

Semiconductors

Semi Week in Review

Summary

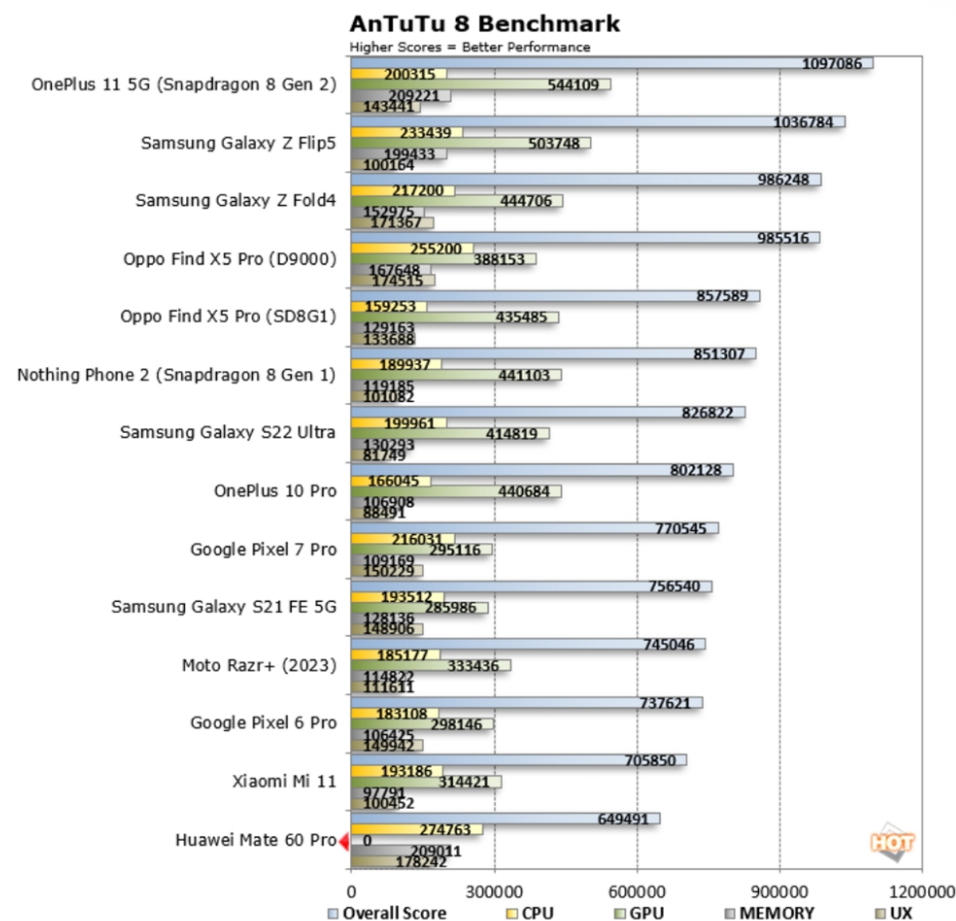
In this week's Semi Week in Review, we highlight Huawei's Mate 60 Pro benchmarks showing performance lagging current smartphones by 3 years, and our skepticism about Huawei's ability to ship 60-70 million units with outdated technology. We also look ahead to the upcoming Qualcomm Snapdragon Summit and expectations for new Snapdragon 8 Gen 3 announcements and performance improvements.

Huawei Mate 60 Specs; Ouster Lawsuit

Last week, performance [benchmarks](#) were published for the Huawei Mate 60 Pro 5G smartphone. The conclusion is that the Mate 60 Pro's performance is roughly 3 years behind smartphones currently on the market.

There are separate benchmarks to compare CPU, GPU and NPU performance. We tend to first look at a generalized benchmark, AnTuTu 8, that tests all parts of the SoC.

Figure 1 - List of smartphones using Qualcomm, MediaTek and even Google's internally developed Tensor



Source: Hot Hardware

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Related Companies:

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Share Price:

\$35.97

Our Take. There has been much hand wringing and pearl-clutching over Huawei entering the 5G smartphone market despite the US sanctions against Huawei using leading edge technology. We see these benchmarks as evidence that the Mate 60 Pro is not a 5G performance contender. [Reports](#) have Huawei forecasting shipping 60-70mn smartphones in 2024. We remain skeptical that there are this many consumers willing to pay \$1,000+ for a phone with 3-year-old technology. Also, we are not convinced that SMIC's N7 process yields can support 60-70mn units.

Meanwhile, we expect that Qualcomm will announce its Snapdragon 8 Gen 3 SoC during its annual [Snapdragon Summit](#) on October 24th – 26th. Specification leaks are pointing to 30%-50% performance increases over Snapdragon 8 Gen 2. We expect all leading Android players will announce new flagship smartphone based on Gen 3 shortly after the Snapdragon Summit.

Semiconductor Industry Comp Sheet

								Valuation											
Company Name	Ticker	Rating	10/15/2023 Price	Price Target	Upside/ Downside	Market Cap (\$M)	Enterprise Value (\$M)	EV/Sales			P/E			EV/FCF			EV/EBITDA		
								CY22E	CY23E	CY24E	CY22E	CY23E	CY24E	CY22E	CY23E	CY24E	CY22E	CY23E	CY24E
Analog/MCUs																			
Microchip Technology Incorporated	MCHP-US	Buy	\$77.46	\$110.00	42%	42,164	48,503	5.6x	5.5x	5.3x	12.7x	12.6x	11.9x	14.3x	15.1x	14.3x	11.6x	11.6x	10.8x
Monolithic Power Systems, Inc.	MPWR-US	Buy	\$475.75	\$580.00	22%	22,730	22,262	12.2x	10.7x	9.2x	40.6x	36.1x	29.6x	38.3x	35.4x	29.0x	33.1x	28.4x	23.4x
ON Semiconductor Corporation	ON-US	Neutral	\$89.14	\$100.00	12%	38,466	41,129	4.9x	4.6x	4.2x	17.1x	15.7x	13.6x	47.3x	23.4x	18.5x	12.4x	11.4x	10.3x
Texas Instruments Incorporated	TXN-US	Buy	\$152.75	\$230.00	51%	138,692	141,586	7.9x	7.3x	6.7x	20.9x	20.0x	18.2x	61.1x	29.9x	24.8x	15.7x	14.2x	12.4x
SiTime Corporation	SITM-US	NR	\$113.05	NR	NR	2,511	1,930	13.2x	9.6x	7.7x	706.6x	89.7x	55.6x	NM	NM	NM	-136.4x	112.2x	44.8x
Infineon Technologies AG Sponsored ADR	IFNNY-US	NR	\$33.73	NR	NR	44,044	47,666	3.1x	2.7x	2.5x	15.2x	12.2x	12.0x	29.8x	34.0x	26.0x	9.0x	7.5x	7.1x
STMicroelectronics NV ADR RegS	STM-US	NR	\$42.89	NR	NR	39,366	39,200	2.3x	2.2x	2.0x	9.9x	10.0x	9.0x	31.8x	19.4x	15.4x	6.2x	6.2x	5.7x
Communications/DC																			
Broadcom Inc.	AVGO-US	Buy	\$883.18	\$1,000.00	13%	364,520	404,404	12.0x	11.1x	10.2x	23.0x	20.6x	18.7x	24.5x	22.4x	19.9x	19.0x	17.4x	16.0x
Lattice Semiconductor Corporation	LSCC-US	Buy	\$75.08	\$110.00	47%	10,349	10,451	13.7x	12.1x	14.5x	36.0x	30.6x	NM	38.9x	31.6x	40.0x	36.5x	28.3x	43.2x
Navitas Semiconductor Corporation	NVTS-US	Buy	\$5.89	\$12.00	104%	1,023	869	18.4x	7.0x	4.1x	NM	NM	48.5x	-14.1x	-24.1x	-26.8x	-24.0x	-52.0x	28.0x
Vicor Corporation	VICR-US	NR	\$53.44	NR	NR	1,738	2,205	5.3x	4.5x	3.7x	40.6x	30.0x	19.4x	37.1x	46.1x	26.4x	26.5x	19.3x	12.1x
QuickLogic Corporation	QUIK-US	NR	\$9.10	NR	NR	126	121	5.7x	4.2x	NM	113.8x	25.6x	NM	-26.2x	23.6x	NM	70.9x	21.9x	NM
Power Integrations, Inc.	POWI-US	NR	\$75.52	NR	NR	4,334	4,009	8.0x	6.7x	5.8x	46.1x	30.5x	26.0x	42.3x	26.1x	21.9x	35.0x	23.3x	22.5x
Wolfspeed Inc	WOLF-US	NR	\$32.53	NR	NR	4,075	5,401	5.8x	4.5x	3.2x	NM	NM	NM	-3.3x	-3.2x	-6.9x	-74.5x	693.7x	13.9x
Computing																			
Advanced Micro Devices, Inc.	AMD-US	Buy	\$105.09	\$200.00	90%	169,791	167,556	7.3x	6.1x	5.3x	38.2x	25.5x	19.9x	44.2x	32.0x	25.5x	24.5x	21.8x	16.9x
Ambarella, Inc.	AMBA-US	Buy	\$52.85	\$85.00	61%	2,108	1,890	8.1x	7.3x	5.4x	NM	NM	384.6x	918.9x	-67.6x	-7775.1x	-95.8x	-133.7x	47.2x
Intel Corporation	INTC-US	Sell	\$35.97	\$17.00	-53%	150,642	179,173	3.4x	3.0x	2.8x	56.8x	20.5x	14.2x	-13.0x	-70.3x	123.8x	16.3x	11.1x	8.7x
NVIDIA Corporation	NVDA-US	Buy	\$454.61	\$1,100.00	142%	1,122,887	1,131,001	21.6x	14.3x	11.8x	45.2x	27.6x	22.7x	52.0x	29.9x	23.7x	39.9x	24.9x	20.4x
Super Micro Computer, Inc.	SMCI-US	Buy	\$285.20	\$375.00	31%	15,089	15,813	1.8x	1.3x	NM	19.9x	14.9x	NM	44.6x	47.7x	NM	15.9x	12.5x	NM
IoT																			
Synaptics Incorporated	SYNA-US	Buy	\$94.92	\$100.00	5%	3,705	3,911	3.3x	3.2x	NM	17.0x	18.3x	NM	18.4x	25.9x	NM	14.1x	15.0x	NM
IP																			
Arteris, Inc.	AIP-US	Buy	\$5.96	\$21.00	252%	215	160	2.9x	2.3x	1.7x	NM	NM	27.1x	-17.8x	-106.6x	NM	-5.3x	-6.3x	NM
ARM Holdings PLC ADR	ARM-US	Buy	\$50.78	\$85.00	67%	52,061	50,277	17.4x	14.4x	12.1x	NM	40.5x	32.5x	79.7x	49.1x	32.2x	NM	33.4x	27.2x
CEVA, Inc.	CEVA-US	Buy	\$18.80	\$35.00	86%	444	315	2.8x	2.4x	2.0x	164.0x	37.0x	22.3x	30.3x	85.1x	20.2x	NM	NM	NM
Rambus Inc.	RMBS-US	Buy	\$57.23	\$73.00	28%	6,246	6,086	10.8x	9.1x	7.6x	33.0x	26.5x	21.2x	30.8x	30.8x	26.6x	21.2x	17.0x	13.4x
Adeia Inc.	ADEA-US	NR	\$8.45	NR	NR	902	1,502	3.8x	3.6x	NM	6.5x	5.9x	NM	NM	NM	NM	5.9x	5.6x	NM
Movella Holdings Inc.	MVLA-US	NR	\$0.53	NR	NR	27	31	0.9x	0.7x	NM	NM	NM	NM	NM	NM	NM	-1.9x	-172.2x	NM
Memory/Storage																			
Marvell Technology, Inc.	MRVL-US	Buy	\$52.62	\$100.00	90%	45,401	49,565	8.9x	7.7x	6.7x	33.2x	23.3x	18.3x	50.6x	31.0x	22.8x	29.3x	21.5x	17.1x
Micron Technology, Inc.	MU-US	Buy	\$69.21	\$100.00	44%	75,995	80,052	4.6x	3.3x	2.6x	NM	108.8x	11.0x	-19.4x	122.4x	21.3x	20.6x	9.0x	5.3x
Seagate Technology Holdings PLC	STX-US	Buy	\$68.43	\$68.00	-1%	14,223	19,212	2.7x	2.5x	2.2x	167.1x	27.3x	13.9x	35.8x	28.3x	18.9x	21.6x	14.4x	10.7x
SMART Global Holdings, Inc.	SGH-US	Buy	\$13.10	\$35.00	167%	656	1,122	0.8x	0.9x	NM	6.6x	9.6x	NM	NM	NM	NM	5.9x	6.8x	NM
Western Digital Corporation	WDC-US	Neutral	\$45.70	\$38.00	-17%	14,813	20,740	1.7x	1.5x	1.2x	NM	NM	9.4x	-22.1x	211.0x	16.7x	-72.5x	14.7x	6.3x
Mobile																			
Qorvo, Inc.	QRVO-US	Neutral	\$90.92	\$95.00	4%	8,902	10,260	2.9x	2.6x	2.3x	17.2x	13.2x	9.8x	17.3x	12.8x	10.2x	12.3x	10.6x	8.7x
QUALCOMM Incorporated	QCOM-US	Buy	\$108.66	\$145.00	33%	121,265	128,947	3.1x	3.6x	3.4x	9.5x	12.8x	11.5x	16.6x	14.3x	12.1x	7.3x	9.8x	9.6x
Skyworks Solutions, Inc.	SWKS-US	Buy	\$94.60	\$150.00	59%	15,079	16,112	3.0x	3.3x	3.2x	9.0x	11.0x	10.1x	12.1x	8.8x	8.9x	6.6x	7.8x	7.7x
LIDAR																			
Luminar Technologies, Inc. Class A	LAZR-US	Neutral	\$4.12	\$6.00	46%	1,208	1,844	21.9x	7.6x	3.2x	NM	NM	NM	-7.7x	-13.6x	-73.6x	-7.1x	-10.8x	-34.0x
Ouster, Inc.	OUST-US	Buy	\$4.23	\$17.50	314%	167	8	0.1x	0.1x	0.0x	NM	NM	NM	NM	NM	NM	-0.1x	-0.1x	-0.1x
Innoviz Technologies Ltd.	INVZ-US	Neutral	\$1.57	\$5.00	218%	256	127	7.6x	1.6x	0.4x	NM	NM	NM	-1.4x	-1.5x	-2.8x	-1.1x	-1.1x	-3.0x

Sources: Rosenblatt Estimates, FactSet

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NEUTRAL	24	21.24	1	4.17
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