

» [Print](#)

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to colleagues, clients or customers, use the Reprints tool at the top of any article or visit: [www.reutersreprints.com](http://www.reutersreprints.com).

---

## UPDATE 2-RF Micro revenue forecast misses, WiFi chip demand slows

Tue, Oct 22 2013

- \* Sees 3rd-qtr adj EPS \$0.13-\$0.14/shr vs est \$0.13
- \* Sees 3rd-qtr rev \$310.7-\$326.2 mln vs est \$326.3 mln
- \* 2nd-qtr adj EPS \$0.12/shr vs est \$0.10
- \* 2nd-qtr rev \$310.7 mln vs est \$308.2 mln
- \* Shares fall 6.6 pct

By Lehar Maan

Oct 22 (Reuters) - Chipmaker RF Micro Devices Inc forecast current-quarter revenue below market expectations, saying it expects revenue from its wireless infrastructure business to decline, mainly due to lower seasonal orders from cable TV networks.

RF Micro's shares fell as much as 6.6 percent to \$5.75 after the bell on Tuesday.

The company's multi-market products business unit, which makes routers and chips for wireless infrastructure such as WiFi connectivity, is its second-biggest revenue generator.

"I think the disappointment is that revenue forecast isn't as high as expectations," Charter Equity Research analyst Edward Snyder told Reuters.

"Sounds like their core business of handsets is doing better than expected, but their non-handset business has been weaker...I would expect its predominantly WiFi," Snyder added.

Revenue from RF Micro's multi-markets products group slipped 2.1 percent in the year ended March due to lower demand for wireless infrastructure products. The segment contributed about 21 percent to total revenue.

RF Micro said on Tuesday it expected revenue from the business to decline in the current quarter ending December compared with the just-finished second quarter.

"It's pretty common for us to see cable TV network buildouts slow down in the winter months, causing cable networking to be slower in the December quarter for us," a company executive said in a post-earnings conference call.

RF Micro's chips are used in broadband routers to provide WiFi connectivity and in base stations installed by telecom operators to transmit wireless network.

The chipmaker, which also supplies cellular radio frequency chips for use in mobile devices such as handsets, notebook computers and tablets, forecast third-quarter adjusted earnings of 13-14 cents per share.

Revenue is expected to be flat to up 5 percent, implying revenue of \$310.7 million to \$326.2 million.

Analysts on average were expecting earnings of 13 cents per share on revenue of \$326.3 million, according to Thomson Reuters I/B/E/S.

RF Micro, which counts Samsung Electronics Co Ltd as its biggest customer, reported net income of \$5.9 million, or 2 cents per share, for the second quarter, compared with a net loss of \$16.5 million, or 6 cents per share, a year earlier.

Increasing demand for internet connectivity and social media while on the move is driving sales of mobile devices, which use more radio frequency chips than basic phones.

RBC Capital Markets analyst Doug Freedman said in September that a tear-down of Apple Inc's iPhone 5s and 5c models showed that RF Micro and Skyworks Solutions Inc had replaced the main antenna switch previously supplied to iPhones by Peregrine Semiconductor Corp.

"For now on they are the bigger player in iPhone so it's very good for the fourth quarter," D. A. Davidson & Co analyst Thomas Diffely told Reuters.

RF Micro is also expected to benefit from the roll-out of new high-end phones from Samsung, which accounted for about 22 pct of the company's net revenue in the year to March.

Excluding one-time items, RF Micro earned 12 cents per share, above the average analyst estimate of 10 cents per share. Revenue rose 48 percent to \$310.7 million. Analysts on an average had expected revenue of \$308.2 million.

Greensboro, North Carolina-based RF Micro's shares closed at \$6.16 on the Nasdaq on Tuesday.

---

© Thomson Reuters 2013. All rights reserved. Users may download and print extracts of content from this website for their own personal and non-commercial use only. Republication or redistribution of Thomson Reuters content, including by framing or similar means, is expressly prohibited without the prior written consent of Thomson Reuters. Thomson Reuters and its logo are registered trademarks or trademarks of the Thomson Reuters group of companies around the world.

Thomson Reuters journalists are subject to an Editorial Handbook which requires fair presentation and disclosure of relevant interests.

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to colleagues, clients or customers, use the Reprints tool at the top of any article or visit: [www.reutersreprints.com](http://www.reutersreprints.com).