Morgan Stanley | RESEARCH

UPDATE

May 27, 2026 01:54 AM GMT

Semtech Corp. | North America

Optical Momentum Accelerates

WHAT'S CHANGED		
Semtech Corp. (SMTC.O)	From	To
Price Target	$155.00	**$175.00**

Semtech's AI optical momentum is accelerating. Strong 800G demand, ACC ramps and upcoming 1.6T deployments now support a much steeper FY27 data center growth outlook, while LoRa strength and portfolio optimization provide additional upside levers.

Key Takeaways

- Strong optical demand drove another major DC upside; 800G remains robust while ACC and 1.6T ramps support FY27 growth nearing 100%
- Semtech is building a broader AI interconnect portfolio spanning TIAs, ACC, lasers, and future CPO/XPO architectures
- LoRa demand remains broad based with accelerating growth, favorable pricing and expanding adoption
- Remain EW, raise PT to $175

Semtech delivered a strong upside quarter, with accelerating optical demand driving another step-function higher in data center revenue. Data center revenue reached a record $71.6mn (+14% q/q, +39% y/y), ahead of expectations, supported by very strong demand for 800G FiberEdge TIAs across both traditional optical transceivers and LPO deployments. Importantly, management commentary suggests visibility has improved materially, supported by exceptionally strong bookings and backlog. While management previously framed FY27 data center growth at >50%, we now believe the business could approach doubling y/y this year, versus our prior estimate of ~60% growth.

Near-term growth remains driven by 800G optical, which management expects to stay very strong throughout FY27, while newer products begin ramping. LPO revenue continues growing sequentially from what management previously described as a mid-single-digit million quarterly run-rate. More importantly, CopperEdge/ACC revenue began contributing in Q1 and should ramp meaningfully through the year with Semtech's lead hyperscaler customer. Management noted it now has strong multi-quarter visibility into this deployment and appears to have secured dominant share in the initial ramp. Beyond cables, Semtech is also seeing increasing traction for board-level linear equalizer opportunities. Looking ahead, the next major growth driver in addition to CopperEdge should be 1.6T optics, with initial FiberEdge revenue beginning in Q2 and growing substantially in Q3 and Q4. Both 1.6T FiberEdge and CopperEdge should reach meaningful levels exiting the year, layering incremental growth on top of continued 800G strength.

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Semtech Corp. (SMTC.O, SMTC US)

Semiconductors | United States of America

Stock Rating	**Equal-weight**
Industry View	**Attractive**
Price target	**$175.00**
Shr price, close (May 26, 2026)	$164.46
Mkt cap, curr (mm)	$16,742
52-Week Range	$168.29-34.59

Fiscal Year Ending	01/26	01/27e	01/28e	01/29e
EPS ($)**	1.71	2.72	3.67	4.13
Prior EPS ($)**	1.71	2.24	2.98	3.28
P/E	158.9	86.2	57.4	50.2
EPS ($)§	1.70	2.22	2.96	3.17
Div yld (%)	-	-	-	-

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework
** = Based on consensus methodology
§ = Consensus data is provided by Refinitiv Estimates
e = Morgan Stanley Research estimates

QUARTERLY EPS ($)

Quarter	2026	2027e Prior	2027e Current	2028e Prior	2028e Current
Q1	0.38	-	0.51a	0.72	0.87
Q2	0.41	0.48	0.61	0.73	0.90
Q3	0.48	0.59	0.73	0.76	0.94
Q4	0.44	0.70	0.86	0.77	0.96

e = Morgan Stanley Research estimates, a = Actual Company reported data

Outside of data center, LoRa also remained very strong, with revenue reaching $44.5mn (+12% q/q, +14% y/y) and management guiding to >15% sequential growth in Q2. Demand appears broad based across smart infrastructure, industrial IoT, utilities, security, and gateway deployments, while favorable supply-demand dynamics continue supporting pricing. Management also highlighted growing traction for LoRa Plus and Amazon Sidewalk initiatives, which continue expanding the addressable market beyond. In addition, management indicated the Sierra Wireless cellular module divestiture process appears close to completion, with discussions now focused primarily on transition and integration planning.

Details on the quarter: Revenue of $291mn (up 6.1% q/q and 15.9% y/y) came above the Street and our estimate of $283.5mn and $286.1mn, respectively. Gross margin of 53.0% (up 145bps q/q and down 47bps y/y) was ahead of the Street and our estimate of 52.5% and 52.8%, respectively. Non-GAAP EPS of $0.51 was ahead of the Street and our estimate of $0.45 and $0.46, respectively.

Details on guidance: The company expects revenue of $328mn (up 12.7% q/q and 27.3% y/y) at the midpoint, above the Street at $300.7mn and our estimate of $297.8mn. Gross margin was guided to 54.0%, above the Street at 52.6% and our estimate of 53.0%. Non-GAAP EPS was guided to $0.61, above the Street and our estimate of $0.51 and $0.48, respectively.

Changes to estimates: We had previously modeled 18.5% and 14.2% top-line growth in 2026 and 2027, respectively. We now model revenue to grow 31.0% and 21.3%, respectively. Our gross margin estimates of 53.9% and 54.9% are mostly unchanged from our prior estimates. Our EPS increases to $2.72 and $3.67 in 2026 and 2027, respectively, vs. $2.24 and $2.98.

Thoughts on the stock: Optical should remain the primary driver of growth near term, with accelerating demand for 800G TIAs now complemented by emerging ramps in ACC/CopperEdge and 1.6T optics. Importantly, management commentary suggests these newer opportunities remain on track, with improving visibility into customer deployments and strong positioning across both optical and copper interconnect architectures. We increasingly see Semtech building a much broader AI connectivity portfolio that could expand content opportunity materially over time, from today's discrete TIA and driver sockets toward a more comprehensive platform spanning LPO/LRO, ACC, coherent optics, lasers, and future XPO/CPO architectures. Near-term catalysts include the pending Sierra Wireless divestiture, accelerating ACC deployments with its lead hyperscaler customer, and the 1.6T optical ramp expected to build through the second half of FY27. Longer term, execution on next-generation optical technologies and photonic integration will likely determine how much of this significantly larger content opportunity Semtech ultimately captures. We remain EW as valuation is becoming fuller following the strong move in the stock, though improving visibility and continued upside in the data center business could support further estimate revisions.

We are raising our price target to $175, based on 48x non-GAAP EPS of $3.67. As numbers come up we moderate the multiple somewhat (previously at 52x), and note that while this remains high for Semtech's historical range, it is broadly in-line with small-cap peers with growing AI exposure.

Risk Reward – Semtech Corp. (SMTC.O)

Value stock with AI opportunities

PRICE TARGET $175.00

We use a 48x non-GAAP P/E multiple on the company's CY27 EPS of $3.67. Our 48x multiple is a premium to their general peer group, but is in-line with small cap AI exposed names and reflects their data center prospects balanced with broad markets exposure.

Consensus Price Target Distribution

$89.00 — $127.40 (Mean) — $175.00 (MS PT)

◆ Mean ◆ Morgan Stanley Estimates

Source: Refinitiv, Morgan Stanley Research

EQUAL-WEIGHT THESIS

Valuation is below small cap peers and opportunities to inflect in data center around new technologies, but macro uncertainty may weigh on broad markets demand. We are taking a show-me approach to new data center opportunities and see risk with macro uncertainty and high leverage.

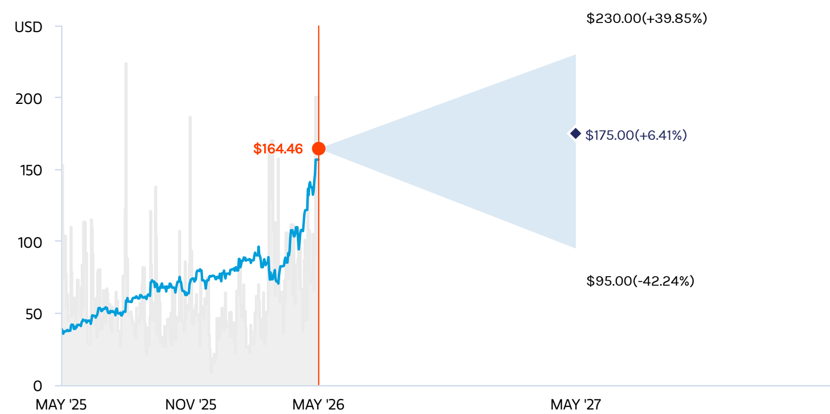
Consensus Rating Distribution

94% Overweight
6% Equal-weight
0% Underweight

● MS Rating

Source: Refinitiv, Morgan Stanley Research

RISK REWARD CHART



Key: — Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research

BULL CASE $230.00

60x on CY27 EPS of $3.84

We assume stronger than expected revenue growth from higher data center revenue and a stable macro environment. New opportunities in linear and CopperEdge strongly ramp in 2026 and 2027. Multiple increases from stronger AI data center prospects.

BASE CASE $175.00

48x CY27 non-GAAP EPS of $3.67

We compare Semtech to a group of networking and analog semiconductor peers. Our 48x multiple is a premium to their general peer group, but is in-line with small cap AI exposed names and reflects their data center prospects balanced with broad markets exposure.

BEAR CASE $95.00

50x CY27 non-GAAP EPS of $1.85

We assume significant global macro headwinds and US recession, limiting overall growth. Our bear case also assumes little to no adoption of Semtech's new data center technology.

Risk Reward – Semtech Corp. (SMTC.O)

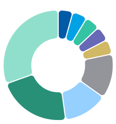
KEY EARNINGS INPUTS

Drivers	2026	2027e	2028e	2029e
Revenue ($M) ($, mm)	1,050	1,375	1,668	1,802
Non-GAAP Gross Margin (%) (%)	52.8	53.9	54.9	56.0
Non-GAAP EPS ($) ($)	1.71	2.72	3.67	4.13

INVESTMENT DRIVERS

TBD

GLOBAL REVENUE EXPOSURE



- 0-10% Europe ex UK
- 0-10% India
- 0-10% Japan
- 0-10% Latin America
- 0-10% MEA
- 10-20% APAC, ex Japan, Mainland China and India
- 10-20% UK
- 20-30% Mainland China
- 30-40% North America

Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies here

MS ALPHA MODELS

5/5 BEST	24 Month Horizon	5/5 MOST	3 Month Horizon

Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

RISKS TO PT/RATING

RISKS TO UPSIDE

- Announcement of new data center engagements
- Increased deployment of LPO/CPO in optical connections
- Stronger macro environment supporting a broad market rebound

RISKS TO DOWNSIDE

- New data center opportunities fail to materialize
- Hyperscaler capex spend slows, decreasing data center growth prospects
- Macro weakness, sustained tariffs, and geopolitical challenges weigh on the analog recovery and consumer spending

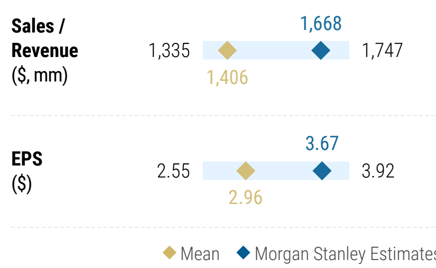
OWNERSHIP POSITIONING

Inst. Owners, % Active	55.6%
HF Sector Long/Short Ratio	2x
HF Sector Net Exposure	25.3%

Refinitiv; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure – Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Jan 2028e



Source: Refinitiv, Morgan Stanley Research

Financial Summary

Exhibit 1: Income statement summary

SMTC-US: Snapshot for the quarter ended April 2026

Income Statement									
Qtr Results:	**Actual**			**Lst Qtr**	**QoQ**	**Lst Yr**	**YoY**	**Cons**	**MSe**
Revenue	$291.0			$274.4	6.1%	$251.1	15.9%	$283.5	$286.1
Gross Margin	53.0%			51.6%	145 bps	53.5%	-47 bps	52.5%	52.8%
EPS	$0.51			$0.44	$0.07	$0.38	$0.13	$0.45	$0.46
Nxt Qtr Outlook:	**Low**	**High**	**Midpoint**						
Revenue	$323.0	$333.0	$328.0		12.7%	$257.6	27.3%	$300.7	$297.8
Gross Margin	53.5%	54.5%	54.0%		100 bps	53.2%	81 bps	52.6%	53.0%
EPS	$0.59	$0.63	$0.61		$0.10	$0.41	$0.20	$0.51	$0.48

Source: Company data, Morgan Stanley Research estimates, FactSet

Exhibit 2: SMTC: Actual vs. Estimates

QoQ MSe vs. Reported

Non-GAAP financials, $ in millions except per share

	Reported F1Q26	MS Est F1Q26	Difference Act. V Est.	Per share Difference
Total Revenue	291.0	286.1	4.9	0.05
Cost of Sales	136.7	134.9	1.8	(0.02)
Gross Profit	154.3	151.1	3.2	0.03
Gross Margin	53.0%	52.8%	0.2%	
R&D	51.2	49.0	2.2	(0.02)
SG&A	43.8	47.7	(3.9)	0.04
Total Op Expenses	95.0	96.7	(1.7)	NM
Operating Income	59.3	54.4	4.9	0.05
Operating Margin	20.4%	19.0%	1.3%	
Tax Rate	17%	17%	0%	
Income tax	10.1	9.2	0.9	NM
Net Income	49.5	44.8	4.7	0.05
EPS	$0.51	$0.46	$0.05	0.05

Source: Company data, Morgan Stanley Research estimates

Financial Statements

Exhibit 3: SMTC: Projected Income Statement

Semtech (SMTC) - Income Statement ($ in millions; fiscal year ends in January)	2025/1F Apr-24 F1Q25A	2025/2F Jul-24 F2Q25A	2025/3F Oct-24 F3Q25A	2025/4F Jan-25 F4Q25A	2026/1F Apr-25 F1Q26A	2026/2F Jul-25 F2Q26A	2026/3F Oct-25 F3Q26A	2026/4F Jan-26 F4Q26A	2027/1F Apr-26 F1Q27A	2027/2F Jul-26 F2Q27E	2027/3F Oct-26 F3Q27E	2027/4F Jan-27 F4Q27E	2028/1F Apr-27 F1Q28E	2028/2F Jul-27 F2Q28E	2028/3F Oct-27 F3Q28E	2028/4F Jan-28 F4Q28E	2029/1F Apr-28 F1Q29E	2029/2F Jul-28 F2Q29E	2029/3F Oct-28 F3Q29E	2029/4F Jan-29 F4Q29E	CY2023A FY2024A	CY2024A FY2025A	CY2025A FY2026A	CY2026E FY2027E	CY2027E FY2028E	CY2028E FY2029E
Revenue	206.1	215.4	236.8	251.0	251.1	257.6	267.0	274.4	291.0	328.1	357.9	397.9	406.6	412.5	420.3	428.3	438.4	445.5	454.1	463.8	868.8	909.3	1,050.0	1,375.0	1,667.7	1,801.8
One-time items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue - Non-GAAP	206.1	215.4	236.8	251.0	251.1	257.6	267.0	274.4	291.0	328.1	357.9	397.9	406.6	412.5	420.3	428.3	438.4	445.5	454.1	463.8	868.8	909.3	1,050.0	1,375.0	1,667.7	1,801.8
Cost of revenue - GAAP	106.5	109.9	115.9	120.5	119.8	123.5	128.5	136.1	139.6	152.0	165.0	182.8	188.1	188.2	189.0	191.6	194.6	197.4	200.7	204.5	572.5	452.8	507.8	639.4	756.8	797.2
SBC related to cost of revenue	0.7	0.7	0.8	0.8	0.7	0.6	0.5	0.7	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	2.0	3.0	2.5	4.4	4.4	4.4
One-time items	2.3	2.3	2.3	2.3	2.3	2.3	2.4	2.5	1.8	-	-	-	-	-	-	-	-	-	-	-	131.9	9.1	9.4	1.8	-	-
Cost of revenue - Non-GAAP	103.6	106.9	112.8	117.5	116.8	120.6	125.6	132.9	136.7	150.9	163.9	181.7	187.0	187.1	187.9	190.5	193.5	196.3	199.6	203.4	438.6	440.7	495.8	633.2	752.4	792.8
Gross Profit - GAAP	99.6	105.5	121.0	130.5	131.3	134.1	138.5	138.3	151.4	176.1	192.9	215.1	218.5	224.4	231.3	236.7	243.8	248.1	253.4	259.3	296.3	456.5	542.1	735.6	910.9	1,004.6
Gross Profit - Non-GAAP	102.6	108.5	124.1	133.5	134.2	137.0	141.4	141.4	154.3	177.2	194.0	216.2	219.6	225.5	232.4	237.8	244.9	249.2	254.5	260.4	430.1	468.6	554.1	741.8	915.3	1,009.0
Gross Margin - Non-GAAP (%)	49.8%	50.4%	52.4%	53.2%	53.5%	53.2%	53.0%	51.6%	53.0%	54.0%	54.2%	54.3%	54.0%	54.7%	55.3%	55.5%	55.9%	55.9%	56.0%	56.1%	49.5%	51.5%	52.8%	53.9%	54.9%	56.0%
Gross Profit - MW	101.9	107.7	123.2	132.8	133.5	136.4	140.9	140.7	153.2	176.1	192.9	215.1	218.5	224.4	231.3	236.7	243.8	248.1	253.4	259.3	428.2	465.6	551.6	737.4	910.9	1,004.6
SG&A	52.3	55.8	59.8	54.5	46.4	58.5	57.1	59.8	66.6	65.3	64.0	64.0	65.2	65.9	67.2	68.6	69.9	70.6	72.0	73.5	220.2	222.4	221.9	259.8	266.9	286.1
SBC related to SG&A	11.4	13.0	13.8	13.0	2.4	13.3	12.5	11.8	18.9	14.3	14.0	14.0	14.3	14.4	14.7	15.0	15.3	15.5	15.8	16.1	25.3	51.1	40.0	61.2	58.4	62.6
% of SG&A	21.8%	23.3%	23.0%	23.8%	5.2%	22.7%	21.9%	21.9%	21.9%	21.9%	21.9%	21.9%	21.9%	21.9%	21.9%	21.9%	21.9%	21.9%	21.9%	21.9%	11.5%	23.0%	18.0%	23.6%	21.9%	21.9%
One-time items	1.9	1.5	4.1	1.0	1.3	1.6	3.6	3.7	3.9	-	-	-	-	-	-	-	-	-	-	-	29.0	8.6	10.2	3.9	-	-
SG&A - Non-GAAP	38.9	41.3	41.9	40.5	42.7	43.6	41.0	44.3	43.8	51.0	50.0	50.0	51.0	51.5	52.5	53.6	54.6	55.2	56.3	57.4	165.9	162.6	171.7	194.7	208.5	223.5
SG&A - MW	50.3	54.3	55.7	53.5	45.1	56.9	53.5	56.1	62.7	65.3	64.0	64.0	65.2	65.9	67.2	68.6	69.9	70.6	72.0	73.5	191.3	213.8	211.7	255.9	266.9	286.1
Product development and engineering	41.6	40.1	42.6	46.7	47.5	48.2	49.4	51.2	57.6	61.1	64.1	71.8	73.2	74.7	75.4	77.0	78.5	80.1	80.9	81.7	186.5	170.9	196.3	254.6	300.3	321.1
SBC related to Product development and engineering	3.2	3.4	3.8	3.5	3.7	3.4	3.9	4.0	6.4	6.8	7.1	8.0	8.1	8.3	8.4	8.6	8.7	8.9	9.0	9.1	12.8	13.9	15.0	28.3	33.4	35.7
% of Product development and engineering	7.6%	8.6%	9.0%	7.5%	7.8%	7.1%	7.9%	7.8%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	6.9%	8.1%	7.6%	11.1%	11.1%	11.1%
One-time items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.0	-	-	-	-	-
Product development and engineering - Non-GAAP	38.4	36.6	38.7	43.2	43.8	44.8	45.5	47.2	51.2	54.3	57.0	63.8	65.1	66.4	67.1	68.4	69.8	71.2	71.9	72.6	171.6	157.0	181.3	226.3	267.0	285.4
Product development and engineering - MW	41.6	40.1	42.6	46.7	47.5	48.2	49.4	51.2	57.6	61.1	64.1	71.8	73.2	74.7	75.4	77.0	78.5	80.1	80.9	81.7	184.4	170.9	196.3	254.6	300.3	321.1
Intangible amortization	0.3	0.3	0.1	0.1	0.1	0.1	0.1	0.2	0.3	-	-	-	-	-	-	-	-	-	-	-	14.9	0.9	0.6	0.3	-	-
One-time items	0.3	0.3	0.1	-	0.1	0.1	0.1	2.7	0.3	-	-	-	-	-	-	-	-	-	-	-	14.9	0.7	3.1	0.3	-	-
Intangible amortization - Non-GAAP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring and others	2.3	1.5	0.7	0.4	1.2	1.5	0.8	0.7	1.2	-	-	-	-	-	-	-	-	-	-	-	23.8	4.9	4.2	1.2	-	-
One-time items	2.3	1.5	0.7	-	1.2	1.5	0.8	0.7	1.2	-	-	-	-	-	-	-	-	-	-	-	23.8	4.5	4.1	1.2	-	-
Restructuring - Non-GAAP	-	-	-	-	-	-	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	-	-	-
Goodwill impairment	-	-	-	7.5	-	42.0	-	44.6	-	-	-	-	-	-	-	-	-	-	-	-	795.2	7.5	86.6	-	-	-
One-time items	-	-	-	-	-	42.0	-	44.6	-	-	-	-	-	-	-	-	-	-	-	-	795.2	-	86.6	-	-	-
Goodwill impairment - Non-GAAP	-	-	-	-	-	-	-	(0.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.0)	-	-	-
Total Opex - GAAP	96.4	97.7	103.2	109.3	95.3	150.3	107.4	156.5	125.7	126.3	128.1	135.8	138.5	140.6	142.7	145.5	148.4	150.7	152.9	155.2	1,240.6	406.6	509.6	515.9	567.3	607.2
Total Opex - Non-GAAP	77.4	77.9	80.6	83.7	86.6	88.4	86.5	91.6	95.0	105.3	106.9	113.8	116.1	117.9	119.6	122.0	124.4	126.3	128.2	130.0	337.5	319.6	353.0	421.0	475.5	508.9
Total Opex - MW	91.9	94.3	98.2	100.2	92.7	105.1	102.9	107.3	120.3	126.3	128.1	135.8	138.5	140.6	142.7	145.5	148.4	150.7	152.9	155.2	375.7	384.7	408.0	510.5	567.3	607.2
Operating Income - GAAP	3.1	7.8	17.8	21.2	36.0	(16.2)	31.1	(18.3)	25.7	49.8	64.8	79.4	80.1	83.8	88.6	91.2	95.4	97.4	100.5	104.1	(944.3)	49.9	32.6	219.7	343.6	397.4
Operating Income - Non-GAAP	25.2	30.5	43.4	49.8	47.7	48.7	54.9	49.9	59.3	72.0	87.0	102.4	103.6	107.6	112.8	115.9	120.5	122.9	126.3	130.4	92.7	149.0	201.1	320.8	439.8	500.1
Operating Margin (%)	12.2%	14.2%	18.3%	19.9%	19.0%	18.9%	20.6%	18.2%	20.4%	21.9%	24.3%	25.7%	25.5%	26.1%	26.8%	27.0%	27.5%	27.6%	27.8%	28.1%	10.7%	16.4%	19.2%	23.3%	26.4%	27.8%
Operating Income - MW	9.9	13.4	25.0	32.6	40.9	31.4	38.0	33.4	32.9	49.8	64.8	79.4	80.1	83.8	88.6	91.2	95.4	97.4	100.5	104.1	52.5	80.9	143.6	226.9	343.6	397.4
Interest expense	(23.2)	(28.6)	(20.8)	(17.5)	(6.6)	(5.2)	(27.0)	(1.8)	(1.9)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(95.8)	(90.1)	(40.6)	(5.8)	(5.2)	(5.2)
Interest income	0.5	0.4	0.5	0.8	0.4	0.5	0.8	0.8	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	3.1	2.3	2.5	3.3	3.3	3.3
Interest expense, net	(22.7)	(28.1)	(20.3)	(16.7)	(6.2)	(4.7)	(26.2)	(1.0)	(1.0)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(92.8)	(87.8)	(38.1)	(2.5)	(1.9)	(1.9)
One-time items	(2.2)	(7.7)	(1.9)	(5.4)	(1.3)	(0.7)	(23.7)	(1.1)	(1.1)	-	-	-	-	-	-	-	-	-	-	-	(10.9)	(17.2)	(26.8)	(1.1)	-	-
Interest expense, net - Non-GAAP	(20.5)	(20.5)	(18.4)	(11.3)	(4.9)	(4.0)	(2.5)	0.1	0.1	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(81.8)	(70.6)	(11.3)	(1.4)	(1.9)	(1.9)
Loss on extinguishment of debt	-	(144.7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(144.7)	-	-	-	-
One-time items	-	(144.7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(144.7)	-	-	-	-
Loss on extinguishment of debt - Non-GAAP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-operating expense, net	0.4	(1.0)	(1.1)	2.0	(2.8)	(1.3)	(0.4)	(0.7)	0.2	-	-	-	-	-	-	-	-	-	-	-	(0.5)	0.3	(5.3)	0.2	-	-
One-time items	-	(0.5)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.5)	-	-	-	-
Non-operating expense, net - Non-GAAP	0.4	(0.5)	(1.1)	2.0	(2.8)	(1.3)	(0.4)	(0.7)	0.2	-	-	-	-	-	-	-	-	-	-	-	(0.5)	0.8	(5.3)	0.2	-	-
Investment impairments and credit loss reserves, net	(1.1)	-	-	-	-	-	-	(10.4)	-	-	-	-	-	-	-	-	-	-	-	-	(3.9)	(1.1)	(10.4)	-	-	-
One-time items	(0.8)	-	-	-	-	-	-	(10.4)	(0.1)	-	-	-	-	-	-	-	-	-	-	-	(3.9)	(0.8)	(10.4)	(0.1)	-	-
Investment impairments and credit loss reserves,	(0.3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.3)	-	-	-	-
Profit before tax - GAAP	(20.3)	(166.1)	(3.6)	6.5	27.0	(22.2)	4.4	(30.4)	24.9	49.3	64.3	78.9	79.6	83.3	88.1	90.7	94.9	96.9	100.0	103.7	(1,041.6)	(183.4)	(21.2)	217.4	341.7	395.5
Profit before tax - Non-GAAP	4.8	9.5	24.0	40.5	40.0	43.3	52.0	49.3	59.6	71.5	86.5	102.0	103.1	107.1	112.3	115.4	120.0	122.4	125.8	129.9	10.3	78.8	184.6	319.6	437.9	498.2
Profit before tax - MW	(13.5)	(160.4)	3.7	17.9	31.9	25.3	11.4	21.3	32.1	49.3	64.3	78.9	79.6	83.3	88.1	90.7	94.9	96.9	100.0	103.7	(44.7)	(152.4)	89.8	224.6	341.7	395.5
Income tax expense (benefit) - GAAP	3.0	4.2	4.0	(33.2)	8.7	4.8	7.3	(0.9)	0.1	8.4	10.9	13.4	13.5	14.2	15.0	15.4	16.1	16.5	17.0	17.6	50.5	(22.0)	19.9	32.8	58.1	67.2
Effective tax rate (%) - GAAP	-14.6%	-2.5%	-112.3%	-507.6%	32.1%	-21.6%	164.7%	15.0%	15.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	-4.9%	12.0%	-93.8%	15.1%	17.0%	17.0%
Income tax expense (benefit) - MW									481.5%	8.4	10.9	13.4	13.5	14.2	15.0	15.4	16.1	16.5	17.0	17.6				37.5	58.1	67.2
Effective tax rate (%) - MW									15.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%						
Pre-Tax Non-GAAP Adjustments									27.8	22.2	22.2	23.1	23.5	23.8	24.2	24.7	25.1	25.5	25.9	26.3						
Income tax adjustments - Non-GAAP	(2.2)	(2.8)	(0.4)	39.3	(2.7)	1.7	0.5	8.3	10.0	3.8	3.8	3.9	4.0	4.0	4.1	4.2	4.3	4.3	4.4	4.5						
Income tax expense (benefit) - Non-GAAP	0.7	1.4	3.6	6.1	6.0	6.5	7.8	7.4	10.1	12.1	14.7	17.3	17.5	18.2	19.1	19.6	20.4	20.8	21.4	22.1	49.3	11.9	27.7	54.3	74.4	84.7
Effective tax rate (%) - Non-GAAP	15.0%	15.0%	15.1%	15.1%	14.9%	15.0%	15.0%	15.0%	16.9%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%			15.0%	17.0%	17.0%	17.0%
																							0	-	-	-
Non-GAAP Tax Rate %																										
Income tax expense (benefit) - Non-GAAP																										
Effective tax rate (%) - Non- GAAP																										
Net loss before equity method (loss) income	(23.2)	(170.3)	(7.6)	39.7	18.3	(27.0)	(2.9)	(29.5)	24.8	40.9	53.4	65.5	66.1	69.1	73.1	75.3	78.8	80.5	83.0	86.0	(1,092.1)	(161.3)	(41.1)	184.6	283.6	328.3
Equity method (loss) income	(0.1)	-	0.0	0.6	(1.0)	0.1	(0.0)	0.4	(1.6)	-	-	-	-	-	-	-	-	-	-	-	(0.0)	0.547	(0.636)	(1.6)	-	-
Net income - GAAP	(23.2)	(170.3)	(7.6)	39.1	19.3	(27.1)	(2.9)	(29.8)	26.4	40.9	53.4	65.5	66.1	69.1	73.1	75.3	78.8	80.5	83.0	86.0	(1,092.0)	(161.9)	(40.4)	186.2	283.6	328.3
Net income (loss) attributable to noncontrolling intere	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	-	-	-	-	-
Net (loss) income attributable to common stock	(23.2)	(170.3)	(7.6)	39.1	19.3	(27.1)	(2.9)	(29.8)	26.4	40.9	53.4	65.5	66.1	69.1	73.1	75.3	78.8	80.5	83.0	86.0	(1,092.0)	(161.9)	(40.4)	186.2	283.6	328.3
Net income - Non-GAAP	4.1	8.1	20.4	34.4	34.0	36.8	44.2	41.9	49.5	59.3	71.8	84.6	85.6	88.9	93.2	95.8	99.6	101.6	104.4	107.8	9.1	67.0	156.9	265.3	363.5	413.5
Net income - MW	(18.6)	(167.4)	(0.8)	90.4	20.5	22.2	4.5	30.5	42.0	40.9	53.4	65.5	66.1	69.1	73.1	75.3	78.8	80.5	83.0	86.0	(46.0)	(118.5)	70.0	191.8	283.6	328.3
EPS - GAAP	$ (0.36)	$ (2.61)	$ (0.10)	$ 0.43	$ 0.22	$ (0.31)	$ (0.03)	$ (0.32)	$ 0.27	$ 0.41	$ 0.54	$ 0.66	$ 0.66	$ 0.69	$ 0.73	$ 0.75	$ 0.78	$ 0.79	$ 0.81	$ 0.84	$ (17.03)	$ (2.19)	$ (0.46)	$ 1.88	$ 2.82	$ 3.23
EPS - Non-GAAP	$ 0.06	$ 0.11	$ 0.26	$ 0.40	$ 0.38	$ 0.41	$ 0.48	$ 0.44	$ 0.51	$ 0.61	$ 0.73	$ 0.86	$ 0.87	$ 0.90	$ 0.94	$ 0.96	$ 1.00	$ 1.02	$ 1.04	$ 1.07	$ 0.14	$ 0.88	$ 1.71	$ 2.72	$ 3.67	$ 4.13
EPS - MW	$ (0.28)	$ (2.33)	$ (0.01)	$ 1.04	$ 0.23	$ 0.25	$ 0.05	$ 0.32	$ 0.44	$ 0.42	$ 0.54	$ 0.67	$ 0.67	$ 0.70	$ 0.74	$ 0.76	$ 0.79	$ 0.80	$ 0.83	$ 0.86	$ (0.72)	$ (1.55)	$ 0.76	$ 1.96	$ 2.86	$ 3.28

Source: Company data, Morgan Stanley Research estimates

Exhibit 4: SMTC: Projected Balance Sheet

Semtech (SMTC) - Balance Sheet ($ in millions; fiscal year ends in January)	2024/1F Apr-23 F1Q24A	2024/2F Jul-23 F2Q24A	2024/3F Oct-23 F3Q24A	2024/4F Jan-24 F4Q24A	2025/1F Apr-24 F1Q25A	2025/2F Jul-24 F2Q25A	2025/3F Oct-24 F3Q25A	2025/4F Jan-25 F4Q25A	2026/1F Apr-25 F1Q26A	2026/2F Jul-25 F2Q26A	2026/3F Oct-25 F3Q26A	2026/4F Jan-26 F4Q26A	2027/1F Apr-26 F1Q27E	2027/2F Jul-26 F2Q27E	2027/3F Oct-26 F3Q27E	2027/4F Jan-27 F4Q27E	2028/1F Apr-27 F1Q28E	2028/2F Jul-27 F2Q28E	2028/3F Oct-27 F3Q28E	2028/4F Jan-28 F4Q28E	2029/1F Apr-28 F1Q29E	2029/2F Jul-28 F2Q29E	2029/3F Oct-28 F3Q29E	2029/4F Jan-29 F4Q29E	CY2021A FY2022A	CY2022A FY2023A	CY2023A FY2024A	CY2024A FY2025A	CY2025E FY2026E	CY2026E FY2027E	CY2027E FY2028E	CY2028E FY2029E
Assets																																
Cash and cash equivalents	164.2	147.9	123.8	128.6	126.8	115.9	136.5	151.7	156.5	168.6	164.7	195.2	213.7	225.2	238.1	263.4	299.2	339.2	380.3	423.6	469.7	516.4	563.6	612.6	279.6	235.5	128.6	151.7	195.2	263.4	423.6	612.6
Accounts receivable, net	145.4	159.1	156.6	134.3	153.9	153.0	142.5	162.5	165.7	153.5	164.8	160.6	165.9	172.9	183.4	190.8	195.7	198.3	201.7	204.8	208.6	211.5	215.3	219.0	71.5	161.7	134.3	162.5	160.6	190.8	204.8	219.0
Inventories	213.2	180.2	160.6	145.0	148.5	156.0	163.5	163.6	170.2	183.3	185.7	195.7	193.4	200.5	210.3	216.4	219.8	221.8	223.8	226.0	228.3	231.1	234.7	238.3	114.0	207.7	145.0	163.6	195.7	216.4	226.0	238.3
Prepaid taxes	11.6	7.7	10.2	12.0	10.4	15.4	7.8	13.5	9.1	12.4	11.8	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4	6.0	6.2	12.0	13.5	15.4	15.4	15.4	15.4
Other current assets	130.0	135.0	121.2	114.3	99.6	101.5	107.6	94.1	96.5	97.1	93.9	88.2	91.1	95.0	100.7	104.8	107.5	108.9	110.8	112.5	114.5	116.2	118.3	120.3	31.2	111.6	114.3	94.1	88.2	104.8	112.5	120.3
Total current assets	664.4	629.9	572.4	534.2	539.3	541.7	557.8	585.5	598.0	614.9	620.9	655.1	679.5	709.0	747.9	790.9	837.6	883.5	932.0	982.2	1,036.5	1,090.7	1,147.3	1,205.6	502.3	722.8	534.2	585.5	655.1	790.9	982.2	1,205.6
																									-							
Property and equipment, net	165.3	161.3	158.8	153.6	146.9	139.5	133.2	126.2	120.2	115.6	111.0	109.3	100.7	93.4	86.2	79.1	70.5	63.4	56.2	49.1	40.4	33.2	25.9	18.8	134.9	169.3	153.6	126.2	109.3	79.1	49.1	18.8
Deferred tax assets	67.5	14.1	13.6	18.0	15.3	18.0	18.7	41.1	38.6	36.5	33.8	34.2	34.2	34.2	34.2	34.2	34.2	34.2	34.2	34.2	34.2	34.2	34.2	34.2	27.8	63.8	18.0	41.1	34.2	34.2	34.2	34.2
Goodwill	1,288.8	1,017.4	1,013.7	541.2	540.9	541.1	541.3	533.1	533.8	492.2	492.1	457.9	457.9	457.9	457.9	457.9	457.9	457.9	457.9	457.9	457.9	457.9	457.9	457.9	351.1	1,281.7	541.2	533.1	457.9	457.9	457.9	457.9
Intangible assets, net	198.8	183.4	168.2	35.6	35.1	35.4	36.8	33.1	36.5	34.7	33.2	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	6.8	215.1	35.6	33.1	40.0	40.0	40.0	40.0
Other non-current assets	115.2	112.4	111.4	91.1	99.0	92.3	91.2	100.3	104.7	112.0	115.0	113.7	113.7	113.7	113.7	113.7	113.7	113.7	113.7	113.7	113.7	113.7	113.7	113.7	107.9	117.0	91.1	100.3	113.7	113.7	113.7	113.7
Total assets	2,500.0	2,118.6	2,038.1	1,373.7	1,376.5	1,368.0	1,379.0	1,419.3	1,432.0	1,405.9	1,405.9	1,410.2	1,426.0	1,448.1	1,479.8	1,515.8	1,553.9	1,592.7	1,634.0	1,677.2	1,722.7	1,769.7	1,819.0	1,870.2	1,130.9	2,569.6	1,373.7	1,419.3	1,410.2	1,515.8	1,677.2	1,870.2
Liabilities and shareholder's equity																																
Accounts payable	74.4	52.5	55.0	45.1	64.7	75.8	63.9	59.2	69.1	70.9	75.2	84.1	83.1	86.2	90.4	93.0	94.4	95.3	96.2	97.1	98.1	99.3	100.9	102.4	50.7	100.7	45.1	59.2	84.1	93.0	97.1	102.4
Accrued liabilities	192.7	215.7	184.0	172.1	160.2	148.9	171.6	178.2	166.8	172.2	179.9	191.8	191.8	191.8	191.8	191.8	191.8	191.8	191.8	191.8	191.8	191.8	191.8	191.8	77.7	253.1	172.1	178.2	191.8	191.8	191.8	191.8
Current portion - long-term debt	42.7	52.9	-	-	-	-	-	45.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	43.1	-	45.6	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	309.8	321.1	239.0	217.2	224.9	224.7	235.5	283.0	236.0	243.1	255.1	275.9	274.9	278.0	282.2	284.8	286.2	287.1	288.0	288.9	289.9	291.1	292.7	294.2	128.4	396.9	217.2	283.0	275.9	284.8	288.9	294.2
Deferred tax liabilities	4.7	4.8	4.5	0.8	-	-	-	0.8	0.7	1.0	0.5	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.1	5.1	0.8	0.8	0.1	0.1	0.1	0.1
Long term debt	1,336.6	1,330.6	1,373.6	1,371.0	1,373.4	1,192.9	1,190.3	505.9	542.6	518.9	490.5	491.2	461.2	431.2	401.2	371.2	341.2	311.2	281.2	251.2	221.2	191.2	161.2	131.2	171.7	1,297.0	1,371.0	505.9	491.2	371.2	251.2	131.2
Other long-term liabilities	115.7	95.2	86.5	92.0	91.3	91.9	92.9	87.1	83.8	89.9	94.0	93.3	93.3	93.3	93.3	93.3	93.3	93.3	93.3	93.3	93.3	93.3	93.3	93.3	91.9	114.7	92.0	87.1	93.3	93.3	93.3	93.3
Total liabilities	1,766.8	1,751.6	1,703.7	1,681.0	1,689.6	1,509.4	1,518.7	876.8	863.1	853.0	840.2	860.5	829.5	802.6	776.8	749.4	720.8	691.7	662.6	633.5	604.5	575.7	547.3	518.8	393.1	1,813.6	1,681.0	876.8	860.5	749.4	633.5	518.8
Shareholder's equity																																
Common stock	0.8	0.8	0.8	0.8	0.8	0.9	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.8	0.8	0.8	1.0	1.0	1.0	1.0	1.0
Treasury stock	(575.3)	(573.0)	(560.9)	(556.9)	(552.7)	(548.6)	(536.3)	(520.5)	(506.3)	(501.1)	(486.7)	(486.7)	(486.7)	(486.7)	(486.7)	(486.7)	(486.7)	(486.7)	(486.7)	(486.7)	(486.7)	(486.7)	(486.7)	(486.7)	(549.9)	(577.9)	(556.9)	(520.5)	(486.7)	(486.7)	(486.7)	(486.7)
Additional paid-in-capital	478.0	486.4	480.3	485.5	490.5	836.3	836.8	1,469.7	1,459.9	1,465.6	1,470.4	1,486.9	1,505.1	1,523.5	1,542.1	1,561.0	1,580.3	1,599.8	1,619.6	1,639.8	1,660.3	1,681.2	1,702.3	1,723.8	492.0	471.4	485.5	1,469.7	1,486.9	1,561.0	1,639.8	1,723.8
Total share capital	(96.5)	(85.8)	(79.8)	(70.7)	(61.4)	288.5	301.3	950.2	954.6	965.5	984.7	1,001.2	1,019.4	1,037.8	1,056.4	1,075.3	1,094.6	1,114.1	1,134.0	1,154.1	1,174.7	1,195.5	1,216.7	1,238.2	(57.2)	(105.7)	(70.7)	950.2	1,001.2	1,075.3	1,154.1	1,238.2
Accumulated other comprehensive income	0.7	5.9	5.5	(3.0)	5.2	(2.7)	(6.2)	(12.1)	(9.4)	(9.2)	(12.8)	(15.5)	(15.5)	(15.5)	(15.5)	(15.5)	(15.5)	(15.5)	(15.5)	(15.5)	(15.5)	(15.5)	(15.5)	(15.5)	(2.1)	3.4	(3.0)	(12.1)	(15.5)	(15.5)	(15.5)	(15.5)
Retained earnings	828.8	446.8	408.6	(233.8)	(256.9)	(427.2)	(434.8)	(395.7)	(376.3)	(403.4)	(406.3)	(436.1)	(407.5)	(376.9)	(337.9)	(293.6)	(246.1)	(197.7)	(147.1)	(95.1)	(41.1)	13.9	70.5	128.7	796.9	858.2	(233.8)	(395.7)	(436.1)	(293.6)	(95.1)	128.7
Total shareholder's equity	733.0	366.8	334.3	(307.4)	(313.1)	(141.4)	(139.7)	542.4	568.8	552.9	565.7	549.7	596.5	645.5	703.0	766.3	833.0	901.0	971.4	1,043.6	1,118.1	1,193.9	1,271.7	1,351.4	737.6	755.9	(307.4)	542.4	549.7	766.3	1,043.6	1,351.4
Noncontrolling interest	0.2	0.2	0.2	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.2	0.2	0.2	-	-	-	-	-
Total Equity	733.2	367.0	334.4	(307.3)	(313.1)	(141.4)	(139.7)	542.4	568.8	552.9	565.7	549.7	596.5	645.5	703.0	766.3	833.0	901.0	971.4	1,043.6	1,118.1	1,193.9	1,271.7	1,351.4	737.8	756.0	(307.3)	542.4	549.7	766.3	1,043.6	1,351.4
Total liabilities and shareholder's equity	2,500.0	2,118.6	2,038.1	1,373.7	1,376.5	1,368.0	1,379.0	1,419.3	1,432.0	1,405.9	1,405.9	1,410.2	1,426.0	1,448.1	1,479.8	1,515.7	1,553.9	1,592.7	1,634.0	1,677.1	1,722.6	1,769.7	1,819.0	1,870.2	1,130.9	2,569.6	1,373.7	1,419.3	1,410.2	1,515.7	1,677.1	1,870.2

Source: Company data, Morgan Stanley Research estimates

Exhibit 5: SMTC: Projected Cash Flow Statement

Semtech (SMTC) - Cash Flow Statement ($ in millions; fiscal year ends in January)	2025/1F Apr-24 F1Q25A	2024/2F Jul-24 F2Q25A	2025/3F Oct-24 F3Q25A	2025/4F Jan-25 F4Q25A	2026/1F Apr-25 F1Q26A	2026/2F Jul-25 F2Q26A	2026/3F Oct-25 F3Q26A	2026/4F Jan-26 F4Q26A	2027/1F Apr-26 F1Q27E	2027/2F Jul-26 F2Q27E	2027/3F Oct-26 F3Q27E	2027/4F Jan-27 F4Q27E	2028/1F Apr-27 F1Q28E	2028/2F Jul-27 F2Q28E	2028/3F Oct-27 F3Q28E	2028/4F Jan-28 F4Q28E	2029/1F Apr-28 F1Q29E	2029/2F Jul-28 F2Q29E	2029/3F Oct-28 F3Q29E	2029/4F Jan-29 F4Q29E	CY2021A FY2022A	CY2022A FY2023A	CY2023A FY2024A	CY2024A FY2025A	CY2025A FY2026A	CY2026E FY2027E	CY2027E FY2028E	CY2028E FY2029E
Cash flows from operating activities																												
Net income (loss)	(23.2)	(170.3)	(7.6)	39.1	19.3	(27.1)	(2.9)	(29.8)	26.4	40.9	53.4	65.5	66.1	69.1	73.1	75.3	78.8	80.5	83.0	86.0	125.6	61.4	(1,092.0)	(161.9)	(40.4)	186.2	283.6	328.3
Adjustments to reconcile NI (loss) to operating cash flow:																												
Depreciation and amortization	10.5	12.6	10.1	10.3	10.2	10.3	10.1	10.2	9.2	10.7	10.6	10.6	9.5	11.1	11.0	10.9	9.8	11.5	11.4	11.3	30.9	32.2	78.0	43.5	40.8	41.2	42.5	43.9
Stock-based compensation	15.2	17.1	18.4	17.3	6.8	17.3	17.1	16.5	26.4	22.2	22.2	23.1	23.5	23.8	24.2	24.7	25.1	25.5	25.9	26.3	51.2	39.2	40.2	68.0	57.7	93.9	96.2	102.7
Amortization of right-of-use assets	1.4	1.8	1.4	1.3	1.3	1.4	1.4	1.4	-	-	-	-	-	-	-	-	-	-	-	-	4.4	4.7	6.5	5.9	5.5	-	-	-
Right of Use Asset Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.9	-	-	-	-	-
Investment impairments and credit loss reserves, net	1.1	-	-	-	-	-	-	10.4	-	-	-	-	-	-	-	-	-	-	-	-	1.3	1.2	3.9	1.1	10.4	-	-	-
Goodwill Impairment	-	-	-	7.5	-	42.0	-	44.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	887.0	7.5	86.6	-	-	-
Accretion of deferred financing costs	2.4	2.4	2.1	1.5	1.3	1.3	1.2	1.1	-	-	-	-	-	-	-	-	-	-	-	-	0.5	1.4	7.3	8.3	4.8	-	-	-
Write-off of deferred financing costs	-	5.5	-	7.7	0.2	0.4	1.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.4	13.2	2.4	-	-	-
Loss on extinguishment of debt	-	143.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	143.5	-	-	-	-
Deferred income tax	(0.9)	(0.1)	(0.0)	(20.7)	2.4	2.4	2.9	0.1	2.4	-	-	-	-	-	-	-	-	-	-	-	(3.8)	(15.3)	40.6	(21.7)	7.9	2.4	-	-
Loss (gain) on disposition of business operations and assets	0.1	0.0	0.0	0.1	0.0	0.0	(0.0)	0.0	-	-	-	-	-	-	-	-	-	-	-	-	(0.1)	(18.3)	0.0	0.3	0.1	-	-	-
Changes in the fair value of contingent earn-out obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.0)	-	-	-	-	-	-	-
Equity method (income) loss	(0.1)	-	0.0	0.6	(1.0)	0.1	(0.0)	0.4	-	-	-	-	-	-	-	-	-	-	-	-	(2.1)	(0.2)	(0.0)	0.5	(0.6)	-	-	-
Gain from sale of investments	(0.3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.3)	-	-	-	-
Corporate-owned life insurance, net	0.7	1.0	1.1	0.7	0.7	0.7	0.8	0.7	-	-	-	-	-	-	-	-	-	-	-	-	4.8	0.8	4.7	3.4	2.9	-	-	-
Amortization of inventory step-up	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.3	-	-	-	-	-
Other non-cash items, net	-	-	-	(3.6)	0.0	(0.7)	20.8	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3.6)	20.0	-	-	-
Changes in operating assets:																												
Accounts receivable	(19.6)	0.9	10.6	(20.2)	(3.1)	12.3	(11.3)	5.4	(14.2)	(22.3)	(17.9)	(24.0)	(5.2)	(3.6)	(4.6)	(4.8)	(6.1)	(4.2)	(5.2)	(5.8)	(1.1)	2.4	27.4	(28.3)	3.3	(78.5)	(18.2)	(21.3)
Inventories	(3.6)	(7.4)	(7.4)	(0.2)	(6.6)	(13.0)	(2.4)	(8.6)	(9.0)	(18.1)	(19.2)	(26.1)	(7.7)	(0.1)	(1.2)	(3.8)	(4.4)	(4.0)	(5.0)	(5.6)	(26.5)	(3.8)	57.3	(18.7)	(30.7)	(72.3)	(12.9)	(19.0)
Other current assets	13.6	(9.9)	(3.1)	2.5	2.3	(5.1)	(2.8)	(6.5)	(10.1)	(10.6)	(8.6)	(11.5)	(2.5)	(1.7)	(2.2)	(2.3)	(2.9)	(2.0)	(2.5)	(2.8)	11.2	6.3	1.8	3.1	(12.0)	(40.8)	(8.7)	(10.2)
Changes in operating liabilities:																												
Accounts payable	19.1	12.0	(12.2)	(4.2)	9.8	1.4	4.4	6.9	6.2	8.0	8.5	11.5	3.4	0.1	0.5	1.7	1.9	1.8	2.2	2.5	(2.1)	(3.7)	(44.3)	14.7	22.5	34.1	5.7	8.4
Accrued liabilities	(14.3)	(12.4)	17.8	4.2	(15.4)	4.0	6.0	10.4	(8.4)	-	-	-	-	-	-	-	-	-	-	-	17.8	18.9	(118.5)	(4.6)	5.0	(8.4)	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-	-	-	(0.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.1)	-	-
Other liabilities	(2.3)	(1.7)	(1.6)	(10.4)	(0.3)	(3.3)	0.2	(1.7)	36.2	-	-	-	-	-	-	-	-	-	-	-	(8.9)	(0.6)	(5.5)	(16.0)	(5.1)	36.2	-	-
Net cash provided by (used in) operating activities	**(0.1)**	**(5.0)**	**29.6**	**33.5**	**27.8**	**44.4**	**47.5**	**61.4**	**64.9**	**30.8**	**49.1**	**49.0**	**87.0**	**98.7**	**100.8**	**101.6**	**102.2**	**108.9**	**109.8**	**111.8**	**203.1**	**126.7**	**(93.9)**	**58.0**	**181.1**	**193.8**	**388.1**	**432.7**
Running Total per Year	*(0.1)*	*(5.1)*	*24.5*	*58.0*	*27.8*	*72.2*	*119.7*	*181.1*	*64.9*	*95.7*	*144.8*	*193.8*	*87.0*	*185.7*	*286.5*	*388.1*	*102.2*	*211.1*	*320.9*	*432.7*								
Cash flows from investing activities:																												
Proceeds from convertible debt settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sales of property, plant and equipment	-	0.1	-	0.0	-	0.0	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.0	0.4	0.1	0.0	-	-	-
Purchase of property and equipment, net	(1.3)	(3.4)	(0.5)	(2.6)	(1.7)	(2.9)	(2.8)	(2.4)	(8.2)	(3.7)	(3.8)	(3.5)	(2.7)	(4.6)	(4.4)	(3.8)	(2.9)	(5.0)	(4.8)	(4.1)	(26.2)	(28.3)	(29.2)	(7.9)	(9.8)	(19.2)	(15.5)	(16.8)
Proceeds from sale of investments	2.7	-	-	-	0.5	-	1.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.3	-	2.7	1.9	-	-	-
Purchase of investments	-	(0.4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8.2)	(6.7)	(0.9)	(0.4)	-	-	-	-
Proceeds from sale of business, net of cash Disposed/Acquisit	-	-	-	-	-	-	-	(21.5)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,214.6)	-	-	(21.5)	-	-	-
Purchase of intangible	(1.3)	(3.7)	(0.9)	(0.4)	(0.5)	(2.3)	(2.6)	(0.6)	(19.3)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.9)	(6.3)	(6.0)	(19.3)	-	-
Proceeds from corporate-owned life insurance	1.8	3.0	-	(4.8)	(3.4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6.0)	-	8.9	0.0	(3.4)	-	-	-
Net cash used in investing activities	**1.8**	**(4.5)**	**(1.4)**	**(7.8)**	**(5.1)**	**(5.1)**	**(4.1)**	**(24.5)**	**(27.5)**	**(3.7)**	**(3.8)**	**(3.5)**	**(2.7)**	**(4.6)**	**(4.4)**	**(3.8)**	**(2.9)**	**(5.0)**	**(4.8)**	**(4.1)**	**(40.3)**	**(1,247.3)**	**(22.7)**	**(11.9)**	**(38.8)**	**(38.5)**	**(15.5)**	**(16.8)**
Running Total per Year	*1.8*	*(2.7)*	*(4.1)*	*(11.9)*	*(5.1)*	*(10.2)*	*(14.3)*	*(38.8)*	*(27.485)*	*(31.159)*	*(34.938)*	*(38.462)*	*(2.672)*	*(7.291)*	*(11.729)*	*(15.522)*	*(2.881)*	*(7.869)*	*(12.664)*	*(16.772)*								
Cash flows from financing activities:																												
Proceeds/Payments from revolving line of credit	-	-	(5.0)	(210.0)	-	-	146.0	(146.0)		-	-	-	-	-	-	-	-	-	-	-	(8.0)	(23.0)	65.0	(215.0)	-	-	-	-
Proceeds/Payments of term loans	-	-	-	(441.4)	(10.0)	(25.0)	(146.2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	895.0	(272.4)	(441.4)	(181.2)	-	-	-
Proceeds from convertible senior notes	-	-	-	-	-	-	-	121.6	-	-	-	-	-	-	-	-	-	-	-	-	-	319.5	250.0	-	121.6	-	-	-
Deferred financing costs	(0.8)	-	-	-	(0.5)	(0.1)	(10.1)	(1.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	(21.8)	(25.4)	(0.8)	(11.7)	-	-	-
Payments of earn-out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.2)	-	-	-	-	-	-	-
Payments for employee share-based compensation payroll tax	(2.4)	(1.8)	(3.1)	(6.7)	(8.9)	(3.3)	(6.6)	(8.5)	-	-	-	-	-	-	-	-	-	-	-	-	(19.4)	(14.2)	(6.7)	(14.0)	(27.3)	-	-	-
Proceeds from exercise of stock options	0.2	0.4	0.6	3.1	0.0	0.5	1.0	2.6	-	-	-	-	-	-	-	-	-	-	-	-	5.3	0.6	-	4.3	4.2	-	-	-
Distributions to noncontrolling interest	(0.2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.2)	-	-	-	-
Repurchase of common stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(129.7)	(50.0)	-	-	-	-	-	-
Other financing activities	-	-	-	645.5	-	0.2	(31.3)	24.5	-	-	-	-	-	-	-	-	-	-	-	-	-	(29.7)	-	645.5	(6.6)	-	-	-
Net cash provided by (used in) financing activities	**(3.2)**	**(1.4)**	**(7.5)**	**(9.6)**	**(19.4)**	**(27.7)**	**(47.1)**	**(7.0)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(152.1)**	**1,076.5**	**10.6**	**(21.7)**	**(101.1)**	**-**	**-**	**-**
Running Total per Year	*(3.2)*	*(4.6)*	*(12.1)*	*(21.7)*	*(19.4)*	*(47.0)*	*(94.1)*	*(101.1)*	-	-	-	-	-	-	-	-	-	-	-	-								
Effect of foreign exchange rate changes on cash and cash equ	(0.3)	(0.0)	(0.1)	(0.9)	1.3	0.5	(0.2)	0.5	(69.2)	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.9)	(1.3)	2.1	(69.2)	-	-
Cash, cash equivalents and restricted cash (BOP)	**128.6**	**126.8**	**115.9**	**136.5**	**151.7**	**156.5**	**168.6**	**164.7**	**195.1**	**163.4**	**190.5**	**235.8**	**281.3**	**365.6**	**459.7**	**556.1**	**653.9**	**753.2**	**857.1**	**962.1**	**268.9**	**279.6**	**235.5**	**128.6**	**151.7**	**195.1**	**281.3**	**653.9**
Net increase (decrease) in cash, cash equivalents and restricte	(1.8)	(10.8)	20.6	15.2	4.7	12.1	(3.9)	30.5	(31.7)	27.1	45.3	45.5	84.3	94.1	96.4	97.8	99.4	103.9	105.0	107.7	10.7	(44.1)	(106.9)	23.2	43.4	86.2	372.6	416.0
Cash, cash equivalents and restricted cash (EOP)	**127**	**115.9**	**136.5**	**151.7**	**156.5**	**168.6**	**164.7**	**195.1**	**163.4**	**190.5**	**235.8**	**281.3**	**365.6**	**459.7**	**556.1**	**653.9**	**753.2**	**857.1**	**962.1**	**1,069.8**	**279.6**	**235.5**	**128.6**	**151.7**	**195.1**	**281.3**	**653.9**	**1,069.8**

Source: Company data, Morgan Stanley Research estimates

Exhibit 6:

Semtech (SMTC) - Balance Sheet ($ in millions; fiscal year ends in January)	2025/1F Apr-24 F1Q25A	2025/2F Jul-24 F2Q25A	2025/3F Oct-24 F3Q25A	2025/4F Jan-25 F4Q25A	2026/1F Apr-25 F1Q26A	2026/2F Jul-25 F2Q26A	2026/3F Oct-25 F3Q26A	2026/4F Jan-26 F4Q26A	2027/1F Apr-26 F1Q27A	2027/2F Jul-26 F2Q27E	2027/3F Oct-26 F3Q27E	2027/4F Jan-27 F4Q27E	2028/1F Apr-27 F1Q28E	2028/2F Jul-27 F2Q28E	2028/3F Oct-27 F3Q28E	2028/4F Jan-28 F4Q28E	2029/1F Apr-28 F1Q29E	2029/2F Jul-28 F2Q29E	2029/3F Oct-28 F3Q29E	2029/4F Jan-29 F4Q29E	CY2023A FY2024A	CY2024A FY2025A	CY2025E FY2026E	CY2026E FY2027E	CY2027E FY2028E	CY2028E FY2029E
Assets																										
Cash and cash equivalents	126.8	115.9	136.5	151.7	156.5	168.6	164.7	195.2	163.3	190.5	235.8	281.3	365.6	459.7	556.1	653.9	753.2	857.1	962.1	1,069.8	128.6	151.7	195.2	281.3	653.9	1,069.8
Accounts receivable, net	153.9	153.0	142.5	162.5	165.7	153.5	164.8	160.6	174.8	197.1	215.0	239.0	244.3	247.8	252.4	257.3	263.4	267.6	272.8	278.6	134.3	162.5	160.6	239.0	257.3	278.6
Inventories	148.5	156.0	163.5	163.6	170.2	183.3	185.7	195.7	204.7	222.8	242.0	268.1	275.8	275.9	277.1	281.0	285.4	289.4	294.3	299.9	145.0	163.6	195.7	268.1	281.0	299.9
Prepaid taxes	10.4	15.4	7.8	13.5	9.1	12.4	11.8	15.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	22.4	12.0	13.5	15.4	22.4	22.4	22.4
Other current assets	99.6	101.5	107.6	94.1	96.5	97.1	93.9	88.2	83.5	94.1	102.7	114.2	116.7	118.4	120.6	122.9	125.8	127.8	130.3	133.1	114.3	94.1	88.2	114.2	122.9	133.1
Total current assets	**539.3**	**541.7**	**557.8**	**585.5**	**598.0**	**614.9**	**620.9**	**655.1**	**648.7**	**726.9**	**817.9**	**925.0**	**1,024.8**	**1,124.2**	**1,228.6**	**1,337.4**	**1,450.2**	**1,564.3**	**1,681.9**	**1,803.9**	**534.2**	**585.5**	**655.1**	**925.0**	**1,337.4**	**1,803.9**
Property and equipment, net	146.9	139.5	133.2	126.2	120.2	115.6	111.0	109.3	106.7	99.6	92.8	85.7	78.9	72.5	65.9	58.8	51.9	45.4	38.8	31.6	153.6	126.2	109.3	85.7	58.8	31.6
Deferred tax assets	15.3	18.0	18.7	41.1	38.6	36.5	33.8	34.2	31.8	31.8	31.8	31.8	31.8	31.8	31.8	31.8	31.8	31.8	31.8	31.8	18.0	41.1	34.2	31.8	31.8	31.8
Goodwill	540.9	541.1	541.3	533.1	533.8	492.2	492.1	457.9	470.9	470.9	470.9	470.9	470.9	470.9	470.9	470.9	470.9	470.9	470.9	470.9	541.2	533.1	457.9	470.9	470.9	470.9
Intangible assets, net	35.1	35.4	36.8	33.1	36.5	34.7	33.2	40.0	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	35.6	33.1	40.0	59.3	59.3	59.3
Other non-current assets	99.0	92.3	91.2	100.3	104.7	112.0	115.0	113.7	121.6	121.6	121.6	121.6	121.6	121.6	121.6	121.6	121.6	121.6	121.6	121.6	91.1	100.3	113.7	121.6	121.6	121.6
Total assets	**1,376.5**	**1,368.0**	**1,379.0**	**1,419.3**	**1,432.0**	**1,405.9**	**1,405.9**	**1,410.3**	**1,439.0**	**1,510.2**	**1,594.2**	**1,694.3**	**1,787.3**	**1,880.3**	**1,978.1**	**2,079.8**	**2,185.6**	**2,293.3**	**2,404.3**	**2,519.1**	**1,373.7**	**1,419.3**	**1,410.3**	**1,694.3**	**2,079.8**	**2,519.1**
Liabilities and shareholder's equity																										
Accounts payable	64.7	75.8	63.9	59.2	69.1	70.9	75.2	84.1	90.3	98.3	106.8	118.2	121.7	121.7	122.2	123.9	125.9	127.7	129.8	132.3	45.1	59.2	84.1	118.2	123.9	132.3
Accrued liabilities	160.2	148.9	171.6	178.2	166.8	172.2	179.9	191.8	183.4	183.4	183.4	183.4	183.4	183.4	183.4	183.4	183.4	183.4	183.4	183.4	172.1	178.2	191.8	183.4	183.4	183.4
Current portion - long-term debt	-	-	-	45.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	45.6	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	**224.9**	**224.7**	**235.5**	**283.0**	**236.0**	**243.1**	**255.1**	**275.9**	**273.7**	**281.7**	**290.2**	**301.6**	**305.1**	**305.1**	**305.6**	**307.3**	**309.3**	**311.1**	**313.2**	**315.7**	**217.2**	**283.0**	**275.9**	**301.6**	**307.3**	**315.7**
Deferred tax liabilities	-	-	-	0.8	0.7	1.0	0.5	0.1	-	-	-	-	-	-	-	-	-	-	-	-	0.8	0.8	0.1	-	-	-
Long term debt	1,373.4	1,192.9	1,190.3	505.9	542.6	518.9	490.5	491.2	492.0	492.0	492.0	492.0	492.0	492.0	492.0	492.0	492.0	492.0	492.0	492.0	1,371.0	505.9	491.2	492.0	492.0	492.0
Other long-term liabilities	91.3	91.9	92.9	87.1	83.8	89.9	94.0	93.3	99.9	99.9	99.9	99.9	99.9	99.9	99.9	99.9	99.9	99.9	99.9	99.9	92.0	87.1	93.3	99.9	99.9	99.9
Total liabilities	**1,689.6**	**1,509.4**	**1,518.7**	**876.8**	**863.1**	**853.0**	**840.2**	**860.6**	**865.6**	**873.6**	**882.1**	**893.5**	**897.0**	**897.0**	**897.5**	**899.2**	**901.2**	**903.0**	**905.1**	**907.6**	**1,681.0**	**876.8**	**860.6**	**893.5**	**899.2**	**907.6**
Shareholder's equity																										
Common stock	0.8	0.9	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.8	1.0	1.0	1.0	1.0	1.0
Treasury stock	(552.7)	(548.6)	(536.3)	(520.5)	(506.3)	(501.1)	(486.7)	(474.4)	(474.4)	(474.4)	(474.4)	(474.4)	(474.4)	(474.4)	(474.4)	(474.4)	(474.4)	(474.4)	(474.4)	(474.4)	(556.9)	(520.5)	(474.4)	(474.4)	(474.4)	(474.4)
Additional paid-in-capital	490.5	836.3	836.8	1,469.7	1,459.9	1,465.6	1,470.4	1,466.8	1,493.2	1,515.4	1,537.6	1,560.7	1,584.2	1,608.0	1,632.2	1,656.8	1,682.0	1,707.4	1,733.3	1,759.5	485.5	1,469.7	1,466.8	1,560.7	1,656.8	1,759.5
Total share capital	**(61.4)**	**288.5**	**301.3**	**950.2**	**954.6**	**965.5**	**984.7**	**993.5**	**1,019.9**	**1,042.0**	**1,064.2**	**1,087.3**	**1,110.8**	**1,134.7**	**1,158.9**	**1,183.5**	**1,208.6**	**1,234.1**	**1,259.9**	**1,286.2**	**(70.7)**	**950.2**	**993.5**	**1,087.3**	**1,183.5**	**1,286.2**
Accumulated other comprehensive income	5.2	(2.7)	(6.2)	(12.1)	(9.4)	(9.2)	(12.8)	(7.7)	(76.9)	(76.9)	(76.9)	(76.9)	(76.9)	(76.9)	(76.9)	(76.9)	(76.9)	(76.9)	(76.9)	(76.9)	(3.0)	(12.1)	(7.7)	(76.9)	(76.9)	(76.9)
Retained earnings	(256.9)	(427.2)	(434.8)	(395.7)	(376.3)	(403.4)	(406.3)	(436.1)	(409.7)	(368.8)	(315.4)	(249.9)	(183.8)	(114.7)	(41.6)	33.7	112.5	193.0	276.0	362.0	(233.8)	(395.7)	(436.1)	(249.9)	33.7	362.0
Total shareholder's equity	**(313.1)**	**(141.4)**	**(139.7)**	**542.4**	**568.8**	**552.9**	**565.7**	**549.7**	**533.3**	**596.4**	**672.0**	**760.6**	**850.1**	**943.1**	**1,040.4**	**1,140.4**	**1,244.3**	**1,350.2**	**1,459.0**	**1,571.3**	**(307.4)**	**542.4**	**549.7**	**760.6**	**1,140.4**	**1,571.3**
Noncontrolling interest	-	-	-	-	-	-	-	-	40.2	40.2	40.2	40.2	40.2	40.2	40.2	40.2	40.2	40.2	40.2	40.2	0.2	-	-	40.2	40.2	40.2
Total Equity	**(313.1)**	**(141.4)**	**(139.7)**	**542.4**	**568.8**	**552.9**	**565.7**	**549.7**	**573.5**	**636.6**	**712.2**	**800.8**	**890.3**	**983.3**	**1,080.6**	**1,180.6**	**1,284.5**	**1,390.4**	**1,499.2**	**1,611.5**	**(307.3)**	**542.4**	**549.7**	**800.8**	**1,180.6**	**1,611.5**
Total liabilities and shareholder's equity	**1,376.5**	**1,368.0**	**1,379.0**	**1,419.3**	**1,432.0**	**1,405.9**	**1,405.9**	**1,410.3**	**1,439.1**	**1,510.2**	**1,594.3**	**1,694.3**	**1,787.3**	**1,880.3**	**1,978.2**	**2,079.8**	**2,185.7**	**2,293.3**	**2,404.4**	**2,519.1**	**1,373.7**	**1,419.3**	**1,410.3**	**1,694.3**	**2,079.8**	**2,519.1**

Source:

Risk Reward Reference links

1. View explanation of Options Probabilities methodology - Options_Probabilities_Exhibit_Link.pdf

2. View descriptions of Risk Rewards Themes - RR_Themes_Exhibit_Link.pdf

3. View explanation of regional hierarchies - GEG_Exhibit_Link.pdf

4. View explanation of Theme/Exposure methodology - ESG_Sustainable_Solutions_External_Link.pdf

5. View explanation of HERS methodology - ESG_HERS_External_Link.pdf

Global Stock Ratings Distribution

(as of April 30, 2026)

The Stock Ratings described below apply to Morgan Stanley's Fundamental Equity Research and do not apply to Debt Research produced by the Firm.

For disclosure purposes only (in accordance with FINRA requirements), we include the category headings of Buy, Hold, and Sell alongside our ratings of Overweight, Equal-weight, Not-Rated and Underweight. Morgan Stanley does not assign ratings of Buy, Hold or Sell to the stocks we cover. Overweight, Equal-weight, Not-Rated and Underweight are not the equivalent of buy, hold, and sell but represent recommended relative weightings (see definitions below). To satisfy regulatory requirements, we correspond Overweight, our most positive stock rating, with a buy recommendation; we correspond Equal-weight and Not-Rated to hold and Underweight to sell recommendations, respectively.

	Coverage Universe		Investment Banking Clients (IBC)			Other Material Investment Services Clients (MISC)	
Stock Rating Category	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1546	42%	467	51%	30%	709	44%
Equal-weight/Hold	1568	43%	358	39%	23%	715	44%
Not-Rated/Hold	4	0%	0	0%	0%	1	0%
Underweight/Sell	555	15%	84	9%	15%	202	12%
Total	3,673		909			1627	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

Analyst Stock Ratings

Overweight (O). The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Equal-weight (E). The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Not-Rated (NR). Currently the analyst does not have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Underweight (U). The stock's total return is expected to be below the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Unless otherwise specified, the time frame for price targets included in Morgan Stanley Research is 12 to 18 months.

Analyst Industry Views

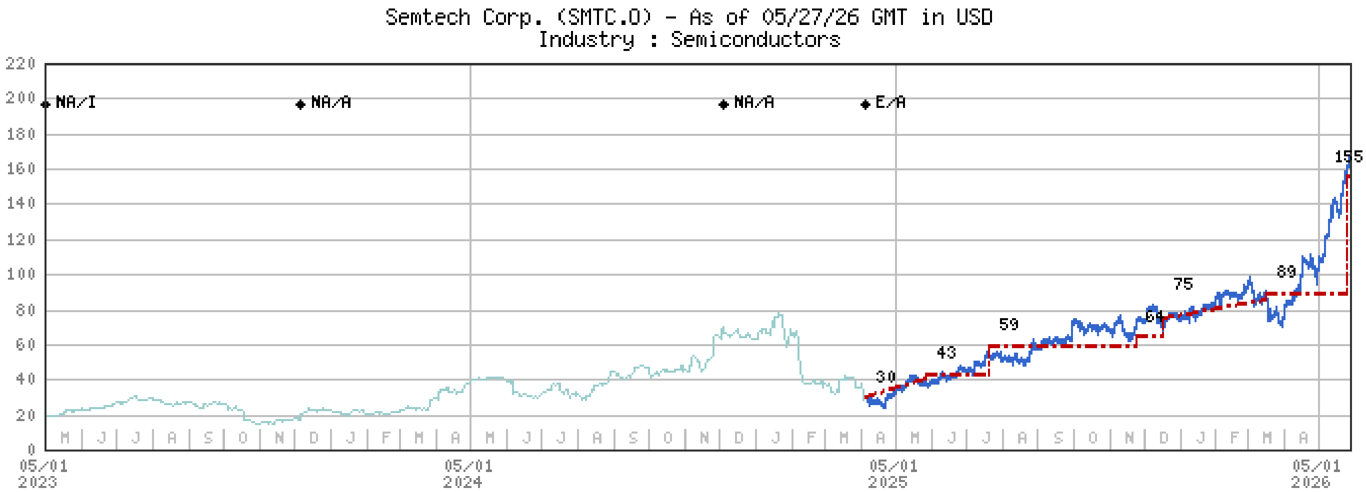
Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.

In-Line (I): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be in line with the relevant broad market benchmark, as indicated below.

Cautious (C): The analyst views the performance of his or her industry coverage universe over the next 12-18 months with caution vs. the relevant broad market benchmark, as indicated below.

Benchmarks for each region are as follows: North America - S&P 500; Latin America - relevant MSCI country index or MSCI Latin America Index; Europe - MSCI Europe; Japan - TOPIX; Asia - relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.

Stock Price, Price Target and Rating History (See Rating Definitions)



Stock Rating History: 5/1/21 : NA/I; 12/7/23 : NA/A; 12/4/24 : NA/A; 4/6/25 : E/A

Price Target History: 12/4/24 : NA; 4/6/25 : 30; 5/27/25 : 43; 7/21/25 : 59; 11/24/25 : 64; 12/17/25 : 75; 3/16/26 : 89; 5/25/26 : 155

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target -- No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) Stock Price (Covered by Current Analyst)
Stock and Industry Ratings (abbreviations below) appear as ◆ Stock Rating/Industry View
Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

Effective January 13, 2014, the stocks covered by Morgan Stanley Asia Pacific will be rated relative to the analyst's industry (or industry team's) coverage.

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INDUSTRY COVERAGE: Semiconductors

COMPANY (TICKER)	RATING (AS OF)	PRICE* (05/26/2026)
Joseph Moore		
Advanced Micro Devices (AMD.O)	E (06/09/2024)	$503.89
Aeva Technologies Inc (AEVA.O)	E (07/19/2021)	$28.13
Allegro Microsystems Inc (ALGM.O)	O (02/13/2026)	$50.76
Ambarella Inc (AMBA.O)	O (03/29/2016)	$93.57
Amkor Technology Inc (AMKR.O)	E (11/08/2023)	$73.46
Analog Devices Inc. (ADI.O)	O (11/16/2023)	$419.94
Astera Labs Inc (ALAB.O)	O (05/11/2025)	$318.72
Broadcom Inc. (AVGO.O)	O (06/09/2024)	$422.01
GlobalFoundries Inc (GFS.O)	E (10/28/2024)	$89.96
Intel Corporation (INTC.O)	E (02/22/2023)	$123.52
IonQ Inc (IONQ.N)	E (04/25/2023)	$63.62
Marvell Technology Group Ltd (MRVL.O)	E (09/14/2015)	$208.26
Microchip Technology Inc. (MCHP.O)	E (07/10/2024)	$98.05
Micron Technology Inc. (MU.O)	O (10/06/2025)	$895.88
Navitas Semiconductor Corp (NVTS.O)	U (04/06/2025)	$31.79
NVIDIA Corp. (NVDA.O)	O (03/16/2023)	$214.86
NXP Semiconductor NV (NXPI.O)	O (02/11/2025)	$332.67
ON Semiconductor Corp. (ON.O)	E (05/11/2025)	$127.00
Qorvo Inc (QRVO.O)	E (10/28/2025)	$108.23
Qualcomm Inc. (QCOM.O)	U (02/10/2026)	$248.82
SanDisk Corporation. (SNDK.O)	O (03/03/2025)	$1,589.55
Semtech Corp. (SMTC.O)	E (04/06/2025)	$164.46
Silicon Laboratories Inc. (SLAB.O)	E (01/19/2021)	$219.05
Skyworks Solutions Inc (SWKS.O)	E (11/28/2018)	$83.42
Texas Instruments (TXN.O)	U (04/13/2020)	$324.89
Wolfspeed, INC (WOLF.N)	NR (04/06/2025)	$73.50
Lee Simpson		
Arm Holdings plc (ARM.O)	E (04/07/2026)	$321.22
Cadence Design Systems Inc (CDNS.O)	O (02/14/2024)	$381.75

Synopsys Inc. (SNPS.O)	E (02/27/2026)	$534.56

Stock Ratings are subject to change. Please see latest research for each company.
* Historical prices are not split adjusted.