

2Q25 Semiconductor Earnings Summary—Week 1

Very Strong 2Q and Above Average 3Q Guidance

The 2Q earnings season is now underway with eight out of 57 companies in my Tokeneke Universe having reported through last week. Every company so far has reported 2Q revenue and guided for 3Q sales above expectations; three-quarters met or exceeded 2Q EPS expectations, and my Universe is significantly outperforming broader equity markets this month—although the SOX index is underperforming. In fact, 2Q revenue strength is downright jaw-dropping and 3Q guidance is solidly above average. It appears that AI remains strong while a broader cyclical recovery is underway across industrial, PC and smartphone markets, although automotive is relatively shallow or slightly lagging depending on the supplier. The good news is this inflection point in the business may well present attractive equity market opportunities. Stay tuned for the return of my Semiconductor Investment Ideas publication.

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.

Overly Strong 2Q: 2Q semiconductor revenue growth is starting off at over double the high-end of the range of company guidance. The weighted average sales growth across my Tokeneke Universe reflects a sequential quarterly gain of +12.1%, as noted in the adjacent table. Company 2Q guidance from 1Q earnings was centered at +3.4% ranging from +0.9% to +5.9% amid the lack any preannouncements. SIA/WSTS industry statistics for 2Q have not yet been released. The 2Q is seasonally a period of recovery for the year with 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, according to industry statistics.

		2Q	3Q	3Q Range
Week 1	Weighted	12.1%	7.6%	+4.8+10.4%
8 co's/\$63B	co. avg	10.8%	8.2%	+4.6+11.9%

Above Average 3Q Guidance: The 3Q revenue growth outlook based on management guidance across my Universe is starting off above average for this peak period. The specific weighted average guidance for sequential revenue growth calls for an increase of +7.6%, ranging from +4.8% to +10.4% as noted in the table above. The 3Q is seasonally the strongest of the year with average revenue growth of +6.0%, a high of +19.9%, a low of -11.3%, and four declines in the last 39 years including only one of the last 23, per industry statistics.

Most Companies Exceed Expectations: The Performance to Expectations histogram on Page 2 shows most companies in my Universe are meeting or exceeding expectations for 2Q25. Outperforming companies meeting or exceeding expectations is at 75% while companies reporting 'mixed' results simultaneously missing, meeting and exceeding expectations is at 25%. This metric compares investor expectations to reported results for 2Q revenue and EPS, as well as 3Q revenue guidance. See the grading Legend on Page 2 and company details on Page 3.

Chip Stocks Performance Mixed: The SOX is underperforming broader equity markets so far this month, but my Universe is significantly outperforming. So far this quarter the Philadelphia Semiconductor Index Option (SOX) is up by only +1.8% while 33 out of 57 stocks in my Tokeneke Universe have advanced by an average of +10.2% compared to the NASDAQ, S&P500 and DOW at +3.6%, +3.0%, and +1.8%, respectively.

Chip Stock Opportunities Emerging: AI remains strong while it appears the rest of the semiconductor markets have finally begun their cyclical recovery. Interestingly, the SOX is lagging this month while my Universe is outperforming. The good news is that there are some attractive fundamental valuations that have emerged across the sector. The bad news is the most attractive ones are distressed businesses. Nevertheless, others may now have a realistic probability to grow earnings with the cyclical recovery and stretch the runway of potential upside opportunity beyond their current 'incremental upside' status. Which means that I now need to re-energize my Semiconductor Investment Ideas publication (hopefully within the next few weeks). Stay tuned.

CY2Q25 earnings announcements through July 25, 2025. Most earnings and gross margins are non-GAAP.

Companies sorted alphabetically by ticker across all compilations in this report.

2Q25 Earnings Review

Ticker	Revenue		
	2Q25 (\$ mil)	Qtr-Qtr change	3Q25 Guidance
INTC	12,859.0	1.5%	-2+6%
MBLY*	506.0	15.5%	no guidance
MU	9,301.0	15.5%	+12+18%
MXL	108.8	13.5%	+6+24%
NXPI	2,926.0	3.2%	+4+11%
STM	2,766.0	9.9%	+11+18%
TSM	30,069.9	17.8%	+6+10%
TXN	4,448.0	9.3%	+0+8%
Total (weighted):	62,984.7	12.1%	+4.8+10.4%
Company Average (mean) :		10.8%	+4.6+11.9%

*MBLY raised annual guidance

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

				MBLY	
				MU	
				NXPI	
		INTC		TSM	
		STM	MXL	TXN	
0.0%	0.0%	25.0%	12.5%	62.5%	0.0%
F	E	D	C	B	A
missed/met		mixed		met/exceeded	
0.0%		25.0%		75.0%	
Total:	8	companies with estimates or guidance			

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		

INTC	35 est.	<i>Intel</i>	CY25rev:	-3%	NXPI	22 est.	<i>NXP Semi</i>	CY25rev:	-4%
Qtr:	2Q	Grade:	D	Growth (qtr-qtr)	Qtr:	2Q	Grade:	B	Growth (qtr-qtr)
Rev:	12,859	Rev:	+++	Rev:	2,926	Rev:	++	Rev:	3.2%
GM:	29.7%	EPS:	- - -	Fcst:	-2+6%	GM:	56.5%	EPS:	+++
EPS:	(\$0.10)	Fcst:	++	Div:	\$0.00	EPS:	\$2.72	Fcst:	++
Div:						Div:	\$1.014		
MBLY	21 est.	<i>Mobileye Global</i>	CY25rev:	10%	STM	8 est.	<i>STMicroelectronics</i>	CY25rev:	-11%
Qtr:	2Q	Grade:	B	Growth (qtr-qtr)	Qtr:	2Q	Grade:	D	Growth (qtr-qtr)
Rev:	506	Rev:	+++	Rev:	15.5%	Rev:	2,766	Rev:	+
GM:	68.6%	EPS:	+++	Fcst:	na	GM:	33.5%	EPS:	- - -
EPS:	\$0.13	Fcst:	++	Div:		EPS:	\$0.06	Fcst:	++
Div:						Div:	\$0.06		
MU	25 est.	<i>Micron Tech</i>	FY25rev:	47%	TSM	24 est.	<i>Taiwan Semi/TSMC</i>	CY25rev:	35%
Qtr:	F3Q	Grade:	B	Growth (qtr-qtr)	Qtr:	2Q	Grade:	B	Growth (qtr-qtr)
Rev:	9,301	Rev:	+++	Rev:	15.5%	Rev:	30,070	Rev:	+++
GM:	39.0%	EPS:	+++	Fcst:	+12+18%	GM:	58.6%	EPS:	+++
EPS:	\$1.91	Fcst:	++	Div:	\$0.115	EPS:	\$2.47	Fcst:	++
Div:						Div:	\$0.8333		
MXL	11 est.	<i>MaxLinear</i>	CY25rev:	27%	TXN	28 est.	<i>Texas Instruments</i>	CY25rev:	13%
Qtr:	2Q	Grade:	C	Growth (qtr-qtr)	Qtr:	2Q	Grade:	B	Growth (qtr-qtr)
Rev:	108.8	Rev:	+++	Rev:	13.5%	Rev:	4,448	Rev:	+++
GM:	59.1%	EPS:	o	Fcst:	+6+24%	GM:	57.9%	EPS:	++
EPS:	\$0.02	Fcst:	+++	Div:		EPS:	\$1.41	Fcst:	++
Div:						Div:	\$1.36		

—Dan K. Scovel
Semiconductor Analyst

Tokeneke Research LLC
Rowayton, CT 06853
dscovel@tokenekeresearch.com
www.tokenekeresearch.com
203-554-4621

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