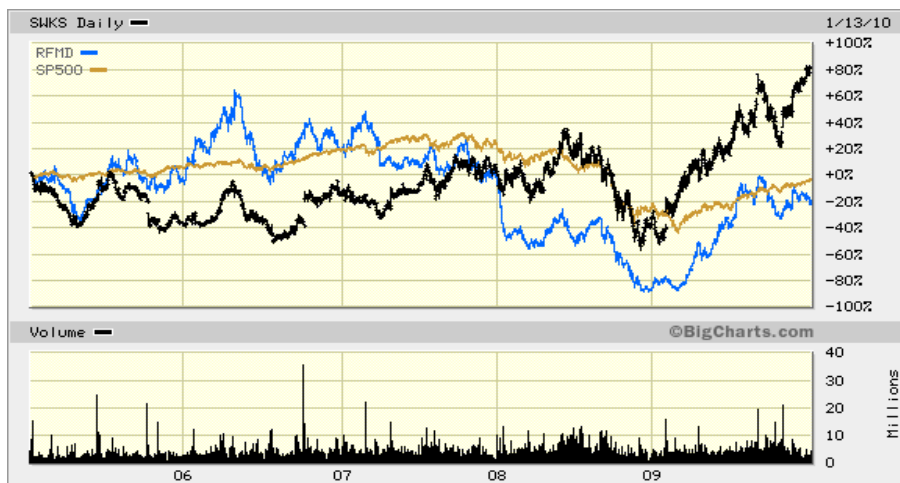


## Skyworks Solutions Inc. (SWKS) 1/12/10

SWKS operates in the design and production of semiconductors for mobile communications devices. Specific products include power amplifiers, cellular systems, RF subsystems, and others. These components are used in phones manufactured by companies such as Sony Ericsson, Motorola, LG, Samsung, and others. SWKS was founded in 1962 and is headquartered in Woburn, Massachusetts.

Current Price	\$15.05
52 Week High	\$15.19
52 Week Low	\$3.88
One Yr Target	\$16.00
Market Cap (in billions)	\$2.62
P/E (Trailing)	27.36
P/E(1 Yr Forward)	14.47
P/E/G	1.04
ROA	7.20%
ROE	9.10%
EPS	\$0.55
Beta	1.37
Annualized Dividend	\$0.00
Dividend Yield	0.00%
Analyst Consensus	1.80
Debt to Equity	0.22



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**Annual EPS**

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2006	-\$0.55	
2007	\$0.36	165.63%
2008	\$0.67	87.34%
2009	\$0.54	-19.47%
2010E	\$0.55	1.90%

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**Annual Revenue (in millions)**

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2006	\$773.75	
2007	\$741.74	-4.14%
2008	\$860.02	15.95%
2009	\$802.58	-6.68%

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**Annual Net Income (in millions)**

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2006	-\$88.15	
2007	\$57.65	165.40%
2008	\$111.01	92.56%
2009	\$93.29	-15.96%

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**Free Cash Flows (in millions)**

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2006	-\$22.13	
2007	\$42.18	290.60%
2008	\$108.85	158.06%
2009	\$170.98	57.08%

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**Required Rate of Return**

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13.02%

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**Dividend Growth Model**

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Present Value of 2015 Price	n/a
Holding Period Return (5 years)	n/a

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**Expected Annualized Return Model**

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Present Value of 2015 Price	\$14.71
Holding Period Return (5 years)	-0.38%

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**Residual Income Model**

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Intrinsic Stock Price	\$18.89
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# Analysis

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## Positives

## Negatives

## Financial Statements

Income Statement has gotten a lot better in recent years

Balance Sheet is good, company has low Debt levels and is righting its Retained Earnings

Operating Cash Flows are great and Capital Expenditures are of little concern

## Industry Analysis

Industry should look to rocket with the expanding global demand for smart-phones

SWKS is an industry leader in margins and growth prospects

## Summary

SWKS seems to be a company that is righting its ship. About four years ago its financial statements were pretty dismal, but since then it has been increasing Net Income, Operating Cash Flows, and EPS quite nicely. They have paid down most of their Debt and are continuing to reduce their Retained Earnings deficit, even purchasing back some Treasury Stock. SWKS operates in an industry that everyone expects big things from in the next coming years. Its products can be found in various phone designs and it is an industry leader in how it operates. Still it seems that most people have figured this out already and sent the stock price soaring in that past couple of years. Currently SWKS's stock price seems about fairly valued for its current outlook. Thus the rating for the stock lies in how bullish one feels about the smart-phone industry. If sales meet current expectations SWKS would be a hold, but if sales blow sales expectations away it would be a buy.