# VISUAL ANALYSIS of Sales, Earnings, and Price

<table>
<thead>
<tr>
<th>FY2015 Quarter Ending (03/15)</th>
<th>Sales ($M)</th>
<th>Earnings Per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latest Quarter</td>
<td>762.1</td>
<td>0.85</td>
</tr>
<tr>
<td>Year Ago Quarter</td>
<td>481.0</td>
<td>0.40</td>
</tr>
<tr>
<td>Percentage Change</td>
<td>58.4%</td>
<td>113.3%</td>
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1. Historical Sales Growth: 13.6%
2. Estimated Future Sales Growth: 13.0%
3. Historical Earnings Per Share Growth: 65.0%
4. Estimated Future Earnings Per Share Growth: 14.0%
This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

5-YEAR POTENTIAL

A Present Full Year's Dividend $ 0.52 = 0.00 = 0.5 % Present Yield
Present Price of Stock 106.11

B AVERAGE YIELD - USING FORECAST HIGH P/E
Avg. % Payout = 9.3 % = 0.4 %
Forecast High PE 26.00

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E
Annualized Appreciation 9.5 %
Average Yield 0.4 %
Annualized Rate of Return 9.9 %

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

<table>
<thead>
<tr>
<th>Year</th>
<th>A High Price</th>
<th>B Low Price</th>
<th>C Earnings Per Share</th>
<th>D Price Earnings Ratio</th>
<th>E Dividend Per Share</th>
<th>F % Payout</th>
<th>G % High Yield</th>
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</thead>
<tbody>
<tr>
<td>1 2010</td>
<td>21.4</td>
<td>10.1</td>
<td>0.75</td>
<td>28.5</td>
<td>13.4</td>
<td>0.00</td>
<td>0.0</td>
</tr>
<tr>
<td>2 2011</td>
<td>37.8</td>
<td>17.9</td>
<td>1.19</td>
<td>31.8</td>
<td>15.1</td>
<td>0.00</td>
<td>0.0</td>
</tr>
<tr>
<td>3 2012</td>
<td>31.4</td>
<td>13.7</td>
<td>1.05</td>
<td>29.9</td>
<td>13.0</td>
<td>0.00</td>
<td>0.0</td>
</tr>
<tr>
<td>4 2013</td>
<td>26.5</td>
<td>19.2</td>
<td>1.45</td>
<td>18.3</td>
<td>13.3</td>
<td>0.00</td>
<td>0.0</td>
</tr>
<tr>
<td>5 2014</td>
<td>59.3</td>
<td>23.3</td>
<td>2.38</td>
<td>24.9</td>
<td>0.0</td>
<td>0.22</td>
<td>9.3</td>
</tr>
</tbody>
</table>

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 Present Dividend 0.520 High Yield 0.90% = 57.8
Forecasted Low Price $ 26.00

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)
High Price 167.2 Minus Present Price 106.11 = 61.07 = 1.2 To 1
Present Price 106.11 Minus Low Price 54.8 = 51.31

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)
High Price 167.2 Present Market Price 106.11 = 1.58 X 100 = 157.55 - 100 = 57.6 % Appreciation

5 5-YEAR POTENTIAL

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Present Price of Stock 106.11

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C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E
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Average Yield 0.4 %
Annualized Rate of Return 9.9 %

2 EVALUATING Management

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<tbody>
<tr>
<td>Pre-tax Profit on Sales</td>
<td>5.2%</td>
<td>-5.9%</td>
<td>8.4%</td>
<td>9.6%</td>
<td>10.2%</td>
<td>18.1%</td>
<td>20.9%</td>
<td>16.8%</td>
<td>19.6%</td>
<td>24.7%</td>
</tr>
<tr>
<td>% Earned on Equity</td>
<td>3.2%</td>
<td>-12.3%</td>
<td>7.3%</td>
<td>11.8%</td>
<td>8.5%</td>
<td>10.2%</td>
<td>13.8%</td>
<td>10.6%</td>
<td>12.9%</td>
<td>17.8%</td>
</tr>
<tr>
<td>% Debt To Capital</td>
<td>26.1%</td>
<td>23.9%</td>
<td>27.6%</td>
<td>16.6%</td>
<td>10.5%</td>
<td>5.4%</td>
<td>1.6%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
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3 Skyworks Solutions I

EVALUATING Management

% Earned on Equity

% Debt To Capital

Pre-tax Profit on Sales