Skyworks Solutions Inc (SWKS)

Updated September 10th, 2025 by Felix Martinez

Key Metrics

Current Price:	$75	**5 Year Annual Expected Total Return:**	7.9%	**Market Cap:**	$11.1B
Fair Value Price:	$73	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	12/03/25
% Fair Value:	103%	**5 Year Valuation Multiple Estimate:**	-1.4%	**Dividend Payment Date:**	12/24/25
Dividend Yield:	3.8%	**5 Year Price Target**	$93	**Years Of Dividend Growth:**	12
Dividend Risk Score:	C	**Sector:** Technology		**Rating:**	Hold

Overview & Current Events

Skyworks Solutions is a semiconductor company that designs, develops, and markets proprietary semiconductor products worldwide. Its products include antenna tuners, amplifiers, converters, modulators, receivers, and switches. Skyworks' products are used in diverse industries, including automotive, connected home, industrial, medical, smartphones, and defense. The company traces its roots back to a merger in 2002, is headquartered in Woburn, Massachusetts, employs over 8,400 people, and has a market capitalization of $11.1 billion.

On August 5th, 2025, Skyworks reported third-quarter results for Fiscal Year (FY)2025. The company reported stronger-than-expected third-quarter fiscal 2025 results, with revenue rising 6.6% year-over-year to $965 million, beating consensus by $24 million. GAAP diluted EPS was $0.70, down from $0.75 in the prior year, while non-GAAP EPS grew 10% to $1.33, exceeding estimates by $0.09. On a non-GAAP basis, operating income reached $224 million, reflecting margin improvements supported by robust performance in both the Mobile segment and Broad Markets, which benefited from demand trends in edge IoT, automotive, and data center applications.

The company also reported strong cash generation, with year-to-date operating cash flow of $1.1 billion and free cash flow of $962 million. Skyworks announced a 1% increase in its quarterly dividend to $0.71 per share, reinforcing its commitment to shareholder returns. Management also initiated a long-term manufacturing optimization effort, consolidating operations from its Woburn facility into Newbury Park to streamline costs and improve efficiency. CEO Phil Brace highlighted new design wins across 5G smartphones, automotive programs with global OEMs, and Wi-Fi 7 deployments, alongside the launch of an innovative ultra-low jitter clock chip tailored for AI-driven data centers.

Looking forward, Skyworks guided fiscal Q4 revenue to a range of $1.00 to $1.03 billion, with non-GAAP EPS expected at approximately $1.40 at the midpoint. Management expressed confidence in sequential growth for both Mobile and Broad Markets, supported by healthy order patterns and expanding adoption of next-generation wireless and connectivity technologies. With a strong balance sheet, consistent cash flow, and a diversified end-market presence, Skyworks is positioning itself to capitalize on long-term demand drivers in 5G, IoT, automotive, and data centers while continuing to enhance shareholder value through dividends and operational discipline.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$5.27	$5.57	$6.45	$7.22	$6.17	$6.13	$10.50	$11.24	$8.52	$6.27	***$5.58***	***$7.12***
DPS	$0.65	$1.06	$1.16	$1.34	$1.58	$1.88	$2.24	$2.30	$2.54	$2.74	***$2.81***	***$3.94***
Shares[1]	195.0	192.0	186.0	183.0	175.0	169.0	167.0	163.0	160.3	161.5	***162.0***	***163.0***

Skyworks has enjoyed tremendous growth over the past decade thanks to smartphones' proliferation that use its chips. The company increased its EPS by 1.9% per year over the past ten years and -1.9% over the past five years. These past years of 2020 and 2021 saw a significant upturn for many semiconductor companies, including Skyworks, but analysts, on average, expect 4% earnings growth over the next three years. However, our base case is for ~5% growth over the

[1] Share count is in millions.

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next five years. The company has been increasing its dividend since 2014, where the five-year average dividend growth rate is 8.4%, and it has a low payout ratio of 50% based on this year's expected earnings of $5.58 a share.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	14.4	12.9	14.3	9.6	19.6	23.5	15.7	7.6	11.6	15.7	***14.0***	***13.0***
Avg. Yld.	0.8%	1.4%	1.1%	1.5%	2.0%	1.3%	1.3%	2.7%	2.6%	2.8%	***4.3%***	***4.3%***

Skyworks has averaged a 14.5 P/E ratio over the past ten years. We consider a P/E ratio of approximately 13.0x to be fair. At least until the company can demonstrate a broader customer base and diversify away from its smartphone focus. However, the stock is overvalued to our fair price. The current dividend yield is higher than its five-year average.

Safety, Quality, Competitive Advantage, & Recession Resiliency

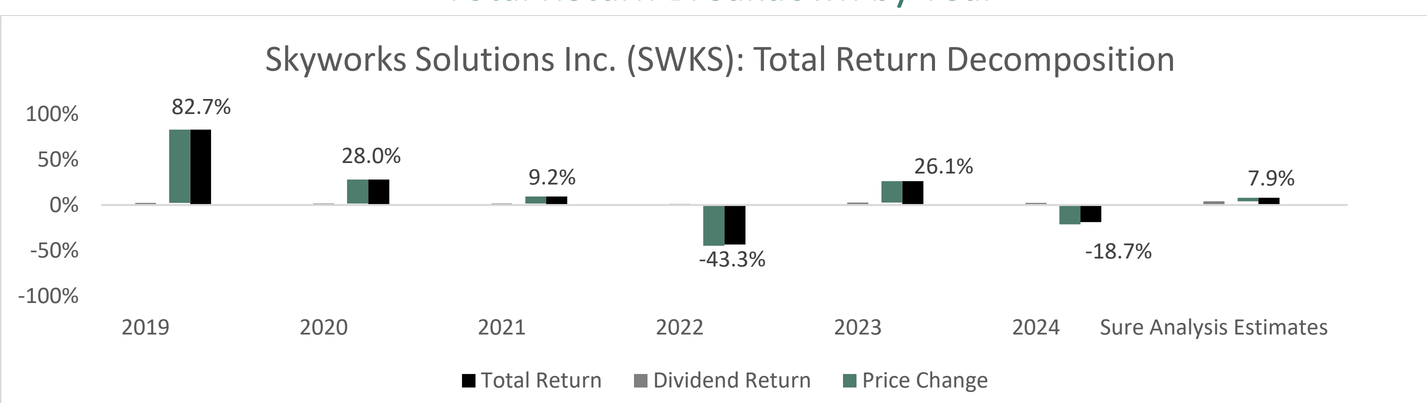
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	12%	19%	18%	19%	26%	31%	21%	20%	30%	44%	***50%***	***55%***

Skyworks's advanced products give it a small economic moat in the niche of wireless technology, but the company is heavily reliant on the smartphone market, particularly on Apple. Over the past three years, Skyworks has generated 39%-51% of its annual revenue from Apple. This has been a tremendously profitable Skyworks relationship during the proliferation of iPhones and other smartphones over the past decade. Still, as iPhones and other smartphones become saturated in the marketplace, Skyworks is increasingly looking to diversify into other markets. The company is expected to benefit from the 5G cellphone technology shift with more revenue earned per phone. Still, it seeks to strengthen its foothold in automobile connectivity, smart homes, and other Internet of Things end markets to diversify its customer base outside of the phone market. Thus far, the company has generated very high returns on invested capital, often over 20% per year. The dividend is new but very well covered by earnings, and we consider it very safe. The company remained profitable during the previous recession.

Final Thoughts & Recommendation

Skyworks is a specialized semiconductor company that has generated desirable growth rates and capital returns during the past decade. The company's earnings growth will likely be less stellar in the future because its crucial growth driver in recent years, the smartphone market, has matured. Skyworks' key opportunity and challenge will be diversifying into other industries and broadening its customer base while maintaining a solid presence in the phone market. However, we expect 7.9% forward returns for the next five years. We give SWKS a hold recommendation.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	3258	3289	3651	3868	3377	3356	5109	5486	4772	4178
Gross Profit	1555	1665	1842	1951	1604	1613	2512	2604	2107	1721
Gross Margin	47.7%	50.6%	50.4%	50.4%	47.5%	48.1%	49.2%	47.5%	44.2%	41.2%
SG&A Exp.	191	196	205	208	198	231	323	330	314	301
D&A Exp.	196	248	255	299	372	364	437	690	614	451
Operating Profit	1027	1124	1254	1320	959	906	1622	1558	1153	787
Operating Margin	31.5%	34.2%	34.4%	34.1%	28.4%	27.0%	31.7%	28.4%	24.2%	18.8%
Net Profit	798	995	1010	918	854	815	1498	1275	983	596
Net Margin	24.5%	30.3%	27.7%	23.7%	25.3%	24.3%	29.3%	23.2%	20.6%	14.3%
Free Cash Flow	563	882	1141	830	944	806	1120	915	1620	1642
Income Tax	225	205	247	414	107	77	100	201	96	40

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	3719	3855	4574	4829	4840	5107	8591	8912	8427	8283
Cash & Equivalents	1044	1084	1617	733	851	567			719	1369
Accounts Receivable	538	417	455	656	465	394	756	1094	864	509
Inventories	268	424	494	490	610	806	885	1212	1120	785
Goodwill & Int. Ass.	902	940	951	1334	1298	1243	3875	3621	3399	3077
Total Liabilities	560	314	508	732	717	943	3294	3443	2344	1947
Accounts Payable	291	110	258	230	191	227	236	274	159	172
Long-Term Debt	3159	3541	4066	4097	4122	4164	5297	5469	6083	6337
Shareholder's Equity	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
D/E Ratio	3719	3855	4574	4829	4840	5107	8591	8912	8427	8283

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	23.9%	26.3%	24.0%	19.5%	17.7%	16.4%	21.9%	14.6%	11.4%	7.1%
Return on Equity	28.1%	29.7%	26.6%	22.5%	20.8%	19.7%	31.7%	23.7%	17.0%	9.6%
ROIC	28.1%	29.7%	26.6%	22.5%	20.8%	19.7%	25.6%	16.8%	13.1%	8.1%
Shares Out.	195.0	192.0	186.0	183.0	175.0	169.0	167.0	163.3	160.3	161.5
Revenue/Share	16.72	17.12	19.56	21.11	19.35	19.75	30.59	33.59	29.77	25.87
FCF/Share	2.89	4.59	6.11	4.53	5.41	4.74	6.71	5.60	10.11	10.16

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.