



Skyworks Solutions Inc (SWKS)

Updated March 15th, 2026 by Felix Martinez

Key Metrics

Current Price:	\$55	5 Year Annual Expected Total Return:	11.8%	Market Cap:	\$8.2B
Fair Value Price:	\$61	5 Year Growth Estimate:	5.0%	Ex-Dividend Date:	05/27/26
% Fair Value:	89%	5 Year Valuation Multiple Estimate:	-1.4%	Dividend Payment Date:	06/17/26
Dividend Yield:	5.2%	5 Year Price Target	\$78	Years Of Dividend Growth:	12
Dividend Risk Score:	D	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 \$8.2 billion.

On February 3rd, 2026, Skyworks reported first-quarter results for fiscal year 2026. The company reported fiscal Q1 2026 revenue of \$1.04 billion, down 3.1% year over year, though results exceeded expectations. GAAP EPS was \$0.53, while non-GAAP EPS reached \$1.54, beating estimates. Net income totaled \$79.2 million, compared with \$162.0 million in the prior-year quarter, reflecting higher operating expenses and restructuring-related costs.

Profitability declined on a GAAP basis as operating income fell to \$103.8 million from \$181.1 million, while GAAP operating margin decreased to 10.0% from 16.9%. However, on a non-GAAP basis operating income was \$252.1 million, producing a 24.3% operating margin. The company also generated \$395.5 million in operating cash flow and \$339 million in free cash flow, representing a 32.7% free cash flow margin.

Looking ahead, management expects Q2 FY'26 revenue of \$875 million–\$925 million, with non-GAAP EPS of about \$1.04 at the midpoint. Mobile revenue is projected to decline about 20% sequentially due to seasonal smartphone demand, while the Broad Markets segment should remain roughly flat sequentially and represent about 44% of sales. The company also declared a quarterly dividend of \$0.71 per share, payable March 17, 2026.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$5.57	\$6.45	\$7.22	\$6.17	\$6.13	\$10.50	\$11.24	\$8.52	\$6.27	\$5.93	\$4.71	\$6.01
DPS	\$1.06	\$1.16	\$1.34	\$1.58	\$1.88	\$2.24	\$2.30	\$2.54	\$2.74	\$2.81	\$2.84	\$3.98
Shares¹	192.0	186.0	183.0	175.0	169.0	167.0	163.0	160.3	161.5	161.5	162.0	163.0

Skyworks has grown over the past decade thanks to the proliferation of smartphones that use its chips. The company increased its EPS by 0.7% per year over the past ten years and -14.8% 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 next five years. The company has been increasing its dividend since 2014, where the five-year average dividend growth rate is 4.9%, and it has a payout ratio of 60% based on this year's expected earnings of \$4.71 a share.

¹ Share count is in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	12.9	14.3	9.6	19.6	23.5	15.7	7.6	11.6	15.7	13.0	14.0	13.0
Avg. Yld.	1.4%	1.1%	1.5%	2.0%	1.3%	1.3%	2.7%	2.6%	2.8%	3.7%	5.2%	5.1%

Skyworks has averaged a 14.3x 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

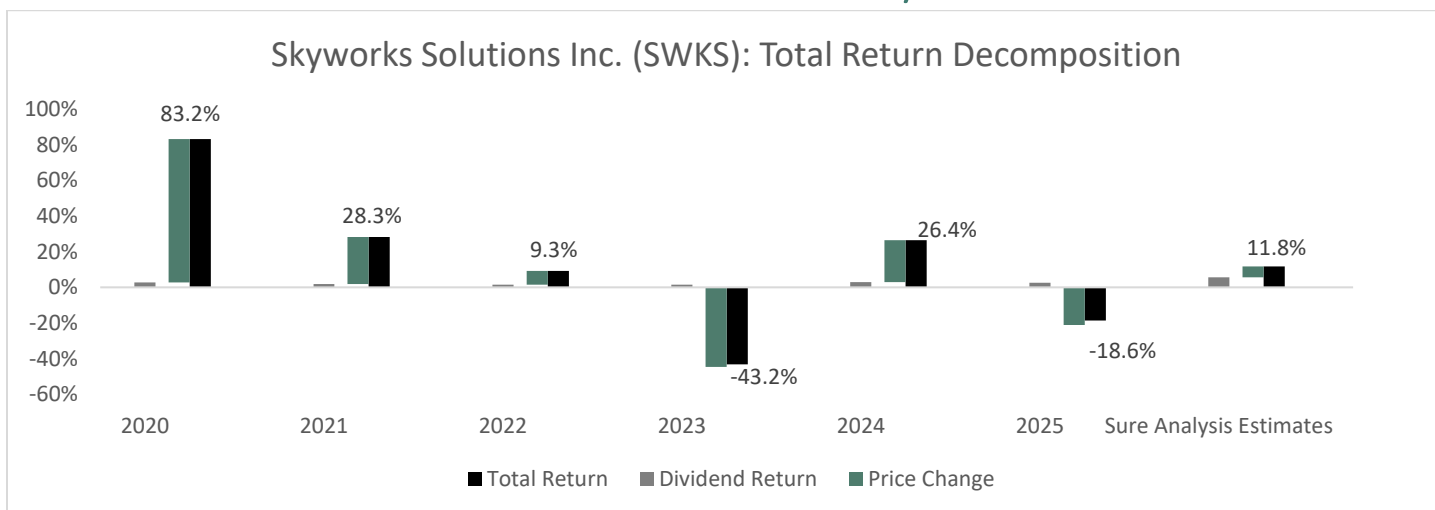
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	19%	18%	19%	26%	31%	21%	20%	30%	44%	47%	60%	66%

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 11.8% 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	3289	3651	3868	3377	3356	5109	5486	4772	4178	4087
Gross Profit	1665	1842	1951	1604	1613	2512	2604	2107	1721	1681
Gross Margin	50.6%	50.4%	50.4%	47.5%	48.1%	49.2%	47.5%	44.2%	41.2%	41.1%
SG&A Exp.	196	205	208	198	231	323	330	314	301	372
D&A Exp.	248	255	299	372	364	437	690	614	451	463
Operating Profit	1124	1254	1320	959	906	1622	1558	1153	787	524
Operating Margin	34.2%	34.4%	34.1%	28.4%	27.0%	31.7%	28.4%	24.2%	18.8%	12.8%
Net Profit	995	1010	918	854	815	1498	1275	983	596	477
Net Margin	30.3%	27.7%	23.7%	25.3%	24.3%	29.3%	23.2%	20.6%	14.3%	11.7%
Free Cash Flow	882	1141	830	944	806	1120	915	1620	1642	1076
Income Tax	205	247	414	107	77	100	201	96	40	50

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	3855	4574	4829	4840	5107	8591	8912	8427	8283	7917
Cash & Equivalents	1084	1617	733	851	567			719	1369	1374
Accounts Receivable	417	455	656	465	394	756	1094	864	509	598
Inventories	424	494	490	610	806	885	1212	1120	785	755
Goodwill & Int. Ass.	940	951	1334	1298	1243	3875	3621	3399	3077	2986
Total Liabilities	314	508	732	717	943	3294	3443	2344	1947	2160
Accounts Payable	110	258	230	191	227	236	274	159	172	236
Long-Term Debt	3541	4066	4097	4122	4164	5297	5469	6083	6337	1166
Shareholder's Equity										5757
D/E Ratio										0.21

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	26.3%	24.0%	19.5%	17.7%	16.4%	21.9%	14.6%	11.4%	7.1%	5.9%
Return on Equity	29.7%	26.6%	22.5%	20.8%	19.7%	31.7%	23.7%	17.0%	9.6%	7.9%
ROIC	29.7%	26.6%	22.5%	20.8%	19.7%	25.6%	16.8%	13.1%	8.1%	6.6%
Shares Out.	192.0	186.0	183.0	175.0	169.0	167.0	163.3	160.3	161.5	155.1
Revenue/Share	17.12	19.56	21.11	19.35	19.75	30.59	33.59	29.77	25.87	26.35
FCF/Share	4.59	6.11	4.53	5.41	4.74	6.71	5.60	10.11	10.16	6.94

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

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