

US Semiconductors

CES 2024 preview: Focus on bringing AI to the consumer

Industry Overview

CES to highlight emerging AI consumer/edge initiatives

We plan to attend the Consumer Electronics Show (CES) in Las Vegas next week. We expect several product announcements around PCs, gaming, AI/consumer integration, autos, IoT, and VR/AR. Specific to semis, we highlight Monday press conferences from major compute vendors AMD and INTC (focus on AI and accessibility), as well as NVDA (expected launch of RTX 40 SUPER cards). Separately, we plan to hold investor meetings with ADI, MRVL, MU, INTC, and ON along with a booth visit at SWKS. We expect AI to be a key theme at the conference, with companies highlighting plans to incorporate the tech to enhance product features and advance consumer capabilities.

AMD, INTC, NVDA press conferences kick off CES

While CES is officially slated to occur between Jan 9-12, AMD, NVDA, and INTC will all respectively hold press conferences on Jan 8. Expectations by company: 1) AMD: Focus likely on AI in PCs, potentially detailing new partnerships, and providing further overview of new “Hawk Point” processors (Ryzen 8040 mobile processors) optimized to accelerate AI applications (available 1Q24). AMD may also detail/unveil the mainstream RX 7600 XT GPU (potentially launching this month); 2) INTC: Similar to AMD, we expect a focus on developments in AI in PCs, highlighting the company’s recently launched 14th-gen Meteor Lake processors. Intel could potentially unveil new Core i9-14900KS processor, a refresh of Raptor Lake processor launched late calendar ’22; 3) NVDA: Likely to announce three new RTX-40 SKUs (RTX 4070 SUPER, 4070 Ti SUPER, 4080 SUPER). Additionally, NVDA likely to unveil advancements in integration of AI and gaming (hardware + software support) as well as strong automotive partnerships (Mercedes-Benz, Hyundai, Kia, etc.).

Autos: Inventory concerns could overshadow new products

Outside consumer products, we expect multiple new auto features to be showcased, as content growth in autos persists (infotainment, autonomous/ADAS features, digital cockpit). However, weak preliminary results from Mobileye given inventory building at key customers (Q1 sales down -50% YoY) are a negative read-through for INTC (consolidates Mobileye) and autos peers. Despite long-term content opportunities for autos semis, near-term inventory correction risks likely to remain focus for investors.

Meetings with ADI, MRVL, MU, INTC, ON, SWKS

Expectations at company meetings: 1) ADI – updates on industrial correction, insight into possibly turning autos market, 2) MRVL – thoughts on health of enterprise/carrier markets, sustainability of AI networking demand, 3) MU – follow-up on recent strong earnings results, assessing possibility of upcycle, 4) INTC – clarity in ASP uplift from AI focused SKUs in PCs (ASP uplift from Meteor Lake vs. Raptor Lake), positioning versus AMD in PCs/servers, foundry business momentum, 5) ON – read-through on auto inventory, updates on SiC demand/ pipeline (comfortability with 70%+ SiC growth in CY24), 6) SWKS – smartphone inventory correction update, content in next gen iPhone, health of Broad Markets business. We also highlight meetings with QCOM (covered by Tal Liani) which could provide further insight on smartphone demand and “AI in smartphone” trends. Other co’ such as NXPI, AMBA, and MBLY also expected to attend.

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Glossary

ADAS: Advanced Driver Assist System
ADI: Analog Devices
AI: Artificial Intelligence
AMBA: Ambarella
AMD: Advanced Micro Devices
AR: Augmented Reality
ASP: Average Selling Price
CES: Consumer Electronics Show
INTC: Intel
IoT: Internet of Things
MBLY: Mobileye
MRVL: Marvell
MU: Micron
NVDA: Nvidia
NXPI: NXP Semiconductors
ON: onsemi
PC: Personal Compute
QCOM: Qualcomm Team T
SiC: Silicon Carbide
SKU: Stock Keeping Unit
SWKS: Skyworks
VR: Virtual Realty

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