

2Q25 Semiconductor Earnings Summary—Week 2

Very Strong 2Q and Above Average 3Q Guidance Both Ease a Bit

The 2Q earnings season is well underway with 21 out of 57 companies in my Tokeneke Universe having reported. While the metrics softened a bit last week the big picture remains in-tact with 2Q revenue growth exceeding the high-end of the range of expectations, 3Q guidance above average, and the vast majority of companies exceeding expectations. And my Universe continues to outperform broader equity markets while the SOX index is underperforming. 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 present some 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.

Very Strong 2Q: 2Q semiconductor revenue growth eased last week but remains above the high-end of the range of company guidance. The weighted average sales growth across my Tokeneke Universe reflects a sequential quarterly gain of +8.5%, 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 will be released shortly. 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%
Week 2	Weighted	8.5%	6.7%	+3.8+9.7%
21 co/\$79B	co. avg	9.4%	2.9%	-0.4+6.2%

Above Average 3Q Guidance: The 3Q revenue growth outlook based on management guidance across my Universe also eased but remains above average for this peak period. The specific weighted average guidance for sequential revenue growth calls for an increase of +6.7%, ranging from +3.8% to +9.7% 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 continue to meet or exceed expectations for 2Q25. Outperforming companies meeting or exceeding expectations is at 72% down from 75% last week, while companies reporting 'mixed' results simultaneously missing, meeting and exceeding expectations is at 14% down from 25%. Companies missing expectations is at 14% up from 0%. 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 Pages 2-3.

Chip Stocks Performance Mixed: The SOX is underperforming broader equity markets so far this quarter, but my Universe is outperforming, although both declined last week. So far this quarter the Philadelphia Semiconductor Index Option (SOX) is now down by -0.3% while 21 out of 57 stocks in my Tokeneke Universe have advanced by an average of +4.1% compared to the NASDAQ, S&P500 and DOW at +1.4%, +0.5%, and -1.1%, respectively.

Chip Stock Opportunities Emerging: AI remains strong while the rest of the semiconductor markets have finally begun their cyclical recovery. Interestingly, the SOX is lagging this quarter while my Universe is outperforming. The good news is that some attractive fundamental valuations 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 August 1, 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			Ticker	Revenue		
	2Q25 (\$ mil)	Qtr-Qtr change	3Q25 Guidance		2Q25 (\$ mil)	Qtr-Qtr change	3Q25 Guidance
ALGM	203.4	5.5%	+1+6%	PI	97.9	31.8%	-7-4%
ARM	1,053.0	-15.1%	-4+5%	QCOM	10,365.0	-4.3%	-1+7%
GSIT	6.3	6.8%	-6+7%	QRVO	818.8	-5.8%	+19+31%
IDCC*	300.6	42.8%	-55-53%	RMBS	172.2	3.3%	-3+7%
INTC	12,859.0	1.5%	-2+6%	SIMO	198.7	19.3%	+10+15%
MBLY*	506.0	15.5%	no guidance	SQNS*	8.1	1.1%	no guidance
MPWR	664.6	4.2%	+7+10%	STM	2,766.0	9.9%	+11+18%
MU	9,301.0	15.5%	+12+18%	TSM	30,069.9	17.8%	+6+10%
MX*	47.6	6.5%	-8+1%	TXN	4,448.0	9.3%	+0+8%
MXL	108.8	13.5%	+6+24%	UMC	2,006.8	15.1%	+1+3%
NXPI	2,926.0	3.2%	+4+11%				

Total (weighted): 78,927.7 8.5% +3.8+9.7%

Company Average (mean): 9.4% -0.4+6.2%

*IDCC raised annual guidance

*MBLY raised annual guidance

*MX continuing operations, lowered annual guidance

*SQNS subsequent \$358M offering for bitcoin treasury strategy

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

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		

ALGM	GSIT	MBLY	MU	NXPI	QCOM	RMBS	IDCC	SIMO	MPWR	SQNS	INTC	MX	MXL	TSM	PI	TXN	QRVO	UMC	ARM	STM
9.5%	4.8%	14.3%	4.8%	47.6%	19.0%															
F	E	D	C	B	A															
missed/met	missed	met/exceeded																		
14.3%	14.3%	71.4%																		

Total: 21 companies with estimates or guidance

Performance to Expectations Skew

				IDCC	3 est.	InterDigital	CY25rev:	-11%
				Qtr:	2Q	Grade:	A	Growth (qtr-qtr)
				Rev:	300.6	Rev:	+++	Rev: 42.8%
				GM:	100.0%	EPS:	+++	Fcst: -55-53%
				EPS:	\$6.52	Fcst:	+++	Div: \$0.60

ALGM	12 est.	Allegro Micro	FY26rev:	18%	INTC	35 est.	Intel	CY25rev:	-2%
Qtr:	F1Q	Grade:	B	Growth (qtr-qtr)	Qtr:	2Q	Grade:	D	Growth (qtr-qtr)
Rev:	203.4	Rev:	++	Rev: 5.5%	Rev:	12,859	Rev:	+++	Rev: 1.5%
GM:	48.2%	EPS:	+	Fcst: +1+6%	GM:	29.7%	EPS:	---	Fcst: -2+6%
EPS:	\$0.09	Fcst:	++	Div:	EPS:	(\$0.10)	Fcst:	++	Div: \$0.00

ARM	26 est.	ARM	FY26rev:	19%	MBLY	21 est.	Mobileye Global	CY25rev:	12%
Qtr:	F1Q	Grade:	E	Growth (qtr-qtr)	Qtr:	2Q	Grade:	B	Growth (qtr-qtr)
Rev:	1,053	Rev:	-	Rev: -15.1%	Rev:	506	Rev:	+++	Rev: 15.5%
GM:	97.9%	EPS:	o	Fcst: -4+5%	GM:	68.6%	EPS:	+++	Fcst: na
EPS:	\$0.35	Fcst:	-	Div:	EPS:	\$0.13	Fcst:	++	Div:

GSIT	0 est.	GSI Technology	FY26rev:	na	MPWR	14 est.	Monolithic Power Sys	CY25rev:	25%
Qtr:	F1Q	Grade:	B	Growth (qtr-qtr)	Qtr:	2Q	Grade:	A	Growth (qtr-qtr)
Rev:	6.3	Rev:	++	Rev: 6.8%	Rev:	664.6	Rev:	+++	Rev: 4.2%
GM:	58.1%	EPS:	na	Fcst: -6+7%	GM:	55.5%	EPS:	+++	Fcst: +7+10%
EPS:	(\$0.08)	Fcst:	na	Div:	EPS:	\$4.21	Fcst:	+++	Div: \$1.56

MU	25 est.	<i>Micron Tech</i>		FY25rev:	47%	RMBS	4 est.	<i>Rambus</i>		CY25rev:	25%
Qtr:	F3Q	Grade:	B	Growth (qtr-qtr)		Qtr:	2Q	Grade:	B	Growth (qtr-qtr)	
Rev:	9,301	Rev:	+++	Rev:	15.5%	Rev:	172.2	Rev:	+++	Rev:	3.3%
GM:	39.0%	EPS:	+++	Fcst:	+12+18%	GM:	81.0%	EPS:	++	Fcst:	-3+7%
EPS:	\$1.91	Fcst:	++	Div:	\$0.115	EPS:	\$0.53	Fcst:	+	Div:	
MX	2 est.	<i>MagnaChip</i>		CY25rev:	0%	SIMO	8 est.	<i>Silicon Motion</i>		CY25rev:	4%
Qtr:	2Q	Grade:	D	Growth (qtr-qtr)		Qtr:	2Q	Grade:	B	Growth (qtr-qtr)	
Rev:	47.6	Rev:	+	Rev:	6.5%	Rev:	198.7	Rev:	+++	Rev:	19.3%
GM:	20.4%	EPS:	++	Fcst:	-8+1%	GM:	47.7%	EPS:	+++	Fcst:	+10+15%
EPS:	(\$0.08)	Fcst:	- - -	Div:		EPS:	\$0.69	Fcst:	++	Div:	\$0.50
MXL	11 est.	<i>MaxLinear</i>		CY25rev:	27%	SQNS	1 est.	<i>Sequans Comm</i>		CY25rev:	-16%
Qtr:	2Q	Grade:	C	Growth (qtr-qtr)		Qtr:	2Q	Grade:	F	Growth (qtr-qtr)	
Rev:	108.8	Rev:	+++	Rev:	13.5%	Rev:	8.1	Rev:	- - -	Rev:	1.1%
GM:	59.1%	EPS:	o	Fcst:	+6+24%	GM:	64.4%	EPS:	- -	Fcst:	na
EPS:	\$0.02	Fcst:	+++	Div:		EPS:	(\$0.32)	Fcst:	na	Div:	
NXPI	22 est.	<i>NXP Semi</i>		CY25rev:	-4%	STM	8 est.	<i>STMicroelectronics</i>		CY25rev:	-11%
Qtr:	2Q	Grade:	B	Growth (qtr-qtr)		Qtr:	2Q	Grade:	D	Growth (qtr-qtr)	
Rev:	2,926	Rev:	++	Rev:	3.2%	Rev:	2,766	Rev:	+	Rev:	9.9%
GM:	56.5%	EPS:	+++	Fcst:	+4+11%	GM:	33.5%	EPS:	- - -	Fcst:	+11+18%
EPS:	\$2.72	Fcst:	++	Div:	\$1.014	EPS:	\$0.06	Fcst:	++	Div:	\$0.06
PI	7 est.	<i>Impinj</i>		CY25rev:	-3%	TSM	24 est.	<i>Taiwan Semi/TSMC</i>		CY25rev:	35%
Qtr:	2Q	Grade:	A	Growth (qtr-qtr)		Qtr:	2Q	Grade:	B	Growth (qtr-qtr)	
Rev:	97.9	Rev:	+++	Rev:	31.8%	Rev:	30,070	Rev:	+++	Rev:	17.8%
GM:	60.4%	EPS:	+++	Fcst:	-7-4%	GM:	58.6%	EPS:	+++	Fcst:	+6+10%
EPS:	\$0.80	Fcst:	+++	Div:		EPS:	\$2.47	Fcst:	++	Div:	\$0.8333
QCOM	25 est.	<i>Qualcomm</i>		FY25rev:	12%	TXN	28 est.	<i>Texas Instruments</i>		CY25rev:	13%
Qtr:	F3Q	Grade:	B	Growth (qtr-qtr)		Qtr:	2Q	Grade:	B	Growth (qtr-qtr)	
Rev:	10,365	Rev:	+	Rev:	-4.3%	Rev:	4,448	Rev:	+++	Rev:	9.3%
GM:	56.2%	EPS:	++	Fcst:	-1+7%	GM:	57.9%	EPS:	++	Fcst:	+0+8%
EPS:	\$2.77	Fcst:	+	Div:	\$0.89	EPS:	\$1.41	Fcst:	++	Div:	\$1.36
QRVO	21 est.	<i>Qorvo</i>		FY26rev:	0%	UMC	14 est.	<i>United Micro</i>		CY25rev:	8%
Qtr:	F1Q	Grade:	A	Growth (qtr-qtr)		Qtr:	2Q	Grade:	F	Growth (qtr-qtr)	
Rev:	818.8	Rev:	+++	Rev:	-5.8%	Rev:	2,007	Rev:	- -	Rev:	15.1%
GM:	44.0%	EPS:	+++	Fcst:	+19+31%	GM:	28.7%	EPS:	- -	Fcst:	+1+3%
EPS:	\$0.92	Fcst:	+++	Div:		EPS:	\$0.121	Fcst:	- -	Div:	\$0.1113

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