

Technology Infrastructure Earnings Wrap-up – Week ending February 28th

The interesting things we learnt across the board

- 1 Nvidia is on track for \$200bn DC revenues** this year. Hitting this requires mid-teens sequential growth through the year, which is what a typical 5% beat in 1Q would deliver. Risks related to the Blackwell ramp are behind us, and the debate is now shifting to next year.
- 2 Silicon Carbide: Another lost year profiling.** Aixtron and ASM International, selling SiC manufacturing tools, are downbeat. They see idle capacity, with low expectations for 2024 missed, and a weak outlook for 2025. In power semis we prefer Infineon this year, for whom Silicon Carbide is a secondary moving part.
- 3 Auto recovery?** Stellantis attributes 1/3 of the shipment decline of 2024 to inventory correction, which could imply a cyclical recovery in 2025. It would remain weak, as 2/3 of the decline was weak end demand and share losses. We are cautious on autos end demand, but positive on auto semis, as the easing inventory correction will deliver good sequential growth this year, and long-term growth is mostly about content, not auto units.
- 4 PC recovery still expected, but nowhere to be seen.** Enterprise PC is doing alright, benefiting from the Windows 10 EOL, but Consumer demand is very weak. Dell guides FY26 (Jan-26) PC revenues up low-to-mid-single digits, implying an acceleration to high-single-digit growth in 2H, and we wouldn't see upside to these already optimistic expectations. We see an ageing installed base and the Windows 10 EOL driving some commercial demand, but a stronger refresh cycle driven by AI PCs, especially in consumer, is an illusion.
- 5 China digesting its burst in WFE spending.** ASMI, in line with what we've heard from others, expects Sales in China down this year. This supports our cautious view on the sector for the near term.

Links to our previous Weekly Earnings Wrap-ups – 4Q24

- Week ending January 24th – [Technology Infrastructure Earnings Wrap-up – Week ending January 24th](#)
- Week ending January 31st – [Technology Infrastructure Earnings Wrap-up – Week ending January 31st](#)
- Week ending February 7th – [Technology Infrastructure Earnings Wrap-up – Week ending February 7th](#)
- Week ending February 14th – [Technology Infrastructure Earnings Wrap-up – Week ending February 14th](#)
- Week ending February 21st – [Technology Infrastructure Earnings Wrap-up – Week ending February 21st](#)

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A brief summary of companies we followed this week

Company	Date Fiscal Qtr	Stock Reaction	Reported Quarter		Next Quarter		Our take		
			Revenues	YoY	Beat/Miss	Guidance		YoY	Beat/Miss
Nvidia	Feb 26 4FQ25	+3% (8%)	\$ 39.3bn	78%	3.2%	\$ 43.0bn	65%	2.2%	DC up 16% QoQ in 4Q. 1Q guide implies DC up 10% QoQ. \$11bn Blackwell sales in 4Q, well above the guide of “several billions”. Dismisses concerns about a challenged ramp & backloaded year. Networking content per GPU down >2x YoY. Management claims attach rates still >75%. Gross margins under pressure. Mix of new product ramp and secular pressure.
Synopsys	Feb 26 1FQ25	+2% (3%)	\$ 1.5bn	(12%)	0.3%	\$ 1.6bn	10%	(0.0%)	1FQ25 down 4% YoY. AI and HPC remained strong, while Industrial, Auto and consumer electronics and China are challenged. FY25 (Oct-25) guidance reiterated, at 10.6% YoY growth driven by AI infra, offset by China economy deceleration and restrictions. A U.S. hyperscaler taped out a 2nm test chip, a U.S. HPC customer used Synopsys for a 2nm CPU, and Asian mobile customer taped out 2nm SoCs. Strength in Mobile and PC designs.
IONQ	Feb 26 4FQ24	 (6%) (17%)	\$ 11.7m	92%	13.9%	\$ 7.5m	(1%)	(53.8%)	2025 revenue guided to \$75-95m, a touch above expectations, EBITDA loss guided to \$120m, a touch below. 1Q25 guided to \$7-8m, well below. Reiterated #AQ64 by end of 2025. Partnerships to develop quantum apps (e.g. Ansys, AstraZeneca) have potential to generate \$ billions in the future.
Aixtron	Feb 27 4FQ24	 (5%) (20%)	€ 226.9m	6%	5.4%				2025 guided down 11% YoY driven by weak demand across all segments. SiC revenue was flat in 2024, and expected flat in 2025, impacted by the slowdown in the EV market in the West, offset by strong demand from Chinese OEMs. Western OEMs to recover in 2026. Power and AI segment for GaN expected to pick up significantly in 2027-2028

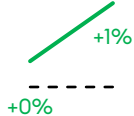
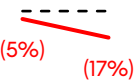
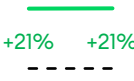
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HPQ	Feb 27 1FQ25	 (5%) (8%)	\$ 13.5bn	2%	0.9%			1FQ Personal Systems revenue growth accelerated 3pts to up 5% YoY, driven by Commercial , up 10% on higher ASP/units, partially offset by weak Consumer , down 7% on lower ASP/units. Commercial PC momentum driven by Win10 EOL and AI PC momentum. 2FQ EPS guide miss partly driven by China tariffs.	
Dell	Feb 27 4FQ25	 (6%) (5%)	\$ 23.9bn	7%	(2.7%)	\$ 23.0bn	3%	(2.7%)	FY26 revenue growth guided stable at 8%, in line with expectations. AI server shipments guided to grow 50% to \$15bn, CSG guided to return to growth for 1st time in 4 years. 4Q AI server shipments, orders down double double-digits QoQ , backlog booked down slightly , as customers work through technology changes. Traditional server recovery sustains. Consumer PC remains weak , management continue to expect a refresh (Win10 EOL, AI PC). Commercial PC demand steady .
Salesforce	Feb 26 4FQ25	 (4%) (4%)	\$ 10.0bn	8%	(0.5%)	\$ 9.7bn	7%	(1.8%)	FY26 revenue guided to \$40.7bn , missing expectations by 2%, and with growth expected to decelerate slightly . cRPO and sales growth both decelerated in the Q, impacted by FX and tough compares, with Cloud & AI strength. 3k GenAI Agentforce deals booked , up 50% QoQ, though will not contribute meaningfully to topline until FY27.
Workday	Feb 25 4FQ25	 +10% +6%	\$ 2.2bn	15%	1.2%				Workday restructuring to reinvest in technology. Subscription revenue growth at 16% YoY (vs 16% last Q), next quarter guided for 13% YoY. cRPO grew 15% , guided 14.5-15.5% next Q. FY26 subscription growth guidance reiterated at 14%.

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ASM	Feb 25 4FQ24		\$ 809.0m	28%	1.7%	\$ 830.0m	30%	0.8%	China weaknesses persist , weighing on orders. Gate-all-around remains very strong , representing >50% of logic/foundry business, 1.4/2nm will drive demand in 2025 . Memory up YoY driven by strong HBM demand . Power/analog/wafer down, with no signs of a recovery in the near term. SiC down and expected to weaken further . 2H25 visibility is limited.
ASMP	Feb 25 4FQ24		\$ 3.4bn	(0%)	1.4%				1Q25 guided flat YoY, with H2 traditional packaging recovery expected and SMT bookings improving in Q1. Secured major TCB orders in Q4, including a bulk order from a leading Memory IDM for HBM3e HVM ramp-up. In Q1, secured an initial order for 7 tools from another global HBM player. TCB revenue recognition begins Q1 2025; TCB market projected at \$1B by 2027 (45%+ CAGR).
ACM Research	Feb 26 4FQ24		\$ 223.5m	31%	14.6%				Shipments up 88% YoY . Cleaning sales up 27% YoY. Advanced packaging up 4% YoY, expected to grow in 2025 driven by expansions in 2.5D and 3D technologies . 2025 revenue guided up 15%, with good visibility on customer expansion plans until 3Q. WFE market up 4% in 2024 and 12% in China.

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Stellantis	Feb 26 4FQ24	----- ----- (4%) (4%)	€ 38.9bn	(16%)	3.7%				2H24 revenues down 21% YoY driven by lower volumes, unfavorable mix and weakness in N.A. Shipments down 15% YoY in 2H24 and 12% in 2024, 1/3 due to inventory digestion and 2/3 due to lower end demand and market share loss. Inventories back to a healthy level. Expect steady improvements through the year driven by inventories replenishment, new product launches. End-market demand starts to improve.
Valeo	Feb 27 4FQ24	----- ----- (3%) (11%)	€ 5.4bn	(4%)					4Q24 sales down 2% YoY. 2025 sales guided up 2% YoY (at midpoint), guidance lowered by 12% since last Q. -10% of 2022/2023 order intake cancelled (€7.3bn), mainly in North America due to shifting electrification strategies. In 2025, lower-than-planned high-voltage electrification sales (<€1 bn) expected.
DT	Feb 26 4FQ24	----- ----- (4%) (3%)	€ 30.9bn	5%	0.8%				Q4 capex up 20% YoY driven by higher spending in the US. FY24 capex down 4%. FY25 capex guide revised from flat to up 7%, driven by US spend, followed by stabilization into 2026. Temporary weakness in German market due to phasing.

Disclosures

12 month historical recommendation changes are available on request

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