

**ISIL 3Q Exceeds, Acquisition Pending**

ISIL		Intersil	
<b>Qtr:</b>	3Q	<b>Grade:</b>	A
<b>Rev:</b>	139.0	<b>Rev:</b>	+++
<b>GM:</b>	60.7%	<b>EPS:</b>	+++
<b>EPS:</b>	\$0.22	<b>Fcst:</b>	na

  

<b>Growth(qtr-qtr)</b>	
<b>Rev:</b>	+3.7%
<b>Fcst:</b>	none
<b>Div:</b>	\$0.12

**Intersil** (ISIL, \$22.08 +0.02)

**3Q Earnings:** ISIL reported 3Q results late yesterday above the high-end of expectations due to strength from computing and automotive markets. No guidance or conference call due to the pending acquisition by Renesas out of Japan for \$22.50 per share in cash that is expected to close 1H17 after government and shareholder approvals.

Consumer and Computing (C&C) revenue accounted for 65% of sales and increased 6% sequentially and 9% year-over-year with notable seasonal strength from computing. The ramp of next generation PC processors continues to drive demand for the company's computing power products, and design win traction in mobile platforms remains strong. Automotive sales increased by 16% year-over-year to a record level, and the company introduced new products last quarter for advanced driver assistance systems (ADAS) and around-view displays.

Industrial and Infrastructure (I&I) revenue accounted for 35% of sales and was up 2% sequentially and 8% year-over-year on broad-based product strength. Power modules achieved record revenue.

I guess there is arbitrage opportunity of 49-cents or 2% if you are so inclined, although the deal won't close for a few more months pending approvals. The current feeding frenzy for analog and mixed-signal acquisitions is reflected in the price at over 5-times sales and 30-times earnings. Kinda rich for my taste.

**—Dan K. Scovel**  
Semiconductor Analyst

**LEGEND**

	<b>Grade</b>
+++ exceeded the high-end of the range	
++ above consensus, within the high-end of the range	A all +++
+ slightly above consensus	B all +
o met consensus	C all o/+
- slightly below consensus	D mixed -/o/+
-- missed consensus, within the low-end of the range	E all o/-
--- missed the low-end of the range	F all -

**Tokeneke Research LLC**  
Rowayton, CT 06853  
[dscovel@tokenekeresearch.com](mailto:dscovel@tokenekeresearch.com)  
[www.tokenekeresearch.com](http://www.tokenekeresearch.com)  
203-554-4621

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