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Technology

Smartphone: Samsung/MTK/QCOM results takeaways

OUTPERFORM (Maintain)

2Q25 results were largely in-line with market expectations, but 3Q25E guidance is mixed with strength in premium smartphones and sluggish mainstream demand post order pull-in and China subsidies in 1H25. Qualcomm (QCOM US, NR) guided 15% YoY growth in non-Apple QCT revenue in FY25, while MediaTek (2454 TT, NR) expected 40% YoY growth in flagship revenue in FY25. New form factors (XR, Trifold, AI glasses) have become emerging growth drivers. Overall, we believe names focusing on high-end/premium models and component spec upgrade will benefit from strong flagship demand into 2H25E, including Xiaomi for high-end share gain, AAC for acoustics/haptics upgrade, Q-tech for cameras (OIS/periscope), BYDE for high-end mid-frame and Tongda for casing upgrade.

- **2Q largely in-line; softer 3Q/2H guidance on flagship model ramp offset by mainstream destocking and early pull-in demand**. **Samsung (005930 KR, NR)** 2Q smartphone shipments declined QoQ on fading flagship demand in 1Q but sales increased YoY on better mix of S25/tablet/A series. **MediaTek** 2Q revenue growth (+18% YoY) was largely in-line driven by strong Dimensity 9400 and share gains, tablet/Chromebook order wins and power IC demand. **Qualcomm's** 2Q revenue growth (10% YoY) was backed by stronger QCT with handset demand for Snapdragon 8 Elite (Samsung, Xiaomi) and premium Android launches. **For 2H25 smartphone outlook**, 3Q25 seasonality is expected to be weaker than anticipated (flattish to down slightly), given mainstream destocking and 1H pull-in demand impact, though flagship model momentum may continue.
- **Samsung to focus on premium AI devices and expand ecosystem.** 1) Galaxy Z Fold7/Z Flip7 showed positive trends with double-digit YoY sales growth expected from strong preorders. 2) New form factors (XR, TriFold) will debut and Galaxy AI ecosystem will expand with Gemini Live and One UI 8. 3) Mgmt. expected higher shipments and ASP in 3Q, despite ongoing macro and tariff concerns. 4) For 2026, mgmt. expected flagship model to be equipped with Exynos 2600 (2nm) with enhanced NPU performance optimized for edge AI.
- **MediaTek guided 40% YoY in flagship sales in FY25E but softer mainstream in 2H on macro/subsidies fading in China.** 1) MTK expected strong flagship revenue with 40% YoY in FY25E due to share gains in China brands and Dimensity 9500 ramping in 3Q25E. 2) Mainstream revenue will decline QoQ in 3Q25E given prior pull-in subsidies. 3) GB10 will start to ramp in 3Q, and ASIC's US$1bn revenue target for 2026 remains intact and 2027 will see strong growth.
- **Qualcomm expected 15% non-Apple handset revenue growth; Xiaomi/Samsung high-end share gains.** 1) Qualcomm guided 5% QoQ revenue growth in QCT handset in 3Q25E given new model restocking. 2) For FY25E, mgmt. guided 15% growth in non-apple OCT revenue given China and EM's high-end share gains. 3) For China, there is no signs of pull-ins but strong Xiaomi momentum. 4) Xiaomi signed a multi-year Snapdragon 8 agreement, including international models. 5) For Samsung, FY26 Galaxy launches are expected to adopt Snapdragon in ~75% of units. 6) For XR, 19 smart glasses design wins were secured and Meta/Xiaomi are leading strong momentum.

Valuation Table

Name	Ticker	Rating	Mkt Cap (US$ mn)	TP (LC)	Upside/ Downside	P/E (x) FY25E	P/E (x) FY26E	P/B (x) FY25E	P/B (x) FY26E	ROE (%) FY25E	ROE (%) FY26E
Xiaomi	1810 HK	BUY	143,147.1	65.91	24%	30.2	23.2	4.5	3.8	0.2	0.2
AAC Tech	2018 HK	BUY	6,096.9	63.54	59%	16.0	13.3	1.7	1.5	0.1	0.1
BYDE	285 HK	BUY	9,443.4	43.22	31%	12.4	10.0	1.9	1.7	0.2	0.2
Q-Tech	1478 HK	BUY	1,796.4	13.21	11%	17.6	15.1	2.3	2.0	0.1	0.1
Tongda	698 HK	BUY	144.9	0.12	6%	6.3	4.4	0.4	0.3	0.1	0.1

Source: Company data, CMBIGM estimates

Technology Sector

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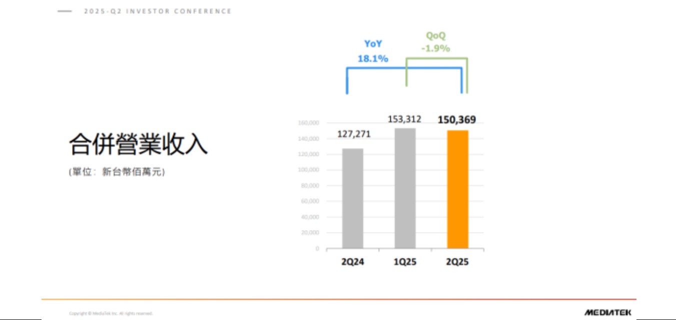
Figure 1: MediaTek 2Q25 revenue YoY/QoQ



Source: Company data, CMBIGM

Figure 2: MediaTek 3Q25 guidance

Source: Company data, CMBIGM

Figure 3: Qualcomm 2Q25 revenue by segment

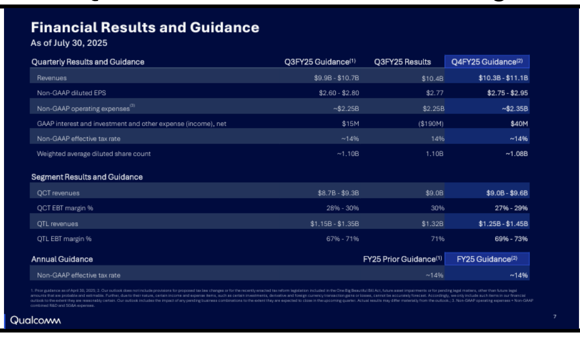

Q3FY25 Financial Summary

(in millions, except per share data and percentages)	Q3FY25	Q3FY24	YoY Δ
Non-GAAP			
Revenues	$10,365	$9,391	+10%
EBT	$3,544	$3,034	+17%
EPS	$2.77	$2.33	+19%
QCT			
Revenues	$8,993	$8,069	+11%
Handsets	$6,328	$5,899	+7%
Automotive	$984	$811	+21%
IoT	$1,681	$1,359	+24%
EBT	$2,671	$2,181	+22%
EBT as a % of revenues	30%	27%	+3 points
QTL			
Revenues	$1,318	$1,273	+4%
EBT	$942	$894	+5%
EBT as a % of revenues	71%	70%	+1 point

Qualcomm

Source: Company data, CMBIGM

Figure 4: Qualcomm financial results and guidance


Financial Results and Guidance
As of July 30, 2025

Quarterly Results and Guidance	Q3FY25 Guidance[1]	Q3FY25 Results	Q4FY25 Guidance[2]
Revenues	$9.9B - $10.7B	$10.4B	$10.3B - $11.1B
Non-GAAP diluted EPS	$2.60 - $2.80	$2.77	$2.75 - $2.95
Non-GAAP operating expenses[3]	~$2.25B	$2.25B	~$2.35B
GAAP interest and investment and other expense (income), net	$15M	($190M)	$40M
Non-GAAP effective tax rate	~14%	14%	~14%
Weighted average diluted share count	~1.10B	1.10B	~1.08B
Segment Results and Guidance			
QCT revenues	$8.7B - $9.3B	$9.0B	$9.0B - $9.6B
QCT EBT margin %	28% - 30%	30%	27% - 29%
QTL revenues	$1.15B - $1.35B	$1.32B	$1.25B - $1.45B
QTL EBT margin %	67% - 71%	71%	69% - 73%
Annual Guidance		FY25 Prior Guidance[1]	FY25 Guidance[2]
Non-GAAP effective tax rate		~14%	~14%

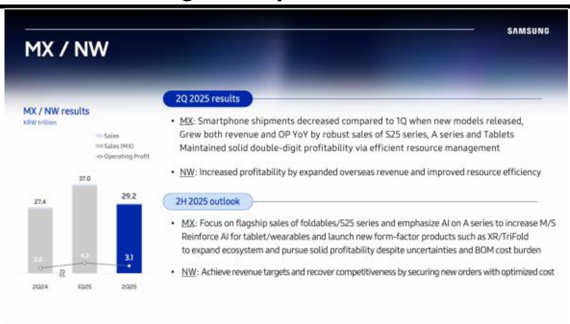
Qualcomm

Source: Company data, CMBIGM

Figure 5: Samsung 2Q25 highlights

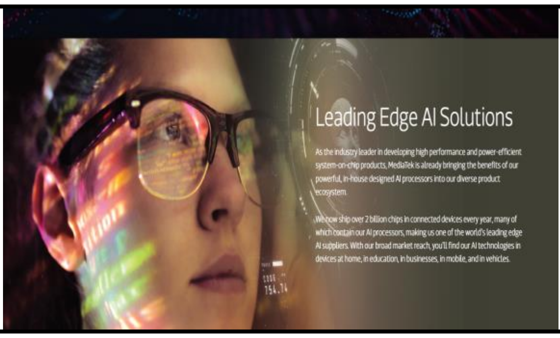
Source: Company data, CMBIGM

Figure 6: Samsung smartphone 2H25 outlook



Source: Company data, CMBIGM

Figure 7: MediaTek is the industry leader in edge AI solutions



Source: Company data, CMBIGM

Figure 8: Qualcomm Snapdragon Ride ADAS/AD platform

Source: Company data, CMBIGM

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