Skyworks Solutions SWKS

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1

What does SWKS do?

- SWKS makes high performance analog semiconductors to enable wireless connectivity

- SWKS>>>Media

2

What are SWKS markets?

Automotive
Broadband
Connected Home
Smartphone & Tablets
Medical
Military

Wireless Networking
Smart Energy

3

Who are SWKS customers?

- Smartphone and tablet manufacturers
  - China = 68.7% of Revenue
  - Taiwan = 14%
  - Other Asia-Pacific = 7.2%
  - South Korea = 4.6%
  - U.S., / Eur., Mid. East, Africa = 2% each,
- Non-handset applications

4

Where is SWKS?

Principle offices: Woburn MA
Factories:—4, All in U.S.
Design Centers:—10, U.S., Shanghai,
        Ottawa, Cork
Sales Offices:---15, China, Singapore, Japan,
        Korea, U.S., UK, Finland, France

About 5,550 employees

5

Who are SWKS Competitors?

Morningstar
        Intel Corp
        Taiwan Semiconductor Manuf. Co. Ltd ADR
        Texas Instruments Inc
        Broadcom Corp
        Avago Technologies Ltd
Yahoo
        Anadigics Inc.
        STMicroelectronics NV
        Infineon Technologies AG

6

What about SWKS Industry?

- Dependent on global demand
- Dependent on currency fluctuations
- Manufacturing efficiency a must
- Cash in hand especially needed
- Check the cash utilization rate
- Typically a volatile industry

7

What are SWKS strengths?

- Superior financial returns--$1.1 B in
- High end smartphones require more complex RF chips with higher margins—11% R&D
- Sales & engineers integrated in customer labs
- More connections to internet = High R&D % means more design wins –
  "being invited into the design process earlier"

8

What are SWKS weaknesses?

- Intense competitive landscape (QCOM)
- Handset makers have split their business
- Dependence on AAPL (34% '14 Rev.)
- Not diversified enough yet

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9

What are SWKS Opportunities?

Internet of things expanding
Increasing vertical market penetration
Bandwidth needs growing dramatically
Complexity of 4G LTE networks makes design more important
Growth projected:
    Connected home=67%
    Mobile data use=57%
    Auto=39%, IoT=35%

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10

What are Threats for SWKS?

- Highly concentrated customer base
- Weak performance by any major customer
- QCOM entry into RF chip business
- Limited spectrum to support exploding data demand
- Currency fluctuations

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11