% Change
Research and development expenses	$ 132	$ 127	$ 5	3.9 %
As a % of revenue	*8.1 %*	*8.0 %*		

R&D expense increased by $5 million, or 3.9%, for the three months ended March 31, 2026 compared to the three months ended March 31, 2025. The increase was primarily due to $14 million higher employee related expenses driven by a 35% increased headcount as a result of recent acquisitions and $8 million higher share-based compensation offset by $17 million lower R&D portfolio investments.

Selling, General and Administrative Expenses

	Three Months Ended March 31			
	2026	2025	Change	% Change
Selling, general and administrative expenses	$ 139	$ 77	$ 62	80.5 %
As a % of revenue	*8.5 %*	*4.9 %*		

SG&A expenses increased by $62 million, or 80.5%, for the three months ended March 31, 2026 compared to the three months ended March 31, 2025. The change was driven by $23 million lower tool sales gains, $19 million employee-related expenses driven by a 19% increased headcount primarily related to recent acquisitions, $12 million higher share-based compensation and $8 million increase in depreciation and amortization expense primarily driven by amortization of acquired intangible assets.

Finance income (expense), net

	Three Months Ended March 31			
	2026	2025	Change	% Change
Finance income (expense), net	$ 15	$ 14	$ 1	7.1 %

Finance income (expense), net increased by $1 million or 7.1%, for the three months ended March 31, 2026 compared to the three months ended March 31, 2025. The increase was mainly attributable to a $2 million reduction in deferred issuance costs resulting from prepayment of Term Loan A in the first quarter of 2025, and $1 million impact from the accretion of the EDB loan. These were offset by $2 million of lower interest income generated from lower year-over-year cash balance and a decline in interest rates.

Other income (expense), net

	Three Months Ended March 31			
	2026	2025	Change	% Change
Other income (expense), net	$ (10)	$ 30	$ (40)	133.3 %

Other income (expense), net decreased by $40 million or 133%, for the three months ended March 31, 2026 compared to the three months ended March 31, 2025, primarily due to the absence of a $31 million gain from step-acquisition of the remaining equity interest of the Company's joint venture and $6 million lower fair value gains primarily related to equity securities, both of which were recorded in the first quarter of 2025. Additionally, foreign exchange currency losses increased approximately $3 million.

Income Tax (Expense) Benefit

	Three Months Ended March 31			
	2026	2025	Change	% Change
Income tax (expense) benefit	$ (81)	$ 16	$ (97)	NM

Income tax expense increased by $97 million for the three months ended March 31, 2026 compared to the three months ended March 31, 2025, primarily due to $38 million of tax expense from recognition of German deferred tax assets in the first quarter of 2026 compared to $40 million of tax benefit and a non-recurring $8 million benefit related to recognition of German deferred tax assets, net of contingencies, both in the prior-year period.

B. Liquidity and Capital Resources

We have historically financed operations primarily through cash and cash equivalents and marketable securities, as well as cash generated from our business operations, including prepayments under long term agreements ("LTAs"), debt, government grants and advanced manufacturing investment tax credits. As of March 31, 2026, our cash, cash equivalents and marketable securities balances of approximately $3.8 billion included $1.8 billion cash and cash equivalents and approximately $1.9 billion of marketable securities.

As of March 31, 2026 and December 31, 2025, we had an undrawn revolving credit facility of $1.0 billion. In addition to our available revolver, we had $1.1 billion of debt outstanding as of March 31, 2026 and December 31, 2025, which was primarily comprised of a term loan. Our future capital requirements will depend on many factors, including our revenue growth rate, the timing and amount of payments we receive from customers pursuant to our LTAs and other business arrangements, the timing and extent of spending to support development efforts, the timing and amount of reimbursements we receive under government grants, the introduction of new and enhanced products and solutions, the continuing market adoption of our platform, strategic transactions and our obligations to repay our indebtedness from time to time. We may from time to time seek to raise additional capital to support our growth. As of March 31, 2026, we believe that our existing cash, cash equivalents, marketable securities, credit under our revolving credit facility and expected cash generated from operations are sufficient to meet our capital requirements for at least the next 12 months and beyond.

Cash Flows

The following table shows a summary of our cash flows for the periods presented:

	Three Months Ended March 31	
	2026	**2025**
Cash provided by operating activities	$ 542	$ 331
Cash used in investing activities	(51)	(211)
Cash used in financing activities	(450)	(717)
Effect of exchange rate changes on cash and cash equivalents	(1)	1
Net increase (decrease) in cash and cash equivalents	**$ 40**	**$ (596)**

Operating Activities

Cash provided by operating activities of $542 million increased $211 million for the three months ended March 31, 2026, compared to $331 million for the three months ended March 31, 2025. Net income declined by $107 million year-over-year, non-cash items increased by $182 million and working capital increased by $148 million. Non-cash adjustments were primarily related to a $131 million favorable change in deferred income taxes largely attributable to the recognition of German net deferred tax assets, a $31 million gain from the step-acquisition of a joint venture in the prior year, a $23 million reduction in gains on the sale of property, plant, and equipment, primarily related to tool sales, and $18 million increase in share-based compensation, a $41 million decrease in depreciation and amortization and $10 million increase in other operating activities. The $148 million improvement in working capital was primarily driven by $215 million of favorable movement in receivables due to better collections, $68 million reduction in cash used for inventory, partially offset by $135 million unfavorable change in trade and other payables due to the timing of payments to suppliers and vendors.

Investing Activities

Cash used in investing activities for the three months ended March 31, 2026 of $51 million decreased $160 million compared to the cash used in investing activities of $211 million for the three months ended March 31, 2025. The decrease was primarily attributable to $306 million increase in proceeds from sales and maturities of marketable securities,offset partially by $146 million increase in capital expenditures related to property, plant and equipment and intangible assets manufacturing facility investments.

Financing Activities

Cash used in financing activities for the three months ended March 31, 2026 of $450 million decreased $267 million compared to the cash used of $717 million for the three months ended March 31, 2025. The year-over-year change was primarily attributable to reduced debt repayments of $713 million offset by a $400 million increase in share repurchases during the current period and $47 million of reduced proceeds from the issuance of equity instruments, net of taxes paid.