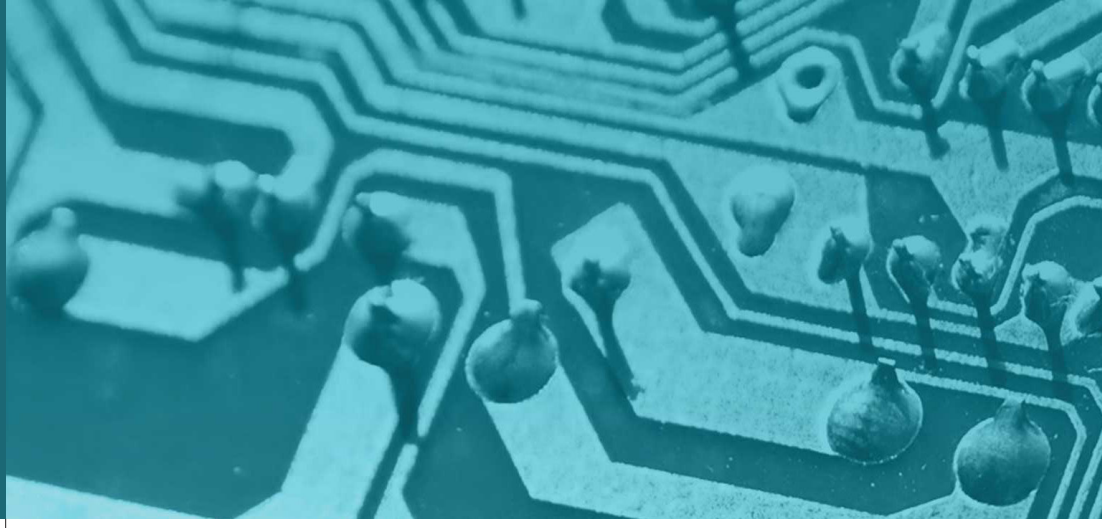
acumenlearning



ANALYZED COMPANIES

- AMD
- Broadcom
- Intel
- Marvell
- Micron
- NVIDIA
- Qualcomm
- SK Hynix
- NXP
- TSMC

PREPARED BY

Brent Barclay, PhD
COO & Senior Analyst

PUBLISHED

June 2026

The Silicon Supercycle

WE ANALYZED EARNINGS CALLS IN THE SEMICONDUCTOR INDUSTRY SO YOUR TEAM DOESN'T HAVE TO.

This report analyzes the earnings calls of ten leading semiconductor companies through the lens of the 5 Business Drivers™: Cash, Profit, Assets, Growth, and People. By examining executive priorities, investments, and strategic decisions, it reveals where industry leaders are placing their bets and what those choices signal about the future of the semiconductor industry.

Scan to hear Brent Barclay discuss this report's insights on our exclusive podcast episode.

PREPARED REMARKS

The primary strategic priority discussed on each earnings call

Across all ten semiconductor leaders, every earnings call ultimately pointed to the same question: Where should we place our next strategic bet? The answer was remarkably consistent. Companies are racing to secure manufacturing capacity, advanced packaging, memory supply, and customer commitments before competitors.

AMD AMD Capturing AI infrastructure market share through CPUs and accelerators. AMD is scaling EPYC and Instinct deployments to become a leading alternative supplier for hyperscalers, cloud providers, and enterprise AI workloads as demand for AI infrastructure accelerates.	**Broadcom** AVGO Becoming the preferred infrastructure partner for the world's largest AI builders. Broadcom is deepening partnerships with hyperscalers through custom AI chips, networking, and large-scale deployments, positioning itself at the center of next-generation AI infrastructure.
Intel INTC Executing a foundry turnaround while rebuilding manufacturing leadership. Intel is investing heavily in advanced manufacturing capacity and process technology to attract foundry customers, restore competitiveness, and establish itself as a viable alternative to TSMC.	**Marvell** MRVL Expanding its position in AI data centers through custom silicon and networking. Marvell is investing aggressively in custom AI chips, electro-optics, and cloud partnerships to capture a larger share of next-generation AI infrastructure spending.
Micron MU Securing long-term AI memory demand through HBM leadership. Micron is expanding HBM and advanced memory capacity while locking in multi-year customer commitments to strengthen its position as a critical supplier to the AI ecosystem.	**NVIDIA** NVDA Extending its leadership as the foundational platform for AI infrastructure. NVIDIA is driving adoption of Blackwell, Rubin, and its full-stack AI platform while expanding across cloud, enterprise, sovereign AI, and physical AI markets.
NXP NXPI Expanding its automotive and industrial footprint through intelligent edge computing. NXP is leveraging its leadership in automotive semiconductors, industrial automation, and edge AI to capitalize on the growing demand for connected, autonomous, and software-defined systems.	**Qualcomm** QCOM Leading the shift toward AI-powered devices at the edge. Qualcomm is leveraging its leadership in smartphones, PCs, and edge computing to bring advanced AI capabilities directly onto consumer and enterprise devices.
SK Hynix 000660.KS Scaling HBM production to meet surging AI demand. SK Hynix is expanding HBM and advanced packaging capacity to strengthen its role as a critical supplier of high-performance memory for AI infrastructure.	**TSMC** TSM Expanding advanced-node capacity to power the AI era. TSMC is accelerating global 3nm and N2 capacity expansion across Taiwan, Arizona, and Japan to meet the growing demand for advanced AI semiconductors.

THE 5 BUSINESS DRIVERS®

Where executives focused their attention

Ranking each company's emphasis across the 5 Business Drivers reveals a clear pattern. Growth and Assets dominate executive conversations, while Cash and People receive comparatively less attention. As AI demand accelerates, competitive advantage increasingly depends on securing the manufacturing capacity, advanced packaging, and supply chain infrastructure needed to support future growth.

COMPANY	CASH	PROFIT	ASSETS	GROWTH	PEOPLE
AMD	3	2	4	**1**	5
Broadcom	4	2	3	**1**	5
Intel	4	3	2	**1**	5
Marvell	4	3	2	**1**	5
Micron	4	2	3	**1**	5
NIVIDIA	4	3	2	**1**	5
NXP	4	3	2	**1**	5
Qualcomm	4	3	2	**1**	5
SK Hynix	4	3	2	**1**	5
TSMC	4	3	2	**1**	5

Highlighted cell denotes each company's #1 driver.

Methodology: We analyzed transcripts and shareholder letters employing both exact word matches and semantic analysis to identify references to the 5 Business Drivers: Cash, Profit, Assets, Growth, and People. Rankings reflect narrative emphasis in the analyzed transcripts, not financial magnitude. While analyzing the emphasis on individual drivers can be subjective, this methodology has consistently reflected trends observed in thousands of similar studies and offers valuable insights into executive priorities.

THE 5 BUSINESS DRIVERS®

Industry focus by driver

1. GROWTH

The AI Inflection Reshapes the Industry

Growth was the dominant theme across nearly every earnings call. AI demand is reshaping the industry, driving unprecedented investment in data centers, custom silicon, advanced memory, networking infrastructure, and edge computing.

What began as a surge in AI training workloads has evolved into a broader infrastructure build-out that includes inference, agentic AI, sovereign AI, industrial automation, and intelligent devices. Executives consistently highlighted expanding market opportunities, accelerating customer adoption, and multi-year growth trajectories that extend well beyond traditional semiconductor cycles.

2. ASSETS

Scaling Global Supply to Meet Unprecedented Demand

Closely linked to growth, assets received enormous strategic attention across the industry. Executives repeatedly emphasized manufacturing capacity, advanced packaging, memory production, and supply chain investments as critical enablers of future growth.

The semiconductor industry has rapidly shifted from managing cyclical demand fluctuations to meeting an unprecedented wave of AI infrastructure investment. Because fabrication plants, packaging facilities, and memory capacity require years to build and scale, leadership teams are making significant long-term investments today. Companies are expanding global manufacturing footprints, increasing advanced packaging capacity, securing long-term supplier commitments, and investing billions of dollars to ensure they can meet future demand.

3. PROFIT

Architectural Moats Drive Premium Pricing Power

Profitability emerged as a direct result of differentiated technology and market leadership. Companies with leading architectures, proprietary ecosystems, advanced memory solutions, or manufacturing advantages continued to command premium pricing and generate significant operating leverage.

Across the industry, executives highlighted expanding margins, favorable product mix shifts, and the ability to convert innovation into economic value. As AI workloads become increasingly complex and mission-critical, customers have demonstrated a willingness to pay for performance, reliability, and scale, creating substantial profit opportunities for industry leaders.

4. CASH

Financial Flexibility as a Proof Point of Success

Cash generation received varying levels of attention across the sector but was consistently viewed as an outcome of strong execution rather than a standalone strategic objective.

While several companies generated record levels of free cash flow, the primary discussion centered on how that cash would be deployed. Leadership teams emphasized balancing shareholder returns through dividends and repurchases with aggressive investments in manufacturing capacity, research and development, strategic partnerships, and supply chain commitments needed to support future growth.

5. PEOPLE

The Internal Execution Engine Meets Ecosystem Integration

People received the least direct attention on earnings calls, but talent remains essential to delivering the engineering, manufacturing, and software breakthroughs required to support industry growth.

At the same time, executives increasingly emphasized deep partnerships with customers, suppliers, governments, and ecosystem participants as a source of long-term competitive advantage. The industry is moving beyond transactional relationships toward collaborative, multi-year partnerships that help companies accelerate innovation, scale deployments, and secure long-term demand.

IN THEIR OWN WORDS

What leadership actually said

CASH

Generation is strong, but the story is deployment; shareholder returns balanced against record reinvestment.

"We returned $358 million to shareholders through dividends and share repurchases while maintaining the flexibility to invest in our strategic growth initiatives."
NXP

"We are forecasting approximately $1 billion in prepayments during this fiscal year, with the first payments beginning in the second quarter. These prepayments will be applied against future material purchases."
MARVELL

PROFIT

Pricing power is concentrated in the hands of those who control the physical moat.

"Semiconductor operating margin of 62% was up 460 basis points year on year, reflecting our strong operating leverage."
BROADCOM

"As the business scales, operating income grew faster than top-line revenue. Operating income was $2.5 billion, representing a 25% operating margin."
AMD

ASSETS

CapEx has become a strategic weapon to build out capacity on timelines that competitors cannot replicate.

"A year ago, the conversation about Intel was about whether we could survive. Today, it's about how quickly we can add manufacturing capacity and scale our supply to meet enormous demand for our products."
INTEL

"Given that semiconductor manufacturing infrastructure takes several years from initial construction to actual operation…we will strategically secure the production base needed to respond proactively to meet long-term demand growth."
SK HYNIX

GROWTH

Performance is now binary: it is defined almost entirely by participation in the AI infrastructure build-out.

"Demand has gone parabolic. The reason is simple. Agentic AI has arrived. AI can now do productive and valuable work. Tokens are now profitable. So model makers are in a race to produce more. In the AI era, compute capacity is revenue and profits."
NVIDIA

"Total fiscal Q2 revenue was $23.9 billion, up 75% sequentially and up 196% year over year, representing our fourth consecutive quarterly revenue record. The $10.2 billion sequential increase is the largest in our history."
MICRON

PEOPLE

The internal execution engine meets ecosystem integration.

"We just try to make sure that our customer can be successful in their market, and at the same time we grow together, then we also earn our value so that we can continue to expand our capacity to support them."
TSMC

"The AlphaWave integration is off to a great start, and we're pursuing multiple opportunities with large hyperscalers, cloud service providers, sovereign AI projects, and other global partners."
QUALCOMM

WHAT WERE THE TWO OR THREE POINTS THE EXECUTIVES WERE TRYING TO MAKE?

The industry has fundamentally moved away from episodic, "one-off" hardware sales to move toward deep, integrated ecosystems.

1. **From Commodity to Platform**
   Memory, compute, networking, and advanced packaging are increasingly viewed as strategic assets rather than interchangeable components. Competitive advantage is shifting toward integrated platforms that combine hardware, software, and ecosystem partnerships to deliver complete AI infrastructure solutions.

2. **Capacity Has Become a Competitive Advantage**
   As AI demand accelerates, access to manufacturing capacity, advanced packaging, memory supply, and power infrastructure has become a critical competitive differentiator. Industry leaders are securing long-term supply commitments and making significant capital investments to support future growth.

3. **Strategic Partnerships Drive Growth**
   Semiconductor companies are becoming deeply integrated into customer roadmaps through long-term partnerships, co-development agreements, and customized solutions. The most durable growth opportunities increasingly come from collaborative relationships rather than traditional supplier-customer transactions.

WHAT ARE THE GOALS AND OBJECTIVES GOING FORWARD?

The sheer volume of capital being deployed to scale global manufacturing capacity is validated by multi-decade forward demand signals.

- **Expand Capacity to Meet Demand**

  Driven by persistent supply constraints, the industry is racing to boost manufacturing output, advanced packaging, and memory production. While top chipmakers focus on maximizing their current fabrication lines, they are simultaneously accelerating long-term capital investments. Micron, for instance, is pushing its lines to the absolute limit to bridge a *25% shortfall* between its maximum output and active market demand.

- **Scale the Next Generation of AI Infrastructure**

  To capture the next wave of AI infrastructure spending, chipmakers are aggressively ramping next-generation platforms across compute, memory, and advanced nodes. Manufacturers aim to establish data center dominance by scaling high-volume production on revolutionary architectures—most notably NVIDIA's Vera Rubin platform and AMD's 2nm 6th Gen EPYC ("Venice") processors.

- **Build the Foundation for the Next Decade**

  Long-term, companies are securing the manufacturing, technology, and partnerships necessary to anchor the AI infrastructure, automation, and autonomous systems ecosystem. To sustain this growth, they are committing to aggressive, multi-year CapEx expansion—exemplified by Micron's plan to increase capital spending by $10 billion annually through 2030.

THE Q&A

What analysts asked

While prepared remarks highlight management's priorities, the Q&A session reveals what investors are most concerned about. Across all ten earnings calls, the questions were remarkably similar. Investors wanted to understand whether today's unprecedented AI-driven growth can be sustained, which companies are best positioned to capture it, and what risks could slow the industry's momentum.

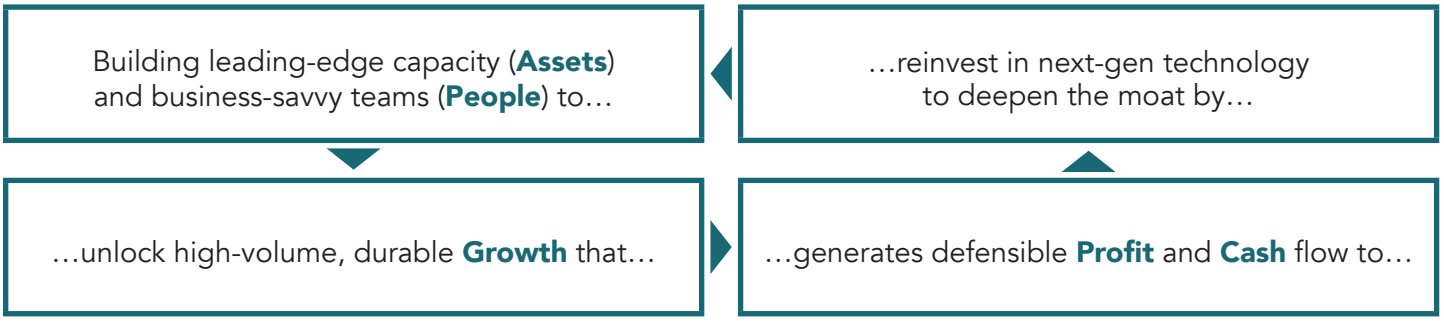
AMD 9 ANALYSTS AI accelerator demand, CPU growth drivers, x86-versus-ARM positioning, supply constraints, gross-margin sustainability.	**Broadcom** 13 ANALYSTS Custom AI deployments, customer concentration, networking share, supply availability, hyperscaler partnerships.
Intel 7 ANALYSTS Foundry execution, 18A/14A progress, advanced packaging demand, manufacturing capacity, competitive positioning.	**Marvell** 11 ANALYSTS Custom silicon adoption, AI networking growth, customer ramps, manufacturing capacity, scale-up opportunities.
Micron 6 ANALYSTS Gross-margin sustainability, Strategic Customer Agreement terms, supply allocation, HBM4 share trajectory, pricing reactions.	**NXP** 7 ANALYSTS Automotive growth drivers, software-defined vehicles, data-center expansion, Kinara AI integration, margin expansion targets, Analyst Day commitments, manufacturing joint-venture strategy.
NVIDIA 7 ANALYSTS Segmentation rationale, hyperscaler CapEx trajectory, inference share expansion, CPU/GPU dynamics in agentic AI, Vera Rubin ramp.	**Qualcomm** 7 ANALYSTS Data-center custom silicon, China handset bottom timing, Apple share stability, agentic-AI upgrade cycles, automotive margin.
SK Hynix 12 ANALYSTS Pricing sustainability, HBM4/4E qualification, multi-year LTAs, capacity expansion, NAND and next-gen memory.	**TSMC** 7 ANALYSTS Capacity expansion, N2 adoption, advanced packaging strategy, AI demand outlook, margin sustainability.

THE OBSERVATION

Driver interdependence

The most successful leaders don't view the 5 Business Drivers in isolation. They manage them as a connected system where decisions in one area create ripple effects across the entire business.

While Growth and Assets dominated these earnings calls, long-term success ultimately depends on how effectively leaders balance all five drivers. Within the semiconductor sector, it is no surprise that the 'People' driver ranked last across all ten companies' earnings calls, where financial performance routinely takes center stage. Yet, the massive infrastructure agendas outlined in those calls still rely on *human* execution. The winners of this supercycle won't simply be the companies that design the cleverest chips, but those whose talent can actually deliver on that promise.



THE TAKEAWAY

1. **The moat is physical.**

   Leading-edge capacity takes years to build and billions of dollars to fund. Companies are increasingly locking in customers through co-development partnerships, long-term supply agreements, and strategic investments that create barriers competitors cannot easily replicate. In this environment, access to manufacturing capacity, advanced packaging, and supply chain infrastructure has become a critical source of competitive advantage.

2. **Vendors are becoming partners.**

   Across these earnings calls, the most durable growth opportunities were built on deep partnerships rather than traditional supplier relationships. Companies are increasingly collaborating with customers on product roadmaps, capacity planning, custom silicon development, and long-term investment decisions. The closer a company becomes to its customers' strategic priorities, the more difficult it becomes to replace.

3. **People are the variable that ties it all together.**

   Behind every capacity expansion, margin decision, product roadmap, and competitive move is a leadership team making trade-offs. The companies that navigate the silicon supercycle most successfully won't simply have the best technology. They will have people who understand how decisions impact Cash, Profit, Assets, Growth, and People across the entire business. Business acumen is what allows leaders to connect those decisions into sustained performance.

ABOUT ACUMEN LEARNING

The Commercially Literate Edge

In the Silicon Supercycle, billions are being deployed to secure leading-edge capacity, advanced packaging, and supply chain resilience. But the companies that will ultimately dominate this era won't just have the best fabs or engineering excellence—they will have the most commercially literate teams.

Behind every strategic decision is a leader who must understand how capital allocation, product cycles, and operational choices impact Cash, Profit, Assets, Growth, and People.

For more than two decades, Acumen Learning has partnered with the world's most influential organizations, including 34 of the Fortune 50, to bridge the critical gap between technical execution and financial strategy. Our customized learning solutions help highly technical teams connect daily engineering milestones to the financial and strategic outcomes that matter most to the business.

When your engineers can see the exact margins or free cash flow a single yield gain unlocks, they make smarter, more profitable decisions.

We build a workforce as advanced as the technology it runs.

GBE03419-USEN-00

acumenlearning

Acumen Learning
240 North Orem Blvd
Orem, UT 84057
U.S.A

801-224-5444
acumenlearning.com