Powered by UBS Evidence Lab

US Semiconductors and Semi Equipment

SemiBytes: CBRS, NVDA, Read on Trump-Xi to Semis, H1B Data

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CBRS – the stock needs to get through the lockup expiration

We have observed a challenging trading pattern for CBRS following each of the last two earnings reports and have received a significant increase in inbound calls from investors on the stock (down ~30% in the past 3mos versus SOX -10%). This has come amid fundamental news from the company that has been, in our view, quite positive including the crystallization of the Amazon relationship and confirmed 2027 revenue ramp, aggressive growth in capacity to support customers like OpenAI with cloud offerings, the launch of the new CS-4, and indications from the company that longer-term gross margin could have potentially significant upside from the ~60% level that Street models are generally contemplating. There is a lot of competition brewing for fast inference (including NVDA with Groq 3), but we think a major reason the stock has come under pressure is the lockup agreement in which ~170MM shares (a little more than half of the current shares outstanding) will come off lockup two days after CBRS reports its quarter ending 9/30/26. Based on recent reporting schedule, this would mean these shares likely come off lockup in the first or second week of November. Given this dynamic, it is very possible that the stock remains under near-term pressure as this all plays out, but we would expect the trading patterns to improve after lockup expiration especially as the market at that point will be looking toward what we think is an EPS number in the ~$15 range for C2028E, putting the stock at only 12x for a company set to grow revenue 20x from C2026-2030E (120% revenue CAGR).

NVDA to acquire Hugging Face - pushing more deeply into the model layer

NVDA was reported (here) to be acquiring Hugging Face for $12.9B, further expanding its AI software capabilities following its investment in Poolside (here). We view the transaction as further evidence that NVDA is extending its role beyond hardware by building an end-to-end AI platform spanning developers, data, models, and deployment. By bringing in-house the leading repository of open-source models and datasets, NVDA could accelerate adoption of its software stack while strengthening its position within the broader AI community, which we expect will remain largely dependent on merchant GPUs for compute. We see compelling strategic logic in the deal, as it should help drive the development and deployment of open-source models on NVDA's infrastructure, reinforcing a cycle of ecosystem adoption, inference demand, and long-term AI spending, while pushing NVDA further into the model layer and expanding its TAM.

As is usually the case before Trump-Xi meetings, headline risks likely to pick up for Semis

We have seen a notable pickup in mostly negative headlines across the Semis complex over the past week - which is not much of a coincidence, in our view. To this end, we have seen the recycled headlines around immersion DUV litho restrictions, by the US Government on ASML/the Netherlands via MATCH Act (see UBS' note on MATCH Act implications), and we have also seen headlines around potentially new BIS measures that would restrict Chinese companies from accessing high-end compute via data centers in regions such as Thailand, Singapore, and elsewhere (we have written in the past that we believe this is also something that the Biden Administration had on its agenda). Lastly, we have seen a number of memory-related headlines with CXMT having sued the US Government (on 8/29) over its blacklisting (from the Pentagon) all ahead of the expected Trump-Xi meeting on 9/24. In our view, there seems to be a similar pattern to prior Trump-Xi meetings, as both sides look to enter negotiations from a position of strength, and we would therefore not be surprised to see additional headlines around

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restrictions to be floated in the coming weeks (or, on the other side, some easing of existing measures on Chinese co's). We think SPE and Memory verticals are among the most obvious to watch. Net, we would not be surprised to see elevated headline risks and volatility across Semis into the Trump-Xi meeting, with SPE/memory names likely the most exposed.

H1B visa application tracker update

We reprise the UBS Evidence Lab H1B Visa Monitor (>Access Dataset), analyzing key US tech companies' H1B visa applications with the Department of Labor - including associated job and salary data - which are a matter of public record. In 2Q, semiconductor companies' labor certification applications (LCAs) were up +17% Q/Q (after being up 90% Q/Q in 1Q) following the little chilling impact in 2H25 from the ~ $100k/position fee that went into effect on Sept 21st (it affects only the small minority of applications that are neither conversions from a student or other visa nor renewals). On the other hand, semiconductor jobs were down 38% Q/Q from 11.8k to 7.3k, with NVDA's jobs being down ~45% Q/Q while the rest of semiconductor corporate landscape was down -33% Q/Q - but the number of positions per application varies by company, making read-throughs to opex challenging. In terms of salaries, this number ticked up +2.5% in CQ2 (to ~$187k) after a -5.5% Q/Q decline in CQ1. In particular, INTC (+11.5% Q/Q), QCOM (+7% Q/Q) and NVDA (+6% Q/Q) are more aggressively paying up for talent. Even so, NVDA remains the employer of choice among all companies in our dataset with an average salary of $225k, followed by ADBE ($206k), AAPL ($202k), and GOOGL ($201k).



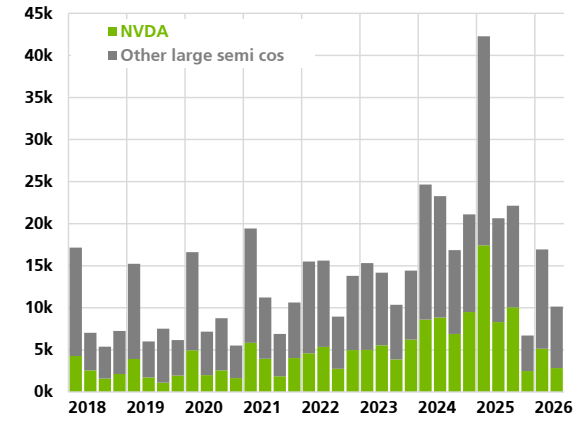
UBS EVIDENCE LAB H1B VISA MONITOR

We reprise the UBS Evidence Lab H1B Visa monitor (>Access Dataset), analyzing key US tech companies' H1B visa applications with the Department of Labor - including associated job and salary data - which are a matter of public record.

In 2Q, semi jobs were down ~38% Q/Q to 7.3k, with NVDA jobs down ~45% Q/Q followed by the rest of semi companies down DD% Q/Q. More specifically, semi employer jobs ex-NVDA were down ~33% Q/Q, led by INTC and Samsung each down 67% Q/Q and AVGO down 58% Q/Q, while MCHP jobs grew ~356% Q/Q and MU up 347% Q/Q. The three largest semi employers in 1H26 in terms of jobs requested remain NVDA (8.0k jobs), SNPS (3.8k), and INTC (2.5k), while across the broader large tech dataset, AMZN/AAPL/META/CSCO are the only companies larger than NVDA.

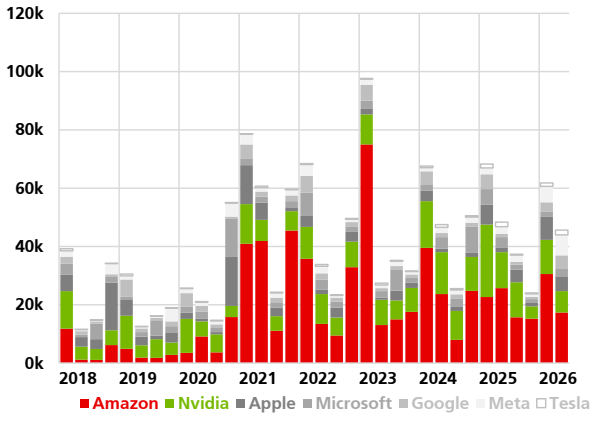
However, the number of positions per application varies by company, making read-throughs to opex challenging, and applications did not show that marked Q-Q decline. Semi employers' labor certification applications (LCAs) were up +17% (after being up 90% Q/Q in 1Q) following the little chilling impact in 2H25 from the ~$100k/position fee that went into effect on Sept 21st (it affects only the small minority of applications that are not converting from a student or other visa and not a renewal). In particular, MCHP applications were up ~356% Q/Q, MU up ~347% Q/Q, and ASML up 149% Q/Q, although this was offset by AVGO down 63% Q/Q, INTC down ~29% Q/Q, and SNPS down 23% Q/Q. NVDA applications grew 53.5% to 1,173 applications within the quarter.

Figure 1: NVDA and other large Semi cos' quarterly H-1B jobs



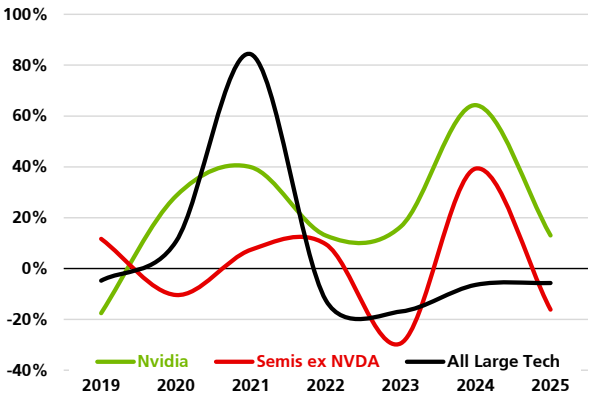
Source: UBS Evidence Lab (>Access Dataset).

Figure 2: Mag 7 quarterly H-1B jobs



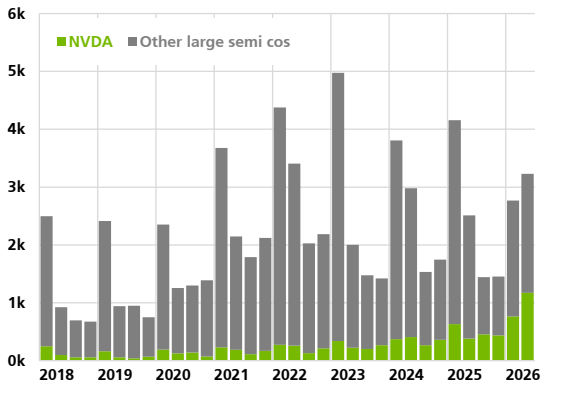
Source: UBS Evidence Lab (>Access Dataset).

Figure 3: Semi and large Tech H-1B annual jobs % Y/Y



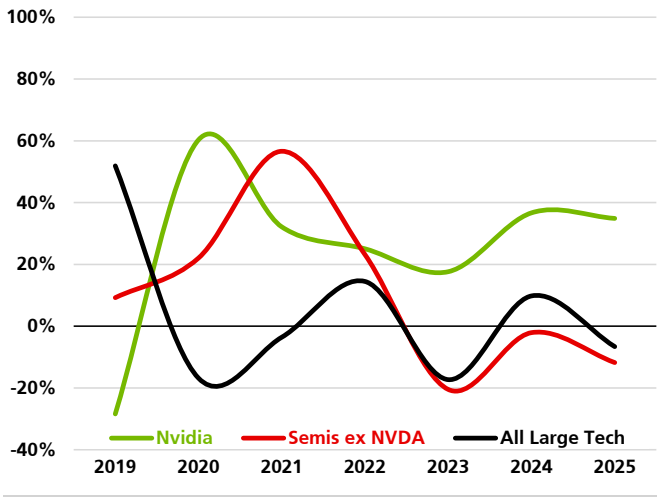
Source: UBS Evidence Lab (>Access Dataset). Excludes Qualcomm.

Figure 4: NVDA and other large Semi cos' quarterly H-1B applications sponsored



Source: UBS Evidence Lab (>Access Dataset).

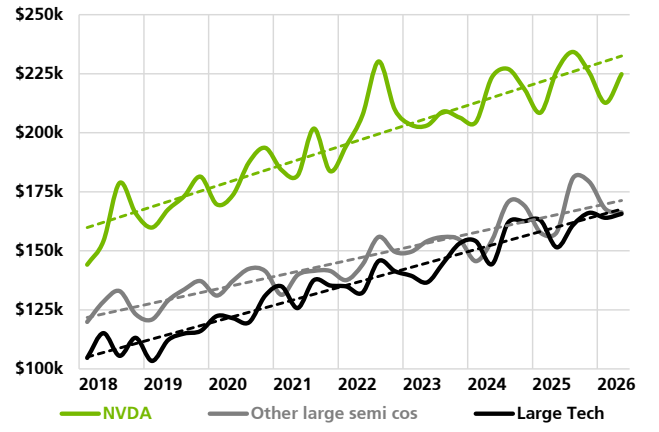
Figure 5: Semi and large Tech annual applications sponsored % Y/Y



Source: UBS Evidence Lab (>Access Dataset).

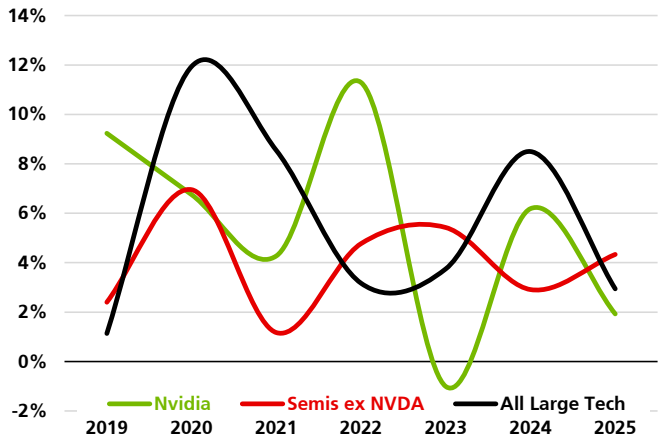
In terms of semi employers' salaries, this rebounded to up +2.5% in CQ2 (to ~$187k) after being -5.5% Q/Q in CQ1. In particular, INTC (+11.5% Q/Q), Qualcomm (+7% Q/Q) and NVDA (+6% Q/Q) are offset by HSD% declines for the rest of semi company salaries. NVDA ($225k) still remains the employer of choice, with the highest salaries in the sector and among all larger employers on our screen. ADBE ($206k), AAPL ($202k), and GOOGL ($201k) are its closest neighbors, while MCHP ($113k), TXN ($120k), and MU ($137k) bring up the rear.

Figure 6: NVDA, other large Semi cos', and Tech H-1B salaries



Source: UBS Evidence Lab (>Access Dataset).

Figure 7: Semi and large Tech H-1B annual salaries % Y/Y



Source: UBS Evidence Lab (>Access Dataset).

Figure 8: Key Semi cos' annual H-1B jobs, applications sponsored, and salaries

	# of Jobs									# of Applications									Salaries							
	2018	2019	2020	2021	2022	2023	2024	2025	Total	2018	2019	2020	2021	2022	2023	2024	2025	Total	2018	2019	2020	2021	2022	2023	2024	2025
Nvidia	10,570	8,714	11,201	15,667	17,699	20,617	33,868	38,268	156,604	461	330	529	699	874	1,028	1,405	1,895	7,221	$ 153k	$ 167k	$ 179k	$ 186k	$ 207k	$ 205k	$ 218k	$ 222k
Synopsys	7,316	7,619	6,828	7,712	6,273	5,203	8,285	6,181	55,417	177	208	188	221	198	150	216	194	1,552	$ 150k	$ 154k	$ 163k	$ 163k	$ 172k	$ 182k	$ 187k	$ 194k
Intel	4,962	5,154	3,706	4,050	6,508	3,286	5,651	4,634	37,951	1,530	1,581	1,484	4,003	4,809	3,286	3,553	2,625	22,871	$ 120k	$ 121k	$ 131k	$ 128k	$ 136k	$ 140k	$ 149k	$ 158k
Qualcomm*	31,879	34,699	67,509	66,227	81,119	73,043	2,337	33,154	389,967	648	687	1,806	2,449	3,448	3,164	2,337	2,167	16,706	$ 137k	$ 143k	$ 148k	$ 153k	$ 157k	$ 165k	$ 162k	$ 172k
Samsung	1,020	1,508	2,847	2,710	2,596	2,208	1,892	1,847	16,628	633	628	510	523	586	512	485	479	4,356	$ 129k	$ 132k	$ 139k	$ 153k	$ 153k	$ 172k	$ 184k	$ 182k
AMD	288	1,064	552	577	1,280	563	812	773	5,909	288	470	541	577	672	563	812	773	4,696	$ 140k	$ 142k	$ 146k	$ 154k	$ 161k	$ 164k	$ 175k	$ 181k
Micron	394	507	583	610	635	321	505	562	4,117	394	507	583	610	635	321	505	562	4,117	$ 109k	$ 113k	$ 112k	$ 115k	$ 122k	$ 122k	$ 133k	$ 134k
Broadcom	1,191	1,146	604	659	515	696	321	427	5,559	143	121	79	110	112	92	60	91	808	$ 124k	$ 132k	$ 144k	$ 150k	$ 155k	$ 178k	$ 202k	$ 187k
ASML	215	221	268	232	408	491	401	459	2,695	210	221	268	232	408	491	401	459	2,690	$ 113k	$ 111k	$ 115k	$ 120k	$ 125k	$ 136k	$ 148k	$ 149k
Texas Instruments	209	172	186	206	149	152	181	166	1,421	209	172	186	206	149	152	181	166	1,421	$ 115k	$ 118k	$ 126k	$ 127k	$ 134k	$ 138k	$ 140k	$ 147k
Microchip	95	131	123	102	106	113	108	121	899	95	131	123	102	106	113	108	121	899	$ 91k	$ 97k	$ 101k	$ 101k	$ 116k	$ 118k	$ 107k	$ 111k
Large Semi Cos*	**26,260**	**26,236**	**26,898**	**32,525**	**36,169**	**33,650**	**52,024**	**53,438**	**287,200**	**4,788**	**5,056**	**6,297**	**9,732**	**11,997**	**9,872**	**10,063**	**9,532**	**67,337**	**$ 127k**	**$ 130k**	**$ 140k**	**$ 141k**	**$ 149k**	**$ 158k**	**$ 165k**	**$ 175k**
Semis ex NVDA	**15,690**	**17,522**	**15,697**	**16,858**	**18,470**	**13,033**	**18,156**	**15,170**	**130,596**	**4,327**	**4,726**	**5,768**	**9,033**	**11,123**	**8,844**	**8,658**	**7,637**	**60,116**	**$ 124k**	**$ 127k**	**$ 136k**	**$ 138k**	**$ 144k**	**$ 152k**	**$ 157k**	**$ 164k**
All Large Tech	**197,311**	**187,897**	**207,929**	**383,218**	**335,348**	**278,650**	**260,739**	**245,433**	**2,096,525**	**76,181**	**115,701**	**96,222**	**92,769**	**106,185**	**87,795**	**96,384**	**89,992**	**761,229**	**$ 108k**	**$ 109k**	**$ 123k**	**$ 133k**	**$ 137k**	**$ 142k**	**$ 154k**	**$ 159k**

Nvidia	-18%	29%	40%	13%	16%	64%	13%		-28%	60%	32%	25%	18%	37%	35%		9.2%	6.8%	4.3%	11.3%	-1.0%	6.2%	1.9%	
Synopsys	4%	-10%	13%	-19%	-17%	59%	-25%		18%	-10%	18%	-10%	-24%	44%	-10%		2.4%	5.9%	0.1%	5.6%	6.0%	2.7%	3.8%	
Intel	4%	-28%	9%	61%	-50%	72%	-18%		3%	-6%	170%	20%	-32%	8%	-26%		1.0%	8.0%	-2.1%	6.0%	3.2%	6.3%	5.5%	
Qualcomm*	9%	95%	-2%	22%	-10%	-97%	1319%		6%	163%	36%	41%	-8%	-26%	-7%		4.0%	3.8%	3.6%	2.5%	4.8%	-1.7%	6.0%	
Samsung	48%	89%	-5%	-4%	-15%	-14%	-2%		-1%	-19%	3%	12%	-13%	-5%	-1%		2.1%	5.8%	9.9%	-0.1%	12.6%	6.8%	-1.1%	
AMD	269%	-48%	5%	122%	-56%	44%	-5%		63%	15%	7%	16%	-16%	44%	-5%		2.0%	2.7%	5.4%	4.2%	1.9%	7.1%	3.1%	
Micron	29%	15%	5%	4%	-49%	57%	11%		29%	15%	5%	4%	-49%	57%	11%		3.2%	-1.1%	2.8%	6.6%	-0.5%	9.3%	0.6%	
Broadcom	-4%	-47%	9%	-22%	35%	-54%	33%		-15%	-35%	39%	2%	-18%	-35%	52%		6.3%	9.3%	3.9%	3.8%	14.8%	13.3%	-7.3%	
ASML	3%	21%	-13%	76%	20%	-18%	14%		5%	21%	-13%	76%	20%	-18%	14%		-1.6%	3.9%	4.0%	4.2%	8.5%	9.2%	0.4%	
Texas Instruments	-18%	8%	11%	-28%	2%	19%	-8%		-18%	8%	11%	-28%	2%	19%	-8%		2.3%	7.1%	0.8%	5.8%	2.4%	1.9%	4.5%	
Microchip	38%	-6%	-17%	4%	7%	-4%	12%		38%	-6%	-17%	4%	7%	-4%	12%		6.7%	4.9%	-0.2%	14.8%	2.2%	-9.9%	4.1%	
Large Semi Cos*	**0%**	**3%**	**21%**	**11%**	**-7%**	**55%**	**3%**		**6%**	**25%**	**55%**	**23%**	**-18%**	**2%**	**-5%**		**2.2%**	**7.4%**	**1.1%**	**5.5%**	**5.8%**	**4.8%**	**6.1%**	
Semis ex NVDA	**12%**	**-10%**	**7%**	**10%**	**-29%**	**39%**	**-16%**		**9%**	**22%**	**57%**	**23%**	**-20%**	**-2%**	**-12%**		**2.4%**	**7.0%**	**1.2%**	**4.8%**	**5.4%**	**2.9%**	**4.3%**	
All Large Tech	**-5%**	**11%**	**84%**	**-12%**	**-17%**	**-6%**	**-6%**		**52%**	**-17%**	**-4%**	**14%**	**-17%**	**10%**	**-7%**		**1.1%**	**11.9%**	**8.5%**	**3.2%**	**3.7%**	**8.5%**	**2.9%**	

Source: UBS Evidence Lab (>Access Dataset). Qualcomm is excluded from Jobs total but not from other totals.

***UBS Evidence Lab** is a sell-side team of experts that work across numerous specialized labs creating insight-ready datasets. The experts turn data into evidence by applying a combination of tools and techniques to harvest, cleanse, and connect billions of data items each month. Since 2014, UBS Research analysts have utilized the expertise of UBS Evidence Lab for insight-ready datasets on companies, sectors, and themes, resulting in the production of thousands of differentiated UBS Research reports. UBS Evidence Lab does not provide investment recommendations or advice but provides insight-ready datasets for further analysis by UBS Research and by clients. All published UBS Evidence Lab content is available via UBS Neo. The amount and type of content available may vary. Please contact your UBS sales representative if you wish to discuss access.*

Global Job Listings [Tesla & SpaceX]

This report leverages the following UBS Evidence Lab asset: Global Job Listings [Tesla &SpaceX]. UBS Evidence Lab collects job listing data directly from Tesla and SpaceX company career websites. UBS Evidence Lab identifies anomalies at the employer level and removes them from the data prior to aggregation, in addition to filtering out removed job listings.

Valuation Method and Risk Statement

We use various valuation techniques such as P/E, EV/FCF for valuing the companies in this report. Risk factors include but are not limited to macroeconomic factors such as a downturn in the economy, a disruption of international trade, technological disruption due to new inventions, or business model innovation whereby structural changes in the industry alter the future course of unit sales, ASPs, and revenues.