

**4Q25 Semiconductor Earnings Summary—Week 1**

***Slow Start to 4Q, but Unbelievably Strong 1Q Guidance as AI Drives Memory***

The 4Q earnings season is now underway with 12 out of 58 companies in my Tokeneke Universe having reported. AI is taking over—in case you hadn’t heard—and memories are a *HUGE* beneficiary as evident in the detail for MU and SNDK in this report. At the beginning of this earnings season there is a clear schism between the AI haves and have-nots, with the “haves” (MU, SNKD, TSM) posting impressive 4Q results and unbelievably strong 1Q guidance while the rest are mostly exceeding 4Q expectations but anticipating traditional 1Q seasonal sequential declines. On an aggregate basis the 4Q is starting off strong on a historical basis but on the soft side of expectations, 1Q guidance could break a record for growth, exactly half of reporting companies have exceeded expectations, and semiconductor sector equities are significantly outperforming broader equity markets. A broader cyclical recovery across industrial, PC, smartphone and automotive markets remains modest at best and is at risk of being crowded out of supply due to AI strength and capacity allocations. Details matter and stock picking is very much back in vogue.

**Universe Deviations:** Recall my US-equity based Tokeneke Universe does not include most large international semiconductor firms, although it does include wafer foundries and IP companies that count as manufacturing costs rather than industry sales. I also normalize fiscal quarters to the best fitting two out of three months, and I do not segregate non-semiconductor revenue on a corporate basis. While this deviates from reported industry revenue statistics it does reflect investor exposure to the chip sector.

**Slow Start to 4Q:** 4Q semiconductor revenue growth is starting off on the soft side of expectations compared to management guidance across my Universe, although still quite strong on a historically relative basis. The weighted average sales growth across my Tokeneke Universe reflects a sequential quarterly gain of +4.8%, as noted in the adjacent table. Company 4Q guidance from 3Q earnings was centered at +6.0% ranging from +3.6% to +8.4% after three positive preannouncements from Adea, Microchip and Impinj. SIA/WSTS industry statistics for 4Q have not yet been released. The 4Q is the weakest period of expansion during the year with average revenue growth of +1.6%, a high of +16.0%, a low of -24.2%, and 15 declines in the last 38 years including two of the last nine, according to industry statistics.

		4Q	1Q	1Q Range
<b>Week 1</b>	Weighted	4.8%	8.2%	+5.6+10.9%
<b>12 co/\$67B</b>	co. avg	3.7%	5.3%	+2.1+8.4%

**Outstanding 1Q Guidance:** The 1Q revenue growth outlook based on management guidance across my Universe is unbelievably strong for this traditionally soft period—and could break a record for growth. The specific weighted average guidance for sequential revenue growth calls for an increase of +8.2%, ranging from +5.6% to +10.9% as noted in the table above. 1Q is the weakest quarter of the year with an average revenue decline of -2.2%, a high of +9.2%, a low of -19.4%, and 27 declines in the last 39 years including 13 of the last 14, according to industry stats.

**Companies Report Split Results:** The Performance to Expectations Histogram on Page 2 shows exactly half of the companies in my Universe exceeding investor expectations so far for 4Q. Companies meeting or exceeding expectations is at 50% while companies reporting ‘mixed’ results simultaneously missing, meeting and exceeding expectations is at 42%. One company missed expectations for the remaining 8%. This metric compares investor expectations to reported results for 4Q revenue and EPS, as well as 1Q revenue guidance. See the grading Legend on Page 2 and company details on Page 3.

**Chip Stocks Outperform:** Both the SOX and my Universe are outperforming broader equity markets so far this quarter. During January the Philadelphia Semiconductor Index Option (SOX) was up by +12.9% while 43 out of 58 stocks in my Tokeneke Universe advanced by an average of +14.4% compared to the NASDAQ, S&P500 and DOW at +0.9%, +1.4%, and +1.7%, respectively.

**Equity Selectivity Matters:** AI is taking over and the rest of the semiconductor markets are at its mercy. And the bifurcation of AI ‘haves’ and ‘have-nots’ mandates careful equity selectivity between the growth and momentum characteristics of the former and the more valuation-oriented characteristic of the latter, in my opinion. There is clearly opportunity amid the volatility in equity markets, but choose your targets very, very, *VERY* carefully.

*CY4Q25 earnings announcements through January 30, 2026. Most earnings and gross margins are non-GAAP. Companies sorted alphabetically by ticker across all compilations in this report.*

## 4Q25 Earnings Review

Ticker	Revenue		
	4Q25 (\$ mil)	Qtr-Qtr change	1Q26 Guidance
ALGM	229.2	7.0%	+0+5%
GSIT	6.1	-5.6%	-1+12%
INTC	13,674.0	0.2%	-14-7%
MBLY*	446.0	-11.5%	no guidance
MU	13,643.0	20.6%	+34+40%
MXL	136.4	7.8%	-5+3%
QRVO	993.0	-6.2%	-22-17%
SNDK	3,025.0	31.1%	+46+59%
STM	3,329.0	4.5%	-12-5%
TSM	33,730.7	1.9%	+3+6%
TXN	4,423.0	-6.7%	-2+6%
UMC	1,968.5	1.4%	flat
<b>Total (weighted):</b>	<b>75,603.8</b>	<b>4.8%</b>	<b>+5.6+10.9%</b>
<b>Company Average (mean):</b>		<b>3.7%</b>	<b>+2.1+8.4%</b>

\*MBLY lowered annual guidance

'No guidance' is calculated as flat revenue for statistical purposes.

GSIT	INTC	MBLY	QRVO	STM	TXN	UMC	ALGM	MU	MXL	TSM	SNDK
8.3%	0.0%	41.7%	8.3%	33.3%	8.3%	33.3%	8.3%				
<b>F</b>	<b>E</b>	<b>D</b>	<b>C</b>	<b>B</b>	<b>A</b>						
<i>missed/met</i>	<i>mixed</i>	<i>met/exceeded</i>									
8.3%	41.7%	50.0%									
<b>Total: 12 companies with estimates or guidance</b>											

## Performance to Expectations Skew

## LEGEND

		Grade	
+++	exceeded the high-end of the range	A	all +++
++	above consensus, within the high-end of the range	B	all +
+	slightly above consensus	C	all o/+
o	met consensus	D	mixed -/o/+
-	slightly below consensus	E	all o/-
--	missed consensus, within the low-end of the range	F	all -
---	missed the low-end of the range		

<b>ALGM</b>	11 est.	<i>Allegro Micro</i>	FY26rev:	22%	<b>QRVO</b>	19 est.	<i>Qorvo</i>	FY26rev:	-1%
<b>Qtr:</b>	F3Q	<b>Grade:</b>	<i>B</i>	<b>Growth (qtr-qtr)</b>	<b>Qtr:</b>	4Q	<b>Grade:</b>	<i>D</i>	<b>Growth (qtr-qtr)</b>
<b>Rev:</b>	229.2	<b>Rev:</b>	+++	<b>Rev:</b>	7.0%	<b>Rev:</b>	993.0	<b>Rev:</b>	+
<b>GM:</b>	49.9%	<b>EPS:</b>	+	<b>Fcst:</b>	+0+5%	<b>GM:</b>	49.1%	<b>EPS:</b>	+++
<b>EPS:</b>	\$0.15	<b>Fcst:</b>	+++	<b>Div:</b>		<b>EPS:</b>	\$2.17	<b>Fcst:</b>	- - -
<b>Div:</b>						<b>Div:</b>			
<b>GSIT</b>	no est.	<i>GSI Technology</i>	FY26rev:	na	<b>SNDK</b>	15 est.	<i>Sandisk</i>	FY26rev:	111%
<b>Qtr:</b>	F3Q	<b>Grade:</b>	<i>F</i>	<b>Growth (qtr-qtr)</b>	<b>Qtr:</b>	F2	<b>Grade:</b>	<i>A</i>	<b>Growth (qtr-qtr)</b>
<b>Rev:</b>	6.1	<b>Rev:</b>	- -	<b>Rev:</b>	-5.6%	<b>Rev:</b>	3,025	<b>Rev:</b>	+++
<b>GM:</b>	52.7%	<b>EPS:</b>	na	<b>Fcst:</b>	-1+12%	<b>GM:</b>	51.1%	<b>EPS:</b>	+++
<b>EPS:</b>	(\$0.09)	<b>Fcst:</b>	na	<b>Div:</b>		<b>EPS:</b>	\$6.20	<b>Fcst:</b>	+++
<b>Div:</b>						<b>Div:</b>			
<b>INTC</b>	36 est.	<i>Intel</i>	CY26rev:	2%	<b>STM</b>	12 est.	<i>STMicroelectronics</i>	CY26rev:	12%
<b>Qtr:</b>	4Q	<b>Grade:</b>	<i>D</i>	<b>Growth (qtr-qtr)</b>	<b>Qtr:</b>	4Q	<b>Grade:</b>	<i>D</i>	<b>Growth (qtr-qtr)</b>
<b>Rev:</b>	13,674	<b>Rev:</b>	++	<b>Rev:</b>	0.2%	<b>Rev:</b>	3,329	<b>Rev:</b>	++
<b>GM:</b>	37.9%	<b>EPS:</b>	+++	<b>Fcst:</b>	-14-7%	<b>GM:</b>	35.2%	<b>EPS:</b>	- - -
<b>EPS:</b>	\$0.15	<b>Fcst:</b>	- -	<b>Div:</b>	\$0.00	<b>EPS:</b>	\$0.11	<b>Fcst:</b>	+++
<b>Div:</b>						<b>Div:</b>	\$0.06		
<b>MBLY</b>	22 est.	<i>Mobileye Global</i>	CY26rev:	3%	<b>TSM</b>	22 est.	<i>Taiwan Semi/TSMC</i>	CY26rev:	31%
<b>Qtr:</b>	4Q	<b>Grade:</b>	<i>D</i>	<b>Growth (qtr-qtr)</b>	<b>Qtr:</b>	4Q	<b>Grade:</b>	<i>B</i>	<b>Growth (qtr-qtr)</b>
<b>Rev:</b>	446	<b>Rev:</b>	++	<b>Rev:</b>	-11.5%	<b>Rev:</b>	33,731	<b>Rev:</b>	+
<b>GM:</b>	66.8%	<b>EPS:</b>	o	<b>Fcst:</b>	na	<b>GM:</b>	62.3%	<b>EPS:</b>	++
<b>EPS:</b>	\$0.06	<b>Fcst:</b>	-	<b>Div:</b>		<b>EPS:</b>	\$3.14	<b>Fcst:</b>	++
<b>Div:</b>						<b>Div:</b>	\$1.00		
<b>MU</b>	26 est.	<i>Micron Tech</i>	FY26rev:	101%	<b>TXN</b>	30 est.	<i>Texas Instruments</i>	CY26rev:	10%
<b>Qtr:</b>	F1Q	<b>Grade:</b>	<i>B</i>	<b>Growth (qtr-qtr)</b>	<b>Qtr:</b>	4Q	<b>Grade:</b>	<i>D</i>	<b>Growth (qtr-qtr)</b>
<b>Rev:</b>	13,643	<b>Rev:</b>	++	<b>Rev:</b>	20.6%	<b>Rev:</b>	4,423	<b>Rev:</b>	-
<b>GM:</b>	56.8%	<b>EPS:</b>	+++	<b>Fcst:</b>	+34+40%	<b>GM:</b>	55.9%	<b>EPS:</b>	+*
<b>EPS:</b>	\$4.78	<b>Fcst:</b>	+++	<b>Div:</b>	\$0.115	<b>EPS:</b>	\$1.27	<b>Fcst:</b>	+
<b>Div:</b>						<b>Div:</b>	\$1.42		
<b>MXL</b>	11 est.	<i>MaxLinear</i>	CY26rev:	21%	<b>UMC</b>	16 est.	<i>United Micro</i>	CY26rev:	9%
<b>Qtr:</b>	4Q	<b>Grade:</b>	<i>B</i>	<b>Growth (qtr-qtr)</b>	<b>Qtr:</b>	4Q	<b>Grade:</b>	<i>C</i>	<b>Growth (qtr-qtr)</b>
<b>Rev:</b>	136.4	<b>Rev:</b>	+++	<b>Rev:</b>	7.8%	<b>Rev:</b>	1,968.5	<b>Rev:</b>	+++
<b>GM:</b>	59.6%	<b>EPS:</b>	+	<b>Fcst:</b>	-5+3%	<b>GM:</b>	30.7%	<b>EPS:</b>	o
<b>EPS:</b>	\$0.19	<b>Fcst:</b>	+++	<b>Div:</b>		<b>EPS:</b>	\$0.129	<b>Fcst:</b>	+
<b>Div:</b>						<b>Div:</b>	\$0.1149		

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