

## 1Q25 Semiconductor Earnings Summary—Week 2

### *Very Weak 1Q Persists, Solid 2Q Guidance Softens, Chip Sector Shares Rally*

The 1Q earnings season continues with 18 out of 57 companies in my Tokeneke Universe having reported through the end of last week. Last week 1Q weakness persisted but did improve a tiny bit, 2Q guidance for growth softened considerably but remained above average, and chip sector shares outperformed for the second week in a row as most companies continued to exceed expectations. AI markets remain strong but the outlook for growth is tempering while the rest of the chip markets could be bottoming. The really good news is these kinds of inflection points could present some attractive equity market opportunities in the not-to-distant future.

**Memory Loss:** According to SIA/WSTS industry revenue growth this year is expected at +11% which includes memories at +13%, and this narrow spread means I no longer feel the need to exclude memories in the table below due to their growth rate differential. Recall my US-equity based Tokeneke Universe does not include most large international 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.

**Very Weak 1Q:** The 1Q semiconductor revenue decline continues to miss the low-end of the range of company guidance, although it did tick-up by a tiny bit last week. The weighted average sales growth across my Tokeneke Universe reflects a sequential quarterly decline of -7.5%, as noted in the adjacent table. Company 1Q guidance from 4Q earnings was centered at -3.1% ranging from -5.5% to -0.8% after five preannouncements that included an increase from IDCC, TSM dropping to the low-end of its original range, and reiterations from MCHP, SLAB and WOLF. SIA/WSTS industry statistics for 1Q have not yet been released. The 1Q is seasonally the weakest of the year with an average revenue decrease of -2.1%, a high of +9.2%, a low of -19.4%, and 25 declines in the last 37 years—including 12 of the last 13, according to industry statistics.

		1Q	2Q	2Q Range
<b>Week 1</b>	Weighted	-7.6%	6.9%	+4.2+9.6%
<b>9 co's/\$55B</b>	co. avg	-8.6%	8.7%	+5.2+12.3%
<b>Week 2</b>	Weighted	-7.5%	4.5%	+1.6+7.4%
<b>18 co/\$71B</b>	co. avg	-6.3%	3.0%	-0.5+6.5%

**2Q Guidance Softens:** The 2Q revenue growth outlook based on management guidance across my Universe softened meaningfully last week but remains above average for this recovery period. The specific weighted average guidance for revenue now calls for a sequential increase of +4.5% this quarter, ranging from +1.6% to +7.4%. The 2Q is seasonally the second strongest of the year with an average revenue growth of +4.2%, a high of +20.0%, a low of -19.9%, and only eight declines in the last 39 years—including two of the last 13, per industry statistics.

**Most Companies Exceed Expectations:** The Performance to Expectations histogram on Page 2 shows most companies in my Universe continue to meet or exceed expectations so far this earnings season. Outperforming companies meeting or exceeding expectations remained at 67% while companies reporting 'mixed' results simultaneously missing, meeting and exceeding expectations stayed at 33%. Recall this compares investor expectations to reported results for 1Q revenue and EPS, as well as 2Q revenue guidance. Note the grading Legend on Page 2 and company details on Pages 2-3.

**Chip Sector Rally:** The SOX and my Universe are tracking in the range of broader equity markets so far this quarter, although outperformed during the last two weeks. So far this quarter the Philadelphia Semiconductor Index Option (SOX) is now up by +3.0% while 28 out of 57 stocks in my Tokeneke Universe have advanced by an average of +2.3% compared to the NASDAQ, S&P500 and DOW at +3.9%, +1.3%, and -1.6%, respectively.

**Stocks Fix'in for Opportunities:** AI remains strong, but momentum is tempering while the rest of the semiconductor markets appear poised for some kind of recovery this year—which implies a whole lot of potential inflection points. The SOX index remains over-extended compared to the S&P500 and most fundamental valuations across the sector are unattractive, in my opinion, although chip sector underperformance so far this year appears to have begun to correct that imbalance. The good news is the combination of chip sector share price weakness and business fundamental inflection points could very well bring some attractive potential opportunities in the coming weeks and months. Nevertheless, I would continue to be extremely selective considering chip equities at this time.

*CY1Q25 earnings announcements through May 2, 2025. Most earnings and gross margins are non-GAAP.  
Companies sorted alphabetically by ticker across all compilations in this report.*

Revenue				Revenue			
	1Q25	Qtr-Qtr	2Q25		1Q25	Qtr-Qtr	2Q25
Ticker	(\$ mil)	change	Guidance	Ticker	(\$ mil)	change	Guidance
GSIT	5.9	8.7%	-7+7%	PI	74.3	-18.9%	+23+29%
IDCC	210.5	-16.7%	-22-19%	QCOM	10,836.0	-7.1%	-9-1%
INTC	12,667.0	-11.2%	-12-2%	QRVO	869.5	-5.1%	-14-8%
MBLY	438.0	-10.6%	+7%	RMBS	166.7	3.5%	-5+6%
MPWR	637.6	2.6%	+1+4%	SIMO	166.5	-12.9%	+5+10%
MRAM	13.1	-0.8%	-5+3%	STM	2,517.0	-24.2%	+4+11%
MU	8,053.0	-7.5%	+7+12%	TSM	25,526.3	-5.1%	+11+14%
MXL	95.9	4.0%	-1+20%	TXN	4,069.0	1.5%	+3+11%
NXPI	2,835.0	-8.9%	-1+6%	UMC	1,744.0	-5.3%	+5+7%
<b>Total (weighted):</b>				<b>Total (weighted):</b>	70,925.3	-7.5%	+1.6+7.4%
<b>Company Average (mean):</b>				<b>Company Average (mean):</b>		-6.3%	-0.5+6.5%

				GSIT	
				MPWR	
				MU	
		INTC		NXPI	
		MRAM		PI	
		QCOM		QRVO	
		SIMO		RMBS	
		STM	MBLY	TSM	
		UMC	MXL	TXN	IDCC
0.0%	0.0%	33.3%	11.1%	50.0%	5.6%
<b>F</b>	<b>E</b>	<b>D</b>	<b>C</b>	<b>B</b>	<b>A</b>
missed/met		mixed		met/exceeded	
0.0%		33.3%		66.7%	
Total:	18	companies with estimates or guidance			

		<b>Grade</b>	
+++	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		

GSIT	0 est.	GSI Technology	FY26rev:	na	INTC	31 est.	Intel	CY25rev:	-5%
Qtr:	F4Q	Grade:	B	Growth (qtr-qtr)	Qtr:	1Q	Grade:	D	Growth (qtr-qtr)
Rev:	5.9	Rev:	+	Rev: 8.7%	Rev:	12,667	Rev:	++	Rev: -11.2%
GM:	56.1%	EPS:	na	Fcst: -7+7%	GM:	39.2%	EPS:	+++	Fcst: -12-2%
EPS:	(\$0.09)	Fcst:	na	Div:	EPS:	\$0.13	Fcst:	- - -	Div: \$0.00
IDCC	5 est.	InterDigital	CY25rev:	-19%	MBLY	19 est.	Mobileye Global	CY25rev:	6%
Qtr:	1Q	Grade:	A	Growth (qtr-qtr)	Qtr:	1Q	Grade:	C	Growth (qtr-qtr)
Rev:	210.5	Rev:	+++	Rev: -16.7%	Rev:	438	Rev:	+	Rev: -10.6%
GM:	100.0%	EPS:	+++	Fcst: -22-19%	GM:	68.7%	EPS:	o	Fcst: +7%
EPS:	\$4.21	Fcst:	+++	Div: \$0.60	EPS:	\$0.06	Fcst:	+++	Div:

<b>MPWR</b>	15 est.	Monolithic Power Sys	CY25rev:	20%	<b>QRVO</b>	21 est.	Qorvo	FY26rev:	-1%
<b>Qtr:</b>	1Q	<b>Grade:</b>	B	<b>Growth (qtr-qtr)</b>	<b>Qtr:</b>	F4Q	<b>Grade:</b>	B	<b>Growth (qtr-qtr)</b>
<b>Rev:</b>	637.6	<b>Rev:</b>	++	<b>Rev:</b>	869.5	<b>Rev:</b>	+++	<b>Rev:</b>	-5.1%
<b>GM:</b>	55.7%	<b>EPS:</b>	+	<b>Fcst:</b>	+1+4%	<b>GM:</b>	45.9%	<b>EPS:</b>	+++
<b>EPS:</b>	\$4.04	<b>Fcst:</b>	+++	<b>Div:</b>	\$1.56	<b>EPS:</b>	\$1.42	<b>Fcst:</b>	+
<b>Div:</b>						<b>Div:</b>			
<b>MRAM</b>	1 est.	Everspin Tech	CY25rev:	7%	<b>RMBS</b>	4 est.	Rambus	CY25rev:	24%
<b>Qtr:</b>	1Q	<b>Grade:</b>	D	<b>Growth (qtr-qtr)</b>	<b>Qtr:</b>	1Q	<b>Grade:</b>	B	<b>Growth (qtr-qtr)</b>
<b>Rev:</b>	13.1	<b>Rev:</b>	++	<b>Rev:</b>	166.7	<b>Rev:</b>	++	<b>Rev:</b>	3.5%
<b>GM:</b>	52.8%	<b>EPS:</b>	-	<b>Fcst:</b>	-5+3%	<b>GM:</b>	81.3%	<b>EPS:</b>	+
<b>EPS:</b>	\$0.02	<b>Fcst:</b>	+	<b>Div:</b>		<b>EPS:</b>	\$0.56	<b>Fcst:</b>	+
<b>Div:</b>						<b>Div:</b>			
<b>MU</b>	25 est.	Micron Tech	FY25rev:	41%	<b>SIMO</b>	7 est.	Silicon Motion	CY25rev:	0%
<b>Qtr:</b>	F2Q	<b>Grade:</b>	B	<b>Growth (qtr-qtr)</b>	<b>Qtr:</b>	1Q	<b>Grade:</b>	D	<b>Growth (qtr-qtr)</b>
<b>Rev:</b>	8,053	<b>Rev:</b>	+++	<b>Rev:</b>	166.5	<b>Rev:</b>	+++	<b>Rev:</b>	-12.9%
<b>GM:</b>	37.9%	<b>EPS:</b>	+++	<b>Fcst:</b>	+7+12%	<b>GM:</b>	47.1%	<b>EPS:</b>	+++
<b>EPS:</b>	\$1.56	<b>Fcst:</b>	++	<b>Div:</b>	\$0.115	<b>EPS:</b>	\$0.60	<b>Fcst:</b>	- - -
<b>Div:</b>						<b>Div:</b>			\$0.50
<b>MXL</b>	11 est.	MaxLinear	CY25rev:	23%	<b>STM</b>	7 est.	STMicroelectronics	CY25rev:	-14%
<b>Qtr:</b>	1Q	<b>Grade:</b>	C	<b>Growth (qtr-qtr)</b>	<b>Qtr:</b>	1Q	<b>Grade:</b>	D	<b>Growth (qtr-qtr)</b>
<b>Rev:</b>	95.9	<b>Rev:</b>	+++	<b>Rev:</b>	2,517	<b>Rev:</b>	-	<b>Rev:</b>	-24.2%
<b>GM:</b>	59.1%	<b>EPS:</b>	o	<b>Fcst:</b>	-1+20%	<b>GM:</b>	33.4%	<b>EPS:</b>	+
<b>EPS:</b>	(\$0.05)	<b>Fcst:</b>	+	<b>Div:</b>		<b>EPS:</b>	\$0.06	<b>Fcst:</b>	++
<b>Div:</b>						<b>Div:</b>			\$0.06
<b>NXPI</b>	24 est.	NXP Semi	CY25rev:	-6%	<b>TSM</b>	20 est.	Taiwan Semi/TSMC	CY25rev:	28%
<b>Qtr:</b>	1Q	<b>Grade:</b>	B	<b>Growth (qtr-qtr)</b>	<b>Qtr:</b>	1Q	<b>Grade:</b>	B	<b>Growth (qtr-qtr)</b>
<b>Rev:</b>	2,835	<b>Rev:</b>	+	<b>Rev:</b>	25,526	<b>Rev:</b>	+	<b>Rev:</b>	-5.1%
<b>GM:</b>	56.1%	<b>EPS:</b>	+	<b>Fcst:</b>	-1+6%	<b>GM:</b>	58.8%	<b>EPS:</b>	+
<b>EPS:</b>	\$2.64	<b>Fcst:</b>	+	<b>Div:</b>	\$1.014	<b>EPS:</b>	\$2.12	<b>Fcst:</b>	+
<b>Div:</b>						<b>Div:</b>			\$0.70
<b>PI</b>	8 est.	Impinj	CY25rev:	-6%	<b>TXN</b>	24 est.	Texas Instruments	CY25rev:	10%
<b>Qtr:</b>	1Q	<b>Grade:</b>	B	<b>Growth (qtr-qtr)</b>	<b>Qtr:</b>	1Q	<b>Grade:</b>	B	<b>Growth (qtr-qtr)</b>
<b>Rev:</b>	74.3	<b>Rev:</b>	+++	<b>Rev:</b>	4,069	<b>Rev:</b>	++	<b>Rev:</b>	1.5%
<b>GM:</b>	52.5%	<b>EPS:</b>	+++	<b>Fcst:</b>	+23+29%	<b>GM:</b>	56.8%	<b>EPS:</b>	+++
<b>EPS:</b>	\$0.21	<b>Fcst:</b>	+	<b>Div:</b>		<b>EPS:</b>	\$1.28	<b>Fcst:</b>	++
<b>Div:</b>						<b>Div:</b>			\$1.36
<b>QCOM</b>	26 est.	Qualcomm	FY25rev:	12%	<b>UMC</b>	5 est.	United Micro	CY25rev:	8%
<b>Qtr:</b>	F2Q	<b>Grade:</b>	D	<b>Growth (qtr-qtr)</b>	<b>Qtr:</b>	1Q	<b>Grade:</b>	D	<b>Growth (qtr-qtr)</b>
<b>Rev:</b>	10,836	<b>Rev:</b>	++	<b>Rev:</b>	1,744	<b>Rev:</b>	+	<b>Rev:</b>	-5.3%
<b>GM:</b>	55.0%	<b>EPS:</b>	+	<b>Fcst:</b>	-9-1%	<b>GM:</b>	26.7%	<b>EPS:</b>	-
<b>EPS:</b>	\$2.85	<b>Fcst:</b>	-	<b>Div:</b>	\$0.89	<b>EPS:</b>	\$0.093	<b>Fcst:</b>	+
<b>Div:</b>						<b>Div:</b>			\$0.1113

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