US Semiconductors and Semi Equipment

SemiBytes: Earnings Previews (AMAT, CBRS, CEVA, AMBQ)

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Please see our separate SemiBytes note here.

AMAT (reports 11/12 AMC): We see AMAT's FQ4:26 (Oct) revenue coming in at ~ $10.45B, with FQ1:27 (Jan) guided up +$500MM Q/Q to ~$10.95B (Street $10.83B). While recent supply chain disruptions cost LRCX a few $100MM in shipments, we do not expect a material impact on AMAT's Jan Q guidance, as we understand the underlying issue to have lasted only a few days for LRCX - and given that AMAT's FQ1:27 will be a 14-week quarter, this should provide an additional benefit across both Semi Systems and AGS. Ultimately, we continue to view any near term shipment disruptions as noise rather than a change in the strength of underlying WFE demand. The more important read-through for AMAT, we think, came from KLAC, as its Dec Q guidance points to DRAM systems growth of +$450MM Q/Q, effectively implying an ~$8-10B increase in total DRAM WFE (taking KLAC's mid-SD% share of DRAM WFE). Given that KLAC's shipments precede AMAT and LRCX into the fab, we see this as a very bullish signal for AMAT into 1H27. On gross margin into FQ1:27, recall that AMAT indicated adding >1,500 people in FQ3:26, and that management quantified this as a ~30bps headwind into Oct Q, but that we expect to turn into a tailwind in January (UBSe: 51.3%). Beyond the Jan Q, and consistent with our approach to modeling LRCX and KLAC, we slightly lower our C1H27 estimates by ~$300MM in aggregate to reflect the possibility that supply chain constraints limit near term WFE shipments. However, we assume AMAT recovers roughly half of this, or ~$150MM, in C2H27. At the same time, we raise our C2028 estimates, as we expect much of the remaining constrained shipment volume to shift into the following year and are increasingly bullish on the C2028 WFE outlook on the back of ASML's incremental capacity additions. We also incorporate management's Investor Breakfast commentary (our takeaways here), with most of the changes on the gross margin front - and now model 53.5% GM in C2028 versus 53.9% prior. While AMAT does not provide explicit WFE market guidance, we expect its commentary to remain very bullish and largely reiterate the key messages from its Investor Breakfast. Net, our C2026/C2027/C2028 EPS estimates move to $14.78/ $23.56/$32.09 from $14.84/$23.37/$30.45; however, applying a lower ~22x NTM P/E multiple to reflect the significant valuation compression across the semis supply chain, our price target remains $695 and our rating remains Buy.

CBRS (reports 11/12 AMC): We see an upward bias to the Sep Q as CBRS has been aggressively bringing on co-lo capacity to support OpenAI. We also see the customer base broadening and will look for signs of progress on a full commitment from AWS beyond the current rental of ~100 systems (mostly we believe also to support OpenAI). CBRS also launched CS-4 at SuperNova, with initial shipments expected in the Sep Q (here). Second, Gimlet Labs outlined plans for ~100MW of CS-4 deployments alongside General Compute's planned rollout of CBRS-powered inference beginning in 1Q27 (here). Most recently, ORCL announced this past week that it plans to offer CBRS on OCI beginning in 2027 (here), further broadening CBRS' reach across hyperscale customers. Importantly, we expect the ORCL and Gimlet deployments to take the form of hardware sales, providing a useful mix offset as OAI's Tranche 2 shifts toward cloud consumption. Based on our recent checks, we see an upward bias to FQ4 (Dec) guidance supported by initial CS-4 deployments and broader customer adoption. While we understand investor concerns around reports that OAI's Sol UltraFast tier was initially running on NVDA GPUs, we will hope to get some update on the situation from the company on this call. In the near term, the stock has been pressured by the ~19MM share lockup expiration, but further out, we think the next meaningful upside opportunity could come from

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disaggregated inference deployments using AMD-powered racks. While our understanding is that AMD-based systems are unlikely to ship before 1H27, we think disaggregated inference could offer a more attractive cost structure for latency-sensitive workloads. Net, we modestly raise our 4Q revenue estimate based on recent checks, while our EPS estimate remains roughly unchanged. We maintain our Buy rating but lower our PT from $330 to $250 as we refresh multiples.

CEVA (reports 11/9 BMO): We see upside bias to the Sept Q as handset royalties should benefit from both a larger Apple contribution and improving momentum at UNISOC. On Apple, only a few weeks of the new product ramp were reflected in the Jun Q, while the Sept Q should capture a more meaningful contribution. Importantly, we think the opportunity is likely to phase in over several quarters as the product transition is staggered and legacy Qualcomm-based models remain in the mix, resulting in a smoother royalty ramp rather than a single-quarter step-up. We are also increasingly constructive on UNISOC, which we believe could prove to be a share gainer at the lower end of the smartphone market. Our checks suggest Chinese OEMs are increasingly evaluating/moving designs toward UNISOC as they look to manage BOM costs, potentially creating share opportunities versus MediaTek and Qualcomm across the lower tier of both 4G and 5G models. This should help offset a softer overall handset market and leaves us bullish on CEVA's handset royalties into the quarter. We also think investors will tune in for further NPU milestones as the story begins to transition from licensing wins toward silicon and ultimately royalties. CEVA expects six NPU customers to have silicon by YE26, and our latest conversations suggest licensing activity remains healthy with additional programs progressing toward tape-out. The key debate remains how quickly these wins translate into meaningful royalty revenues, but we think additional customers reaching silicon by year-end and initial products progressing toward market could provide tangible proof points that the NPU opportunity is moving closer to monetization. Still, we think NPU royalties growth will become a more meaningful driver in 2027, while we expect handset royalties and NPU licenses to continue driving C2026. All in, we remain bullish into the Sept Q and remain Buy, but trim our PT from $48 to $40 as we refresh multiples.

AMBQ (reports 11/10 BMO): We expect Sept Q results in-line with guidance and Street, with UBSe revs/EPS of $36.5MM/($0.16), as wearables read-throughs still look constructive - most notably Garmin's 3Q Fitness revenue +16% Y/Y. Into Dec Q, we estimate revs/EPS of $39.5MM/($0.07) vs Street $39.6MM/($0.06), as we expect pricing up 3% Q/Q and units up 5% Q/Q. Regarding Atomiq, Atomiq110 is on track for customer sampling in early-2027 and a meaningful ramp in 2028, as an early development platform (in the form of an FPGA) is currently in customer hands. Into the print, we look for 1) incremental commentary on new program ramps as AMBQ looks to broaden its customer base, 2) updates on supply constraints across wafers, packaging, substrates, and test, 3) diversification of revenue beyond wearables, and 4) Atomiq/Apollo 6 development and sampling cadence. Overall, our CY26/CY27 estimates remain unchanged at $134.9MM/($0.54) and $183.7MM/($0.22), but we trim our PT from $73 to $50 as we refresh multiples. We remain Neutral.

AMAT PREVIEW

Key Topics for Earnings:

1) Any detail on the shape and magnitude of C2027 Semi Systems shipments relative to underlying WFE growth, with particular focus on the magnitude of DRAM WFE; **2)** Commentary on the supply chain and potential constraints into C1H27; **3)** GM and OpM outlook for next year; and **4)** Additional detail on the recent BESI investment.

Figure 1: AMAT - New vs. Old Estimates

(in $MM; Non-GAAP)	FY2026 New	FY2026 Old	% Change	FY2027 New	FY2027 Old	% Change	FY2028 New	FY2028 Old	% Change
Revenue	$34,491	$34,491	--	$50,351	$50,578	-0.4%	$68,373	$66,395	3.0%
Y/Y Growth	21.6%	21.6%		46.0%	46.6%		35.8%	31.3%	
Gross Margin	50.1%	50.1%	--	52.0%	51.5%	0.5%	53.2%	53.4%	-0.2%
Operating Margin	33.2%	33.2%	--	38.1%	37.7%	0.4%	41.2%	41.3%	-0.1%
EPS	$12.87	$12.87	--	$20.86	$20.79	0.3%	$30.60	$29.49	3.8%
FCF	$5,241	$5,241	--	$11,258	$11,275	-0.2%	$19,535	$19,554	-0.1%
Segment Revenue									
Semiconductor Systems	$26,233	$26,233	--	$40,487	$40,798	-0.8%	$56,792	$55,198	2.9%
Y/Y Growth	22.3%	22.3%		54.3%	54.9%		40.3%	29.9%	
Applied Global Services	$6,862	$6,862	--	$8,234	$8,165	0.8%	$9,716	$9,472	2.6%
Y/Y Growth	19.5%	19.5%		20.0%	19.0%		18.0%	16.0%	
Corporate & Other	$1,396	$1,396	--	$1,630	$1,615	0.9%	$1,865	$1,725	8.1%
Y/Y Growth	17.8%	17.8%		16.8%	15.7%		14.4%	6.8%	

Source: UBS estimates

Figure 2: AMAT - UBSe vs Street

	Jan'26 2026/1F	Apr'26 2026/2F	Jul'26 2026/3F	Oct'26 2026/4F	2026	Jan'27 2027/1F	Apr'27 2027/2F	Jul'27 2027/3F	Oct'27 2027/4F	2027	Jan'28 2028/1F	Apr'28 2028/2F	Jul'28 2028/3F	Oct'28 2028/4F	2028	Jan'29 2029/1F	Apr'29 2029/2F	Jul'29 2029/3F	Oct'29 2029/4F	2029	CALENDAR YEARS CY2025	CY2026	CY2027	CY2028
Revenues ($MM)																								
UBS (New)	$ 7,012	$ 7,910	$ 9,115	$ 10,454	**$ 34,491**	$ 10,954	$ 11,630	$ 12,983	$ 14,784	**$ 50,351**	$ 16,116	$ 16,707	$ 17,453	$ 18,097	**$ 68,373**	$ 18,513	$ 19,111	$ 19,594	$ 19,932	**$ 77,150**	**$ 28,214**	**$ 38,433**	**$ 55,513**	**$ 70,770**
UBS (Old)				$ 10,454	**$ 34,491**	$ 10,954	$ 11,783	$ 13,134	$ 14,708	**$ 50,578**	$ 16,038	$ 16,208	$ 16,802	$ 17,347	**$ 66,395**	$ 17,441	$ 18,017	$ 18,352	$ 18,451	**$ 72,261**	**$ 28,214**	**$ 38,433**	**$ 55,662**	**$ 67,798**
Consensus				$ 10,300	**$ 34,337**	$ 10,833	$ 11,391	$ 12,025	$ 12,541	**$ 46,791**	$ 12,936	$ 13,616	$ 14,209	$ 14,590	**$ 55,351**	$ 15,133	N/A	N/A	N/A	**N/A**		**$ 38,158**	**$ 48,893**	**$ 57,548**
Delta				1.5%	0.4%	1.1%	2.1%	8.0%	17.9%	7.6%	24.6%	22.7%	22.8%	24.0%	23.5%	22.3%						0.7%	13.5%	23.0%
EPS (Non-GAAP)																								
UBS (New)	$ 2.38	$ 2.86	$ 3.49	$ 4.14	**$ 12.87**	$ 4.29	$ 4.68	$ 5.44	$ 6.45	**$ 20.86**	$ 7.00	$ 7.38	$ 7.90	$ 8.33	**$ 30.60**	$ 8.48	$ 8.93	$ 9.29	$ 9.51	**$ 36.20**	**$ 9.42**	**$ 14.78**	**$ 23.56**	**$ 32.09**
UBS (Old)				$ 4.14	**$ 12.87**	$ 4.35	$ 4.73	$ 5.42	$ 6.29	**$ 20.79**	$ 6.93	$ 7.06	$ 7.52	$ 7.99	**$ 29.49**	$ 7.88	$ 8.28	$ 8.51	$ 8.61	**$ 33.27**	**$ 9.42**	**$ 14.84**	**$ 23.37**	**$ 30.45**
Consensus				$ 4.06	**$ 12.82**	$ 4.23	$ 4.54	$ 4.88	$ 5.17	**$ 18.82**	$ 5.45	$ 5.91	$ 6.25	$ 6.52	**$ 24.12**	$ 6.81	$ 6.27	$ 6.32	$ 6.32	**$ 25.73**		**$ 14.65**	**$ 20.03**	**$ 25.49**
Delta				1.9%	0.4%	1.3%	3.1%	11.5%	24.8%	10.8%	28.5%	24.9%	26.5%	27.8%	26.9%	24.4%	42.3%	47.0%	50.5%	40.7%		0.9%	17.6%	25.9%

Source: Company reports, UBS estimates, FactSet

Note: FY29 consensus Revenue not yet available via FactSet

Figure 3: AMAT - Summary Model

Applied Materials, Inc. (AMAT) - Key Metrics (in $MM except EPS)	FQ2A CQ1A	FQ3A CQ2A	FQ4:25A CQ3A	FQ1A CQ4A	C2025A	FQ2A CQ1A	FQ3A CQ2A	Estimates FQ4:26E CQ3E	FQ1E CQ4E	C2026E	FQ2E CQ1E	FQ3E CQ2E	FQ4:27E CQ3E	FQ1E CQ4E	C2027E	FQ2E CQ1E	FQ3E CQ2E	FQ4:28E CQ3E	FQ1E CQ4E	C2028E	FISCAL YEAR SUMMARY F2024A	F2025A	F2026E	F2027E	F2028E
Revenue	**$7,100**	**$7,302**	**$6,800**	**$7,012**	**$28,214**	**$7,910**	**$9,115**	**$10,454**	**$10,954**	**$38,433**	**$11,630**	**$12,983**	**$14,784**	**$16,116**	**$55,513**	**$16,707**	**$17,453**	**$18,097**	**$18,513**	**$70,770**	**$27,176**	**$28,368**	**$34,491**	**$50,351**	**$68,373**
Y/Y Growth	7%	8%	(3%)	(2%)	2%	11%	25%	54%	56%	36%	47%	42%	41%	47%	44%	44%	34%	22%	15%	27%	2%	4%	22%	46%	36%
Gross Margin	**49.2%**	**48.9%**	**48.1%**	**49.1%**	**48.8%**	**50.0%**	**50.4%**	**50.6%**	**51.3%**	**50.6%**	**51.7%**	**52.2%**	**52.5%**	**52.8%**	**52.3%**	**52.9%**	**53.5%**	**53.7%**	**54.0%**	**53.5%**	**47.6%**	**48.8%**	**50.1%**	**52.0%**	**53.2%**
Opex	$1,311	$1,324	$1,325	$1,335	$5,295	$1,417	$1,501	$1,580	$1,674	$6,172	$1,704	$1,769	$1,834	$2,033	$7,341	$2,032	$2,057	$2,062	$2,195	$8,345	$4,559	$4,763	$5,248	$6,299	$7,392
Y/Y Growth	6%	5%	3%	2%	4%	8%	13%	19%	25%	17%	20%	18%	16%	21%	19%	19%	16%	12%	8%	14%	6%	4%	10%	20%	17%
Operating Margin	**30.7%**	**30.7%**	**28.6%**	**30.0%**	**30.1%**	**32.1%**	**34.0%**	**35.4%**	**36.0%**	**34.5%**	**37.0%**	**38.6%**	**40.1%**	**40.1%**	**39.1%**	**40.7%**	**41.7%**	**42.3%**	**42.1%**	**41.7%**	**29.2%**	**30.2%**	**33.2%**	**38.1%**	**41.2%**
Non-GAAP EPS	**$2.39**	**$2.48**	**$2.17**	**$2.38**	**$9.42**	**$2.86**	**$3.49**	**$4.14**	**$4.29**	**$14.78**	**$4.68**	**$5.44**	**$6.45**	**$7.00**	**$23.56**	**$7.38**	**$7.90**	**$8.33**	**$8.48**	**$32.09**	**$8.65**	**$9.42**	**$12.87**	**$20.86**	**$30.60**
FCF																									
CFFO	$1,571	$2,634	$2,828	$1,686	$8,719	$845	$3,037	$2,392	$3,365	$9,639	$3,490	$3,477	$3,859	$4,790	$15,617	$5,735	$6,009	$6,420	$6,802	$24,966	$8,677	$7,958	$7,960	$14,191	$22,954
Capex	$510	$584	$785	$646	$2,525	$635	$707	$732	$767	$2,841	$640	$714	$813	$806	$2,973	$835	$873	$905	$926	$3,538	$1,190	$2,260	$2,720	$2,934	$3,419
FCF	**$1,061**	**$2,050**	**$2,043**	**$1,040**	**$6,194**	**$210**	**$2,330**	**$1,661**	**$2,598**	**$6,799**	**$2,851**	**$2,763**	**$3,046**	**$3,984**	**$12,644**	**$4,900**	**$5,136**	**$5,515**	**$5,876**	**$21,427**	**$7,487**	**$5,698**	**$5,241**	**$11,258**	**$19,535**
% revenue	14.9%	28.1%	30.0%	14.8%	22.0%	2.7%	25.6%	15.9%	23.7%	17.7%	24.5%	21.3%	20.6%	24.7%	22.8%	29.3%	29.4%	30.5%	31.7%	30.3%	27.6%	20.1%	15.2%	22.4%	28.6%
Segment Revenue																									
Semi Systems	**$5,401**	**$5,564**	**$4,879**	**$5,141**	**$20,985**	**$5,965**	**$7,040**	**$8,087**	**$8,588**	**$29,680**	**$9,218**	**$10,468**	**$12,213**	**$13,383**	**$45,282**	**$13,862**	**$14,505**	**$15,042**	**$15,342**	**$58,751**	**$21,014**	**$21,441**	**$26,233**	**$40,487**	**$56,792**
Y/Y Growth	10%	13%	(6%)	(8%)	2%	10%	27%	66%	67%	41%	55%	49%	51%	56%	53%	50%	39%	23%	15%	30%	7%	2%	22%	54%	40%
Applied Global Service	**$1,420**	**$1,463**	**$1,506**	**$1,559**	**$5,948**	**$1,665**	**$1,781**	**$1,857**	**$1,976**	**$7,279**	**$2,017**	**$2,100**	**$2,141**	**$2,283**	**$8,541**	**$2,380**	**$2,478**	**$2,575**	**$2,671**	**$10,104**	**$5,122**	**$5,742**	**$6,862**	**$8,234**	**$9,716**
Y/Y Growth	11%	10%	8%	15%	11%	17%	22%	23%	27%	22%	21%	18%	15%	16%	17%	18%	18%	20%	17%	18%	-	12%	20%	20%	18%
Others	**$279**	**$275**	**$415**	**$312**	**$1,281**	**$280**	**$294**	**$510**	**$390**	**$1,474**	**$395**	**$415**	**$430**	**$450**	**$1,690**	**$465**	**$470**	**$480**	**$500**	**$1,915**	**$1,040**	**$1,185**	**$1,396**	**$1,630**	**$1,865**
Y/Y Growth	30%	0%	81%	44%	37%	0%	7%	23%	25%	15%	41%	41%	(16%)	15%	15%	18%	13%	12%	11%	13%	(4%)	14%	18%	17%	14%

Source: Company reports, UBS estimates

Valuation

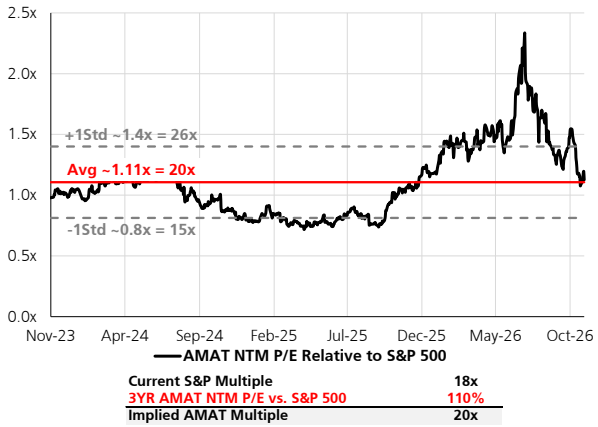
We maintain our $695 PT, while lowering our NTM P/E multiple to ~22x from ~23x, applied to our C28E non-GAAP EPS estimate of $32.09, up from $30.45 previously. Our ~22x multiple represents a two-turn premium to AMAT's 3-year average S&P-implied P/E multiple, which we believe is warranted given the company's position as a key beneficiary of a strong DRAM WFE spending super-cycle, with earnings benefits expected to begin in C2H:26.

Figure 4: AMAT - Valuation

	New	Old
EPS (Non-GAAP)		
C2028E	$32.09	$30.45
NTM P/E Multiple	**22x**	**23x**
Price Target	$695	$695

Source: UBS estimates

Figure 5: AMAT - Multiple Justification



Source: FactSet

CBRS PREVIEW

Key Topics for Earnings:

1) Update on CS-4 ramp, initial shipments and customer adoption, including deployment timing for recently announced wins; 2) Progress on AMD-based disaggregated inference, including commercial interest, Helios integration and timing of initial deployments; 3) Update on supply and data-center capacity expansion into CY27, including remaining bottlenecks and ability to support OpenAI Tranche 2 alongside incremental cloud demand; 4) Gross-margin outlook as rent-back costs normalize, including CS-4 pricing / product mix and cloud versus hardware mix.

Figure 6: CBRS UBSe vs. Street

	2025	2026/1F	2026/2F	2026/3F	2026/4F	2026	2027/1F	2027/2F	2027/3F	2027/4F	2027	2028/1F	2028/2F	2028/3F	2028/4F	2028
Revenue($MM)																
UBS (New)	**$ 510**		$ 210	$ 215	$ 278	**$ 894**	$ 435	$ 624	$ 970	$ 1,325	**$ 3,354**	$ 1,566	$ 1,873	$ 2,306	$ 2,840	**$ 8,585**
UBS (Old)	**$ 510**			$ 215	$ 274	**$ 890**	$ 429	$ 615	$ 956	$ 1,305	**$ 3,306**	$ 1,544	$ 1,848	$ 2,276	$ 2,795	**$ 8,463**
Consensus				$ 215	$ 274	**$ 887**	$ 403	$ 567	$ 822	$ 1,122	**$ 2,954**	$ 1,359	$ 1,684	$ 2,060	$ 2,340	**$ 7,545**
Delta				0.2%	1.1%	0.8%	7.9%	10.1%	18.1%	18.1%	13.5%	15.3%	11.2%	12.0%	21.4%	13.8%
Non GAAP EPS																
UBS (New)	**$ (0.41)**		$ (0.05)	$ (0.20)	$ (0.25)	**$ (0.70)**	$ 0.06	$ 0.21	$ 0.61	$ 1.02	**$ 1.91**	$ 1.19	$ 1.53	$ 2.02	$ 2.60	**$ 7.35**
UBS (Old)	**$ (0.41)**			$ (0.20)	$ (0.25)	**$ (0.71)**	$ 0.05	$ 0.20	$ 0.59	$ 0.99	**$ 1.84**	$ 1.17	$ 1.50	$ 1.98	$ 2.54	**$ 7.21**
Consensus				$ (0.15)	$ (0.25)	**$ (0.50)**	$ (0.08)	$ 0.11	$ 0.47	$ 0.77	**$ 1.30**	$ 0.93	$ 1.31	$ 1.74	$ 2.05	**$ 6.20**
Delta				27.2%	0.7%	40.1%	(177.5%)	84.5%	30.1%	31.6%	46.4%	28.5%	17.1%	15.7%	26.7%	18.6%

Source: Company data, FactSet, UBS estimates

Figure 7: CBRS - Summary Model

Cerebras (CBRS) - Key Metrics (in $MM except EPS)	C2023A	C2024E	C2025E	CQ1 '26	CQ2 '26	Estimates CQ3 '26	CQ4 '26	C2026E	CQ1 '27	CQ2 '27	CQ3 '27	CQ4 '27	C2027E	CQ1 '28	CQ2 '28	CQ3 '28	CQ4 '28	C2028E	C2029E
Core Revenue	**$79**	**$290**	**$510**	**$191**	**$210**	**$215**	**$278**	**$894**	**$435**	**$624**	**$970**	**$1,325**	**$3,354**	**$1,566**	**$1,873**	**$2,306**	**$2,840**	**$8,585**	**$14,672**
Y/Y Growth	223%	265%	76%	92%	103%	59%	62%	75%	127%	197%	351%	377%	275%	260%	200%	138%	114%	156%	71%
Q/Q Growth				12%	10%	3%	29%		57%	44%	55%	37%		18%	20%	23%	23%		
GAAP Revenue	$79	$290	$510	$193	$180	$199	$281	$854	$471	$699	$1,130	$1,555	$3,855	$1,714	$2,117	$2,720	$3,431	$9,982	$16,852
Gross Profit (non-GAAP)	$27	$123	$199	$89	$85	$84	$117	$375	$181	$268	$525	$735	$1,708	$904	$1,098	$1,371	$1,694	$5,067	$8,902
Gross Margin	**34.1%**	**42.3%**	**39.0%**	**46.5%**	**40.6%**	**39.0%**	**42.2%**	**42.0%**	**41.6%**	**42.9%**	**54.1%**	**55.5%**	**50.9%**	**57.7%**	**58.6%**	**59.4%**	**59.7%**	**59.0%**	**60.7%**
R&D	$115	$116	$210	$70	$82	$90	$127	$368	$122	$140	$195	$228	$685	$264	$290	$323	$360	$1,237	$1,792
Selling & marketing	$6	$12	$61	$13	$12	$20	$33	$78	$52	$64	$81	$90	$287	$98	$108	$120	$134	$460	$654
General & Administrative	$9	$38	$25	$10	$25	$26	$28	$89	$28	$31	$42	$48	$149	$51	$54	$61	$68	$233	$307
Opex (Non-GAAP)	**$130**	**$166**	**$296**	**$93**	**$119**	**$136**	**$188**	**$535**	**$202**	**$235**	**$318**	**$366**	**$1,121**	**$413**	**$452**	**$504**	**$562**	**$1,931**	**$2,754**
% of revenue	163%	57%	58%	48%	57%	63%	68%	60%	46%	38%	33%	28%	33%	26%	24%	22%	20%	22%	19%
Operating Income (Non-GAAP)	($103)	($43)	($97)	($4)	($34)	($52)	($71)	($159)	($21)	$33	$207	$369	$588	$491	$647	$867	$1,132	$3,136	$6,148
Operating Margin	**NM**	**(14.9%)**	**(19.0%)**	**(1.8%)**	**(16.0%)**	**(24.0%)**	**(25.5%)**	**(17.8%)**	**(4.9%)**	**5.3%**	**21.4%**	**27.9%**	**17.5%**	**31.3%**	**34.5%**	**37.6%**	**39.9%**	**36.5%**	**41.9%**
Non-GAAP EPS	**$ (0.53)**	**$ (0.12)**	**$ (0.41)**	**$ (0.04)**	**$ (0.05)**	**$ (0.20)**	**$ (0.25)**	**$ (0.70)**	**$ 0.06**	**$ 0.21**	**$ 0.61**	**$ 1.02**	**$ 1.91**	**$ 1.19**	**$ 1.53**	**$ 2.02**	**$ 2.60**	**$ 7.35**	**$ 15.07**
Free Cash Flow																			
CFFO	($115)	$489	$23	$12	($60)	($66)	($33)	($146)	$87	$241	$547	$1,009	$1,885	$1,077	$1,306	$1,556	$2,005	$5,944	$7,165
Customer Deposit	--	$640	($286)	$14	($126)	$56	($85)	($140)	($81)	($81)	($53)	--	($214)	--	--	--	--	--	--
Core CFFO ex Deposit	($115)	($152)	$308	($2)	$66	($122)	$51	($6)	$168	$322	$600	$1,009	$2,099	$1,077	$1,306	$1,556	$2,005	$5,944	$7,165
Capex	($7)	($23)	($424)	($132)	($417)	($470)	($575)	($1,594)	($1,138)	($990)	($897)	($991)	($4,016)	($991)	($991)	($991)	($991)	($3,964)	($4,464)
FCF	**($122)**	**($175)**	**($115)**	**($134)**	**($351)**	**($592)**	**($524)**	**($1,600)**	**($970)**	**($668)**	**($297)**	**$18**	**($1,917)**	**$86**	**$315**	**$565**	**$1,014**	**$1,980**	**$2,701**
Revenue Disclosures																			
Hardware	**$57**	**$212**	**$358**	**$112**	**$82**	**$68**	**$72**	**$333**	**$108**	**$172**	**$267**	**$373**	**$920**	**$418**	**$477**	**$591**	**$857**	**$2,344**	**$5,614**
Y/Y Growth		271%	69%	60%	17%	(30%)	(41%)	(7%)	(4%)	110%	292%	421%	176%	289%	177%	122%	130%	155%	140%
% of total revenue	72%	73%	70%	58%	39%	32%	26%	37%	25%	28%	27%	28%	27%	27%	25%	26%	30%	27%	38%
Services and Other	**$22**	**$78**	**$152**	**$80**	**$128**	**$147**	**$206**	**$561**	**$327**	**$452**	**$704**	**$951**	**$2,434**	**$1,148**	**$1,396**	**$1,715**	**$1,983**	**$6,242**	**$9,058**
Y/Y Growth		262%	94%	167%	287%	278%	314%	270%	310%	254%	378%	362%	334%	251%	209%	144%	108%	156%	45%
% of total revenue	27%	27%	30%	42%	61%	68%	74%	63%	75%	72%	73%	72%	73%	73%	75%	74%	70%	73%	62%

Source: Company data, UBS estimates

Valuation

We lower our PT from $330 to $250 as multiples have compressed across the sector. Our PT is based on EV/Sales applied to C2029 estimates, discounted back to CY27E. We use the average of compute and cloud peers' multiple of ~6x CY2029E EV/Sales (vs. prior ~8x) and apply it to our $14.7B sales (vs. prior $14.4B), resulting in PT of $250.

Figure 8: CBRS Valuation

Valuation	New	Old
EV/S		
CY29 Revenue	**14,672**	**14,380**
EV/S Multiple	6x	8x
Enterprise Value	**86,567**	**117,914**
Net Debt/(Cash)	(9,094)	(8,843)
Target Equity Value	**95,661**	**126,757**
Discounted 18m @14%/yr	78,304	103,758
Shares	314	314
Price Target	**$ 250**	**$ 330**

Source: UBS estimates, FactSet

Figure 9: CBRS Comp Sheet

		P/E				EV/FCF				EV/Sales				EV/EBITDA					
Ticker	Company Name	2026	2027	2028	2029	2026	2027	2028	2029	2026	2027	2028	2029	2026	2027	2028	2029	Mkt Cap	EV
Compute Semiconductors																			
NVDA	Nvidia	24x	14x	10x	8x	28x	15x	10x	8x	13x	7x	5x	4x	19x	11x	8x	7x	$4,894B	$4,833B
AVGO	Broadcom	27x	16x	10x	7x	30x	17x	10x	NM	14x	8x	5x	NM	21x	12x	7x	NM	$1,537B	$1,572B
AMD	AMD	74x	35x	24x	18x	134x	56x	28x	18x	18x	10x	7x	5x	68x	28x	18x	14x	$809B	$800B
INTC	Intel	59x	43x	30x	19x	NM	NM	NM	NM	8x	7x	6x	5x	22x	18x	14x	12x	$337B	$368B
MRVL	Marvell	53x	31x	18x	11x	76x	40x	25x	15x	16x	10x	6x	3x	41x	24x	13x	8x	$169B	$171B
LSCC	Lattice	48x	32x	24x	17x	59x	34x	24x	NM	16x	11x	8x	NM	37x	23x	18x	NM	$13B	$13B
	Simple Average	**48x**	**28x**	**19x**	**13x**	**65x**	**32x**	**19x**	**13x**	**14x**	**9x**	**6x**	**4x**	**35x**	**19x**	**13x**	**10x**		
	Weighted Average	**32x**	**18x**	**13x**	**10x**	**41x**	**20x**	**12x**	**9x**	**13x**	**8x**	**5x**	**4x**	**25x**	**14x**	**9x**	**8x**		
Clouds / Neoclouds / DC Operators																			
CRWV	Coreweave	NM	NM	71x	12x	NM	NM	NM	NM	6x	4x	3x	2x	10x	7x	4x	3x	$25B	$75B
NBIS	Nebius	NM	NM	NM	23x	NM	NM	NM	NM	18x	7x	4x	3x	43x	13x	8x	6x	$36B	$43B
GOOG	Google	14x	19x	16x	13x	NM	NM	NM	44x	7x	5x	5x	4x	15x	11x	9x	7x	$3,157B	$3,314B
MSFT	Microsoft	21x	24x	20x	16x	70x	110x	54x	30x	9x	9x	7x	6x	15x	14x	11x	9x	$3,858B	$3,927B
ORCL	Oracle	18x	14x	10x	7x	NM	NM	NM	21x	7x	5x	3x	3x	11x	8x	6x	5x	$392B	$530B
	Simple Average	**18x**	**19x**	**15x**	**12x**	**70x**	**110x**	**54x**	**31x**	**7x**	**6x**	**5x**	**4x**	**13x**	**11x**	**9x**	**7x**		
	Weighted Average	**18x**	**21x**	**18x**	**14x**	**70x**	**110x**	**54x**	**35x**	**8x**	**7x**	**6x**	**5x**	**14x**	**13x**	**10x**	**8x**		
Average of Compute and Clouds		**25x**	**20x**	**15x**	**12x**	**55x**	**65x**	**33x**	**22x**	**11x**	**8x**	**6x**	**5x**	**20x**	**13x**	**10x**	**8x**		

Source: Factset, UBS estimates

CEVA PREVIEW

Key Topics for Earnings:

1) Apple internal modem exposure design activity, IP content, and timing assumptions; 2) NPU pipeline progress, including updates on the recent deal and timing of first volume shipments and royalty ramps; 3) Sense & Infer momentum, with any acceleration in DSP, sensor fusion, and AI DSP attach; 4) Connectivity royalty trends, including mix shift toward higher-ASP Wi-Fi 6/7, BLE combo, and multi-protocol designs; and 5) Smart edge demand commentary, particularly unit growth across consumer IoT, industrial, and auto.

Figure 10: CEVA - UBSe vs. Street

	2024	2025	Mar '26	Jun '26	Sep '26	Dec '26	2026E	Mar '27	Jun '27	Sep '27	Dec '27	2027E	Mar '28	Jun '28	Sep '28	Dec '28	2028E
Revenue($MM)																	
UBS (New)	**$ 106.9**	**$ 109.6**	$ 27.0	$ 29.0	$ 33.7	$ 36.0	**$ 125.8**	$ 32.3	$ 34.3	$ 37.8	$ 41.5	**$ 145.9**	$ 36.4	$ 39.0	$ 41.8	$ 45.9	**$ 163.1**
UBS (Old)					$ 33.7	$ 36.0	**$ 125.8**	$ 32.3	$ 34.3	$ 37.8	$ 41.5	**$ 145.9**	$ 36.4	$ 39.0	$ 41.8	$ 45.9	**$ 163.1**
Consensus					$ 32.7	$ 36.2	**$ 125.0**	$ 31.6	$ 33.2	$ 36.6	$ 40.4	**$ 141.8**	$ 36.1	$ 38.6	$ 41.6	$ 44.8	**$ 161.1**
Delta					3.3%	(0.7%)	0.7%	2.0%	3.5%	3.3%	2.8%	2.9%	0.8%	1.0%	0.4%	2.5%	1.2%
Non-GAAP EPS																	
UBS (New)	**$ 0.36**	**$ 0.42**	$ 0.04	$ 0.08	$ 0.20	$ 0.27	**$ 0.58**	$ 0.16	$ 0.19	$ 0.24	$ 0.31	**$ 0.90**	$ 0.21	$ 0.25	$ 0.29	$ 0.35	**$ 1.11**
UBS (Old)					$ 0.20	$ 0.27	**$ 0.58**	$ 0.16	$ 0.19	$ 0.24	$ 0.31	**$ 0.90**	$ 0.21	$ 0.25	$ 0.29	$ 0.35	**$ 1.11**
Consensus					$ 0.19	$ 0.25	**$ 0.55**	$ 0.11	$ 0.15	$ 0.23	$ 0.32	**$ 0.80**	$ 0.20	$ 0.25	$ 0.31	$ 0.36	**$ 1.12**
Delta					5.1%	9.9%	6.3%	44.7%	30.5%	5.0%	(2.3%)	12.5%	7.3%	(0.4%)	(5.3%)	(2.6%)	(1.0%)

Source: Company data, FactSet, UBS estimates

Figure 11: CEVA - Summary Model

CEVA, Inc. (CEVA) - Key Metrics (in MM except EPS)	2022 CY22	2023 CY23	2024 CY24	2025 CY25	Mar'26 CQ1A	Jun'26 CQ2A	Estimates Sep'26 CQ3E	Dec'26 CQ4E	2026E CY26E	Mar'27 CQ1E	Jun'27 CQ2E	Sep'27 CQ3E	Dec'27 CQ4E	2027E CY27E	Mar'28 CQ1E	Jun'28 CQ2E	Sep'28 CQ3E	Dec'28 CQ4E	2028E CY28E
Revenue	**134.6**	**103.1**	**106.9**	**109.6**	**27.0**	**29.0**	**33.7**	**36.0**	**125.8**	**32.3**	**34.3**	**37.8**	**41.5**	**145.9**	**36.4**	**39.0**	**41.8**	**45.9**	**163.1**
Y/Y Growth	10%	(23%)	4%	2%	11%	13%	19%	15%	15%	19%	18%	12%	15%	16%	13%	14%	10%	11%	12%
Q/Q Growth					(14%)	7%	16%	7%		(10%)	6%	10%	10%		(12%)	7%	7%	10%	
Gross Profit	113.0	89.8	95.4	96.4	23.5	25.4	29.8	32.0	110.8	28.5	30.4	33.6	37.1	129.5	32.4	34.8	37.3	41.0	145.6
Gross Margin	**84.0%**	**87.1%**	**89.2%**	**87.9%**	**87.1%**	**87.5%**	**88.4%**	**89.0%**	**88.1%**	**88.5%**	**88.5%**	**88.8%**	**89.3%**	**88.8%**	**89.0%**	**89.3%**	**89.4%**	**89.4%**	**89.3%**
R&D	70.0	67.1	62.3	64.3	17.0	16.7	17.0	17.2	67.8	17.6	17.8	18.7	18.8	73.0	18.4	19.0	19.3	19.9	76.7
SG&A	22.1	21.3	23.9	22.8	6.1	5.7	6.7	6.8	25.2	6.6	6.8	7.1	7.4	27.9	7.2	7.4	7.7	7.9	30.2
Opex (Non-GAAP)	**90.8**	**87.2**	**85.2**	**86.5**	**23.0**	**22.3**	**23.6**	**23.9**	**92.8**	**24.1**	**24.6**	**25.8**	**26.2**	**100.6**	**25.5**	**26.4**	**26.9**	**27.8**	**106.6**
% of revenue	67%	85%	80%	79%	85%	77%	70%	66%	74%	75%	72%	68%	63%	69%	70%	68%	64%	61%	65%
Operating Income (Non-GAAP)	22.3	2.6	10.2	9.9	0.5	3.1	6.2	8.2	18.0	4.5	5.8	7.8	10.9	29.0	6.9	8.4	10.4	13.2	39.0
Operating Margin	**16.5%**	**2.5%**	**9.5%**	**9.0%**	**1.9%**	**10.7%**	**18.5%**	**22.6%**	**14.3%**	**13.9%**	**17.0%**	**20.5%**	**26.3%**	**19.9%**	**19.0%**	**21.6%**	**24.9%**	**28.8%**	**23.9%**
GAAP EPS	($1.00)	($0.51)	($0.37)	($0.44)	($0.16)	($0.10)	$0.00	$0.06	($0.19)	($0.03)	$0.00	$0.04	$0.10	$0.12	$0.02	$0.05	$0.09	$0.14	$0.29
Non-GAAP EPS	**$0.78**	**$0.10**	**$0.36**	**$0.42**	**$0.04**	**$0.08**	**$0.20**	**$0.27**	**$0.58**	**$0.16**	**$0.19**	**$0.24**	**$0.31**	**$0.90**	**$0.21**	**$0.25**	**$0.29**	**$0.35**	**$1.11**
Free Cash Flow																			
CFFO	6.9	(6.3)	3.5	(13.2)	(4.9)	5.8	2.6	7.5	12.3	8.3	5.0	5.4	7.4	26.1	11.5	6.5	7.9	8.9	34.8
Capex	3.5	2.9	3.0	1.4	2.3	0.6	0.5	0.5	4.0	0.8	0.9	0.9	1.0	3.6	0.9	1.0	1.0	1.1	4.1
FCF	**3.4**	**(9.2)**	**0.5**	**(14.6)**	**(7.2)**	**5.2**	**2.1**	**6.9**	**8.4**	**7.5**	**4.2**	**4.4**	**6.3**	**22.4**	**10.6**	**5.5**	**6.8**	**7.7**	**30.7**
% of revenue	3%	(9%)	0%	(13%)	(27%)	18%	6%	19%	7%	23%	12%	12%	15%	15%	29%	14%	16%	17%	19%
Y/Y Growth	(85%)	(369%)	NM	(2,931%)	NM	957%	NM	NM	NM	NM	(20%)	111%	(8%)	167%	42%	33%	53%	22%	37%
Debt Issue / (repayment)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stock Issue / (repurchase)	(6.8)	(6.2)	(8.5)	48.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Debt	(147.7)	(166.5)	(163.6)	(222.0)	(215.7)	(220.7)	(222.8)	(229.7)	(229.7)	(237.2)	(241.4)	(245.8)	(252.2)	(252.2)	(262.8)	(268.3)	(275.1)	(282.9)	(282.9)
Net Leverage	-5.8x	-30.4x	-12.4x	-18.0x	-17.1x	-10.8x	-10.1x	-10.4x	-10.4x	-10.6x	-10.5x	-10.5x	-10.6x	-10.6x	-10.9x	-10.9x	-11.0x	-11.1x	-11.1x
Segment Revenue																			
Licensing & related revenues	**89.3**	**63.3**	**60.0**	**63.6**	**17.8**	**18.2**	**20.2**	**19.5**	**75.8**	**19.2**	**20.0**	**21.2**	**22.3**	**82.7**	**21.5**	**22.4**	**23.3**	**23.8**	**91.0**
Y/Y Growth	23%	(29%)	(5%)	6%	18%	21%	26%	12%	19%	8%	10%	5%	14%	9%	12%	12%	10%	7%	10%
Q/Q Growth					2%	2%	11%	(4%)		(2%)	4%	6%	5%		(3%)	4%	4%	2%	
% of revenue	66%	61%	56%	58%	66%	63%	60%	54%	60%	60%	58%	56%	54%	57%	59%	57%	56%	52%	56%
Royalties	**45.4**	**39.9**	**46.9**	**46.0**	**9.2**	**10.8**	**13.5**	**16.5**	**50.0**	**13.0**	**14.3**	**16.6**	**19.3**	**63.3**	**14.8**	**16.6**	**18.5**	**22.1**	**72.1**
Y/Y Growth	(9%)	(12%)	18%	(2%)	0%	1%	9%	20%	9%	42%	33%	23%	17%	26%	14%	16%	11%	15%	14%
Q/Q Growth					(33%)	17%	25%	22%		(21%)	10%	16%	16%		(23%)	12%	11%	20%	
% of revenue	34%	39%	44%	42%	34%	37%	40%	46%	40%	40%	42%	44%	46%	43%	41%	43%	44%	48%	44%

Source: Company reports, UBS estimates

Valuation

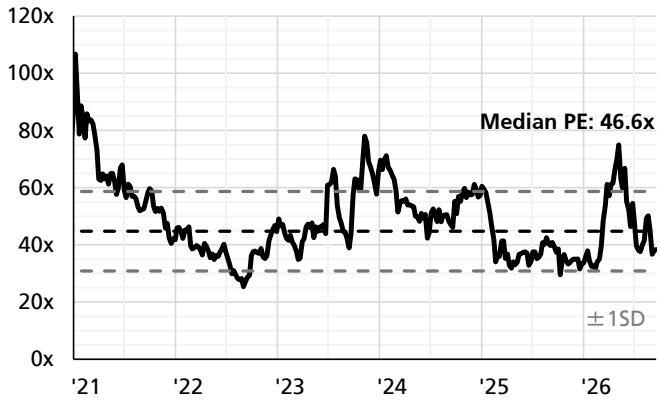
We trim our PT from $48 to $40 as multiples have compressed across the sector. We apply a 36x multiple (44x previously) to CY28E EPS of $1.11 (unchanged). Our multiple is in-line with median PE of SMID Edge Compute Peers (from prior valuation methodology of average between the median PE of IP peers and the median of SMID Edge Compute peers).

Figure 12: CEVA Valuation

Valuation	New	Old
Non-GAAP EPS		
CY2028	$ 1.11	$ 1.11
P/E Multiple	36x	44x
Price Target	$ 40	$ 48

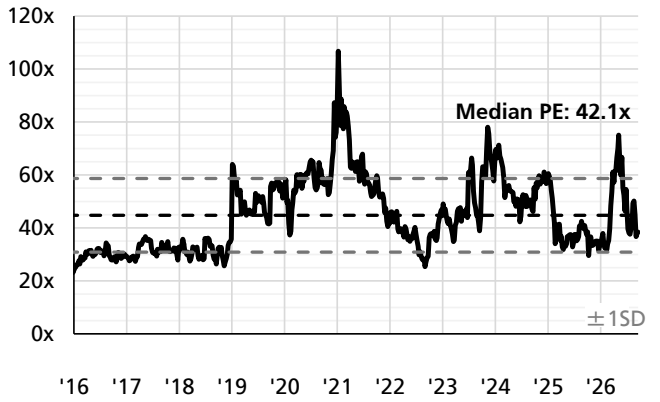
Source: Company reports, UBS estimates

Figure 13: CEVA NTM PE 5yr



Source: FactSet, UBS

Figure 14: CEVA NTM PE 10yr



Source: FactSet, UBS

Figure 15: CEVA SMID Edge Compute Comps

Ticker	Company Name	P/E 2025	P/E 2026	P/E 2027
AMBQ-US	Ambiq Micro	NM	NM	NM
AMBA-US	Ambarella, Inc.	117x	82x	62x
NOD-NO	Nordic Semiconductor	154x	56x	36x
LSCC-US	Lattice	NM	48x	32x
SITM-US	SiTime	153x	43x	33x
	Median	**153x**	**56x**	**36x**
	Weighted Average	149x	51x	35x
	Simple Average	144x	57x	40x
CEVA-US	**CEVA**	**77x**	**67x**	**45x**

Source: Company reports, UBS estimates, FactSet, Visible Alpha

AMBQ PREVIEW

Key Topics for Earnings:

1) Progress on new wearables programs; 2) Atomiq/Apollo 6 sampling and tape-out progress; 3) Dec Q unit/ASP drivers and 1H27 visibility; 4) updates on non-wearables pilot designs in medical/industrial markets; 5) any change to expected mix shift towards Apollo 4/5.

Figure 16: Ambiq UBS vs. Street

	2024A	2025A	Mar '26	Jun '26	Sep '26	Dec '26	2026E	Mar '27	Jun '27	Sep '27	Dec '27	2027E	Mar '28	Jun '28	Sep '28	Dec '28	2028E
Revenue($MM)																	
UBS (New)	**$ 76.1**	**$ 72.5**	$ 25.1	$ 33.9	$ 36.5	$ 39.5	**$ 134.9**	$ 41.9	$ 45.3	$ 47.1	$ 49.5	**$ 183.7**	$ 53.0	$ 58.4	$ 65.6	$ 71.6	**$ 248.6**
UBS (Old)					$ 36.5	$ 39.5	**$ 134.9**	$ 41.9	$ 45.3	$ 47.1	$ 49.5	**$ 183.7**	$ 53.0	$ 58.4	$ 65.6	$ 71.6	**$ 248.6**
Consensus					$ 36.6	$ 39.6	**$ 135.2**	$ 39.9	$ 44.5	$ 47.0	$ 47.1	**$ 178.4**	$ 51.5	$ 58.7	$ 63.5	$ 60.6	**$ 239.2**
Delta					(0.3%)	(0.4%)	(0.2%)	4.8%	1.7%	0.1%	5.0%	2.9%	2.9%	(0.5%)	3.2%	18.3%	3.9%
Non-GAAP EPS																	
UBS (New)	**$ (3.00)**	**$ (1.31)**	$ (0.25)	$ (0.08)	$ (0.16)	$ (0.07)	**$ (0.54)**	$ (0.05)	$ (0.03)	$ (0.06)	$ (0.09)	**$ (0.22)**	$ (0.06)	$ 0.02	$ 0.15	$ 0.25	**$ 0.38**
UBS (Old)					$ (0.16)	$ (0.07)	**$ (0.54)**	$ (0.05)	$ (0.03)	$ (0.06)	$ (0.09)	**$ (0.22)**	$ (0.06)	$ 0.02	$ 0.15	$ 0.25	**$ 0.38**
Consensus					$ (0.16)	$ (0.06)	**$ (0.54)**	$ (0.09)	$ (0.04)	$ (0.04)	$ (0.07)	**$ (0.22)**	$ (0.03)	$ 0.09	$ 0.17	$ 0.11	**$ 0.40**
Delta					0.0%	(16.7%)	0.0%	44.4%	25.0%	(50.0%)	(28.6%)	0.0%	(100.0%)	(77.8%)	(11.8%)	127.3%	(5.0%)

Source: Company data, FactSet, UBS estimates

Figure 17: Ambiq Summary Model

Ambiq (AMBQ) - Key Metrics (in $MM except EPS)	2023A	2024A	Q1	Q2	Q3	Q4	2025A	Q1A	Q2A	Q3E	Q4E	2026E	Q1E	Q2E	Q3E	Q4E	2027E	Q1E	Q2E	Q3E	Q4E	2028E
										Estimates												
Revenue	**65.5**	**76.1**	**15.7**	**17.9**	**18.2**	**20.7**	**72.5**	**25.1**	**33.9**	**36.5**	**39.5**	**134.9**	**41.9**	**45.3**	**47.1**	**49.5**	**183.7**	**53.0**	**58.4**	**65.6**	**71.6**	**248.6**
Y/Y Growth		16%	3%	(12%)	(10%)	2%	(5%)	59%	90%	101%	90%	86%	67%	34%	29%	25%	36%	27%	29%	39%	45%	35%
COGS (Non-GAAP)	43.5	52.2	8.3	10.2	10.0	11.3	39.9	13.5	17.9	19.3	21.3	72.0	22.2	23.8	24.5	25.5	96.0	26.8	29.2	32.5	35.1	123.5
Gross Profit (Non-GAAP)	22.0	23.9	7.4	7.6	8.1	9.4	32.6	11.6	16.0	17.1	18.1	62.9	19.7	21.5	22.6	24.0	87.7	26.2	29.2	33.1	36.5	125.1
Gross Margin (Non-GAAP)	**33.6%**	**31.4%**	**47.1%**	**42.7%**	**44.8%**	**45.5%**	**45.0%**	**46.2%**	**47.2%**	**47.0%**	**46.0%**	**46.6%**	**47.0%**	**47.5%**	**47.9%**	**48.5%**	**47.8%**	**49.5%**	**50.0%**	**50.5%**	**51.0%**	**50.3%**
R&D (GAAP)	44.0	37.2	8.7	8.9	8.9	12.0	38.5	12.8	14.1	18.9	18.0	63.9	18.5	19.9	21.5	23.8	83.7	23.9	24.5	25.1	26.1	99.5
% of revenue	67.2%	48.9%	55.2%	49.8%	48.9%	57.9%	53.1%	51.2%	41.7%	51.9%	45.7%	47.4%	44.3%	43.9%	45.6%	48.1%	45.6%	45.0%	42.0%	38.3%	36.4%	40.0%
SG&A (GAAP)	26.7	27.7	8.4	7.1	8.8	8.8	33.2	9.7	9.9	11.2	10.7	41.5	10.8	11.2	11.4	11.7	45.1	11.9	12.1	12.3	12.7	49.1
% of revenue	40.8%	36.5%	53.7%	39.6%	48.6%	42.5%	45.7%	38.9%	29.1%	30.6%	27.2%	30.8%	25.7%	24.8%	24.2%	23.7%	24.6%	22.5%	20.8%	18.8%	17.7%	19.7%
Stock comp	(2.6)	(5.2)	(0.9)	(0.8)	(2.1)	(3.2)	(6.8)	(3.4)	(3.6)	(4.6)	(4.7)	(16.2)	(4.4)	(4.8)	(4.7)	(4.9)	(18.8)	(4.8)	(4.7)	(4.9)	(5.4)	(19.7)
Other adjustments	(6.5)	(6.3)	(3.1)	(1.4)	(2.5)	(1.1)	(8.1)	(1.1)	(1.1)	(1.0)	(0.7)	(3.9)	(0.7)	(0.9)	(1.0)	(1.2)	(3.7)	(0.6)	(0.6)	(0.6)	(0.6)	(2.5)
Opex (Non-GAAP)	**61.7**	**53.4**	**13.1**	**13.8**	**13.2**	**16.6**	**56.7**	**18.1**	**19.4**	**24.5**	**23.3**	**85.3**	**24.2**	**25.5**	**27.2**	**29.4**	**106.3**	**30.4**	**31.4**	**31.9**	**32.7**	**126.4**
% of revenue	94%	70%	84%	77%	72%	80%	78%	72%	57%	67%	59%	63%	58%	56%	58%	59%	58%	57%	54%	49%	46%	51%
Operating Income (Non-GAAP)	(39.7)	(29.5)	(5.7)	(6.2)	(5.0)	(7.2)	(24.1)	(6.6)	(3.4)	(7.4)	(5.2)	(22.5)	(4.5)	(4.0)	(4.6)	(5.4)	(18.6)	(4.2)	(2.2)	1.2	3.8	(1.3)
Operating Margin (Non-GAAP)	**(60.5%)**	**(38.8%)**	**(36.5%)**	**(34.6%)**	**(27.6%)**	**(34.5%)**	**(33.2%)**	**(26.2%)**	**(10.0%)**	**(20.2%)**	**(13.1%)**	**(16.6%)**	**(10.8%)**	**(8.8%)**	**(9.9%)**	**(10.9%)**	**(10.1%)**	**(7.9%)**	**(3.8%)**	**1.9%**	**5.3%**	**(0.5%)**
Incr./Decr. Op Mgn (Non-GAAP)		96.1%	429.1%	(64.6%)	(49.0%)	156.0%	(153.1%)	(8.9%)	17.4%	(12.7%)	10.8%	2.6%	12.1%	(5.4%)	25.6%	(2.5%)	8.0%	3.2%	13.6%	31.7%	41.7%	26.6%
GAAP NI	(52.3)	(42.4)	(8.3)	(8.5)	(9.0)	(10.7)	(36.5)	(10.2)	(7.1)	(10.1)	(7.9)	(35.3)	(7.0)	(7.0)	(7.8)	(9.1)	(30.9)	(7.6)	(5.6)	(2.5)	(0.4)	(16.0)
GAAP Diluted WASO	9.7	10.4	13.6	13.6	18.2	18.3	16.0	20.4	21.7	24.1	24.1	22.6	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1	24.1
GAAP EPS	**($5.38)**	**($4.06)**	**($0.61)**	**($0.62)**	**($0.49)**	**($0.58)**	**($2.29)**	**($0.50)**	**($0.33)**	**($0.42)**	**($0.33)**	**($1.56)**	**($0.29)**	**($0.29)**	**($0.32)**	**($0.38)**	**($1.28)**	**($0.31)**	**($0.23)**	**($0.10)**	**($0.02)**	**($0.66)**
Non-GAAP NI	(41.2)	(31.3)	(5.2)	(5.9)	(4.0)	(5.9)	(20.9)	(5.0)	(1.8)	(3.8)	(1.7)	(12.3)	(1.1)	(0.6)	(1.3)	(2.2)	(5.2)	(1.4)	0.6	4.0	6.6	9.8
Non-GAAP Diluted WASO	9.7	10.4	13.6	13.6	18.2	18.3	16.0	20.4	21.7	24.1	24.1	22.6	24.1	24.1	24.1	24.1	24.1	24.1	26.1	26.2	26.2	25.7
Non-GAAP EPS	**($4.23)**	**($3.00)**	**($0.38)**	**($0.43)**	**($0.22)**	**($0.32)**	**($1.31)**	**($0.25)**	**($0.08)**	**($0.16)**	**($0.07)**	**($0.54)**	**($0.05)**	**($0.03)**	**($0.06)**	**($0.09)**	**($0.22)**	**($0.06)**	**$0.02**	**$0.15**	**$0.25**	**$0.38**
Cash Flow & Capital Deployment									v													
Adj EBITDA	(39.7)	(29.5)	(5.7)	(6.2)	(5.0)	(7.2)	(24.1)	(6.6)	(3.4)	(7.4)	(5.2)	(22.5)	(4.5)	(4.0)	(4.6)	(5.4)	(18.6)	(4.2)	(2.2)	1.2	3.8	(1.3)
Adjustments and other CFFO items	(1.0)	2.5	(1.2)	0.5	(0.2)	1.4	0.6	1.8	1.3	3.6	3.5	10.2	3.4	3.4	3.3	3.2	13.3	2.8	2.8	2.8	2.7	11.1
Working Capital	13.7	5.6	8.3	(6.3)	0.2	1.6	3.8	(6.4)	(7.4)	(1.0)	(1.5)	(16.4)	(0.0)	(1.9)	(0.4)	(0.7)	(2.9)	1.0	(2.6)	(3.6)	(2.5)	(7.7)
CFFO	**(27.0)**	**(21.4)**	**1.4**	**(12.0)**	**(5.0)**	**(4.1)**	**(19.7)**	**(11.2)**	**(9.5)**	**(4.8)**	**(3.2)**	**(28.7)**	**(1.1)**	**(2.5)**	**(1.7)**	**(2.8)**	**(8.1)**	**(0.3)**	**(2.0)**	**0.3**	**4.1**	**2.1**
Capex	(3.0)	(3.7)	(1.1)	(2.0)	(1.7)	(2.6)	(7.4)	(4.0)	(1.9)	(4.4)	(3.9)	(14.2)	(3.0)	(5.4)	(4.6)	(7.0)	(20.0)	(2.4)	(2.6)	(3.0)	(3.2)	(11.1)
FCF	**(30.0)**	**(25.2)**	**0.3**	**(14.0)**	**(6.7)**	**(6.7)**	**(27.1)**	**(15.2)**	**(11.4)**	**(9.2)**	**(7.2)**	**(42.9)**	**(4.1)**	**(7.9)**	**(6.3)**	**(9.8)**	**(28.1)**	**(2.7)**	**(4.6)**	**(2.6)**	**0.8**	**(9.0)**
% of revenue	(46%)	(33%)	2%	(78%)	(37%)	(32%)	(37%)	(61%)	(34%)	(25%)	(18%)	(32%)	(10%)	(17%)	(13%)	(20%)	(15%)	(5%)	(8%)	(4%)	1%	(4%)
Y/Y Growth		NM	NM	NM	NM	NM	NM	(5,339%)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Net Debt	(27.3)	(61.0)	(61.4)	(47.5)	(146.5)	(140.3)	(140.3)	(204.5)	(366.8)	(357.6)	(350.5)	(350.5)	(346.3)	(338.4)	(332.1)	(322.3)	(322.3)	(319.6)	(315.0)	(312.4)	(313.3)	(313.3)

Source: Company reports, UBS estimates

Valuation

We trim our PT from $73 to $50 as multiples have compressed across the sector. We apply a 4.0x EV/sales multiple (in-line with peers' median and down from 6.0x previously) to $248.6MM CY28E revenue, resulting in ~$872.4MM EV, or ~$50/sh on a fully diluted basis.

Figure 18: AMBQ Valuation

Valuation		New		Old
CY28 Sales	$	248.55	$	248.55
NTM EV/Sales Multiple		4x		6x
Enterprise Value		$872.4		$1,429.2
Net Debt/(Cash)		($338.4)		($338.4)
Equity Value		$1,210.8		$1,767.6
Share Count		24.1		24.1
Price Target	$	50	$	73

Source: UBS estimates

Figure 19: AMBQ Peers Valuation

		P/E			EV/Sales		
Ticker	Company Name	2026	2027	2028	2026	2027	2028
STMPA-FR	STMicroelectronics	36x	18x	13x	2.8x	2.3x	2.1x
SITM	SiTime	NM	33x	25x	14.3x	9.3x	7.2x
SMTC-US	Semtech	41x	22x	15x	8.1x	5.9x	4.5x
CRUS-US	Cirrus Logic	13x	13x	12x	2.3x	2.3x	2.1x
NOD-NO	Nordic Semiconductor	56x	36x	25x	4.2x	3.5x	3.1x
AMBA-US	Ambarella	NM	NM	NM	5.8x	5.2x	4.4x
POWI-US	Power Integrations	NM	26x	17x	4.5x	4.0x	3.2x
	Median	**39x**	**24x**	**16x**	**4.5x**	**4.0x**	**3.2x**
	Weighted Average	36x	22x	16x	5.6x	4.2x	3.4x
	Simple Average	37x	25x	18x	6.0x	4.6x	3.8x
AMBQ-US	**Ambiq**	**NM**	**NM**	**141x**	**7.4x**	**5.6x**	**4.2x**

Source: FactSet

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, technological disruption due to new inventions, or business model innovation whereby structural changes in the industry alter the future course of revenues.

AMAT: We use a P/E valuation methodology for AMAT. The semiconductor industry revenues have historically been correlated to global GDP. From a macro standpoint a deep recession with demand destruction for AMATs end customers is a potential downside risk. While we assume that given the memory industry's record profitability there is a big cushion on capex. Should the memory industry start cutting capex there could be further downside to AMAT estimates. Historically the stock has seldom worked when estimates get cut. On the display front as Samsung cuts OLED capex, we think some of that will be offset by growth in China and LCD capex. Should either not materialize, or should AMAT struggle to gain share in displays, there could be further risks to the downside.

CBRS: Our price target is based on applying an EV/S multiple. Cerebras company-specific risks include: 1) competition from entrenched GPU-based AI infrastructure providers and alternative accelerator architectures, where customers may favor ecosystem maturity, availability, or existing vendor relationships over Cerebras's wafer-scale speed advantage; 2) customer concentration and execution risk tied to large strategic relationships including OpenAI, G42, MBZUAI, and AWS; and 3) reliance on TSMC, third-party suppliers, and data-center partners, which could create supply, cost, deployment, or service-level risk. In addition, Cerebras faces sector risks from lumpy AI infrastructure spending, rapid workload evolution, capital intensity, and potential margin volatility as its mix shifts between hardware and cloud-based offerings.

Our price target is based on applying a P/E multiple. We value CEVA based on the median multiple of faster-growth semiconductor IP peers, as CEVA has a faster growth profile and exposure to physical AI markets, partially offset by CEVA's smaller scale relative to most peers. Risks include 1) slower-than-expected royalty growth, 2) weaker demand in CEVA's end markets including consumer, IoT, automotive, industrial, and broader edge AI applications, and 3) competitive pressure from larger semiconductor IP vendors, internal customer IP development, and alternative architectures. In addition, CEVA faces semiconductor sector risk, where revenue trends have historically been tied to broader economic activity, customer inventory cycles, and changes in semiconductor unit demand.

We use an EV/Sales framework for Ambiq given it is still in the early stages of its growth trajectory and we do not underwrite positive earnings until 2028. We value the company in line with its AI exposed semis peers, as the debate is less about near term margins and more about the duration and magnitude of revenue inflection as edge AI use cases move from pilots to volume programs. Practically, we anchor the multiple off forward revenue and allow a premium to traditional MCU names to reflect higher growth optionality. Key risks to AMBQ are that edge AI and new-customer ramp timelines slip and Ambiq sustains higher opex for longer. Broader risks for our semiconductor universe include macro and geopolitical environments, M&A, market share shifts, currency, and tax policy, among others.

Quantitative Research Review

UBS Global Research publishes a quantitative assessment of its analysts' responses to certain questions about the likelihood of an occurrence of a number of short term factors in a product known as the 'Quantitative Research Review'. The views for this month can be found below. Views contained in this assessment on a particular stock reflect only the views on those short term factors which are a different timeframe to the 12-month timeframe reflected in any equity rating set out in this note. For previous responses please make reference to (i) previous UBS Global Research reports; and (ii) where no applicable research report was published that month, the Quantitative Research Review which can be found at https://neo.ubs.com/quantitative, or contact your UBS sales representative for access to the report or the Quantitative Research Team on ubs-quant-answers@ubs.com. A consolidated report which contains all responses is also available and again you should contact your UBS sales representative for details and pricing or the Quantitative Research Team on the email above.

CEVA

Question	Response
1. Is the industry structure facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting worse, 3 = no change, 5 = getting better, N/A = no view)	N/A
2. Is the regulatory/government environment facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting tougher 3 = no change, 5 = getting better, N/A = no view)	N/A
3. Over the last 3-6 months in broad terms have things been improving/no change/getting worse for this stock? Rate on a scale of 1-5 (1 = getting a lot worse, 3 = not much change, 5 = getting a lot better, N/A = no view)	N/A
4. Relative to the current CONSENSUS EPS forecast, is the next company EPS update likely to lead to: (1 = negative surprise vs consensus, 3 = in-line with consensus, 5 = positive surprise vs consensus expectations, N/A = no view)	N/A
5. What's driving the difference?	
6. Relative to YOUR current earnings forecast, is there relatively greater risk at the next earnings result of:(1 = downside skew risk to earnings, 3 = equal upside or downside risk to earnings, 5 = upside skew risk to earnings, N/A = no view)	N/A
7. What's driving the difference?	
8. Is there an upcoming catalyst for the company over the next three months?	No Catalyst
9. Is there an actual or approximate date for the catalyst?	
10. Is the catalyst date an actual or approximate date?	
11. What is the catalyst?	

