



Skyworks' Q4 FY 2025 Conference Call Prepared Remarks – Nov. 4, 2025

Raji Gill
Vice President, Investor Relations

Thank you, operator. Good afternoon, everyone and welcome to Skyworks' fourth fiscal quarter 2025 conference call. With me today for our prepared remarks is Phil Brace, our Chief Executive Officer and President, and Philip Carter, Senior Vice President and Chief Financial Officer for Skyworks. This call is being broadcast over the web and can be accessed from the investor relations section of the company's website at skyworksinc.com.

In addition, the company's prepared remarks will be made available on our website promptly after their conclusion during the call.

Before we begin, I would like to remind everyone that our discussion will include statements relating to future results and expectations that are, or may be, considered forward-looking statements.

Please refer to our earnings press release and recent SEC filings, including our Annual Report on Form 10-K, for information on certain risks that could cause actual outcomes to differ materially and adversely from any forward-looking statements made today.

Additionally, today's discussion will include non-GAAP financial measures, consistent with our past practice. Please refer to our press release within the investor relations section of our company website for a complete reconciliation to GAAP.

Lastly, for detailed information regarding the Skyworks and Qorvo combination announced on October 28th, I encourage you to review the press release, investor presentation, and related materials available on our Investor Relations website. Today's call, however, will focus on our fiscal fourth quarter and full-year 2025 results as well as our outlook for the December quarter.

With that, I'll turn the call over to Phil Brace.

Phil Brace
Chief Executive Officer and President

Thanks, Raji, and welcome, everyone.

Before getting into the quarter results, I want to take a moment to reflect on what we've accomplished over the past few quarters.

1. We've had three straight quarters of solid execution, with both revenue and non-GAAP EPS exceeding expectations. We're seeing strong momentum across mobile and broad markets as our teams continue to execute.



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2. We've streamlined our sales and marketing teams to be more customer-focused and enhance collaboration with the engineering teams, appointed a new executive to lead global sales, and welcomed a new chief financial officer – further strengthening our leadership team as we position the company for its next phase of growth.

3. Last quarter, we announced the consolidation of our Woburn facility, to improve our long-term cost structure and support healthier gross margins.

And finally,

4. Last week, we announced an agreement to combine with Qorvo, a transformative deal that upon closing will add meaningful scale, diversification, and a broader, highly complementary technology and product portfolio.

Moving to the quarter: Skyworks delivered strong results, fueled by significant upside in mobile and sustained strength across broad markets.

- We posted revenue of \$1.1 billion,
- Delivered earnings per share of \$1.76,
- And for the full fiscal year, we generated \$1.1 billion of free cash flow, representing 27% free cash flow margin.

In Mobile, results again were strong, with revenue up 21% sequentially and 7% year over year. Our outperformance reflects healthy sell-through, a richer product mix at our top customer where we have a higher share of content, along with continued growth in Android.

Looking ahead, we see multiple drivers of long-term RF content growth. Internal modem adoption, added AI functionality, and higher RF complexity are expanding our opportunity inside the smartphone. We're also delivering more performance in smaller form factors, supporting new features within existing sockets.

With our deep RF expertise, strong customer relationships, and manufacturing scale, we're well positioned as the next phase of wireless innovation takes shape.

Broad Markets delivered another solid quarter. Demand was broad-based across edge IoT, automotive, and data center.

In edge IoT, Wi-Fi 7 adoption continues to accelerate across home, enterprise, and industrial applications. Customers are moving quickly to upgrade platforms that require faster connectivity, lower latency, and better power efficiency. Backlog and order trends remain solid, and we anticipate continued strong adoption entering fiscal '26. We're also making good progress on next-generation Wi-Fi 8 programs to extend that leadership.



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In automotive, design activity remains robust as vehicles become more connected and intelligent. The run rate exiting fiscal '25 represents a new record for our automotive business, surpassing our previous high in fiscal 2023. We're entering next year with a robust pipeline of design wins across 5G telematics, infotainment, and power management systems across a broad set of global OEMs.

In data center and infrastructure, activity continues to rebound as customer inventories have normalized. The recovery that began in mid-fiscal '25 has continued to gain traction, and we see a favorable setup for further growth into fiscal '26. This quarter's momentum was supported by broad-based demand, including increasing timing design-win activity for next-generation 800G platforms for data center and cloud infrastructure.

Taken together, Broad Markets has evolved into a more balanced and durable growth engine for Skyworks — now an approximately \$1.5 billion business with positive momentum over the past seven quarters, expanding customer reach, and margins above the overall corporate average.

Before we move into the financial details, I'd like to take a moment and welcome Philip Carter as our new CFO. Philip brings extensive financial and accounting experience in the semiconductor space, having previously served as Skyworks' principal accounting officer before becoming the chief accounting officer at AMD. We're happy to have him back and look forward to working together as we continue building Skyworks for the long-term.

With that, I'll turn the call over to Philip for a discussion of last quarter's performance and outlook for Q1 of fiscal '26.

Philip Carter Chief Financial Officer and Senior Vice President

Thanks, Phil. I'm excited to be back at Skyworks and to work again with such a talented team. Having spent many years here in my career, it's great to see the company's continued momentum and strong execution. I look forward to partnering with Phil and the rest of the leadership team to drive long-term value for shareholders.

Now turning to our fourth fiscal quarter results. Skyworks delivered revenue of \$1.1 billion, exceeding the high end of our guidance range. During the quarter, our largest customer accounted for approximately 67% of revenue.

Mobile represented 65% of total revenue, up 21% sequentially and 7% year-over-year, supported by stronger sell-through at our top customer and continued growth in Android.

Broad Markets grew 3% sequentially and 7% year-over-year driven by growth across edge IoT, automotive, and data center.



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Gross profit was \$511 million with gross margin of 46.5%.

Operating expenses were \$247 million, slightly above the high end of our guidance range, primarily due to higher employee incentive accruals tied to stronger quarterly revenue. We are keeping a disciplined approach to spending, investing where it matters most for future growth.

Operating income reached \$264 million, translating to an operating margin of 24.0%.

Other income was \$11 million and our effective tax rate was 4.1%, resulting in net income of \$264 million and diluted earnings per share of \$1.76.

Cash flow remained strong, with operating cash flow of \$200 million and capital expenditures of \$56 million, resulting in free cash flow of \$144 million, or 13% of revenue.

For the full fiscal year, we generated \$1.3 billion of operating cash flow and capital expenditures of \$195 million, resulting in annual free cash flow of \$1.1 billion, or 27% free cash flow margin.

We do expect free cash flow to remain solid in fiscal '26, but below fiscal '25 given the lower expected revenue base and more normalized working capital trends, particularly as we no longer expect a tailwind from inventory reductions.

We ended the quarter with \$1.4 billion in cash and investments and \$1 billion in debt, maintaining a strong balance sheet and ample flexibility to support our strategic and financial priorities.

Looking ahead to the first quarter of fiscal '26, we expect revenue to be between \$975 million to \$1 billion and \$25 million.

We anticipate Mobile to decline low to mid-teens sequentially. We expect Broad Markets to be up slightly sequentially, representing 39% of sales, and up mid-to high-single digits year-over-year.

Gross margin is projected to be approximately 46% to 47%.

We expect operating expenses between \$230 million and \$240 million, as we continue to fund key R&D initiatives while maintaining tight control over discretionary spending.

Below the line, we anticipate approximately \$4 million in other income, an effective tax rate of 10%, and a diluted share count of 150.5 million shares. At the midpoint of our revenue outlook of \$1 billion, this equates to expected diluted earnings per share of \$1.40.

With that, I'll turn it back to Phil for closing remarks.



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Phil Brace
Chief Executive Officer and President

Thank you, Phil.

A heartfelt thank you to our employees, customers, and partners. Your hard work and support fuels our success and sets the stage for continued leadership and growth.

Operator, let's open the line for questions.

End of Q&A

Phil Brace
Chief Executive Officer and President

Thanks for participating on today's call. I look forward to speaking with you at upcoming investor conferences during the quarter.

Safe Harbor Statement

Any forward-looking statements contained in this transcript are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements include information relating to future events, prospects, expectations, and results of Skyworks (e.g., certain projections and business trends, as well as plans for dividend payments). Forward-looking statements can often be identified by words such as "anticipates," "expects," "forecasts," "intends," "believes," "plans," "may," "will" or "continue," and similar expressions and variations or negatives of these words. Actual events and/or results may differ materially and adversely from such forward-looking statements as a result of certain risks and uncertainties, including those identified in the "Risk Factors" section of Skyworks' most recent Annual Report on Form 10-K (and/or Quarterly Report on Form 10-Q) as filed with the Securities and Exchange Commission ("SEC"). Copies of Skyworks' SEC filings can be obtained, free of charge, on Skyworks' website (www.skyworksin.com) or at the SEC's website (www.sec.gov). Any forward-looking statements contained in this transcript are made only as of the date hereof, and we undertake no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.