SKYWORKS SOL. NDQ-SWKS

RECENT PRICE	109.07	
P/E RATIO	14.9 (Trailing: 15.9 / Median: 17.0)	
RELATIVE P/E RATIO	0.79	
DIV'D YLD	1.2%	

VALUE LINE

TIMELINESS	1	Raised 2/16/18
SAFETY	3	New 10/7/11
TECHNICAL	3	Raised 3/30/18
BETA 1.20 (1.00 = Market)		

High: 9.5 11.2 14.6 29.8 37.8 31.4 28.6 75.0 112.9 82.3 117.6 116.0
Low: 5.6 3.6 3.9 12.6 13.7 16.5 19.6 27.2 68.7 54.5 73.9 94.3

LEGENDS
— 14.0 x "Cash Flow" p sh
···· Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2021 2022 2023

2021-23 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	195	(+80%)	17%
Low	130	(+20%)	6%

Insider Decisions

	M	J	J	A	S	O	N	D	J
to Buy	0	0	0	0	0	0	0	0	0
Options	10	1	1	1	1	1	7	2	1
to Sell	3	1	1	1	1	1	6	3	1

Institutional Decisions

	2Q2017	3Q2017	4Q2017
to Buy	327	326	299
to Sell	329	306	296
Hld's(000)	160699	162315	152115

Percent shares traded: 90 60 30
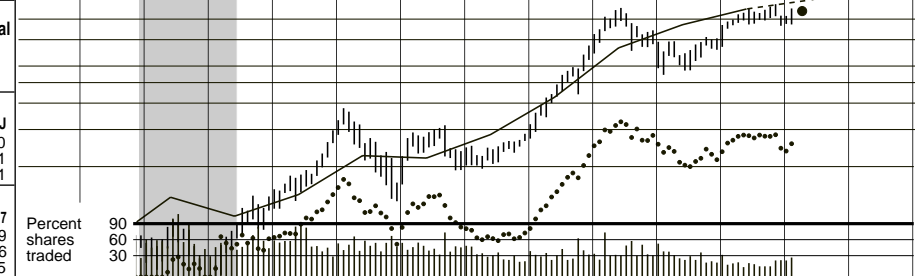
% TOT. RETURN 2/18

	THIS STOCK	VL ARITH.* INDEX
1 yr.	16.6	10.1
3 yr.	29.4	24.2
5 yr.	437.8	76.2

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC	21-23
--	4.16	5.03	5.00	4.79	4.60	5.19	4.64	5.95	7.55	8.07	9.51	12.02	17.12	17.79	19.94	**22.05**	**25.10**	Revenues per sh A	33.40
--	.06	.39	.41	d.13	.61	1.02	.83	1.05	1.61	1.57	2.02	3.04	5.22	6.72	7.97	**8.80**	**10.05**	"Cash Flow" per sh	13.90
--	d.23	.15	.16	d.38	.36	.72	.55	.75	1.19	1.05	1.45	2.38	4.10	5.18	6.45	**7.30**	**8.40**	Earnings per sh B	11.75
--	--	--	--	--	--	--	--	--	--	--	.22	.65	1.06	1.16	**1.35**	**1.42**	Div'ds Decl'd per sh E	1.76
--	.27	.38	.24	.31	.26	.39	.23	.49	.54	.48	.66	1.09	2.26	1.02	1.66	**1.90**	**2.15**	Cap'l Spending per sh	2.50
--	4.53	4.82	5.00	4.51	4.88	5.70	6.39	7.30	8.56	9.81	11.15	13.28	16.60	19.15	22.20	**28.55**	**36.35**	Book Value per sh D	64.00
--	148.60	156.01	158.63	161.66	161.10	165.59	172.82	180.26	187.89	194.32	188.41	190.65	190.30	184.90	183.10	**180.00**	**175.00**	Common Shs Outst'g C	170.00
--	--	NMF	48.2	--	19.9	12.1	14.9	20.6	22.2	22.8	15.5	16.2	20.7	13.7	14.5	*Bold figures are*		Avg Ann'l P/E Ratio	15.5
--	--	NMF	2.57	--	1.06	.73	.99	1.31	1.39	1.45	.87	.85	1.04	.72	.71	*Value Line*		Relative P/E Ratio	.85
--	--	--	--	--	--	--	--	--	--	--	--	.6%	.8%	1.5%	1.2%	*estimates*		Avg Ann'l Div'd Yield	1.0%

CAPITAL STRUCTURE as of 12/29/17
Total Debt None

Leases, Uncapitalized Annual rentals $21.2 mill.

Pension Assets- $11.5 mill. **Oblig.** 17.0 mill.

Pfd Stock None

Common Stock 182,482,749 shs.
as of 1/26/18

MARKET CAP: $19.9 billion (Large Cap)

						860.0	802.6	1071.8	1418.9	1568.6	1792.0	2291.5	3258.4	3289.0	3651.4	**3970**	**4390**	Revenues ($mill) A	5680
						16.6%	17.2%	23.5%	26.4%	22.8%	25.0%	30.0%	37.4%	35.6%	45.5%	**43.5%**	**44.0%**	Operating Margin	45.5%
						51.6	50.5	52.7	76.5	102.8	103.4	122.7	195.8	247.8	254.8	**270**	**290**	Depreciation ($mill)	370
						117.8	93.3	137.3	226.6	202.1	278.1	457.7	798.3	995.2	1205.1	**1310**	**1470**	Net Profit ($mill)	1990
						--	--	29.6%	22.9%	20.7%	19.3%	19.0%	22.0%	17.1%	17.0%	**10.0%**	**10.0%**	Income Tax Rate	10.0%
						13.7%	11.6%	12.8%	16.0%	12.9%	15.5%	20.0%	24.5%	30.3%	33.0%	**33.0%**	**33.5%**	Net Profit Margin	35.0%
						346.0	393.1	585.6	569.2	700.7	893.6	1131.6	1450.8	1791.9	2245.8	**2300**	**2550**	Working Cap'l ($mill)	2550
						137.6	47.1	24.7	--	--	--	--	--	--	--	**Nil**	**Nil**	Long-Term Debt ($mill)	Nil
						944.2	1105.1	1316.6	1609.1	1905.5	2101.1	2532.4	3159.2	3541.4	4065.7	**5140**	**6360**	Shr. Equity ($mill)	10880
						11.1%	8.2%	10.4%	14.1%	10.6%	13.2%	18.1%	25.3%	28.1%	29.6%	**25.5%**	**23.0%**	Return on Total Cap'l	18.5%
						12.5%	8.4%	10.4%	14.1%	10.6%	13.2%	18.1%	25.3%	28.1%	29.6%	**25.5%**	**23.0%**	Return on Shr. Equity	18.5%
						12.5%	8.4%	10.4%	14.1%	10.6%	13.2%	16.4%	21.4%	22.4%	24.4%	**21.0%**	**19.0%**	Retained to Com Eq	15.5%
						--	--	--	--	--	--	9%	15%	20%	18%	**19%**	**17%**	All Div'ds to Net Prof	15%

BUSINESS: Skyworks Solutions, Inc. offers analog and mixed-signal semiconductors worldwide. The company provides power amplifiers and front-end solutions for cellular devices from entry level to multimedia platforms and smartphones. Its product portfolio includes amplifiers, attenuators, detectors, diodes, directional couplers, front-end modules, hybrids, infrastructure RF subsystems, mixers/demodulators, phase shifters, PLLs/synthesizers/VCOs, power dividers/combiners, receivers, switches, and technical ceramics. Officers and directors own less than 1.0% of common stock (4/17 proxy). Has about 7,300 employees. CEO & President: Liam K. Griffin. Inc.: DE. Address: 20 Sylvan Road, Woburn, MA 01801. Tel.: 781-376-3000. Internet: www.skyworksinc.com.

CURRENT POSITION

($MILL.)	2016	2017	12/29/17
Cash Assets	1083.8	1616.8	1681.5
Receivables	416.6	454.7	458.8
Inventory (FIFO)	424.0	493.5	458.6
Other	77.7	68.7	87.7
Current Assets	2002.1	2633.7	2686.6
Accts Payable	110.4	258.4	161.6
Debt Due	--	--	--
Other	99.8	129.5	159.9
Current Liab.	210.2	387.9	321.5

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '15-'17 to '21-'23
Revenues	14.5%	20.5%	10.5%
"Cash Flow"	36.5%	36.5%	13.0%
Earnings	NMF	39.5%	14.5%
Dividends	--	--	10.5%
Book Value	15.0%	17.5%	22.0%

QUARTERLY REVENUES ($ mill.) A

Fiscal Year Ends	Dec.Per	Mar.Per	Jun.Per	Sep.Per	Full Fiscal Year
2015	805.5	762.1	810.0	880.8	3258.4
2016	926.8	775.1	751.7	835.4	3289.0
2017	914.3	851.7	900.8	984.6	3651.4
2018	1051.9	*910*	*950*	*1058.1*	*3970*
2019	*1155*	*1035*	*1070*	*1130*	*4390*

EARNINGS PER SHARE A B

Fiscal Year Ends	Dec.Per	Mar.Per	Jun.Per	Sep.Per	Full Fiscal Year
2015	1.01	.85	1.06	1.18	4.10
2016	1.82	1.08	.97	1.31	5.18
2017	1.61	1.45	1.57	1.82	6.45
2018	2.00	*1.65*	*1.65*	*2.00*	*7.30*
2019	*2.25*	*1.90*	*2.00*	*2.00*	*8.40*

QUARTERLY DIVIDENDS PAID E

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	--	.11	.11	.13	.35
2015	.13	.13	.26	.26	.78
2016	.26	.26	.28	.28	1.08
2017	.28	.28	.32	.32	1.20
2018	.32				

Skyworks Solutions' fiscal first-quarter performance was better than expected. The company beat our adjusted earnings estimate of $1.90 per share by a dime, owing to operating margin expansion of 60 basis points, year over year, to 39.4%. During the period, Skyworks continued to gain dollar share with top smartphone OEMs, and highlighted expectations of accelerated growth for their handset offerings in the second half of fiscal 2018. The company also announced a new suite of solutions that makes up its *Sky5* platform (more below), representing the next step in 5G wireless communications. In combination with ongoing carrier aggregation, the performance has led us to maintain our $7.30 per share adjusted earnings estimate for SWKS in fiscal 2018. **We have also introduced our earnings estimate for fiscal 2019 at $8.40 a share.** Demand for stronger bandwidth and faster bit rates has put Skyworks in position to grow over the next few years. Chinese markets provide significant upside, as more-complex smartphones are introduced there. Meanwhile, the Internet of Things (IoT) universe continues to broaden, which presents additional wireless opportunities.

The *Sky5* platform should help Skyworks maintain its position with top smartphone providers. The enhanced technology is yet another means to capitalize on demand for greater data speed, while dual connectivity remains available until 5G is completely adopted.

The company announced an adjustment to its share-buyback plan. Skyworks intends to pass on the benefits of recently enacted tax laws in the U.S. to its shareholders by allocating between 60% and 75% of free cash flow to its stock-buyback program moving forward. Authorization was recently extended by $1 billion. Formerly, the company had been contributing between 40% and 50% of its cash to buybacks.

Skyworks shares maintain above-average price appreciation potential out to 2021-2023. The timely stock is up almost 20% in price since our December review, but we think it has room to run thanks to opportunities that exist within the smartphone and IoT markets.

Robert J. Scrudato　　　　*March 30, 2018*

(A) Fiscal year ends Friday closest to September 30th. Reported under non-GAAP beginning 2017. **(B)** Diluted earnings per share. Excludes nonrecurring gains/(loss): '03, ($0.16); '06, ($0.17); '08, ($0.41); '16, $0.39; '17, ($1.04). May not sum due to rounding. Next earnings report due late April. **(C)** In millions. **(D)** Includes intangibles. In 2017: $950.8 million, $5.09/share. **(E)** Quarterly dividend initiated 5/14. Dividends historically paid late March, June, September, and December.

Company's Financial Strength	B++
Stock's Price Stability	35
Price Growth Persistence	90
Earnings Predictability	60

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