

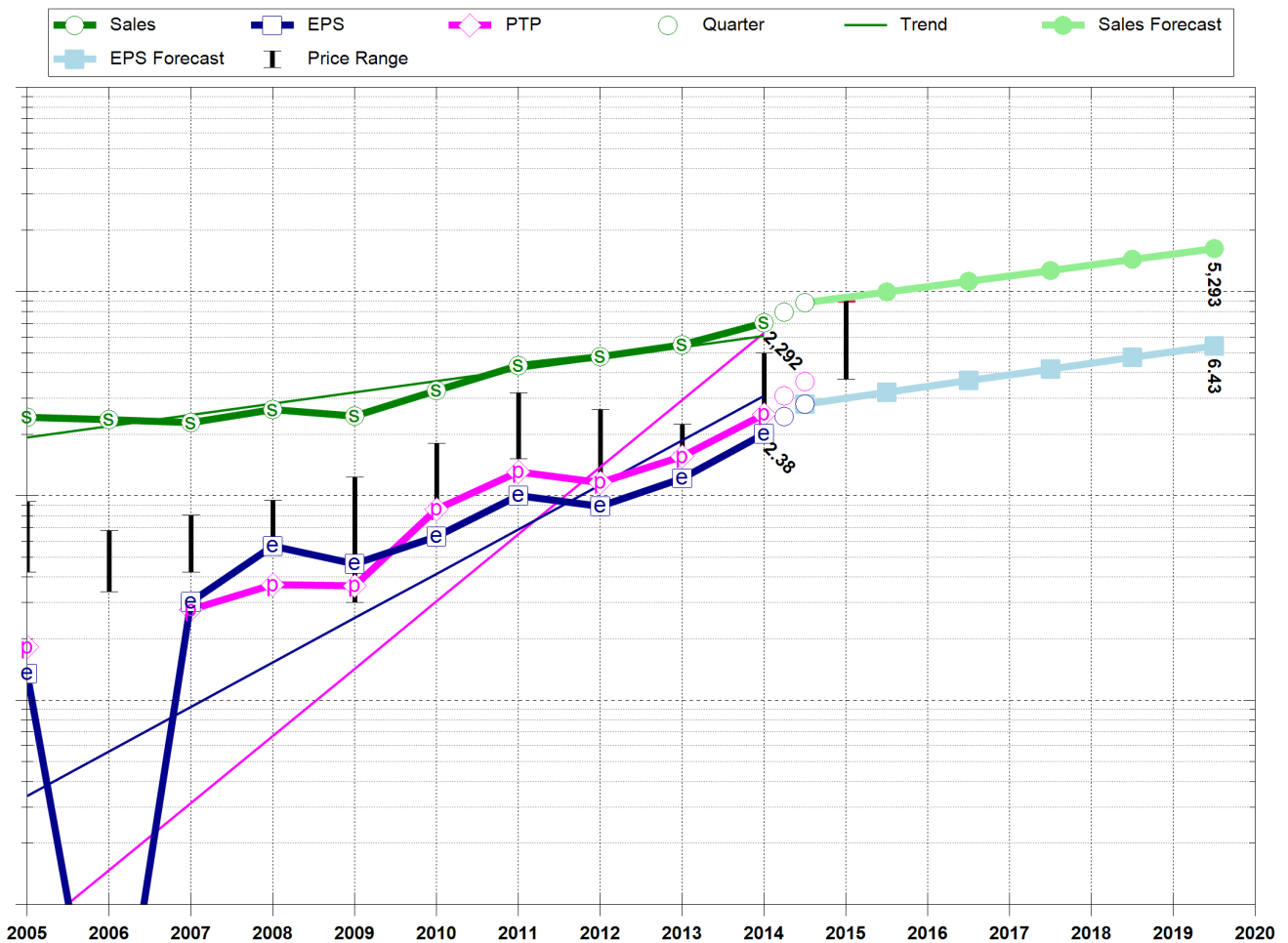
Company	Skyworks Solutions I			Date	6/15/2015
Prepared by	HENRIKSON			Data taken from	BI Stock Data
Where traded	NAS	Industry	Semiconductors		
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Diluted Shares (M)	195.2	0.6	77.3		
Debt (\$M)	0.0	% to Tot Cap	0.0	% Pot Dil	2.8

Stock Selection Guide

Symbol: SWKS

1 VISUAL ANALYSIS of Sales, Earnings, and Price

FY2015 Quarter Ending (03/15)	Sales (\$M)	Earnings Per Share
Latest Quarter	762.1	0.85
Year Ago Quarter	481.0	0.40
Percentage Change	58.4%	113.3%



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|-----------------------------------|-------|--|-------|
| (1) Historical Sales Growth | 13.6% | (3) Historical Earnings Per Share Growth | 65.0% |
| (2) Estimated Future Sales Growth | 13.0% | (4) Estimated Future Earnings Per Share Growth | 14.0% |

2 EVALUATING Management

Skyworks Solutions I

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Last 5 Year Avg.
Pre-tax Profit on Sales	5.2%	-5.9%	8.4%	9.6%	10.2%	18.1%	20.9%	16.8%	19.6%	24.7%	20.0%
% Earned on Equity	3.2%	-12.3%	7.3%	11.8%	8.5%	10.2%	13.8%	10.6%	12.9%	17.8%	13.1%
% Debt To Capital	26.1%	23.9%	27.6%	16.6%	10.5%	5.4%	1.6%	0.0%	0.0%	0.0%	1.4%

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.

PRESENT PRICE 106.1

HIGH THIS YEAR 111.60

LOW THIS YEAR 44.06

		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
1	2010	21.4	10.1	0.75	28.5	13.4	0.00	0.0	0.0
2	2011	37.8	17.9	1.19	31.8	15.1	0.00	0.0	0.0
3	2012	31.4	13.7	1.05	29.9	13.0	0.00	0.0	0.0
4	2013	26.5	19.2	1.45	18.3	13.3	0.00	0.0	0.0
5	2014	59.3	23.3	2.38	24.9	9.8	0.22	9.3	0.9
	AVERAGE		16.8		26.7	13.7		9.3	
	CURRENT/TTM			3.34			0.52	15.6	
AVERAGE PRICE EARNINGS RATIO 20.2					CURRENT PRICE EARNINGS RATIO 31.8				

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 26.00 X Estimate High Earnings/Share 6.43 = Forecasted High Price \$ 167.2

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 13.70 X Estimate Low Earnings/Share 4.00 = Forecasted Low Price \$ 54.8

(b) Avg. Low Price of Last 5 Years 16.8

(c) Recent Market Low Price 19.21

(d) Price Dividend Will Support $\frac{\text{Present Dividend}}{\text{High Yield}} = \frac{0.520}{0.90\%} = 57.8$

Selected Forecasted Low Price \$ 54.8

C ZONING using 25%-50%-25%

Forecasted High Price 167.2 Minus Forecasted Low Price 54.8 = 112.4 Range. 25% of Range 28.1

Buy Zone 54.8 to 82.9

Hold Zone 82.9 to 139.1

Sell Zone 139.1 to 167.2

Present Market Price of 106.11 is in the **Hold** Zone

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

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price}} = \frac{167.2 - 106.11}{106.11} = 0.57$
 $\frac{\text{Present Price} - \text{Low Price}}{\text{Present Price} - \text{Low Price}} = \frac{106.11 - 54.8}{106.11 - 54.8} = 1.2$
 To 1

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

$\frac{\text{High Price} - \text{Present Market Price}}{\text{Present Market Price}} = \frac{167.2 - 106.11}{106.11} = 1.58$
 $1.58 \times 100 = 157.55 - 100 = 57.6$ % 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 $\frac{\text{Present Full Year's Dividend \$ } 0.52}{\text{Present Price of Stock } 106.11} = 0.00 = 0.5\%$ Present Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout } 9.3\%}{\text{Forecast High PE } 26.00} = 0.4\%$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout } 9.3\%}{\text{Forecast Average PE } 19.85} = 0.5\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 9.5 %
 Average Yield 0.4 %
 Annualized Rate of Return 9.9 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation 3.8 %
 Average Yield 0.5 %
 Annualized Rate of Return 4.2 %