

# Skyworks Solutions SWKS

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## What does SWKS do?

- SWKS makes high performance analog semiconductors to enable wireless connectivity

• [SWKS>>>Media](#)

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## What are SWKS markets?

Automotive	Wireless
Broadband	Networking
Connected Home	Smart Energy
Smartphone & Tablets	
Medical	
Military	

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## Who are SWKS customers?

- Smartphone and tablet manufacturers
  - China = 68.7% of Revenue
  - Taiwan = 14%
  - Other Asia-Pacific = 7.2%
  - South Korea = 4.6%
  - U.S., / Eur., Mid. East, Africa = 2% each,
- Non-handset applications

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## Where is SWKS?

Principle offices: Woburn MA  
 Factories:—4, All in U.S.  
 Design Centers:—10, U.S., Shanghai,  
 Ottawa, Cork  
 Sales Offices:---15, China, Singapore, Japan,  
 Korea, U.S., UK, Finland, France

About 5,550 employees

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## Who are SWKS Competitors?

### Morningstar

Intel Corp  
 Taiwan Semiconductor Manuf. Co. Ltd ADR  
 Texas Instruments Inc  
 Broadcom Corp  
 Avago Technologies Ltd

### Yahoo

Anadigics Inc.  
 STMicroelectronics NV  
 Infineon Technologies AG

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## What about SWKS Industry?

- Dependent on global demand
- Dependent on currency fluctuations
- Manufacturing efficiency a must
- Cash in hand especially needed
- Check the cash utilization rate
- Typically a volatile industry

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## What are SWKS strengths?

- Superior financial returns--\$1.1 B in
- High end smartphones require more complex RF chips with higher margins—11% R&D
- Sales & engineers integrated in customer labs
- More connections to internet = High R&D % means more design wins – “being invited into the design process earlier”

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## What are SWKS weaknesses?

- Intense competitive landscape (QCOM)
- Handset makers have split their business
- Dependence on AAPL (34% '14 Rev.)
- Not diversified enough yet

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## What are SWKS Opportunities?

Internet of things expanding  
 Increasing vertical market penetration  
 Bandwidth needs growing dramatically  
 Complexity of 4G LTE networks makes design more important  
 Growth projected:  
   Connected home=67%  
   Mobile data use=57%  
   Auto=39%, IoT=35%

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## What are Threats for SWKS?

- Highly concentrated customer base
- Weak performance by any major customer
- QCOM entry into RF chip business
- Limited spectrum to support exploding data demand
- Currency fluctuations

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