Electronic Components Sector

2Q 2026 analog and discrete semiconductor manufacturer results; automotive returning to actual demand level, broad recovery for industrial machinery, AI demand grows further

Japan Equity Research
Technology - Electronic Components
Akinori Kanemoto AC
(81-3) 6736 8628
akinori.kanemoto@jpmorgan.com
Ikki Shibata
(81-3) 6736 8641
ikki.shibata@jpmorgan.com
JPMorgan Securities Japan Co., Ltd.

With major domestic and overseas analog and discrete semiconductor companies having reported results, we review market trends with a focus on the automotive, industrial machinery, and AI/data center markets. Sales for automotive applications were still stagnant as of Jan-Mar but appear to have improved slightly in Apr-Jun, mainly among overseas companies. All companies commented that inventory adjustments have more or less ended and shipments are returning to levels that reflect actual demand. However, we note that brisk AI demand is starting to affect supply for other applications. Infineon Technologies (IFX) is transferring production capacity to AI server applications and ON Semiconductor (ON) is giving priority to shipments for AI data centers. For industrial machinery applications, both Apr-Jun results and Jul-Sep guidance were generally strong. Our impression is that the demand environment remains favorable, with the recovery broadening to include energy infrastructure, FA, and data center areas. For AI/data center applications, momentum remains extremely strong at all companies, with some revising up guidance. There were few particularly negative comments, and growth is expected to continue in 2026 and 2027. The main feature of the price environment is hikes to pass on cost increases caused by inflationary pressure. Even in this environment, overseas companies have maintained or improved gross margins. It seems that they have been able to absorb higher costs by raising prices, improving sales mixes, and making operations more efficient. At Rohm, we expect more price hikes and profitability improvement to advance.

Overall sales (July-September guidance)

- The 2Q 2026 (April–June) sales of major overseas analog and discrete semiconductor companies were generally above consensus. Sales guidance (QoQ) for 3Q 2026 (Jul-Sep) is as follows: NXP Semiconductors (NXP) +7%, ON +6%, IFX +13%, Texas Instruments (TI) +8%, and STMicroelectronics (STM) +8%. For Japanese companies, Renesas Electronics forecasts growth of 6% QoQ. Rohm did not disclose Jul-Sep guidance but expects sales to remain about flat in light of strong 1Q results and risk stemming from the Kumamoto earthquake. We view this as cautious.

Automotive

- In 2Q 2026, automotive-related sales increased by around 10% QoQ at all companies except for ON. According to company comments, inventory adjustments have essentially ended and many believe shipments are returning to levels based on actual demand. However, the recovery outlook appears to be limited to mild growth, with no significant acceleration expected versus 2Q. As before, software-defined vehicles (SDV), electrification, and increased content (connectivity etc.), rather than volume growth, are expected to be the main drivers of growth. IFX commented that it faces intense price competition from Chinese companies in the high-voltage field, especially IGBTs, and that it is reallocating capacity for low-margin products to AI applications. ON explained that there are supply constraints for some power supply-related products, and that it prioritized shipments to AI data centers in 2Q. ON said that

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while its supply capacity for automotive and industrial machinery applications will catch up to demand in 3Q and 4Q, the strength of AI demand is starting to impact supply allocated to automotive applications.

- **2Q 2026 results**: (1) NXP posted automotive sales of $1.94 billion (+12% YoY, +9% QoQ). Excluding the impact of the sale of the MEMS sensor business, sales increased 17% YoY. SDVs, electrification, and connectivity are driving growth. Inventory depletion has largely been completed, and while shipments have returned to a level that reflects actual demand, there is no sign of European Tier 1 companies accelerating orders or restocking inventory. (2) IFX posted automotive (ATV) sales of €1.93 billion (+3% YoY, +6% QoQ). ATV sales growth of 6% QoQ was driven by microcontrollers, smart power components, and Ethernet products. IFX commented that in addition to the continued expansion of uptake in SDVs and content per vehicle, a shortage of automotive-grade semiconductors in China was a tailwind. (3) ON posted automotive sales of $780 million (+7% YoY, –2% QoQ). Inventory adjustments have been completed, and the company commented that shipments now reflect actual demand. While sales were strong in China and market share in North America continued to expand, overall sales declined QoQ due to seasonality among some major customers in Europe. (4) TI's automotive sales increased by the mid-teens (%) YoY and by mid-single digits QoQ. Automotive demand improved through 2Q, centering on China. EV and hybrids were the main drivers, and rising fuel prices were also a tailwind. Furthermore, TI said that automotive customer inventories had fallen to extremely low levels, which also contributed to order growth during the demand recovery phase. (5) STM's automotive sales increased 16% YoY and 14% QoQ. (6) Rohm recorded automotive sales of ¥64.8 billion (+20% YoY, +12% QoQ). (7) Renesas reported automotive sales of ¥187.1 billion (+16% YoY, +9% QoQ). The company said end-user demand was stronger than expected.
- **3Q 2026 guidance**: (1) NXP forecasts automotive sales will increase by the low-teens (%) YoY and by mid-single digits QoQ (up by mid-teens YoY after adjusting for the MEMS sensor business sale). (2) ON forecasts automotive sales will increase by low-single digits (%) QoQ. (3) STM commented that it expects automotive sales growth in the low-teens (%) YoY, in line with overall market growth. (4) Renesas said it expects automotive demand to increase strongly YoY but to be flat QoQ.

Industrial machinery-related sales

- In 2Q 2026, industrial machinery-related sales maintained a high level of QoQ growth overall. Excluding ON, most companies posted QoQ sales growth of around 10-20%, including a rebound from the impact of the Lunar New Year in 1Q and seasonal factors, indicating an improving demand environment. On the inventory front, STM normalized channel inventory to below target levels, and TI commented that customer inventory buildup is still in its early stages. We believe the industrial machinery segment has entered a recovery phase following inventory adjustments. We see a relatively broad-based recovery, including energy infrastructure, factory automation (FA) and data center-related demand. Looking ahead to 3Q 2026, we expect limited QoQ growth but anticipate high YoY growth, as the demand environment for industrial machinery remains favorable.
- **2Q 2026 results**: (1) NXP's industrial & IoT segment posted sales of $760 million (+38% YoY, +20% QoQ). (2) IFX's green industrial power (GIP) segment recorded sales of €450 million (+4% YoY, +11% QoQ). GIP did well across all applications. IFX commented that expansion of power grids is driving up demand for semiconductors used in ESS, transmission and distribution, and high-voltage applications. The company also noted that the expansion of AI data center construction is increasing demand for semiconductors used in UPS and cooling systems. (3) ON posted industrial machinery-related sales of $420 million (+4% YoY, +1% QoQ). Strength in energy infrastructure, medical and FA contributed, while traditional industrial machinery was a partial drag. (4)

Akinori Kanemoto [AC]
(81-3) 6736 8628
akinori.kanemoto@jpmorgan.com

TI reported industrial machinery-related sales growth of +30% YoY and +10% QoQ, and commented that sales increased YoY and QoQ across all sectors and regions. The company noted that Apr-Jun industrial machinery-related sales were about 5-6% below their 2022 peak, indicating significant room for growth. (5) STM reported industrial machinery-related sales growth of +34% YoY and +20% QoQ. (6) Rohm posted industrial machinery-related sales of ¥19.4 billion (+33% YoY, +26% QoQ). (7) Renesas posted industrial, infrastructure and IoT (IIoT) segment sales of ¥216.3 billion (+40% YoY, +10% QoQ).

- **3Q 2026 guidance**: (1) NXP expects industrial & IoT segment sales to increase by the high 30% range YoY and by the mid-single-digit percentage range QoQ. (2) ON forecasts industrial machinery-related sales growth to be roughly flat QoQ. (3) TI guides for industrial machinery-related sales to remain solid in 3Q. (4) STM anticipates a continued recovery in industrial machinery, with growth approaching 40% YoY. (5) Renesas expects continued strength in IIoT, but plans for only a minor QoQ increase due to memory shortages.

Data center-related sales

- Data center-related sales growth is very strong in both 2Q 2026 results and guidance, and most companies expect sales to expand rapidly through 2026 and 2027. On the supply side, IFX is reallocating capacity from other applications to AI, and Rohm also plans to switch production lines and expand production capacity. Renesas also commented that supply remains extremely tight. Overall, demand continues to outpace supply.
- **2Q 2026 results**: (1) NXP reported communications infrastructure and other sales of $450 million (+41% YoY, +19% QoQ). Growth was driven by the ramp-up of digital networking for data centers and UCODE RFID products. (2) IFX reported power & sensor (PSS) segment sales of €1.44 billion (+37% YoY, +14% QoQ). Strong demand for AI data center power supplies drove growth. In AI power supplies, demand continues to outstrip supply, and the company is responding by increasing production and reallocating capacity from other applications. (3) ON reported other sales of $400 million (+34% QoQ), driven by stronger-than-expected AI data center demand. The company explained that it faced supply constraints for some power-related products and prioritized shipments to AI data centers in Apr-Jun. (4) TI's data center-related sales nearly doubled YoY and rose 20% QoQ in 2Q 2026. (5) STM reported communications equipment and computer peripherals (CECP) segment sales growth of +50% YoY and +13% QoQ. (6) Rohm's AI server sales grew 67% YoY for Apr-Jun. Sales exceeded initial guidance, mainly in Si power devices. (7) Renesas commented that data center-related demand is strong and supply remains extremely tight.
- **Outlook**: (1) NXP expects data center-related sales to exceed $500 million in 2026 (compared to about $200 million in 2025). The company commented that AI-compatible processors will account for about 15% of processor sales in the industrial & IoT segment in 2026, more than doubling YoY. The company also positions physical AI as a growth driver for industrial & IoT. (2) IFX raised its AI power supply sales target for FY2026 to over €1.6 billion (previous target: €1.5 billion). Sales for conventional data center power supplies are around €500 million per year. The company is making progress on multi-year capacity reservation contracts with major customers, with total contract value including prepayments in the upper €1 billion range. IFX commented that it plans to significantly raise its FY2027 sales outlook for data center power supplies in November. The company also commented that growth in agentic AI and physical AI is a tailwind. (3) ON continues to view AI data centers as its highest growth category and expects FY2026 sales to more than double YoY. Within this, ON forecasts that AI data center SiC sales will grow 60% YoY in FY2026. The company commented that the shift to 800V DC distribution will accelerate growth in high-voltage-related sales. AI-related demand is also spreading to power infrastructure, and it expects sales for ESS applications to grow 40% YoY in

JPMorgan Securities Japan Co., Ltd.
Akinori Kanemoto [AC]
(81-3) 6736 8628
akinori.kanemoto@jpmorgan.com

FY2026. (4) TI plans to target above-market growth in data center applications in 2026 and 2027. (5) STM expects CECP to accelerate further and forecasts 90% YoY growth in 3Q. STM also guides for data center sales to exceed $1 billion in 2026 and well over $2 billion in 2027. For capacity, the company commented that it currently has the capability to support demand for AI data centers. (6) Rohm now targets ¥30 billion in FY2026 sales for AI server applications, compared to initial guidance of ¥25 billion. Sales are beating initial guidance, driven by Si power devices, and Rohm plans to respond by increasing production via measures such as reassigning production lines making unprofitable products and expanding production capacity. (7) Renesas is gradually increasing supply capacity, but demand remains very strong and supply continues to be tight. It aims for another increase in supply capacity next year.

Pricing trends

- The pricing environment in 2Q 2026 was characterized mainly by price revisions to offset rising costs rather than demand-driven price hikes. As a result, the positive impact on profitability was limited as of 2Q, and we believe a significant boost is unlikely through 3Q. However, overseas companies have generally maintained or improved their gross margins despite cost pressures, which we believe are being absorbed through pricing actions, mix improvement, and greater operational efficiency. In contrast, Japanese companies Renesas and Rohm saw their gross margins decline QoQ. Rohm plans to raise prices again, and we expect profitability to improve through future pricing actions. At present, price hikes driven by supply-demand tightness as seen in 2020-2021 have not materialized, and we are closely watching the impact of expanding AI server demand on the supply-demand balance and when tightness may occur.
- (1) NXP plans to first absorb rising costs through greater operational efficiency. NXP adjusted prices for some products in 2Q, but did not increase prices company-wide, and views the overall price impact as largely neutral. Costs are mainly increasing for back-end process components, substrates and precious metals, and NXP plans to pass on costs to customers if they exceed agreed upon ranges. (2) IFX implemented a second minor price increase effective July 1. However, IFX expects the impact of cost increases on Jul-Sep earnings to be limited. The company plans to review prices regularly. (3) ON continues to face rising input costs, mainly for raw materials and outsourced manufacturing, and has implemented a second price increase to offset these factors. The price revisions are measures to offset higher costs for materials such as substrates and gold, rather than demand-driven price hikes. The positive impact on gross margin in 2Q was limited, but we expect it to have an effect over the next few quarters. We do not expect costs to decline toward 2027 and do not anticipate annual price reductions. (4) TI prices were flat in 1H. The company commented that prices were stable, noting that they typically decline by several percentage points. TI is working on raising prices on a customer-by-customer basis. Some increases could be reflected in earnings from Jul-Sep, while for customers with whom it negotiates prices on an annual basis, increases might be reflected from the end of Oct-Dec to next year. Currently, lead times are extending and upward price pressure is strong for automotive analog components. (5) STM is dealing with rising material and outsourcing costs by raising prices for some products. STM stated that at present, the impact of rising input costs and product price increases are largely offsetting each other. (6) Rohm is negotiating prices in response to the surge in gold prices. The company commented that, taking into account price increases by competitors, it instructed its sales team to implement another round of price hikes. (7) Renesas modestly revised its prices for some products from July 1. The company commented that it focused revisions on areas where price increases were unavoidable and expects the effects to appear in 2H.

JPMorgan Securities Japan Co., Ltd.
Akinori Kanemoto [AC]
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akinori.kanemoto@jpmorgan.com

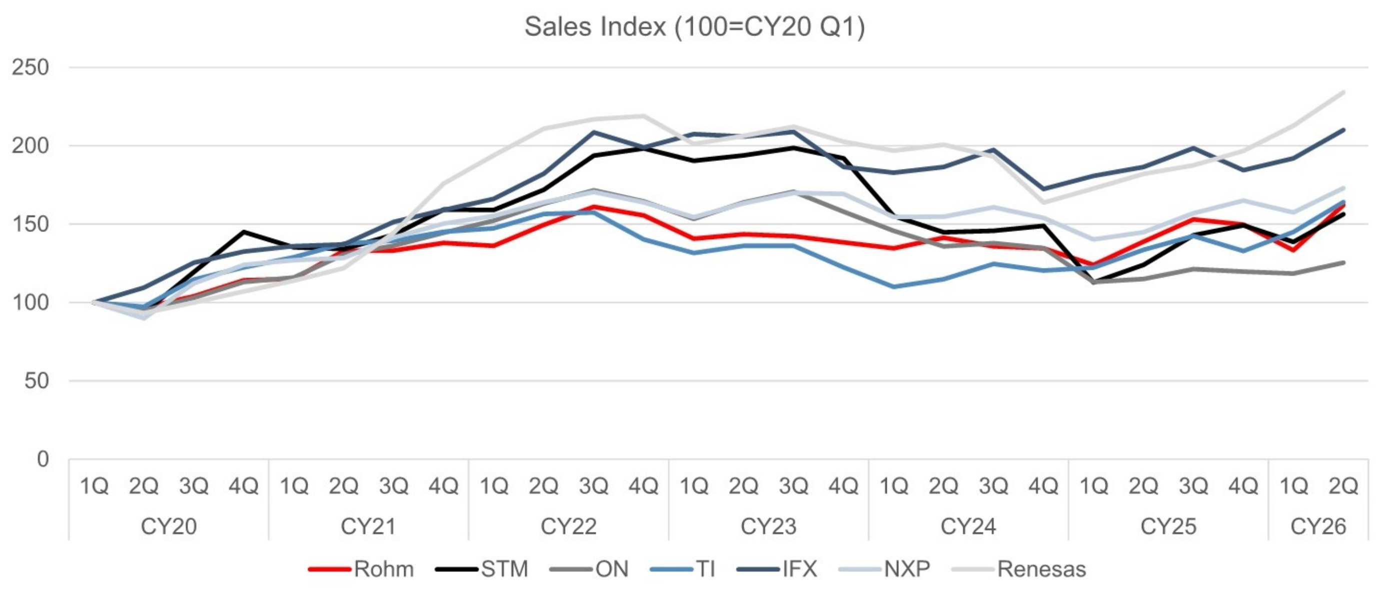
Below is a summary of earnings at overseas analog and discrete IC companies.

Figure 1: Overview of company guidance

		2Q26	3Q26 Guidance	YoY	QoQ
IFX	Sales	€ 4,172 mn	€ 4,700 mn	+19%	+13%
	Segment Result Margin	19.1%	23.0%	+4.8pt	+3.9pt
STM	Sales	$ 3,487 mn	$ 3,700 mn	+16%	+6%
	non-GAAP GM	35.2%	37.0%	+3.8pt	+1.8pt
TI	Sales	$ 5,463 mn	$ 5,900 mn	+24%	+8%
	non-GAAP GM	61.4%	-	-	-
ON	Sales	$ 1,604 mn	$ 1,700 mn	+10%	+6%
	non-GAAP GM	38.4%	41.0%	+3.0pt	+2.6pt
NXP	Sales	$ 3,496 mn	$ 3,750 mn	+18%	+7%
	non-GAAP GM	58.0%	58.5%	+1.5pt	+0.5pt
Renesas	Sales	¥405.3 bn	¥430.0 bn	+29%	+6%
	non-GAAP GM	58.1%	57.5%	-0.1pt	-0.6pt
ROHM	Sales	¥135.7 bn	-	-	-
	GM	25.5%	-	-	-

Source: Company materials, J.P. Morgan
Note: Sandeep Deshpande covers IFX (Infineon) and STM (STMicroelectronics). Harlan Sur covers TI (Texas Instruments), ON (ON Semiconductor), and NXP (NXP Semiconductors). Renesas is not covered.

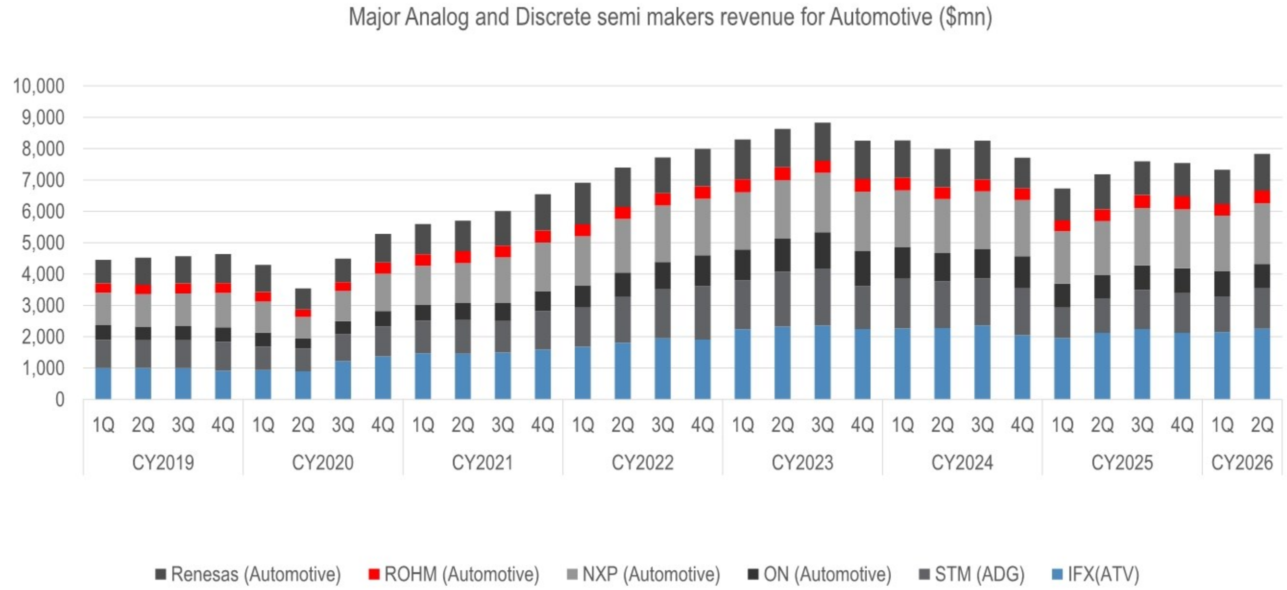
Figure 2: Comparison of sales at automotive semiconductor companies (results currency basis)



Source: Company materials, J.P. Morgan

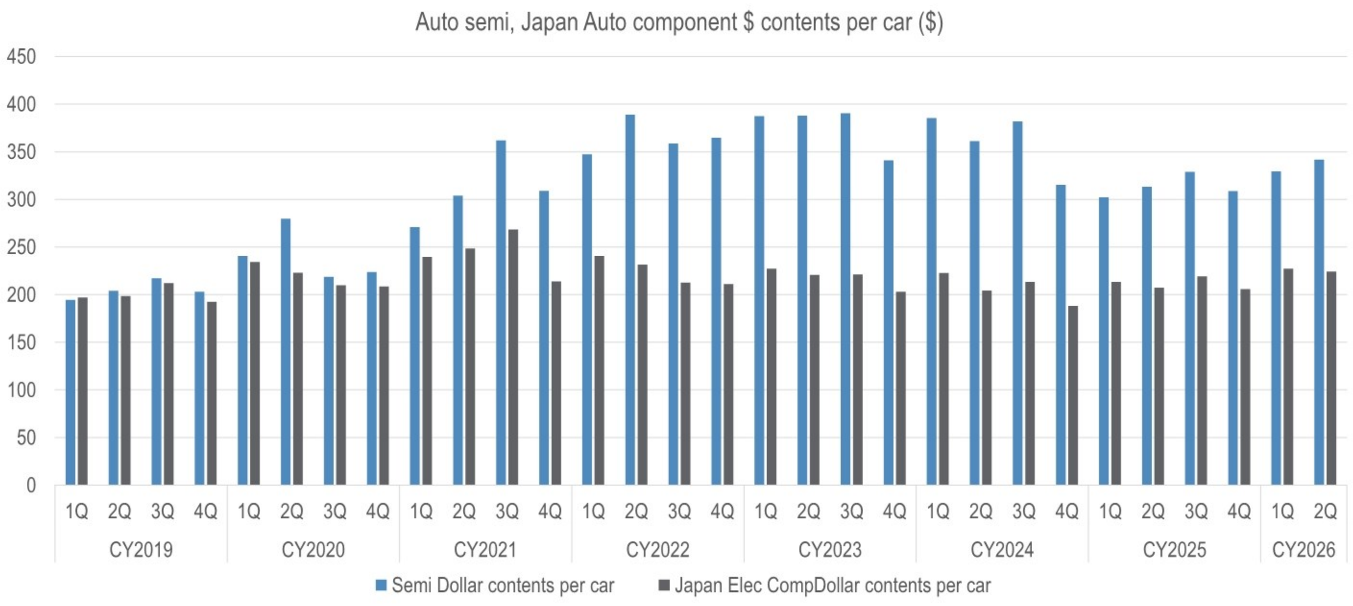
JPMorgan Securities Japan Co., Ltd.
Akinori Kanemoto [AC]
(81-3) 6736 8628
akinori.kanemoto@jpmorgan.com

Figure 3: Automotive sales at major analog and discrete device makers



Source: Company materials, J.P. Morgan

Figure 4: Automotive semiconductors: Content per vehicle (USD)



Source: Company materials, J.P. Morgan
Note: Semi Dollar Contents Per Car includes IFX, STM, ON, NXP, Rohm and Renesas. Japan Elec Comp Dollar contents per car includes Ibiden, Niterra, Mabuchi Motor, Murata Manufacturing, TDK, Taiyo Yuden, Nichicon, Nippon Chemi-Con, Nihon Dempa Kogyo, Alps Alpine, Hirose Electric, Japan Aviation Electronics Industry, Yokowo and Rohm.

JPMorgan Securities Japan Co., Ltd.
Akinori Kanemoto [AC]
(81-3) 6736 8628
akinori.kanemoto@jpmorgan.com

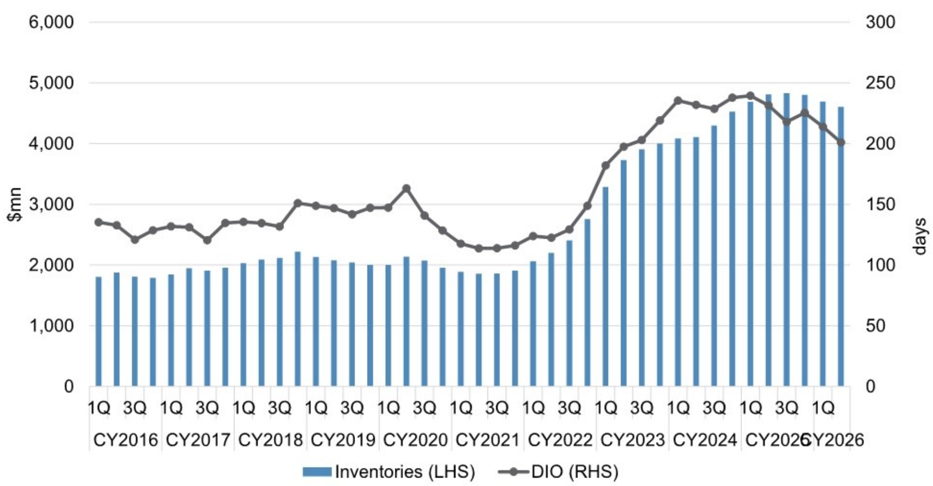
Figure 5: TI: Earnings Summary

(USD mn, %) (GAAP)	FY2022 CY2022	FY2023 CY2023	FY2024 CY2024	FY2025 CY2025	FY2023 1Q CY2023 1Q	2Q 2Q	3Q 3Q	4Q 4Q	FY2024 1Q CY2024 1Q	2Q 2Q	3Q 3Q	4Q 4Q	FY2025 1Q CY2025 1Q	2Q 2Q	3Q 3Q	4Q 4Q	FY2026 1Q CY2026 1Q	2Q 2Q
Sales	20,028	17,519	15,641	17,682	4,379	4,531	4,532	4,077	3,661	3,822	4,151	4,007	4,069	4,448	4,742	4,423	4,825	5,463
yoy % chg.	9.2%	-12.5%	-10.7%	13.0%	-10.7%	-13.1%	-13.5%	-12.7%	-16.4%	-15.6%	-8.4%	-1.7%	11.1%	16.4%	14.2%	10.4%	18.6%	22.8%
qoq % chg.	-	-	-	-	-6.2%	3.5%	0.0%	-10.0%	-10.2%	4.4%	8.6%	-3.5%	1.5%	9.3%	6.6%	-6.7%	9.1%	13.2%
Gross Profit	13,771	11,019	9,094	10,083	2,863	2,910	2,815	2,431	2,095	2,211	2,474	2,314	2,313	2,575	2,723	2,472	2,799	3,352
GM (%)	68.8%	62.9%	58.1%	57.0%	65.4%	64.2%	62.1%	59.6%	57.2%	57.8%	59.6%	57.7%	56.8%	57.9%	57.4%	55.9%	58.0%	61.4%
OP	10,394	7,331	5,214	6,023	1,934	1,971	1,892	1,534	1,033	1,251	1,554	1,376	1,324	1,563	1,663	1,473	1,820	2,327
OPM (%)	51.9%	41.8%	33.3%	34.1%	44.2%	43.5%	41.7%	37.6%	28.2%	32.7%	37.4%	34.3%	32.5%	35.1%	35.1%	33.3%	37.7%	42.6%
R&D	1,670	1,863	1,959	2,083	455	477	471	460	478	498	492	491	517	527	518	521	510	535
as a % of sales (%)	8.34%	10.63%	12.52%	11.78%	10.4%	10.5%	10.4%	11.3%	13.1%	13.0%	11.9%	12.3%	12.7%	11.8%	10.9%	11.8%	10.6%	9.8%
Depreciation	925	1,175	1,508	1,918	265	285	303	322	346	363	383	416	424	460	497	537	541	547
as a % of sales (%)	4.62%	6.71%	9.64%	10.85%	6.1%	6.3%	6.7%	7.9%	9.5%	9.5%	9.2%	10.4%	10.4%	10.3%	10.5%	12.1%	11.2%	10.0%
CAPEX	2,797	5,071	4,820	4,550	982	1,446	1,495	1,148	1,248	1,064	1,316	1,192	1,123	1,305	1,197	925	676	514
as a % of sales (%)	13.97%	28.95%	30.82%	25.73%	22.4%	31.9%	33.0%	28.2%	34.1%	27.8%	31.7%	29.7%	27.6%	29.3%	25.2%	20.9%	14.0%	9.4%
Inventory																		
Inventories	2,757	3,999	4,527	4,804	3,288	3,729	3,908	3,999	4,083	4,106	4,296	4,527	4,687	4,812	4,829	4,804	4,695	4,605
Inventory turns	2.68	1.92	1.54	1.63	2.01	1.85	1.80	1.67	1.55	1.57	1.60	1.54	1.52	1.58	1.68	1.62	1.71	1.82
Inventories turnover days	136	190	238	224	182	198	203	219	235	232	229	238	239	231	218	225	214	201
Sales																		
Analog (includes Power, Signal Chain and high volume)	15,359	13,040	12,161	14,006	3,289	3,278	3,353	3,120	2,836	2,928	3,223	3,174	3,210	3,452	3,729	3,615	3,924	4,365
yoy % chg.	9.3%	-15.1%	-6.7%	15.2%	-13.8%	-17.9%	-16.0%	-12.3%	-13.8%	-10.7%	-3.9%	1.7%	13.2%	17.9%	15.7%	13.9%	22.2%	26.4%
qoq % chg.	-	-	-	-	-7.6%	-0.3%	2.3%	-6.9%	-9.1%	3.2%	10.1%	-1.5%	1.1%	7.5%	8.0%	-3.1%	8.5%	11.2%
as a % of total	76.7%	74.4%	77.8%	79.2%	75.1%	72.3%	74.0%	76.5%	77.5%	76.6%	77.6%	79.2%	78.9%	77.6%	78.6%	81.7%	81.3%	79.9%
Embeded Processing (includes Connected MCU and Processors)	3,261	3,373	2,533	2,697	832	894	890	757	652	615	653	613	647	679	709	662	723	788
yoy % chg.	7.0%	3.4%	-24.9%	6.5%	6.4%	8.9%	8.4%	-9.6%	-21.6%	-31.2%	-26.6%	-19.0%	-0.8%	10.4%	8.6%	8.0%	11.7%	16.1%
qoq % chg.	-	-	-	-	-0.6%	7.5%	-0.4%	-14.9%	-13.9%	-5.7%	6.2%	-6.1%	5.5%	4.9%	4.4%	-6.6%	9.2%	9.0%
as a % of total	16.3%	19.3%	16.2%	15.3%	19.0%	19.7%	19.6%	18.6%	17.8%	16.1%	15.7%	15.3%	15.9%	15.3%	15.0%	15.0%	15.0%	14.4%
Other	1,408	1,106	947	979	258	359	289	200	173	279	275	220	212	317	304	146	178	310
yoy % chg.	13.1%	-21.4%	-14.4%	3.4%	-16.0%	-10.0%	-32.3%	-27.3%	-32.9%	-22.3%	-4.8%	10.0%	22.5%	13.6%	10.5%	-33.6%	-16.0%	-2.2%
qoq % chg.	-	-	-	-	-6.2%	39.1%	-19.5%	-30.8%	-13.5%	61.3%	-1.4%	-20.0%	-3.6%	49.5%	-4.1%	-52.0%	21.9%	74.2%
as a % of total	7.0%	6.3%	6.1%	5.5%	5.9%	7.9%	6.4%	4.9%	4.7%	7.3%	6.6%	5.5%	5.2%	7.1%	6.4%	3.3%	3.7%	5.7%
OP																		
Analog (includes Power, Signal Chain and high volume)	8,359	5,821	4,608	5,412	1,574	1,463	1,504	1,280	1,008	1,047	1,316	1,237	1,206	1,325	1,486	1,395	1,638	1,992
OPM	54.4%	44.6%	37.9%	38.6%	47.9%	44.6%	44.9%	41.0%	35.5%	35.8%	40.8%	39.0%	37.6%	29.8%	31.3%	31.5%	33.9%	36.5%
Embeded Processing (includes Connected MCU and Processors)	1,253	1,008	352	304	237	318	258	195	105	80	109	58	40	85	108	71	122	168
OPM	38.4%	29.9%	13.9%	11.3%	28.5%	35.6%	29.0%	25.8%	16.1%	13.0%	16.7%	9.5%	6.2%	1.9%	2.3%	1.6%	2.5%	3.1%
Other	782	502	254	307	123	190	130	59	-80	124	129	81	78	153	69	7	60	167
OPM	55.5%	45.4%	26.8%	31.4%	47.7%	52.9%	45.0%	29.5%	-46.2%	44.4%	46.9%	36.8%	36.8%	3.4%	1.5%	0.2%	1.2%	3.1%

(USD mn, %) (GAAP)	FY26 2Q Guidance Low	FY26 2Q Guidance Mid	FY26 2Q Guidance High	FY26 3Q Guidance Low	FY26 3Q Guidance Mid	FY26 3Q Guidance High	BBG Concensus 2Q26	BBG Concensus 3Q26
Sales	5,000	5,200	5,400	5,650	5,900	6,150	5,242	5,819
yoy % chg.	12.4%	16.9%	21.4%	19.1%	24.4%	29.7%	17.8%	22.7%
qoq % chg.	3.6%	7.8%	11.9%	3.4%	8.0%	12.6%	8.6%	6.5%
Gross Profit							3,119	3,559
GM (%)							59.5%	61.2%
OP							2,110	2,433
OPM (%)							40.3%	41.8%

Source: Bloomberg Finance L.P. estimates, company data, J.P. Morgan
Note: Bloomberg consensus estimates as of July 22, 2026

Figure 6: TI: Inventory and Inventory turnover (days)



Source: Company materials, J.P. Morgan

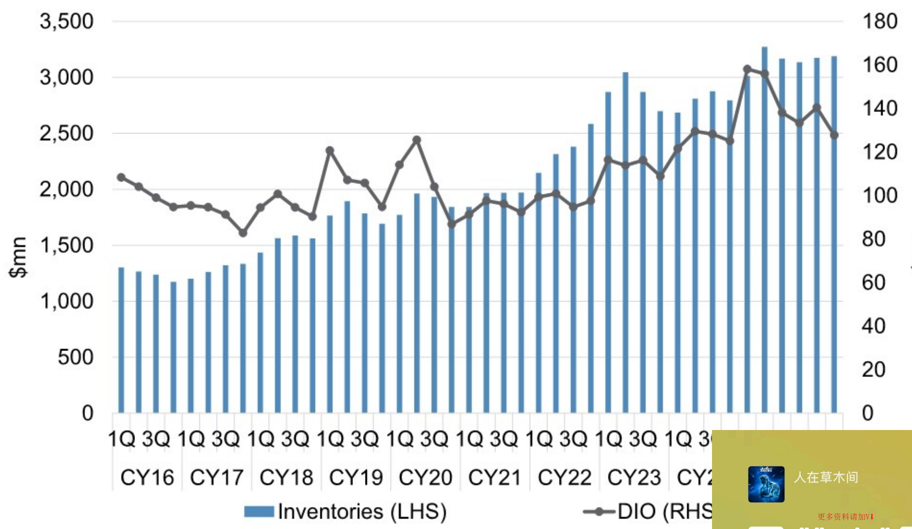
JPMorgan Securities Japan Co., Ltd.
Akinori Kanemoto [AC]
(81-3) 6736 8628
akinori.kanemoto@jpmorgan.com

Figure 7: STM: Earnings Summary

(USD mn, %)	FY2023 1Q	2Q	3Q	4Q	FY2024 1Q	2Q	3Q	4Q	FY2025 1Q	2Q	3Q	4Q	FY2026 1Q	2Q	FY26 2Q Guidance			FY26 3Q Guidance			BBG Concensus	
(non-GAAP)	CY23 1Q	2Q	3Q	4Q	CY24 1Q	2Q	3Q	4Q	CY25 1Q	2Q	3Q	4Q	CY26 1Q	2Q	Low	Mid	High	Low	Mid	High	2Q26	3Q26
Sales	4,247	4,326	4,431	4,282	3,465	3,232	3,251	3,321	2,517	2,766	3,187	3,329	3,095	3,487	3,329	3,450	3,571	3,571	3,700	3,830	3,464	3,787
yoy % chg.	19.8%	12.7%	2.5%	-3.2%	-18.4%	-25.3%	-26.6%	-22.4%	-27.4%	-14.4%	-2.0%	0.2%	23.0%	26.1%	20.4%	24.7%	29.1%	12.0%	16.1%	20.2%	25.2%	18.8%
qoq % chg.	-4.0%	1.9%	2.4%	-3.4%	-19.1%	-6.7%	0.6%	2.2%	-24.2%	9.9%	15.2%	4.5%	-7.0%	12.7%	7.6%	11.5%	15.4%	2.4%	6.1%	9.8%	11.9%	8.6%
Gross Profit	2,110	1,956	2,109	1,949	1,444	1,296	1,228	1,253	841	926	1,059	1,172	1,056	1,229							1,216	1,392
GM (%)	49.7%	45.2%	47.6%	45.5%	41.7%	40.1%	37.8%	37.7%	33.4%	33.5%	33.2%	35.2%	34.1%	35.2%	33.2%	35.2%	37.2%	35.0%	37.0%	39.0%	35.1%	36.8%
OP	1,201	1,027	1,241	1,023	551	375	381	369	11	57	217	266	171	269							245	406
OPM (%)	28.3%	23.7%	28.0%	23.9%	15.9%	11.6%	11.7%	11.1%	0.4%	2.1%	6.8%	8.0%	5.5%	7.7%							7.1%	10.7%
R&D	505	422	519	521	528	535	492	523	489	514	502	538	520	551								
as a % of sales (%)	11.9%	9.8%	11.7%	12.2%	15.2%	16.6%	15.1%	15.7%	19.4%	18.6%	15.8%	16.2%	16.8%	15.8%								
CAPEX	1,090	1,077	1,152	798	994	546	601	947	538	481	417	407	379	419								
as a % of sales (%)	25.7%	24.9%	26.0%	18.6%	28.7%	16.9%	18.5%	28.5%	21.4%	17.4%	13.1%	12.2%	12.2%	12.0%								
Inventory																						
Inventories	2,870	3,045	2,870	2,698	2,685	2,810	2,875	2,794	3,014	3,273	3,167	3,136	3,173	3,188								
Inventory turns	3.14	3.21	3.14	3.35	3.00	2.82	2.85	2.92	2.31	2.34	2.64	2.74	2.60	2.86								
Inventories turnover days	116	114	116	109	122	129	128	125	158	156	138	133	140	128								
Sales (from Jan 2025)																						
Analog products, MEMS and Sensors (AM&S) segment	-	-	-	-	1,406	1,336	1,340	1,348	1,069	1,133	1,434	1,449	1,318	1,426								
yoy % chg.	-	-	-	-	-	-	-	-	-24.0%	-15.2%	7.0%	7.5%	23.3%	25.9%								
qoq % chg.	-	-	-	-	-	-5.0%	0.3%	0.6%	-20.7%	6.0%	26.6%	1.0%	-9.0%	8.2%								
as a % of total	-	-	-	-	40.6%	41.3%	41.2%	40.6%	42.5%	41.0%	45.0%	43.5%	42.6%	40.9%								
Power and Discrete products (P&D) segment	-	-	-	-	631	576	652	602	397	447	429	412	389	464								
yoy % chg.	-	-	-	-	-	-	-	-	-37.1%	-22.4%	-34.2%	-31.6%	-2.0%	3.8%								
qoq % chg.	-	-	-	-	-	-8.7%	13.2%	-7.7%	-34.1%	12.6%	-4.0%	-4.0%	-5.6%	19.3%								
as a % of total	-	-	-	-	18.2%	17.8%	20.1%	18.1%	15.8%	16.2%	13.5%	12.4%	12.6%	13.3%								
Embedded Processing (EMP) segment	-	-	-	-	1,047	906	898	1,002	742	847	976	1,015	975	1,147								
yoy % chg.	-	-	-	-	-	-	-	-	-29.1%	-6.5%	8.7%	1.3%	31.4%	35.4%								
qoq % chg.	-	-	-	-	-	-13.5%	-0.9%	11.6%	-25.9%	14.2%	15.2%	4.0%	-3.9%	17.6%								
as a % of total	-	-	-	-	30.2%	28.0%	27.6%	30.2%	29.5%	30.6%	30.6%	30.5%	31.5%	32.9%								
RF & Optical Communications (RF&OC) segment	-	-	-	-	378	410	357	366	306	336	345	449	409	445								
yoy % chg.	-	-	-	-	-	-	-	-	-19.0%	-18.0%	-3.4%	22.7%	33.7%	32.4%								
qoq % chg.	-	-	-	-	-	8.5%	-12.9%	2.5%	-16.4%	9.8%	2.7%	30.1%	-8.9%	8.8%								
as a % of total	-	-	-	-	10.9%	12.7%	11.0%	11.0%	12.2%	12.1%	10.8%	13.5%	13.2%	12.8%								
Others	-	-	-	-	3	4	4	3	3	3	3	4	4	5								
yoy % chg.	-	-	-	-	-	-	-	-	0.0%	-25.0%	-25.0%	33.3%	33.3%	66.7%								
qoq % chg.	-	-	-	-	-	33.3%	0.0%	-25.0%	0.0%	0.0%	0.0%	33.3%	0.0%	25.0%								
as a % of total	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
OP (from Jan 2025)																						
Analog products, MEMS and Sensors (AM&S) segment	-	-	-	-	-	193	216	220	82	85	221	235	161	144								
OPM	-	-	-	-	-	14.4%	16.1%	16.3%	7.7%	7.5%	15.4%	16.2%	12.2%	10.1%								
Power and Discrete products (P&D) segment	-	-	-	-	-	61	80	45	-28	-56	-67	-124	-84	-99								
OPM	-	-	-	-	-	10.6%	12.3%	7.5%	-7.1%	-12.5%	-15.6%	-30.1%	-21.6%	-21.3%								
Embedded Processsing (EMP) segment	-	-	-	-	-	126	146	181	66	114	161	195	164	226								
OPM	-	-	-	-	-	13.9%	16.3%	18.1%	8.9%	13.5%	16.5%	19.2%	16.8%	19.7%								
RF & Optical Communications (RF&OC) segment	-	-	-	-	-	96	84	95	43	60	57	105	61	94								
OPM	-	-	-	-	-	10.6%	9.4%	9.5%	5.8%	7.1%	5.8%	10.3%	6.3%	8.2%								
Others	-	-	-	-	-	-101	-145	-172	-152	-146	-155	-145	-131	-96								
OPM	-	-	-	-	-	-	-	-	-	-	-	-	-	-								

Source: Bloomberg Finance L.P. estimates, company data, J.P. Morgan
Note: Bloomberg consensus estimates as of July 22, 2026

Figure 8: STM：Inventory and Inventory turnover (days)



Source: Company materials, J.P. Morgan

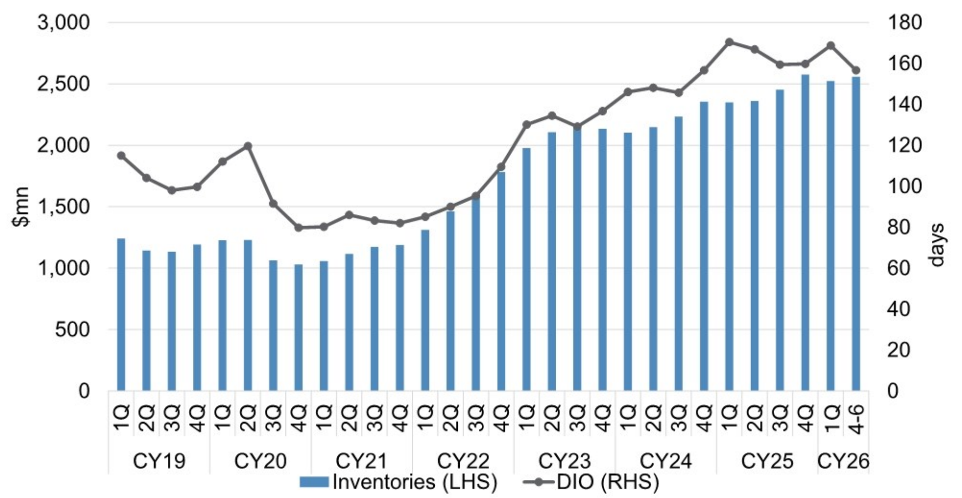
Figure 9: NXP: Earnings Summary

(USD mn, %)	FY2022	FY2023	FY2024	FY2025	FY2023				FY2024				FY2025				FY2026	
					1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	CY2022	CY2023	CY2024	CY2025	CY23				CY24				CY25				CY26	
(Non-GAAP)					1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1 Q	4-6
Sales	13,205	13,276	12,614	12,269	3,121	3,299	3,434	3,422	3,126	3,127	3,250	3,111	2,835	2,926	3,173	3,335	3,181	3,496
yoy % chg.	19.36%	0.54%	-4.99%	-2.74%	-0.48%	-0.39%	-0.32%	3.32%	0.16%	-5.21%	-5.36%	-9.09%	-9.31%	-6.43%	-2.37%	7.20%	12.20%	19.48%
qoq % chg.	-	-	-	-	-5.77%	5.70%	4.09%	-0.35%	-8.65%	0.03%	3.93%	-4.28%	-8.87%	3.21%	8.44%	5.11%	-4.62%	9.90%
Gross Profit	7,643	7,762	7,291	6,966	1,816	1,926	2,010	2,010	1,818	1,792	1,892	1,789	1,591	1,652	1,810	1,913	1,815	2,028
GM (%)	57.88%	58.47%	57.80%	56.78%	58.19%	58.38%	58.53%	58.74%	58.16%	57.31%	58.22%	57.51%	56.12%	56.46%	57.04%	57.36%	57.06%	58.01%
OP	4,791	4,662	4,369	4,064	1,085	1,155	1,203	1,219	1,080	1,071	1,153	1,065	904	935	1,071	1,154	1,052	1,228
OPM (%)	36.28%	35.12%	34.64%	33.12%	34.76%	35.01%	35.03%	35.62%	34.55%	34.25%	35.48%	34.23%	31.89%	31.95%	33.75%	34.60%	33.07%	35.13%
R&D	2,148	2,418	2,347	2,360	577	589	601	651	564	594	577	612	547	573	575	665	588	604
as a % of sales (%)	16.3%	18.2%	18.6%	19.2%	18.5%	17.9%	17.5%	19.0%	18.0%	19.0%	17.8%	19.7%	19.3%	19.6%	18.1%	19.9%	18.5%	17.3%
Depreciation	605	652	630	560	160	162	163	167	145	146	149	190	143	143	132	142	109	114
as a % of sales (%)	4.6%	4.9%	5.0%	4.6%	5.1%	4.9%	4.7%	4.9%	4.6%	4.7%	4.6%	6.1%	5.0%	4.9%	4.2%	4.3%	3.4%	3.3%
CAPEX	1,068	827	727	397	251	201	200	175	226	185	186	130	139	83	77	98	79	69
as a % of sales (%)	8.1%	6.2%	5.8%	3.2%	8.0%	6.1%	5.8%	5.1%	7.2%	5.9%	5.7%	4.2%	4.9%	2.8%	2.4%	2.9%	2.5%	2.0%
Inventory																		
Inventories	1,782	2,134	2,356	2,577	1,977	2,107	2,140	2,134	2,102	2,148	2,234	2,356	2,350	2,361	2,452	2,577	2,523	2,557
Inventory turns	3.77	2.88	2.38	2.17	2.81	2.71	2.83	2.67	2.50	2.46	2.50	2.33	2.14	2.19	2.29	2.28	2.16	2.33
Inventories turnover days	97	127	153	168	130	134	129	137	146	148	146	157	170	167	159	160	169	157
Sales																		
Automotive	6,879	7,484	7,151	7,116	1,828	1,866	1,891	1,899	1,804	1,728	1,829	1,790	1,674	1,729	1,837	1,876	1,782	1,938
yoy % chg.	25.23%	8.79%	-4.45%	-0.49%	17.41%	8.93%	4.82%	5.21%	-1.31%	-7.40%	-3.28%	-5.74%	-7.21%	0.06%	0.44%	4.80%	6.45%	12.09%
qoq % chg.	-	-	-	-	1.27%	2.08%	1.34%	0.42%	-5.00%	-4.21%	5.84%	-2.13%	-6.48%	3.29%	6.25%	2.12%	-5.01%	8.75%
as a % of total	52.09%	56.37%	56.69%	58.00%	58.57%	56.56%	55.07%	55.49%	57.71%	55.26%	56.28%	57.54%	59.05%	59.09%	57.89%	56.25%	56.02%	55.43%
Industrial & IoT	2,713	2,351	2,269	2,273	504	578	607	662	574	616	563	516	508	546	579	640	628	755
yoy % chg.	12.57%	-13.34%	-3.49%	0.18%	-26.10%	-18.93%	-14.87%	9.42%	13.89%	6.57%	-7.25%	-22.05%	-11.50%	-11.36%	2.84%	24.03%	23.62%	38.28%
qoq % chg.	-	-	-	-	-16.69%	14.68%	5.02%	9.06%	-13.29%	7.32%	-8.60%	-8.35%	-1.55%	7.48%	6.04%	10.54%	-1.88%	20.22%
as a % of total	20.55%	17.71%	17.99%	18.53%	16.15%	17.52%	17.68%	19.35%	18.36%	19.70%	17.32%	16.59%	17.92%	18.66%	18.25%	19.19%	19.74%	21.60%
Mobile	1,607	1,327	1,497	1,584	260	284	377	406	349	345	407	396	338	331	430	485	391	351
yoy % chg.	13.81%	-17.42%	12.81%	5.81%	-35.16%	-26.80%	-8.05%	-0.49%	34.23%	21.48%	7.96%	-2.46%	-3.15%	-4.06%	5.65%	22.47%	15.68%	6.04%
qoq % chg.	-	-	-	-	-36.27%	9.23%	32.75%	7.69%	-14.04%	-1.15%	17.97%	-2.70%	-14.65%	-2.07%	29.91%	12.79%	-19.38%	-10.23%
as a % of total	12.17%	10.00%	11.87%	12.91%	8.33%	8.61%	10.98%	11.86%	11.16%	11.03%	12.52%	12.73%	11.92%	11.31%	13.55%	14.54%	12.29%	10.04%
Comm Infra&Other	2,006	2,114	1,697	1,296	529	571	559	455	399	438	451	409	315	320	327	334	380	452
yoy % chg.	14.76%	5.38%	-19.73%	-23.63%	6.65%	14.66%	7.92%	-7.89%	-24.57%	-23.29%	-19.32%	-10.11%	-21.05%	-26.94%	-27.49%	-18.34%	20.63%	41.25%
qoq % chg.	-	-	-	-	7.09%	7.94%	-2.10%	-18.60%	-12.31%	9.77%	2.97%	-9.31%	-22.98%	1.59%	2.19%	2.14%	13.77%	18.95%
as a % of total	15.19%	15.92%	13.45%	10.56%	16.95%	17.31%	16.28%	13.30%	12.76%	14.01%	13.88%	13.15%	11.11%	10.94%	10.31%	10.01%	11.95%	12.93%

(USD mn, %)	FY26 2Q Gidance			FY26 3Q Gidance			BBG Concensus 1Q26	BBG Concensus 2Q26
(Non-GAAP)	Low	Mid	High	Low	Mid	High		
Sales	3,350	3,450	3,550	3,650	3,750	3,850	3,463	3,742
yoy % chg.	14.49%	17.91%	21.33%	15.03%	18.18%	21.34%	22.15%	27.88%
qoq % chg.	5.31%	8.46%	11.60%	4.41%	7.27%	10.13%	3.84%	17.63%
Gross Profit	1,926	2,001	2,077	2,117	2,195	2,272	2,010	2,194
GM (%)	57.49%	58.00%	58.51%	58.00%	58.53%	59.01%	58.05%	58.63%
OP	1,132	1,197	1,263	1,314	1,382	1,449	1,202	1,374
OPM (%)	33.79%	34.70%	35.58%	36.00%	36.85%	37.64%	34.70%	36.72%

Source: Bloomberg Finance L.P. estimates, company data, J.P. Morgan
Note: Bloomberg consensus estimates as of July 28, 2026

Figure 10: NXP：Inventory and Inventory turnover (days)



Source: Company materials, J.P. Morgan

JPMorgan Securities Japan Co., Ltd.
Akinori Kanemoto [AC]
(81-3) 6736 8628
akinori.kanemoto@jpmorgan.com

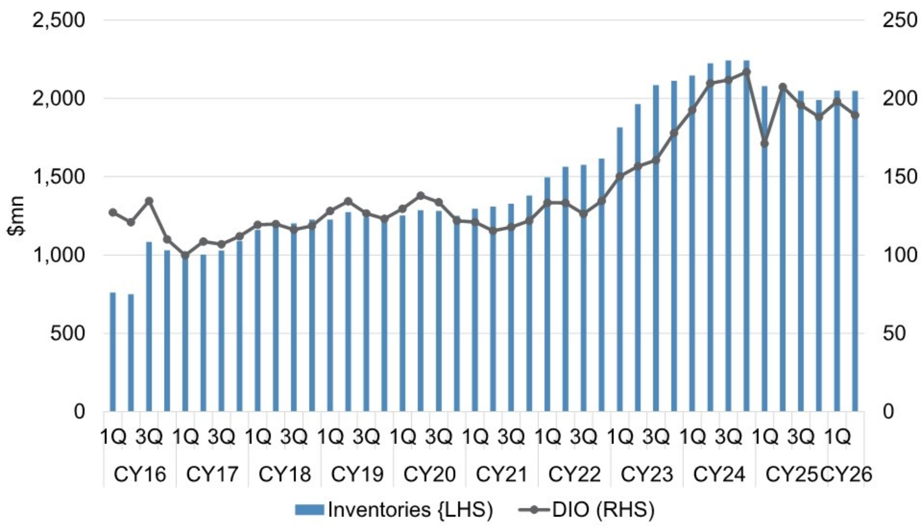
Figure 11: ON: Earnings Summary

(USD mn, %)	FY2023 1Q	2Q	3Q	4Q	FY2024 1Q	2Q	3Q	4Q	FY2025 1Q	2Q	3Q	4Q	FY2026 1Q	2Q
(non-GAAP)	CY23 1Q	2Q	3Q	4Q	CY24 1Q	2Q	3Q	4Q	CY25 1Q	2Q	3Q	4Q	CY26 1Q	2Q
Sales	1,960	2,094	2,181	2,018	1,863	1,735	1,762	1,723	1,446	1,469	1,551	1,530	1,513	1,604
yoy % chg.	0.8%	0.5%	-0.5%	-4.1%	-4.9%	-17.2%	-19.2%	-14.6%	-22.4%	-15.4%	-12.0%	-11.2%	4.7%	9.2%
qoq % chg.	-6.8%	6.9%	4.1%	-7.5%	-7.7%	-6.8%	1.5%	-2.2%	-16.1%	1.6%	5.6%	-1.3%	-1.1%	6.0%
Gross Profit	917	993	1,031	943	854	784	801	781	579	553	589	585	583	616
GM (%)	46.8%	47.4%	47.3%	46.7%	45.8%	45.2%	45.5%	45.3%	40.0%	37.6%	38.0%	38.2%	38.5%	38.4%
OP	631	688	710	637	541	477	497	459	264	255	298	303	290	334
OPM (%)	32.2%	32.8%	32.6%	31.6%	29.0%	27.5%	28.2%	26.7%	18.3%	17.3%	19.2%	19.8%	19.1%	20.8%
R&D	138	145	143	150	150	157	151	155	164	144	142	134	144	141
as a % of sales (%)	7.1%	6.9%	6.6%	7.4%	8.1%	9.0%	8.6%	9.0%	11.4%	9.8%	9.1%	8.7%	9.5%	8.8%
CAPEX	338	394	420	386	234	141	162	157	148	78	46	69	22	34
as a % of sales (%)	17.3%	18.8%	19.3%	19.1%	12.6%	8.1%	9.2%	9.1%	10.2%	5.3%	3.0%	4.5%	1.4%	2.1%
Inventory														
Inventories	1,815	1,964	2,085	2,112	2,147	2,225	2,243	2,242	2,078	2,087	2,048	1,990	2,049	2,048
Inventory turns	2.43	2.33	2.27	2.05	1.90	1.74	1.72	1.68	2.13	1.76	1.86	1.94	1.84	1.93
Inventories turnover days	150	157	161	178	193	210	212	217	171	207	196	188	198	189
Sales by segment														
ISG(Intelligent Sensing Group)	354	325	329	308	292	252	279	303	234	215	230	250	236	229
yoy % chg.	31.6%	4.5%	-3.8%	-13.0%	-17.5%	-22.5%	-15.2%	-1.8%	-19.8%	-14.8%	-17.6%	-17.5%	0.9%	6.6%
qoq % chg.	0.0%	-8.2%	1.2%	-6.4%	-5.2%	-13.7%	10.7%	8.4%	-22.6%	-8.4%	7.2%	8.5%	-5.3%	-3.2%
as a % of total	18.1%	15.5%	15.1%	15.3%	15.7%	14.5%	15.8%	17.6%	16.2%	14.6%	14.8%	16.3%	15.6%	14.3%
AMG(Analog & Mixed-Signal Group)	745	792	776	745	697	648	654	611	566	556	583	556	540	546
yoy % chg.	-15.1%	-13.2%	-16.4%	-13.8%	-6.4%	-18.2%	-15.7%	-18.0%	-18.7%	-14.2%	-10.8%	-8.9%	-4.6%	-1.8%
qoq % chg.	-13.8%	6.3%	-2.0%	-4.0%	-6.4%	-7.0%	0.9%	-6.6%	-7.2%	-1.9%	4.9%	-4.6%	-2.9%	1.0%
as a % of total	38.0%	37.8%	35.6%	36.9%	37.4%	37.3%	37.1%	35.4%	39.2%	37.8%	37.6%	36.4%	35.7%	34.0%
PSG(Power Solutions Group)	861	977	1,076	965	874	835	829	809	645	698	738	724	737	829
yoy % chg.	7.9%	13.4%	16.6%	9.0%	1.5%	-14.5%	-23.0%	-16.1%	-26.2%	-16.4%	-11.0%	-10.5%	14.2%	18.7%
qoq % chg.	-2.8%	13.6%	10.1%	-10.3%	-9.5%	-4.4%	-0.8%	-2.4%	-20.3%	8.2%	5.6%	-1.8%	1.7%	12.5%
as a % of total	43.9%	46.7%	49.3%	47.8%	46.9%	48.1%	47.0%	47.0%	44.6%	47.5%	47.6%	47.3%	48.7%	51.7%
Sales by end markets														
Automotive	986	1,062	1,158	1,114	1,017	907	951	1,026	762	733	787	798	797	781
yoy % chg.	37.9%	35.5%	32.5%	12.6%	3.1%	-14.6%	-17.9%	-7.9%	-25.1%	-19.2%	-17.2%	-22.2%	4.6%	6.6%
qoq % chg.	-0.3%	7.7%	9.0%	-3.8%	-8.7%	-10.8%	4.9%	7.9%	-25.7%	-3.8%	7.4%	1.4%	-0.1%	-2.0%
as a % of total	50.3%	50.7%	53.1%	55.2%	54.6%	52.3%	54.0%	59.6%	52.7%	49.9%	50.7%	52.2%	52.7%	48.7%
Industrial / Medical / Mil-Aero	556	609	616	497	476	468	440	417	400	406	426	442	417	423
yoy % chg.	2.4%	4.6%	0.5%	-10.0%	-14.4%	-23.2%	-28.6%	-16.1%	-16.0%	-13.2%	-3.2%	6.0%	4.3%	4.1%
qoq % chg.	0.7%	9.5%	1.1%	-19.3%	-4.2%	-1.7%	-6.0%	-5.2%	-4.1%	1.5%	4.9%	3.8%	-5.7%	1.4%
as a % of total	28.4%	29.1%	28.2%	24.6%	25.6%	27.0%	25.0%	24.2%	27.7%	27.6%	27.5%	28.9%	27.6%	26.4%
Others	418	423	407	407	370	360	371	280	284	330	338	290	299	400
yoy % chg.	-	-	-	-	-11.5%	-14.9%	-8.8%	-31.3%	-23.3%	-8.5%	-8.9%	3.8%	5.5%	21.2%
qoq % chg.	-	1.4%	-3.9%	0.1%	-9.2%	-2.6%	3.0%	-24.6%	1.5%	16.2%	2.5%	-14.1%	3.2%	33.5%
as a % of total	21.3%	20.2%	18.7%	20.2%	19.8%	20.8%	21.1%	16.2%	19.6%	22.4%	21.8%	19.0%	19.8%	24.9%

(USD mn, %)	FY26 2Q Guidance Low	Mid	High	FY26 3Q Guidance Low	Mid	High	BBG Concensus 2Q26	3Q26
Sales	1,535	1,585	1,635	1,650	1,700	1,750	1,587	1,696
yoy % chg.	4.5%	7.9%	11.3%	6.4%	9.6%	12.8%	8.1%	9.4%
qoq % chg.	1.4%	4.7%	8.0%	2.9%	6.0%	9.1%	4.9%	5.8%
Gross Profit							620	695
GM (%)	38.0%	39.0%	40.0%	40.0%	41.0%	42.0%	39.1%	40.9%
OP							326	389
OPM (%)							20.5%	22.9%

Source: Bloomberg Finance L.P. estimates, company data, J.P. Morgan
Note: Bloomberg consensus estimates as of Aug 3, 2026

Figure 12: ON: Inventory and Inventory turnover (days)



Source: Company materials, J.P. Morgan

JPMorgan Securities Japan Co., Ltd.
Akinori Kanemoto [AC]
(81-3) 6736 8628
akinori.kanemoto@jpmorgan.com

J.P.Morgan

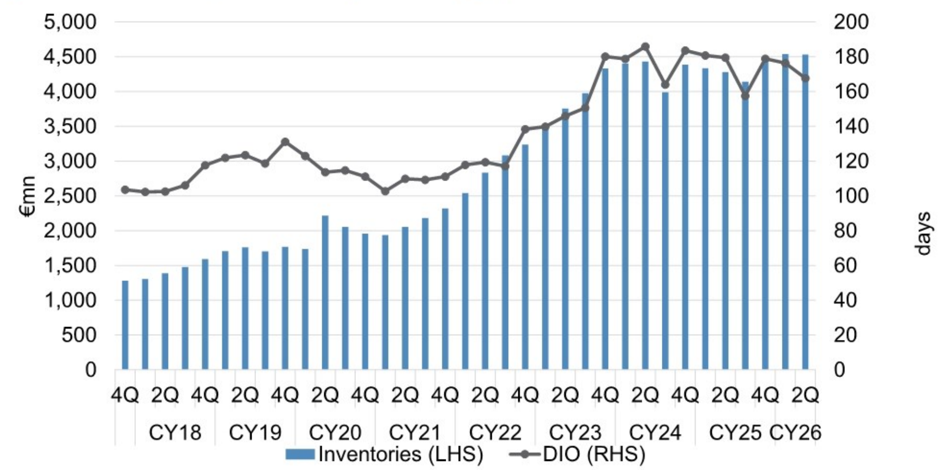
Figure 13: IFX: Earnings Summary

(EUR mn, %)	FY2022	FY2023	FY2024	FY2025	FY2023 1Q	2Q	3Q	4Q	FY2024 1Q	2Q	3Q	4Q
					CY23				CY24			
					4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Sales	14,218	16,308	14,955	14,662	3,951	4,119	4,089	4,149	3,702	3,632	3,702	3,919
yoy % chg.	28.55%	14.70%	-8.30%	-1.96%	25.1%	24.9%	13.0%	0.1%	-6.3%	-11.8%	-9.5%	-5.5%
qoq % chg.	-	-	-	-	-4.6%	4.3%	-0.7%	1.5%	-10.8%	-1.9%	1.9%	5.9%
Gross Profit	6,128	7,413	6,064	5,753	1,865	1,919	1,820	1,809	1,599	1,402	1,488	1,575
GM (%)	43.1%	45.5%	40.5%	39.2%	47.2%	46.6%	44.5%	43.6%	43.2%	38.6%	40.2%	40.2%
Segment Result	3,378	4,398	3,104	2,559	1,107	1,180	1,067	1,044	831	707	734	832
Segment Result Margin (%)	23.8%	27.0%	20.8%	17.5%	28.0%	28.6%	26.1%	25.2%	22.4%	19.5%	19.8%	21.2%
R&D	1,798	1,985	2,029	2,228	484	487	496	518	512	487	553	477
as a % of sales (%)	12.6%	12.2%	13.6%	15.2%	12.3%	11.8%	12.1%	12.5%	13.8%	13.4%	14.9%	12.2%
CAPEX	2,053	2,740	2,432	1,800	548	504	705	983	584	572	636	640
as a % of sales (%)	14.4%	16.8%	16.3%	12.3%	13.9%	12.2%	17.2%	23.7%	15.8%	15.7%	17.2%	16.3%
Inventory												
Inventories	3,081	3,974	3,990	4,141	3,239	3,499	3,754	3,974	4,330	4,404	4,429	3,990
Inventory turns	3.07	2.52	2.22	2.19	2.64	2.61	2.50	2.42	2.03	2.04	1.96	2.23
Inventories turnover days	119	145	164	167	138	140	146	151	180	179	186	164
Sales												
Automotive (ATV)	6,516	8,243	8,424	7,401	1,872	2,080	2,129	2,162	2,085	2,078	2,112	2,149
yoy % chg.	34.6%	26.5%	2.2%	-12.1%	34.7%	39.5%	25.2%	11.8%	11.4%	-0.1%	-0.8%	-0.6%
qoq % chg.	-	-	-	-	-3.2%	11.1%	2.4%	1.6%	-3.6%	-0.3%	1.6%	1.8%
as a % of total	45.8%	50.5%	56.3%	50.5%	47.4%	50.5%	52.1%	52.1%	56.3%	57.2%	57.1%	54.8%
Green Industrial Power (GIP)	1,790	2,205	1,934	1,590	500	558	565	582	487	469	475	503
yoy % chg.	16.1%	23.2%	-12.3%	-17.8%	30.9%	29.8%	29.6%	7.4%	-2.6%	-15.9%	-15.9%	-13.6%
qoq % chg.	-	-	-	-	-7.7%	11.6%	1.3%	3.0%	-16.3%	-3.7%	1.3%	5.9%
as a % of total	12.6%	13.5%	12.9%	10.8%	12.7%	13.5%	13.8%	14.0%	13.2%	12.9%	12.8%	12.8%
Power & Sensor (PSS)	4,070	3,797	3,088	4,249	1,043	925	917	912	765	713	749	861
yoy % chg.	24.5%	-6.7%	-18.7%	37.6%	9.2%	0.0%	-10.2%	-22.0%	-26.7%	-22.9%	-18.3%	-5.6%
qoq % chg.	-	-	-	-	-10.8%	-11.3%	-0.9%	-0.5%	-16.1%	-6.8%	5.0%	15.0%
as a % of total	28.6%	23.3%	20.6%	29.0%	26.4%	22.5%	22.4%	22.0%	20.7%	19.6%	20.2%	22.0%
Connected Secure System (CSS)	1,823	2,045	1,507	1,422	531	550	474	490	364	371	366	406
yoy % chg.	30.6%	12.2%	-26.3%	-5.6%	24.4%	22.8%	3.9%	-0.4%	-31.5%	-32.5%	-22.8%	-17.1%
qoq % chg.	-	-	-	-	7.9%	3.6%	-13.8%	3.4%	-25.7%	1.9%	-1.3%	10.9%
as a % of total	12.8%	12.5%	10.1%	9.7%	13.4%	13.4%	11.6%	11.8%	9.8%	10.2%	9.9%	10.4%

(EUR mn, %)	FY2025 1Q	2Q	3Q	4Q	FY2026 1Q	2Q	3Q	FY26 3Q Guidance	FY26 4Q Guidance	BBG Concensus 2Q26	BBG Concensus 3Q26
	CY25				CY26						
	4Q	1Q	2Q	3Q	4Q	1Q	2Q				
Sales	3,424	3,591	3,704	3,943	3,662	3,812	4,172	YoY significantly up	4,700	4,133	4,624
yoy % chg.	-7.5%	-1.1%	0.1%	0.6%	7.0%	6.2%	12.6%		19.2%	15.10%	24.83%
qoq % chg.	-12.6%	4.9%	3.1%	6.5%	-7.1%	4.1%	9.4%		12.7%	12.87%	21.29%
Gross Profit	1,343	1,391	1,515	1,504	1,462	1,477	1,703	low to mid 40s%	-	1,687	2,009
GM (%)	39.2%	38.7%	40.9%	38.1%	39.9%	38.7%	40.8%			40.8%	43.5%
Segment Result	573	601	668	717	655	653	797			807	1,097
Segment Result Margin (%)	16.7%	16.7%	18.0%	18.2%	17.9%	17.1%	19.1%	20.0%	23.0%	19.5%	23.7%
R&D	544	559	560	565	626	612	674				
as a % of sales (%)	15.9%	15.6%	15.1%	14.3%	17.1%	16.1%	16.2%				
CAPEX	665	397	364	374	465	456	422				
as a % of sales (%)	19.4%	11.1%	9.8%	9.5%	12.7%	12.0%	10.1%				
Inventory											
Inventories	4,385	4,333	4,280	4,141	4,485	4,540	4,531				
Inventory turns	1.99	2.02	2.03	2.32	2.04	2.07	2.18				
Inventories turnover days	184	181	180	158	179	176	168				
Sales											
Automotive (ATV)	1,752	1,858	1,870	1,921	1,821	1,830	1,932				
yoy % chg.	-16.0%	-10.6%	-11.5%	-10.6%	3.9%	-1.5%	3.3%				
qoq % chg.	-18.5%	6.1%	0.6%	2.7%	-5.2%	0.5%	5.6%				
as a % of total	51.2%	51.7%	50.5%	48.7%	49.7%	48.0%	46.3%				
Green Industrial Power (GIP)	320	397	431	442	349	403	447				
yoy % chg.	-34.3%	-15.4%	-9.3%	-12.1%	9.1%	1.5%	3.7%				
qoq % chg.	-36.4%	24.1%	8.6%	2.6%	-21.0%	15.5%	10.9%				
as a % of total	9.3%	11.1%	11.6%	11.2%	9.5%	10.6%	10.7%				
Power & Sensor (PSS)	1,007	979	1,053	1,210	1,171	1,260	1,442				
yoy % chg.	31.6%	37.3%	40.6%	40.5%	16.3%	28.7%	36.9%				
qoq % chg.	17.0%	-2.8%	7.6%	14.9%	-3.2%	7.6%	14.4%				
as a % of total	29.4%	27.3%	28.4%	30.7%	32.0%	33.1%	34.6%				
Connected Secure System (CSS)	345	357	350	370	321	319	351				
yoy % chg.	-5.2%	-3.8%	-4.4%	-8.9%	-7.0%	-10.6%	0.3%				
qoq % chg.	-15.0%	3.5%	-2.0%	5.7%	-13.2%	-0.6%	10.0%				
as a % of total	10.1%	9.9%	9.4%	9.4%	8.8%	8.4%	8.4%				

Source: Bloomberg Finance L.P. estimates, company data, J.P. Morgan
Note: Bloomberg consensus estimates as of Aug 4, 2026

Figure 14: IFX: Inventory and Inventory turnover (days)



Source: Company materials, J.P. Morgan

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