

Cesar Nunez v. Skyworks Solutions, Inc.

COURT: United States District Court for the Central District of California
CASE NUMBER: 8:25-cv-00411-DOC-JDE
CLASS PERIOD: 08/08/2023 - 02/05/2025
CASE LEADERS: John Rizio-Hamilton, Robert Kravetz
CASE TEAM: Abby Kritta

On April 25, 2025, Bernstein Litowitz Berger & Grossmann LLP (“BLB&G”) filed a class action lawsuit in the U.S. District Court for the Central District of California alleging violations of the federal securities laws by Skyworks Solutions, Inc. (“Skyworks”), Skyworks’ CEO and President, Liam Griffin (“Griffin”), and Skyworks’ Senior Vice President and Chief Financial Officer, Kris Sennesael (“Sennesael”). This action is brought on behalf of all persons or entities who purchased or otherwise acquired common stock between August 8, 2023 and February 5, 2025 (the “Class Period”).

On May 16, 2025, the Honorable David O. Carter appointed Louisiana Sheriffs’ Pension & Relief Fund as Lead Plaintiff and BLB&G as Lead Counsel for the potential class.

SkyWorks’ Alleged Fraud

SkyWorks is an Irvine, California based developer, manufacturer, and provider of analog and mixed-signal semiconductor products and solutions for numerous applications, including aerospace, automotive, broadband, cellular infrastructure, connected home, defense, entertainment and gaming, industrial, medical, smartphone, tablet, and wearables designs and manufactures systems for mobile communication and other broad market applications. Skyworks’ sales to its largest client, Apple, generates approximately 70% of the Company’s revenue.

The complaint alleges that, throughout the Class Period, Skyworks and certain of its executives assured investors of the quality of the Company’s products and its ability to maintain share with Apple and other key customers, despite increasing competition in the high-performance semiconductor space.

For example, after the markets closed on August 7, 2023, the day before the start of the Class Period, Skyworks expressed that it “expect[s] to be among the leaders with our largest customer,” based on the Company’s “know-how . . . breadth of technology . . . people and the manufacturing capabilities to execute.” When asked about increased competition regarding a particular component, or “socket,” that Skyworks produced for iPhones, Defendant Griffin expressed confidence based on Skyworks’ differentiated abilities, commenting “performance wins and flexibility wins and supply chain wins and having incredible people on our team that can work shoulder to shoulder in the lab to create amazing outcomes and I think that really is what differentiates us. And it’s not just talk. I mean, these are real actions and people in our fabs, our factories.”

On January 30, 2024, the Company reiterated its position with Apple, stating, “we have a great position with our largest customer. Nothing is really concerning on that point.”

The Complaint alleges that, in reality, Apple was concerned with quality issues with Skyworks products. This truth began to emerge on April 30, 2024, when the Company revealed that it expected “content headwinds” relating to Apple’s next iPhone model cycle. Quantifying these headwinds, management explained that they “expect[ed] the content to be down a little more than 10% compared to the current phone model, and that will start having an

impact in the September quarter.” As a result, Skyworks’ second quarter net revenues declined year-over-year, and it issued third quarter Earnings Per Share guidance nearly 20% below analysts’ consensus as it worked through excess inventory. Despite this information, Skyworks again reassured investors that “we are strategically aligned with our largest customer, and we’re ready to engage in all of their strategic initiatives going forward.” Skyworks’ stock price declined by \$16.29 per share, or 15%.

Skyworks continued to downplay any issues with Apple over subsequent months. For example, on November 12, 2024, CEO Griffin answered a question about the Company’s continuing relationship with Apple by stating, “[w]e got an incredible technology bench, we have the scale, we have the physical plant, and we have the flexibility to do what our customers need. And I’m sure as you know, we have a very good partnership with our largest customers. So that back and forth is always going our way.” CEO Griffith further informed investors that the Company was “in the early stages of this multi-year trend” regarding artificial intelligence, and that “Skyworks is well-positioned to capitalize on it.”

The actual truth of Skyworks relationship with Apple further emerged on February 5, 2025, when Skyworks announced its expectations for the upcoming Apple phone cycle, revealing to investors that “we did not get the result that we targeted. Although we were able to secure multiple sockets . . . our content position is expected to be down 20% to 25%.” Skyworks further disclosed that this reduction in content was due to Apple’s decision to dual source a key iPhone component that it had sourced exclusively from Skyworks in previous models. The Company explained that Apple selects suppliers based on performance and that its product did not outperform a competitor’s, leading to Apple’s decision to dual source.

On the same day, Skyworks also announced the departure of Griffin, the Company’s long-term CEO. As an analyst from Wolfe Research commented, Griffin’s sudden departure is “not likely to be a coincidence.” Analysts were shocked, with Susquehanna calling the developments a “nightmare realized,” and Stifel noting that the unexpected departure of Griffith “raises more questions” about Skyworks’ credibility. As a result of these disclosures, the Company’s stock price declined by an additional \$21.48 per share, or 25%.

All told, these disclosures erased \$6 billion in shareholder value.