

24 July 2013 | 15 pages

Semiconductors (GICS) | Semiconductors (Citi)  
North America | United States

# Broadcom Corporation (BRCM)

## Risks Likely to Cap Shares for the Foreseeable Future — Downgrade to Neutral

- **Downgrade** — We are downgrading shares of Broadcom from Buy to Neutral, reflecting our concerns that multiples are likely to be capped as decelerating smartphone industry growth and increasing connectivity competition hamper revenues. With minimal leverage in Broadcom's model (given typical spending patterns), this shallower revenue growth directly tempers EPS (we lower our FY14 PF EPS to \$2.61), driving our lower PT and hence Neutral rating. To be sure, Broadcom's shares are down 8.6% in the past 7 days on concerns of WiFi share loss, so dramatic downside may be limited from here (also when considering Broadcom's opportunities in (I&N). However, we see equally limited room for the shares to meaningfully appreciate without multiple expansion, hence our Neutral rating.
- **Smartphone Sales to Slow** — We are increasingly concerned that high-end smartphone unit growth will decelerate in coming quarters, hampering Broadcom's sales into that market (mobile & wireless represents 48% of Broadcom's revenues). Our analysis shows high levels of developed market smartphone saturation (75% of the population), creating conditions for this slowing growth while concomitantly driving a decline in handset ASP's. When considering a near-term inventory build-up of 3G baseband (as Samsung shifts product increasingly toward LTE) and Broadcom's late entry into LTE (2H14), we lower our NT M&W estimates as well. Perhaps more relevant, we view this deceleration of growth as a limiting factor in Broadcom's multiple, particularly when using the example of the PC sector (Intel within it) as an example. As we illustrate below, when the PC sector went into deceleration mode, Intel's multiple began to fall. And while we do not assume the same stopping points, we nonetheless believe Broadcom's multiples are likely capped against this backdrop.
- **Increasing Connectivity Competition** — While Qualcomm's entry into the Wifi market (via their Atheros acquisition) is not new (nor recent), heretofore they have had limited success in Wifi. However, recent high profile wins in mid-range Samsung phones have heightened awareness of Qualcomm's threat to Broadcom ~70% market share. To be sure, Broadcom remains confident in their ability to maintain share, pointing to head-to-head wins at HTC and LG; Wifi is guided to increase high single digits in 3Q13. However, in light of our expectation of declining smartphone ASPs, we suspect Qualcomm's low-price strategy may find increasing favor with OEM's over time (Continued below).

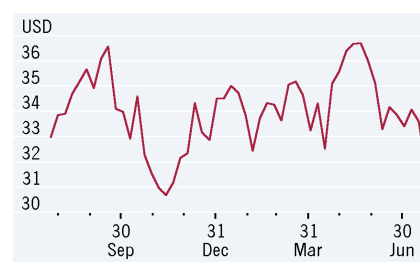
EPS	Q1	Q2	Q3	Q4	FY	FC Cons
2012A	0.15A	0.28A	0.38A	0.43A	1.25A	2.92A
2013E	0.33A	-0.43A	0.40E	0.38E	0.68E	2.89E
Previous	0.33A	0.36E	0.49E	0.46E	1.64E	na
2014E	0.31E	0.34E	0.43E	0.40E	1.49E	3.13E
Previous	0.39E	0.43E	0.55E	0.50E	1.87E	na
2015E	na	na	na	na	1.54E	3.37E
Previous	na	na	na	na	2.07E	na

Source: Company Reports and dataCentral, Citi Research. FC Cons: First Call Consensus.

- Estimate Change
- Target Price Change
- Rating Change

<b>Neutral</b>	<b>2</b>
from Buy	
Price (23 Jul 13)	US\$31.83
Target price	US\$34.00
from US\$41.00	
Expected share price return	6.8%
Expected dividend yield	1.4%
<b>Expected total return</b>	<b>8.2%</b>
Market Cap	US\$16,583M

### Price Performance (RIC: BRCM.O, BB: BRCM US)



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### See Appendix A-1 for Analyst Certification, Important Disclosures and non-US research analyst disclosures.

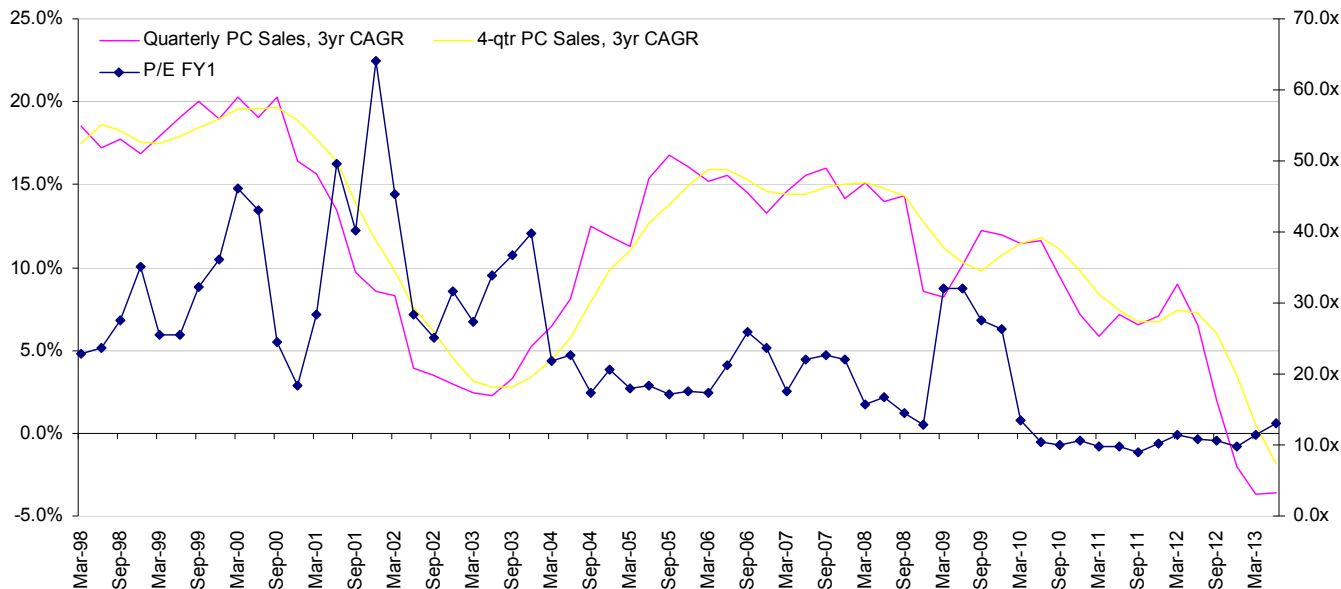
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BRCM.O: Fiscal year end 31-Dec						Price: US\$31.83; TP: US\$34.00; Market Cap: US\$16,583m; Recomm: Neutral					
Profit & Loss (US\$m)	2011	2012	2013E	2014E	2015E	Valuation ratios	2011	2012	2013E	2014E	2015E
Sales revenue	7,389	8,006	8,321	8,458	8,602	PE (x)	19.3	25.5	47.0	21.4	20.7
Cost of sales	-3,626	-4,027	-4,124	-4,213	-4,280	PB (x)	2.4	2.0	1.9	1.8	1.6
Gross profit	3,763	3,979	4,197	4,246	4,322	EV/EBITDA (x)	11.2	13.8	12.6	11.7	10.4
Gross Margin (%)	50.9	49.7	50.4	50.2	50.2	FCF yield (%)	9.3	9.2	6.9	6.8	7.0
EBITDA (Adj)	1,150	986	1,117	1,134	1,194	Dividend yield (%)	1.1	1.3	1.4	1.5	1.5
EBITDA Margin (Adj) (%)	15.6	12.3	13.4	13.4	13.9	Payout ratio (%)	22	32	65	32	31
Depreciation	-108	-134	-156	-156	-156	ROE (%)	15.0	10.0	4.9	10.3	10.1
Amortisation	0	0	0	0	0	Cashflow (US\$m)					
EBIT (Adj)	952	676	430	938	998	EBITDA	1,150	986	1,117	1,134	1,194
EBIT Margin (Adj) (%)	12.9	8.4	5.2	11.1	11.6	Working capital	127	152	-201	-18	-6
Net interest	-5	-30	-35	-36	-36	Other	561	793	598	443	451
Associates	0	0	0	0	0	Operating cashflow					
Non-op/Except	-81	-166	-519	-28	-28	Capex	-163	-244	-242	-268	-268
Pre-tax profit	956	656	407	914	974	Net acq/disposals	-349	-3,555	0	0	0
Tax	-29	63	-13	-27	-29	Other	1,375	-997	-431	0	0
Extraord./Min.Int./Pref.div.	0	0	0	0	0	Investing cashflow					
Reported net profit	927	719	394	886	945	Dividends paid	-194	-224	-257	-295	-310
Net Margin (%)	12.5	9.0	4.7	10.5	11.0	Financing cashflow					
Core NPAT	927	719	394	886	945	Net change in cash	2,524	-2,472	457	797	861
Per share data						Free cashflow to s/holders					
Reported EPS (\$)	1.65	1.25	0.68	1.49	1.54		1,675	1,687	1,272	1,291	1,371
Core EPS (\$)	1.65	1.25	0.68	1.49	1.54						
DPS (\$)	0.36	0.40	0.44	0.48	0.48						
CFPS (\$)	3.26	3.35	2.60	2.61	2.67						
FCFPS (\$)	2.98	2.93	2.19	2.17	2.24						
BVPS (\$)	13.16	15.82	16.69	18.15	19.76						
Wtd avg ord shares (m)	539	558	582	614	646						
Wtd avg diluted shares (m)	563	576	582	597	614						
Growth rates											
Sales revenue (%)	8.4	8.4	3.9	1.7	1.7						
EBIT (Adj) (%)	-12.0	-29.0	-36.3	117.8	6.5						
Core NPAT (%)	-14.3	-22.4	-45.1	124.7	6.6						
Core EPS (%)	-17.1	-24.2	-45.7	119.2	3.7						
Balance Sheet (US\$m)											
Cash & cash equiv.	4,529	2,374	2,910	3,706	4,568						
Accounts receivables	678	740	765	785	791						
Inventory	421	527	620	635	641						
Net fixed & other tangibles	425	567	678	790	902						
Goodwill & intangibles	2,187	5,512	4,781	4,577	4,395						
Financial & other assets	800	1,488	1,839	1,839	1,839						
<b>Total assets</b>	<b>9,040</b>	<b>11,208</b>	<b>11,592</b>	<b>12,332</b>	<b>13,136</b>						
Accounts payable	442	549	648	664	670						
Short-term debt	0	300	300	300	300						
Long-term debt	1,196	1,393	1,394	1,394	1,394						
Provisions & other liab	881	1,127	980	982	982						
<b>Total liabilities</b>	<b>2,519</b>	<b>3,369</b>	<b>3,322</b>	<b>3,340</b>	<b>3,347</b>						
Shareholders' equity	6,521	7,839	8,270	8,992	9,789						
Minority interests	0	0	0	0	0						
<b>Total equity</b>	<b>6,521</b>	<b>7,839</b>	<b>8,270</b>	<b>8,992</b>	<b>9,789</b>						
<b>Net debt</b>	<b>-3,333</b>	<b>-681</b>	<b>-1,216</b>	<b>-2,012</b>	<b>-2,874</b>						
Net debt to equity (%)	-51.1	-8.7	-14.7	-22.4	-29.4						

For further data queries on Citi's full coverage universe please contact Citi Research Data Services at CitiRsch.DataServices.Global@citi.com  
For definitions of the items in this table, please click [here](#).

- **Increasing Connectivity Competition.** — (...continued from above) And when also considering very low cost alternatives from the likes of Mediatek in the fast growing China market, and our concerns are heightened. In light of these (in addition to Broadcom's late entry into LTE and NT issues with 3G baseband inventory), we have moderated our mobile & wireless growth for 2014/2015 to 0.1% and 2.2% respectively.
- **I&N an Offset.** — Whereas we have concerns about Broadcom's M&W sales, we see opportunity in infrastructure and networking. Broadcom's recent results are benefiting from strength in data center as cloud infrastructure is built. Beyond this, looming opportunities in wireless infrastructure (via Netlogic) also exist. We currently model 8.3%/6.3% I&N growth 2013/2014, making it Broadcom's fastest growing segment. We anticipate investors are increasingly looking toward enterprise related spending, and will view I&N as a relative positive in the Broadcom story.
- **Estimate Revision.** — We note, Broadcom's M&W sales growth hit a recent peak in 4Q12 (15.6%) and has slid since then. Based on their guidance for 3Q13, M&W growth will decline modestly y/y and based on seasonal trends will decline again in 4Q13. In light of lower M&W sales growth articulated above, our new CY14 EPS for Broadcom is \$2.61. Our revised PT is \$34 (using the same methodology and non-GAAP EPS), implying 13x our CY14 EPS.

Figure 1. INTC PE vs. PC Sales



Source: IDC, Factset, Citi Research

Figure 2. Summary of Changes to BRCM Model

BRCM (\$ in M, except per share data)		New	Old
Revenues	3Q 13	\$ 2,126	\$ 2,262
	4Q 13	\$ 2,100	\$ 2,216
	1Q 14	\$ 2,024	\$ 2,119
	2Q 14	\$ 2,079	\$ 2,194
	3Q 14	\$ 2,202	\$ 2,352
	F 2013	\$ 8,321	\$ 8,583
	F 2014	\$ 8,458	\$ 8,945
	F 2015	\$ 8,602	\$ 9,326
Sequential Revenue Growth	3Q 13	1.7%	7.7%
	4Q 13	-1.2%	-2.0%
	1Q 14	-3.7%	-4.4%
	2Q 14	2.7%	3.6%
	3Q 14	5.9%	7.2%
	F 2013	3.9%	7.2%
	F 2014	1.7%	4.2%
	F 2015	1.7%	4.3%
PF Product Gross Margin	3Q 13	52.3%	51.4%
	4Q 13	52.2%	51.2%
	1Q 14	52.1%	51.8%
	2Q 14	51.9%	51.7%
	3Q 14	52.0%	51.8%
	F 2013	52.1%	51.5%
	F 2014	52.0%	51.8%
	F 2015	51.7%	51.8%
PF R&D + SG&A	3Q 13	671.9	657.1
	4Q 13	667.5	651.3
	1Q 14	671.0	656.4
	2Q 14	674.5	661.0
	3Q 14	679.3	665.1
	F 2013	2,660.4	2,636.3
	F 2014	2,698.7	2,641.1
	F 2015	2,705.9	2,649.0
PF Product Op Margin	3Q 13	20.5%	22.3%
	4Q 13	20.2%	21.7%
	1Q 14	18.7%	20.7%
	2Q 14	19.3%	21.4%
	3Q 14	21.0%	23.5%
	F 2013	19.6%	20.4%
	F 2014	19.9%	22.2%
	F 2015	20.1%	23.3%
Pro Forma EPS	3Q 13	\$0.69	\$0.80
	4Q 13	\$0.67	\$0.76
	1Q 14	\$0.59	\$0.68
	2Q 14	\$0.62	\$0.73
	3Q 14	\$0.71	\$0.85
	F 2013	\$2.71	\$2.91
	F 2014	\$2.61	\$3.07
	F 2015	\$2.61	\$3.28
GAAP Gross Margin	3Q 13	50.2%	49.7%
	4Q 13	50.2%	49.7%
	1Q 14	50.1%	50.2%
	2Q 14	50.1%	50.1%
	3Q 14	50.3%	50.4%
	F 2013	50.4%	50.0%
	F 2014	50.2%	50.3%
	F 2015		

	F 2015	50.2%	50.4%
GAAP Opex	3Q 13	822	823
(includes amort of intangibles,	4Q 13	818	816
IPRD, settlement gains)	1Q 14	819	818
	2Q 14	828	829
	3Q 14	834	836
	F 2013	3,767	3,287
	F 2014	3,308	3,311
	F 2015	3,324	3,343
GAAP EPS	3Q 13	\$0.40	\$0.49
	4Q 13	\$0.38	\$0.46
	1Q 14	\$0.31	\$0.39
	2Q 14	\$0.34	\$0.43
	3Q 14	\$0.43	\$0.55
	F 2013	\$0.68	\$1.64
	F 2014	\$1.49	\$1.87
	F 2015	\$1.54	\$2.07

Source: Citi Research

## Broadcom Corporation

### Company description

Broadcom is a fabless semiconductor company that designs and develops semiconductors for wired and wireless communications. Broadcom provides a broad portfolio of system-on-chip (SoC) solutions for manufacturers of broadband access, computing and networking equipment, mobile devices, and consumer electronics. Applications for Broadcom's SoC solutions include digital cable, satellite and IP set-top boxes, HDTV, cable and DSL modems, residential gateways, transmission and switching for networking, server solutions, broadband network and security processors, handsets, GPS, VoIP gateway and telephony systems. However, in the fast-growing fabless semiconductor market, Broadcom is the 2nd largest behind Qualcomm.

### Investment strategy

We rate Broadcom Neutral reflecting our concerns that multiples are likely to be capped as decelerating smartphone industry growth and increasing connectivity competition hamper revenues. With minimal leverage in Broadcom's model given typical spending patterns, this shallower revenue growth directly tempers EPS. We see limited room for the shares to appreciate without multiple expansion, hence our Neutral rating.

### Valuation

Our price target for Broadcom is \$34. Our target price is based on the implied multiple derived from a growth and value screen of the top 100 market cap stocks in the S&P 500, excluding energy and financials. We believe our methodology reflects the P/E multiple investors pay for growth and the P/BV multiple investors pay for return on equity. We have found the market is paying an FY2 earnings multiple of  $0.679x \text{ (Sales Growth)} + 12.204$  with a 40% correlation and a price-to-book multiple of  $0.374x \text{ (ROE)} + (-2.899)$  with a correlation of 85%.

We apply our C2015 revenue growth estimate of 1.70% for BRCM for an implied P/E of 13.36x. We multiply our implied P/E by our C2014 non-GAAP EPS estimate of \$2.61 to arrive at a growth-based target of \$34.80. We apply our C2015 operating ROE estimate of 17.52% for an implied P/BV of 3.65x. We multiply our implied P/BV by our C2014 tangible BV/share estimate of \$9.35 to arrive at a value-based target of \$34.11. We average our growth and value targets to arrive at \$34.46, which we round to \$34.

### Risks

The key risks to our investment thesis on BRCM are:

**Macro Risk** – Broadcom is exposed to end-markets such as broadband and consumer which are impacted by enterprise and consumer electronics discretionary spending, as well as communications infrastructure which is capital intensive. A slowdown in consumer or capital spending as a result of macroeconomic uncertainty could negatively impact Broadcom's revenues and margins.

**Market Share** - A loss in market share in a particular segment could impact revenues and margins. Conversely, a gain in market share due to increased design wins could positively impact Broadcom's revenue and profitability.

**Outsourcing** – Broadcom is the 2nd largest fabless semiconductor company worldwide, and outsources its manufacturing to third party foundries. Currently, Broadcom outsources the majority of its manufacturing to Taiwan Semiconductor Manufacturing Company (TSMC), with the remaining manufacturing outsourced to other foundries primarily in Asia (Global Foundries (formerly Chartered Semi), SMIC, Silterra and UMC). Broadcom requires leading-edge process technologies, and could be negatively impacted by problems at its foundry partners. Broadcom also outsources its packaging, assembly and testing functions.

**Acquisitions** – Historically, Broadcom has made several acquisitions. The integration of newly acquired businesses or future acquisition offers could be costly and time consuming. In addition, goodwill and other intangible assets associated with the acquisitions may negatively impact GAAP earnings or result in impairment losses if they are deemed unrecoverable.

**Litigation** – Broadcom is currently involved in litigation with multiple entities relating to the company's historical stock option granting practices. The pending proceedings are expected to require expenditure of significant funds and diversion of resources, which may impact Broadcom's profitability.

If any of these risk factors has a greater downside impact than we anticipate, the share price will likely have difficulty attaining our target price. Conversely, if the impact of any of these upside risks is greater than we anticipate, the stock could exceed our target price.

## Intel Corp

(INTC.O; US\$22.75; 2)

### Valuation

Our target price for INTC is \$24.00. Our target price is based on the implied multiple derived from a growth and value screen of the top 100 market cap stocks in the S&P 500, excluding energy and financials. We believe our methodology reflects the P/E multiple investors pay for growth and the P/BV multiple investors pay for return on equity. We have found the market is paying an FY2 earnings multiple of 0.834x (Sales Growth) + 10.478 with a 46% correlation and a price-to-book multiple of 0.212x (ROE) + (-0.045) with a correlation of 79%.

For Intel, our CY14 revenue growth estimate is 0.62%, yielding implied P/FY2 earnings of 11.00x. We multiply our 2014 GAAP EPS estimate of \$1.74 by our implied multiple for an implied share price of \$19.16. Our 2014 ROE estimate of 15.17% yields an implied P/BV 3.17x. We multiply our average 2014-2015 tangible BV/share estimate of \$8.95 by the implied P/BV multiple for an implied share price of \$28.35.

We equally weigh our implied targets to derive our initial target of \$23.76, which we round to \$24.00.

### Risks

The key risks to our investment thesis on Intel are:

1) As the world's largest PC microprocessor manufacturer, Intel is highly dependent upon the prospects of this increasingly mature end-market. If PC unit growth in the consumer and/or corporate segments is negatively impacted by macroeconomic conditions or PC component supply/demand imbalances, it could impact our

revenue and profitability estimates. If ARM core-based tablet unit growth cannibalizes PC growth, it could impact our revenue and profitability estimates.

2) If Intel is successful in gaining design win traction in ultrabooks, tablets, smartphones and embedded products, Intel's revenue and profitability could be positively impacted.

3) If AMD or Nvidia's sell-through is stronger than we have anticipated, Intel's market share in MPU and graphics could be negatively impacted.

4) Intel's Data Center Group continues to grow, in part driven by the buildout of cloud infrastructure. Changes to Intel's market share in servers, storage and networking products could impact Intel's revenue and profitability.

If any of these risk factors has a greater downside impact than we anticipate, the share price will likely have difficulty attaining our target price. Conversely, if the impact of any of these upside risks is greater than we anticipate, the stock could exceed our target price.

## Qualcomm Inc

(QCOM.O; US\$62.30; 1)

### Valuation

Our target price for QCOM is \$81. We employ a sum-of-the-parts approach to value Qualcomm. For the highly profitable QTL business, we employ a DCF to derive its contribution to overall Qualcomm. We conservatively assume a -2% terminal growth rate after 10 years, and derive a value of \$56.70. For QCT, we employ our growth screen that we use for the rest of our chip coverage and arrive at a value of \$16.21. This is based on a PE multiple comparable to what the S&P500 pays for like revenue growth (top 100 market cap companies excluding energy & financials). Adding \$7.65 in net cash and \$0.05 impact for QWI, we derive a price target of \$80.61, which we round to \$81.

### Risks

The key risks to our investment thesis on QCOM are:

The rates of 3G/4G and smartphone adoption and replacement could be lower than we expect due to weakness in the macroeconomic environment, leading to lower handset and/or chipset volumes than we expect.

Handset ASPs could be lower than we anticipate due to a higher mix of low-end handsets, steeper CDMA-based device price declines, and higher mix of data dongles. Conversely, higher blended CDMA-based device ASPs could positively impact QCOM's revenue and profitability.

Qualcomm is heavily reliant on royalties from CDMA-based devices for its profitability, as its QTL business accounts for ~36% of sales. Changes in royalty agreements or revisions to device ASP caps in agreements could impact Qualcomm's revenue and profitability.

A deterioration of the company's major customers' market share within the mobile device market could present a risk to Qualcomm's chipset revenue. Conversely, gains in market share due to greater-than-expected design wins could positively impact revenue and profitability.



As a fabless company, Qualcomm is dependent on third party contract manufacturers for its production. Disruptions to the supply chain or lower-than-expected yields at its foundry partners could impact profitability and mobile device production at customers.

If any of these risk factors has a greater downside impact than we anticipate, the share price will likely have difficulty attaining our target price. Conversely, if the impact of any of these upside risks is greater than we anticipate, the stock could exceed our target price.

## Appendix A-1

### Analyst Certification

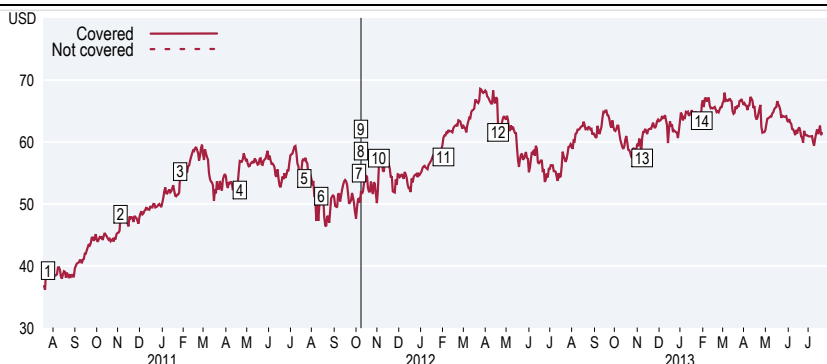
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### IMPORTANT DISCLOSURES

#### Qualcomm Inc (QCOM)

##### Ratings and Target Price History Fundamental Research

Analyst: Glen Yeung



Date	Rating	Target Price	Closing Price
1 22-Jul-10	1M	*\$47.00	39.11
2 4-Nov-10	1M	*\$53.00	48.34
3 27-Jan-11	1M	*\$60.00	54.90
4 21-Apr-11	1M	*\$67.00	56.94
5 21-Jul-11	1M	*\$65.00	56.94

\* Indicates change

Date	Rating	Target Price	Closing Price
6 14-Aug-11	1M	*\$63.00	50.50
7 6-Oct-11	1M	*\$62.00	50.87
8 8-Oct-11	Stock rating system changed		
9 8-Oct-11	*1	62.00	50.23
10 3-Nov-11	1	*\$68.00	56.11

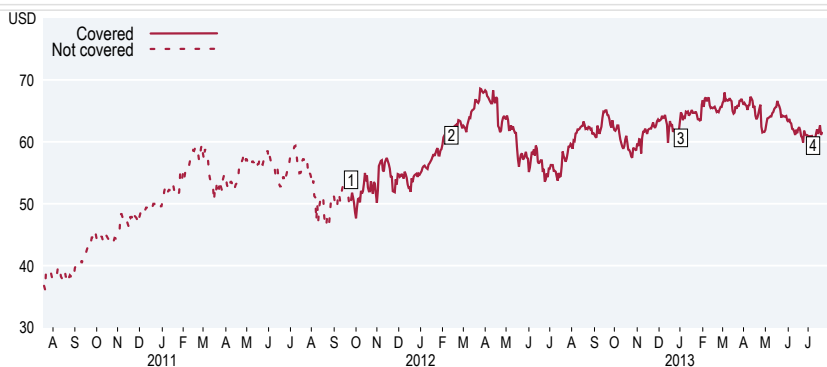
Date	Rating	Target Price	Closing Price
11 2-Feb-12	1	*\$73.00	60.73
12 19-Apr-12	1	*\$74.00	62.57
13 8-Nov-12	1	*\$75.00	60.67
14 31-Jan-13	1	*\$81.00	66.02

Rating/target price changes above reflect Eastern Standard Time

#### Qualcomm Inc (QCOM)

##### Ratings and Target Price History Best Ideas Research Relative Call (3 Month)

Analyst: Glen Yeung



Date	Rating	Target Price	Closing Price
1 25-Sep-11	*ADD MP	-	50.29
2 14-Feb-12	*REM MP	-	61.71

\* Indicates change

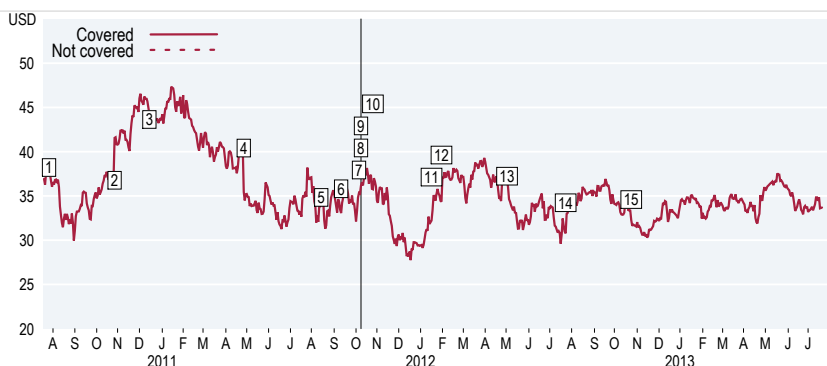
Date	Rating	Target Price	Closing Price
3 2-Jan-13	*ADD MP	-	64.75
4 8-Jul-13	*REM MP	-	59.99

Rating/target price changes above reflect Eastern Standard Time

## Broadcom Corporation (BRCM)

### Ratings and Target Price History Fundamental Research

Analyst: Glen Yeung



	Date	Rating	Target Price	Closing Price
1	27-Jul-10	1H	*45.00	37.53
2	27-Oct-10	1H	*48.00	41.56
3	15-Dec-10	1H	*54.00	44.29
4	27-Apr-11	1H	*45.00	35.45
5	14-Aug-11	1H	*42.00	33.84

\* Indicates change

	Date	Rating	Target Price	Closing Price
6	12-Sep-11	1H	*43.00	33.06
7	6-Oct-11	1H	*42.00	35.35
8	8-Oct-11	Stock rating system changed		
9	8-Oct-11	*1	42.00	35.27
10	26-Oct-11	1	*40.00	35.75

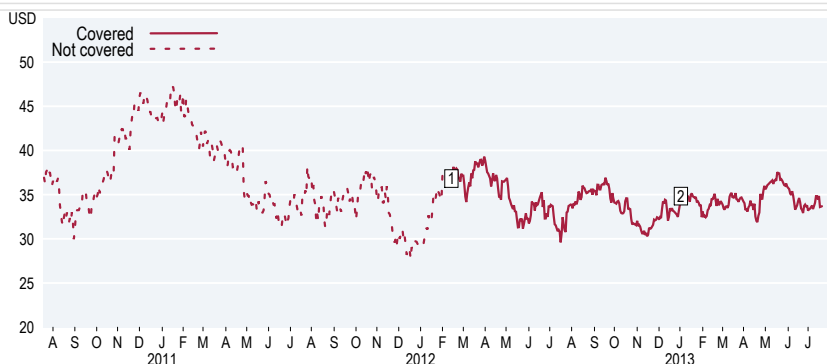
	Date	Rating	Target Price	Closing Price
11	17-Jan-12	1	*37.00	32.22
12	31-Jan-12	1	*42.00	34.35
13	2-May-12	1	*45.00	36.89
14	24-Jul-12	1	*42.00	30.77
15	24-Oct-12	1	*41.00	32.27

Rating/target price changes above reflect Eastern Standard Time

## Broadcom Corporation (BRCM)

### Ratings and Target Price History Best Ideas Research Relative Call (3 Month)

Analyst: Glen Yeung



	Date	Rating	Target Price	Closing Price
1	14-Feb-12	*ADD MP	-	36.85

\* Indicates change

	Date	Rating	Target Price	Closing Price
2	2-Jan-13	*REM MP	-	34.51

Rating/target price changes above reflect Eastern Standard Time

## Intel Corp (INTC)

### Ratings and Target Price History Fundamental Research

Analyst: Glen Yeung



	Date	Rating	Target Price	Closing Price
1	27-Aug-10	1M	*29.00	18.37
2	13-Oct-10	1M	*25.00	19.24
3	20-Apr-11	1M	*27.00	21.41
4	7-Jul-11	1M	*26.00	23.23
5	6-Oct-11	1M	*25.00	22.03
6	8-Oct-11	Stock rating system changed		
7	8-Oct-11	*1	25.00	22.29

\* Indicates change

	Date	Rating	Target Price	Closing Price
8	19-Oct-11	1	*27.50	24.24
9	12-Dec-11	1	*27.00	24.00
10	20-Jan-12	1	*29.00	26.38
11	17-Apr-12	1	*35.00	28.47
12	27-Jun-12	1	*34.00	26.22
13	26-Aug-12	1	*32.00	24.91
14	13-Sep-12	*2	*25.75	23.36

	Date	Rating	Target Price	Closing Price
15	15-Oct-12	2	*23.75	21.73
16	17-Oct-12	2	*23.00	21.79
17	29-Nov-12	2	*21.00	19.53
18	18-Jan-13	2	*25.00	21.25
19	20-Mar-13	2	*23.00	21.18
20	16-Apr-13	2	*24.00	21.92

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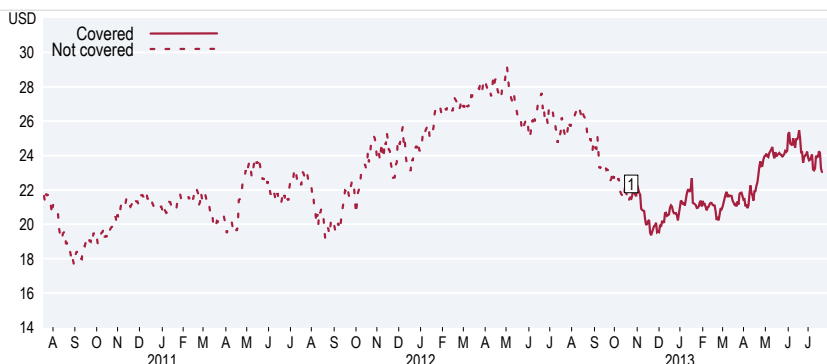
## Intel Corp (INTC)

### Ratings and Target Price History

#### Best Ideas Research

#### Relative Call (3 Month)

Analyst: Glen Yeung



Date	Rating	Target Price	Closing Price
1 24-Oct-12	*ADD LP	-	21.46

\* Indicates change

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#### Data current as of 30 Jun 2013

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% of companies in each rating category that are investment banking clients

12 Month Rating			Relative Rating		
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53%	50%	45%	58%	51%	49%

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