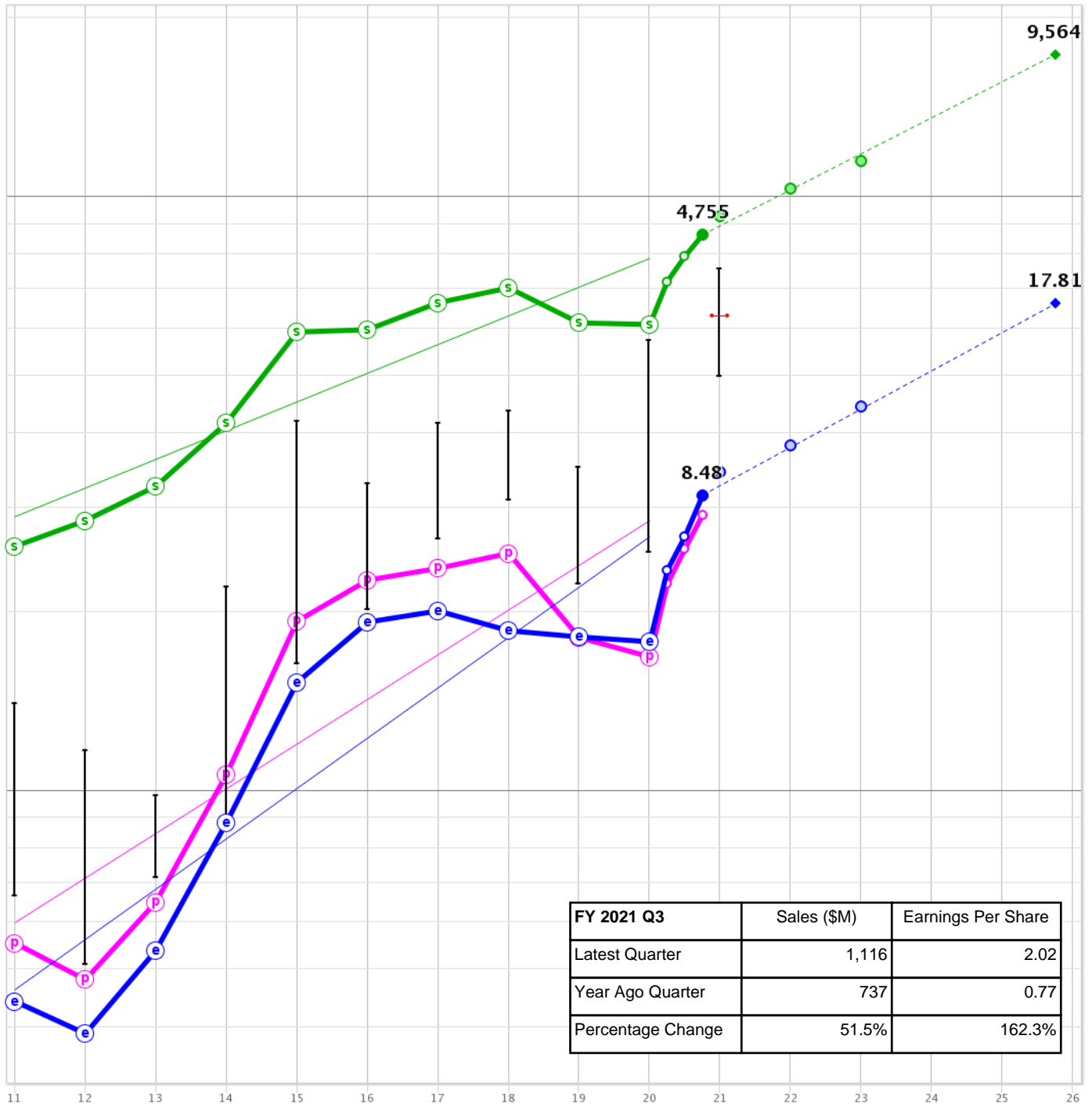


Stock Selection Guide

Company	Skyworks Solutions		Date	10/28/21	
Prepared by	Madabhushi		Data taken from	BI Stock Data	
Where traded	NAS	Industry	Semiconductors		
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	167.0		0.8	73.4	
Debt (\$M)	1,661.3	% to Tot Cap	24.9	% Pot Dil	1.2

Symbol: **SWKS**

1 VISUAL ANALYSIS of Sales, Earnings, and Price



- | | | | |
|-----------------------------------|-------|--|-------|
| (1) Historical Sales Growth | 11.8% | (3) Historical Earnings Per Share Growth | 21.6% |
| (2) Estimated Future Sales Growth | 15.0% | (4) Estimated Future Earnings Per Share Growth | 16.0% |

2 EVALUATING Management

Skyworks Solutions

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Last 5 Year Avg.
Pre-tax Profit on Sales	20.7%	16.3%	19.2%	24.7%	31.4%	36.5%	34.4%	34.4%	28.5%	26.6%	32.1%
% Earned on Equity	13.8%	11.2%	13.6%	18.9%	25.7%	27.3%	25.4%	21.8%	20.3%	19.2%	22.8%
% Debt To Capital	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.5%	0.7%

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

CLOSING PRICE 169.84 (10/28/21)

HIGH THIS YEAR 204.00

LOW THIS YEAR 134.28

	A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2016	88.5	54.5	5.18	17.1	10.5	1.06	20.5	1.9
2017	112.1	71.7	5.41	20.7	13.2	1.16	21.4	1.6
2018	117.7	83.1	5.01	23.5	16.6	1.34	26.7	1.6
2019	94.4	60.1	4.89	19.3	12.3	1.58	32.3	2.6
2020	154.2	67.9	4.80	32.1	14.1	1.82	37.9	2.7
AVERAGE		67.4		20.1	13.4		27.8	
CURRENT/TTM			8.48			2.24	26.4	
AVERAGE PRICE EARNINGS RATIO: 16.8				CURRENT PRICE EARNINGS RATIO: 20.0				

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E 20.0 X Estimate High Earnings/Share 17.81 = Forecasted High Price \$ 356.2

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 13.4 X Estimate Low Earnings/Share 8.48 = Forecasted Low Price \$ 113.6

(b) Avg. Low Price of Last 5 Years 67.4

(c) Recent Market Low Price 60.1

(d) Price Dividend Will Support $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{2.24}{2.68\%} = 83.6$

Selected Forecasted Low Price \$ 113.6

C ZONING using 25%-50%-25%

Forecasted High Price 356.2 Minus Forecasted Low Price 113.6 = 242.6 Range. 25% of Range 60.7

Buy Zone 113.6 to 174.3

Hold Zone 174.3 to 295.6

Sell Zone 295.6 to 356.2

Present Market Price of 169.84 is in the **BUY** Zone

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price} - \text{Low Price}} = \frac{356.2 - 169.84}{169.84 - 113.6} = \frac{186.38}{56.24} = 3.3$ To 1

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\frac{\text{High Price} - \text{Closing Price}}{\text{Closing Price}} = \frac{356.2 - 169.84}{169.84} = 2.0974$ X 100 = 209.74 - 100 = 109.7 % Appreciation

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A $\frac{\text{Indicated Annual Dividend}}{\text{Closing Price}} = \frac{1.82}{169.84} = 0.0132 = 1.3\%$ Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{27.8\%}{20.00} = 1.4\%$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{27.8\%}{16.70} = 1.7\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

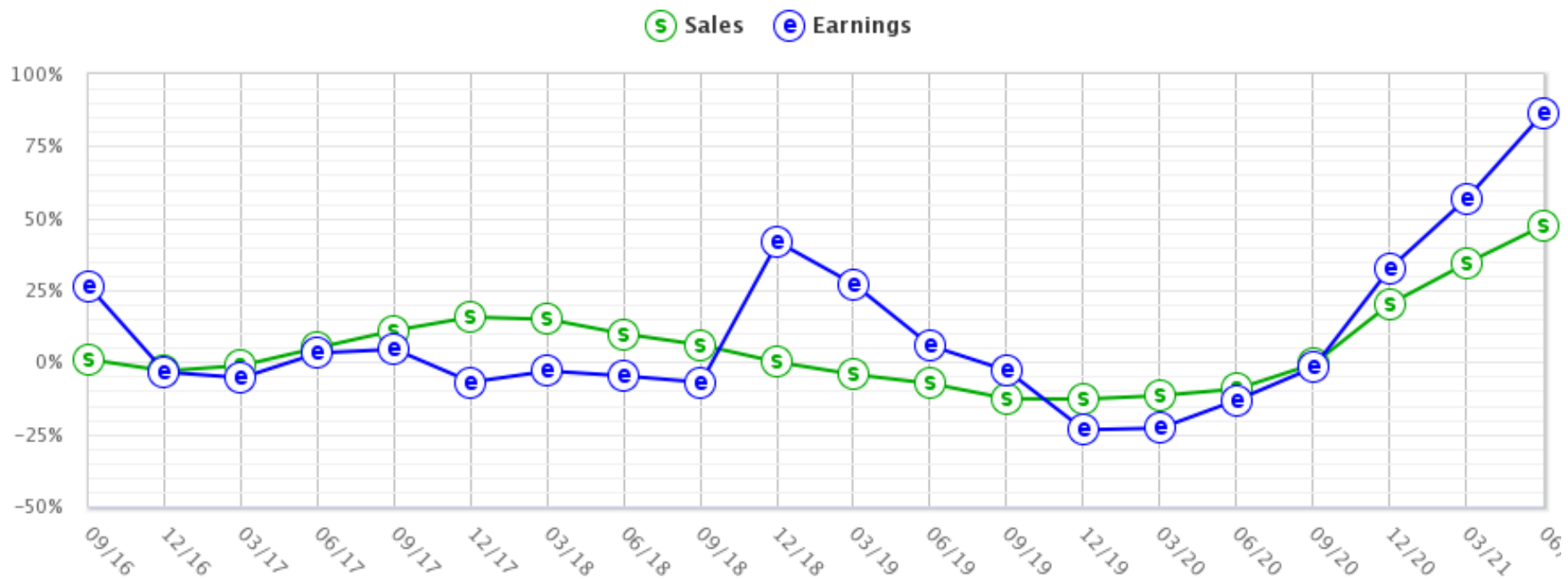
Annualized Appreciation 16.0 %
Average Yield 1.4 %
Annualized Rate of Return 17.4 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation 11.9 %
Average Yield 1.7 %
Annualized Rate of Return 13.5 %

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data



Quarterly Data									Last 12 Months Data										
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit			Sales	Income Tax			%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change			\$	\$ Mil	%Sales		\$ Mil	%Rate	EPS	Pre-Tax Profit	Sales	
06/21	2.02	162.3	336.2	30.1	133.5	1,116.4	51.5	-0.5	8.48	1,548.7	32.6	4,755.0	119.9	7.7	86.4	80.1	47.4		
03/21	1.95	84.0	375.5	32.0	85.0	1,171.8	53.0	13.5	7.23	1,356.5	31.0	4,375.4	140.4	10.3	56.8	54.6	34.4		
12/20	3.05	103.3	570.9	37.8	104.8	1,510.0	68.5	10.8	6.34	1,184.0	29.8	3,969.7	114.6	9.7	32.6	29.3	20.3		
09/20	1.46	19.7	266.1	27.8	13.7	956.8	15.6	7.2	4.79	891.8	26.6	3,355.8	79.6	8.9	-1.8	-7.2	-0.6		
06/20	0.77	-7.2	144.0	19.5	-11.1	736.8	-3.9	9.9	4.55	859.7	26.6	3,226.4	82.7	9.6	-13.2	-19.7	-9.3		
03/20	1.06	-13.8	203.0	26.5	-15.9	766.1	-5.5	10.8	4.61	877.6	26.9	3,256.6	86.7	9.9	-22.9	-28.0	-11.6		
12/19	1.50	-6.3	278.7	31.1	-13.9	896.1	-7.8	7.8	4.78	915.9	27.7	3,300.9	91.7	10.0	-23.5	-27.9	-12.9		

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data

Quarterly Data									Last 12 Months Data								
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit		Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change		\$	\$ Mil	%Sales		\$ Mil	%Rate	EPS	Pre-Tax Profit	Sales
09/19	1.22	-22.8	234.0	28.3	-31.9	827.4	-17.9	10.0	4.88	961.0	28.5	3,376.8	106.5	11.1	-3.0	-27.9	-12.7
06/19	0.83	-47.1	161.9	21.1	-47.9	767.0	-14.2	11.0	5.24	1,070.4	30.1	3,557.8	136.9	12.8	5.6	-19.9	-7.5
03/19	1.23	-18.0	241.3	29.8	-17.4	810.4	-11.3	11.3	5.98	1,219.3	33.1	3,685.1	146.3	12.0	27.0	-8.5	-4.3
12/18	1.60	321.1	323.8	33.3	-16.0	972.0	-7.6	12.0	6.25	1,270.3	33.5	3,788.1	134.2	10.6	41.7	-3.9	0.0
09/18	1.58	4.6	343.4	34.1	-1.2	1,008.4	2.4	16.9	5.03	1,332.1	34.4	3,868.0	373.0	28.0	-7.0	6.0	5.9
06/18	1.57	18.9	310.8	34.8	1.3	894.3	-0.7	7.8	4.96	1,336.4	34.8	3,844.2	381.7	28.6	-4.8	11.3	9.8
03/18	1.50	25.0	292.3	32.0	3.9	913.4	7.2	5.6	4.71	1,332.4	34.6	3,850.7	420.3	31.5	-3.1	17.9	14.8
12/17	0.38	-72.5	385.6	36.7	20.1	1,051.9	15.0	81.7	4.41	1,321.5	34.9	3,789.0	464.7	35.2	-7.0	19.8	15.6
09/17	1.51	15.3	347.7	35.3	19.4	984.6	17.9	19.1	5.41	1,257.0	34.4	3,651.4	247.1	19.7	4.4	4.7	11.0
06/17	1.32	36.1	306.8	34.1	29.9	900.8	19.8	19.8	5.21	1,200.4	34.3	3,502.2	224.4	18.7	3.2	-0.4	5.0
03/17	1.20	11.1	281.4	33.0	10.3	851.7	9.9	20.1	4.86	1,129.8	33.7	3,353.1	216.6	19.2	-5.4	-8.1	-1.2
12/16	1.38	-24.2	321.1	35.1	-23.2	914.3	-1.3	19.7	4.74	1,103.5	33.7	3,276.5	207.0	18.8	-3.5	-7.6	-3.1
09/16	1.31	11.0	291.1	34.8	-1.7	835.4	-5.2	15.2	5.18	1,200.6	36.5	3,289.0	211.2	17.6	26.3	17.3	0.9
06/16	0.97	-8.5	236.2	31.4	-8.9	751.7	-7.2	21.7	5.05	1,205.7	36.2	3,334.4	234.4	19.4	32.2	30.3	7.7
03/16	1.08	27.1	255.1	32.9	15.7	775.1	1.7	18.4	5.14	1,228.9	36.2	3,392.7	233.9	19.0	53.9	50.8	18.1
12/15	1.82	80.2	418.2	45.1	69.0	926.8	15.1	15.0	4.91	1,194.3	35.3	3,379.7	245.4	20.6	69.9	71.4	30.4
09/15	1.18	31.1	296.2	33.6	49.4	880.8	22.6	22.6	4.10	1,023.6	31.4	3,258.4	225.9	22.1	73.0	81.1	42.2
06/15	1.06	82.8	259.4	32.0	74.7	810.0	38.0	20.1	3.82	925.6	29.9	3,095.9	179.2	19.4	100.0	95.8	51.0
03/15	0.85	112.5	220.5	28.9	115.1	762.1	58.4	24.5	3.34	814.7	28.4	2,872.9	167.7	20.6	100.0	99.3	51.3
12/14	1.01	106.1	247.5	30.7	113.4	805.5	59.4	21.1	2.89	696.7	26.9	2,591.8	144.3	20.7	81.8	86.5	40.6
09/14	0.90	104.5	198.2	27.6	87.3	718.3	50.6	11.8	2.37	565.2	24.7	2,291.5	113.4	20.1	64.6	64.1	27.9
06/14	0.58	70.6	148.5	25.3	75.7	587.0	34.6	25.0	1.91	472.8	23.1	2,050.2	105.1	22.2	44.7	50.9	18.1
03/14	0.40	25.0	102.5	21.3	52.3	481.0	13.1	25.0	1.67	408.8	21.5	1,899.3	88.1	21.5	34.7	40.5	12.4
12/13	0.49	44.1	116.0	23.0	33.6	505.2	11.3	18.5	1.59	373.6	20.3	1,843.5	64.9	17.4	44.5	39.8	13.2
09/13	0.44	37.5	105.8	22.2	41.6	477.0	13.3	20.4	1.44	344.4	19.2	1,792.0	64.1	18.6	35.8	35.1	14.2
06/13	0.34	30.8	84.5	19.4	36.0	436.1	12.1	22.3	1.32	313.4	18.0	1,736.1	56.1	17.9	22.2	21.4	12.0
03/13	0.32	77.8	67.3	15.8	54.9	425.2	16.6	8.3	1.24	291.0	17.2	1,689.1	50.9	17.5	13.8	8.7	11.4
12/12	0.34	13.3	86.8	19.1	16.3	453.7	15.2	23.4	1.10	267.2	16.4	1,628.6	55.6	20.8	-6.0	-8.4	10.2
09/12	0.32	-5.9	74.7	17.7	-4.1	421.1	4.7	17.6	1.06	255.0	16.3	1,568.6	53.1	20.8	-10.9	-13.2	10.5
06/12	0.26	-3.7	62.1	16.0	-13.4	389.0	9.3	20.6	1.08	258.2	16.7	1,549.8	53.8	20.8			
03/12	0.18	-30.8	43.5	11.9	-35.6	364.7	12.1	21.7	1.09	267.8	17.7	1,516.8	60.9	22.7			

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Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit			Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change	\$		\$ Mil	%Sales	\$ Mil		%Rate	EPS	Pre-Tax Profit	Sales	
12/11	0.30	-6.3	74.7	19.0	-2.7	393.7	17.5	23.5	1.17	291.8	19.7	1,477.5	69.5	23.8				
09/11	0.34		77.9	19.4		402.3		17.6										
06/11	0.27		71.8	20.2		356.1		28.2										
03/11	0.26		67.5	20.7		325.4		26.0										
12/10	0.32		76.7	22.9		335.1		20.7										