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US Semiconductors and Hardware

Weekly Investor Pulse: ANET 1.6T Launch, AAPL WWDC Post Mortem & HPE Discover

CITI'S TAKE
We recap three key topics that drew the most investor interest this week: ANET 1.6T portfolio launch, AAPL WWDC post mortem, and HPE Discover expectations next week.

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ANET 1.6T Portfolio Launch: Arista is moving beyond standalone switches toward full rack-scale networking systems, signaling a broader role in AI infrastructure. The announcement highlighted collaboration with major hyperscalers like Meta, Microsoft, and Oracle, along with silicon partners AMD and AVGO. **The launch underscores ANET's push into AI infrastructure platforms, aiming to play a central role in next-gen data center architectures rather than just supplying networking hardware.**

Product & Technology Highlights:

• 1.6T portfolio: New platforms designed for AI scale-up and scale-out environments, supporting a range of accelerators.

• Architecture evolution: Networking is increasingly treated as an integrated, elastic backplane rather than a standalone layer.

• Flexible configurations: Systems support liquid and air cooling, and technologies like LPO (linear pluggable optics).

• Software differentiation: Includes "Smart AI" capabilities (performance optimization, congestion management, telemetry/observability-like features.

Three products announced (exact chip set alignment (AMD vs. AVGO) is not yet specified)

- 1 launching in Q4 2026
- 2 launching in Q1 2027

Apple WWDC Post Mortem: Citi is hosting an expert call titled "Megatrends: From WWDC Buzz to iPhone Demand: What's Next for Apple?" on **Monday, Jun 15th @ 1:30pm ET, with Counterpoint Research** to discuss takeaways post WWDC and thoughts on iPhone's upcoming launches and demand expectations (see note WWDC26: Following the North Star for details).

HPE Discover: Next week, we will attend HPE Discover in Las Vegas (June 15–18) where we expect management to broadly emphasize high-level strategic priorities across AI, servers, storage, and networking, alongside product announcements and roadmap updates. **This year's event carries heightened importance as HPE looks to articulate a more cohesive, end-to-end AI strategy following the integration of**

Juniper Networks, with a particular focus on building a full-stack "AI Factory" (Private Cloud AI) with offerings spanning compute, storage, and more recently, data center networking (acquired from Juniper). We expect an emphasis on deeper software integration with NVIDIA and updates showcasing synergies across Aruba and Mist platforms, including cross-platform support and a unified networking architecture, which should position HPE more competitively in AI-driven data center buildouts. We also anticipate clearer evidence of AI monetization as enterprise deals continue to convert within the pipeline.

At the event, HPE plans a technology showcase alongside a keynote from CEO Antonio Neri and a dedicated investor Q&A session. From a financial perspective, investors will be focused on HPE's ability to drive growth in higher-margin segments while navigating mix and component headwinds from AI servers, with particular attention to its Networking for AI order targets and broader LT revenue trajectory amidst broader supply constraints. **Notably, June has historically been a period of relative share price outperformance for HPE versus the NASDAQ over the past three years, setting a constructive backdrop into the event.**