

**3Q25 Semiconductor Earnings Summary—Week 1**  
***Healthy 3Q But Anemic 4Q Guidance as Most Companies Report Mixed Results***

The 3Q earnings season is now underway with seven out of 58 companies in my Tokeneke Universe having reported. The good news is that the 3Q is coming in as strong as expected and the semiconductor sector is outperforming broader equity markets so far this quarter. The bad news is that 3Q growth is not significantly better than expected, 4Q guidance is softer than normal for a typically lackluster period, and more companies are reporting ‘mixed’ results than those who are exceeding investor expectations. While AI strength persists the broader cyclical recovery across industrial, PC, smartphone and automotive markets appears relatively modest at best, depending on the supplier. The combination of chip sector equity outperformance and near-term expected business weakness significantly tempers my previous optimism regarding potential attractive equity market opportunities.

**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.

**Slightly Better Than Expected 3Q:** 3Q semiconductor revenue growth is starting off slightly better than expected based on management guidance across my Universe. The weighted average sales growth across my Tokeneke Universe reflects a sequential quarterly gain of +10.9%, as noted in the adjacent table. Company 3Q guidance from 2Q earnings was centered at +9.9% ranging from +7.5% to +12.3% after two positive preannouncements from Micron and Interdigital. SIA/WSTS industry statistics for 3Q have not yet been released. 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, according to industry statistics.

		3Q	4Q	4Q Range
<b>Week 1</b>	Weighted	10.9%	0.3%	-2.3+2.9%
<b>7 co's/\$67B</b>	co. avg	10.8%	-1.1%	-4.5+2.2%

**Weak 4Q Guidance:** The 4Q revenue growth outlook based on management guidance across my Universe is even weaker than lackluster norms. The specific weighted average guidance for sequential revenue growth calls for an increase of +0.3%, ranging from a decline of -2.3% to a gain of +2.9% as noted in the table above. The 4Q is seasonally a period of anemic expansion 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.

**Most Companies Report “Mixed” Results:** The Performance to Expectations Histogram on Page 2 shows most companies in my Universe reporting mixed results compared to investor expectations for 3Q. Companies reporting ‘mixed’ results simultaneously missing, meeting and exceeding expectations is at 57% while companies meeting or exceeding expectations is at 43%. This metric compares investor expectations to reported results for 3Q revenue and EPS, as well as 4Q 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 month (and year)—and especially last week. So far this quarter the Philadelphia Semiconductor Index Option (SOX) is up by +9.5% while 36 out of 58 stocks in my Tokeneke Universe have advanced by an average of +8.5% compared to the NASDAQ, S&P500 and DOW at +2.4%, +1.5%, and +1.7%, respectively.

**Equity Opportunities Narrow:** AI remains strong while the cyclical recovery across the rest of the semiconductor markets appears relatively modest. Unfortunately, we are now entering a softer-than-normal 4Q amid chip sector equity strength that has outperformed broader equity markets so far this quarter and year—a combination that triggers significantly more caution than enthusiasm when it comes to evaluating potential equity opportunities across the sector in my mind. I am now returning to my more traditional skeptical outlook of concern with respect to fundamental equity valuations.

*CY3Q25 earnings announcements through October 24, 2025. Most earnings and gross margins are non-GAAP. Companies sorted alphabetically by ticker across all compilations in this report.*

## 3Q25 Earnings Review

Ticker	Revenue		
	3Q25 (\$ mil)	Qtr-Qtr change	4Q25 Guidance
INTC*	13,653.0	6.2%	-6+1%
MBLY*	504.0	-0.4%	na(-21-13%)
MU	11,315.0	21.7%	+8+13%
MXL	126.5	16.3%	+3+11%
STM	3,187.0	15.2%	-1+7%
TSM	33,096.6	10.1%	-3+1%
TXN	4,742.0	6.6%	-11-3%
<b>Total (weighted):</b>	66,624.1	10.9%	-2.3+2.9%
<b>Company Average (mean) :</b>		10.8%	-4.5+2.2%

\*INTC guidance excludes Altera

\*MBLY raised annual guidance but implied 4Q was short

\*MBLY I used implied guidance to calculate statistics

INTC  
MBLY  
STM  
TXN

MU  
MXL  
TSM

0.0%	0.0%	57.1%	0.0%	42.9%	0.0%
F	E	D	C	B	A
missed/met		mixed		met/exceeded	
0.0%		57.1%		42.9%	
Total: 7 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	

<b>INTC</b>	31 est.	Intel	CY25rev:	-1%					
<b>Qtr:</b>	3Q	<b>Grade:</b>	D	<b>Growth (qtr-qtr)</b>					
<b>Rev:</b>	13,653	<b>Rev:</b>	+++	<b>Rev:</b>	6.2%				
<b>GM:</b>	40.0%	<b>EPS:</b>	+++	<b>Fcst:</b>	-6+1%				
<b>EPS:</b>	\$0.23	<b>Fcst:</b>	-	<b>Div:</b>					
<b>MBLY</b>	20 est.	Mobileye Global	CY25rev:	14%	<b>STM</b>	10 est.	STMicroelectronics	CY25rev:	-11%
<b>Qtr:</b>	3Q	<b>Grade:</b>	D	<b>Growth (qtr-qtr)</b>	<b>Qtr:</b>	3Q	<b>Grade:</b>	D	<b>Growth (qtr-qtr)</b>
<b>Rev:</b>	504	<b>Rev:</b>	+++	<b>Rev:</b>	-0.4%	<b>Rev:</b>	3,187	<b>Rev:</b>	+
<b>GM:</b>	66.9%	<b>EPS:</b>	o	<b>Fcst:</b>	na(-21-13%)	<b>GM:</b>	33.2%	<b>EPS:</b>	+++
<b>EPS:</b>	\$0.09	<b>Fcst:</b>	-/+	<b>Div:</b>		<b>EPS:</b>	\$0.29	<b>Fcst:</b>	-
								<b>Div:</b>	\$0.06
<b>MU</b>	30 est.	Micron Tech	FY26rev:	45%	<b>TSM</b>	6 est.	Taiwan Semi/TSMC	CY25rev:	40%
<b>Qtr:</b>	F4Q	<b>Grade:</b>	B	<b>Growth (qtr-qtr)</b>	<b>Qtr:</b>	3Q	<b>Grade:</b>	B	<b>Growth (qtr-qtr)</b>
<b>Rev:</b>	11,315	<b>Rev:</b>	++	<b>Rev:</b>	21.7%	<b>Rev:</b>	33,097	<b>Rev:</b>	++
<b>GM:</b>	45.7%	<b>EPS:</b>	+++	<b>Fcst:</b>	+8+13%	<b>GM:</b>	59.5%	<b>EPS:</b>	+++
<b>EPS:</b>	\$3.03	<b>Fcst:</b>	++	<b>Div:</b>	\$0.115	<b>EPS:</b>	\$2.92	<b>Fcst:</b>	++
								<b>Div:</b>	\$0.8333
<b>MXL</b>	11 est.	MaxLinear	CY25rev:	29%	<b>TXN</b>	30 est.	Texas Instruments	CY25rev:	13%
<b>Qtr:</b>	3Q	<b>Grade:</b>	B	<b>Growth (qtr-qtr)</b>	<b>Qtr:</b>	3Q	<b>Grade:</b>	D	<b>Growth (qtr-qtr)</b>
<b>Rev:</b>	126.5	<b>Rev:</b>	+++	<b>Rev:</b>	16.3%	<b>Rev:</b>	4,742	<b>Rev:</b>	++
<b>GM:</b>	59.1%	<b>EPS:</b>	+++	<b>Fcst:</b>	+3+11%	<b>GM:</b>	57.4%	<b>EPS:</b>	o
<b>EPS:</b>	\$0.14	<b>Fcst:</b>	++	<b>Div:</b>		<b>EPS:</b>	\$1.48	<b>Fcst:</b>	-
								<b>Div:</b>	\$1.42

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