

Lattice Semiconductor (LSCC) — Company Analysis

NASDAQ: LSCC · fabless low-power FPGA leader (Nexus, Avant) · fiscal year ends Dec 31 · report generated 2026-05-26. End-to-end fundamentals, financials, sector & TAM, competitor comparison, the edge/AI-server growth case, valuation and risks. Analysis, not investment advice.

Snapshot

- Ticker: NASDAQ: LSCC
- Price: ~\$147.75
- Market cap: ~\$19.6bn
- Revenue: \$523.3m FY2025
- Growth: recovering — Q1'26 +42% YoY
- Profitability: non-GAAP EPS \$1.05 (FY25); GAAP ~breakeven; ~69% gross margin
- Valuation: ~37x sales (premium)
- Founded / HQ: 1983 / Hillsboro, Oregon
- CEO: Ford Tamer (since Sep 2024; ex-Inphi)
- Top competitors: AMD (Xilinx), Altera, Microchip, Efinix, GOWIN
- Key customers: data-center/AI-server OEMs, comms, industrial, automotive
- Key suppliers: foundries (Samsung 28nm, TSMC)
- Verdict: High-quality low-power FPGA leader, recovering hard — but premium-priced
- Confidence: 0.55

Executive summary

Lattice is the leader in low-power, small/mid-range FPGAs (programmable logic), with ~69% gross margins — the highest among FPGA peers. After a sharp 2024 inventory-correction downturn off a 2023 peak (~\$737m), it is recovering strongly: FY2025 revenue was \$523.3m and Q1 2026 grew ~42% YoY (year-on-year) to \$170.9m, driven by record Communications & Computing revenue and rising FPGA attach in AI servers (board management, control, firmware security/PFR) [S1][S2][S3]. It is led by a new CEO (Ford Tamer, ex-Inphi) and is expanding beyond chips with a ~\$1.65bn acquisition of AMI (server platform firmware/management), deepening its data-center content [S2][S4]. The catch: Lattice is the #3 merchant FPGA vendor (~7–14% share) behind AMD (Xilinx) and the now-independent Altera, faces low-cost Chinese challengers at the low end, is still below its 2023 peak, and trades at an extreme ~37x sales that already prices a secular-growth recovery [S5][S6].

Verdict: a high-quality, high-margin low-power FPGA leader in a strong cyclical recovery with genuine AI-server attach and a strategic firmware acquisition — but small versus AMD/Altera, exposed to Chinese low-end competition, and richly valued. Confidence: 0.55

Company overview

Founded in 1983 and headquartered in Hillsboro, Oregon, Lattice is a fabless designer of programmable logic devices specializing in low power — its sweet spot is sub-1-watt FPGAs used as the "glue," control, security and sensor-bridging silicon across systems [S3][S8]. It serves communications & computing, industrial & automotive, and consumer markets. The 2021–2023 super-cycle roughly doubled revenue to a ~\$737m peak; a 2024 correction followed; FY2025 (\$523.3m) and 2026 mark the recovery [S1][S2].

Management & founders

CEO Ford Tamer joined in September 2024, succeeding Jim Anderson (who drove the prior re-rating and left for Coherent). Tamer previously ran Inphi for ~9 years, building it into a leader in electro-optics for cloud/telecom (acquired by Marvell), and earlier led Broadcom's Infrastructure Networking group and co-founded/ran Agere — a strong networking/data-center pedigree well-matched to Lattice's AI-server push [S4]. A CEO change at the bottom of the cycle adds strategy-reset risk but brings data-center go-to-market expertise; the ~\$1.65bn AMI acquisition is an early signature of his strategy [S2][S4].

Business model & products

Lattice sells FPGAs plus design software, monetized through chip sales and growing new-product mix. Its two core platforms: Nexus (28nm low-power, cost-sensitive control/bridging/security across a broad range of sockets) and Avant (newer mid-range, moving up into higher-capacity comms/industrial/computing). New products (Nexus 2 / Avant) reached mid-teens % of revenue by late 2025, growing double-digits [S3]. Differentiation is power efficiency + security (platform firmware resilience / PFR, post-quantum encryption) and fast, small footprints — supporting industry-leading ~69% gross margins [S1][S3]. The AMI acquisition adds server BMC/firmware software, extending Lattice from the FPGA into the broader platform-management/security stack [S2].

Financial analysis

High-margin, recovering off the 2024 trough but still below the 2023 peak.

Metric	FY2023 (peak)	FY2024 (trough)	FY2025
Revenue (US\$m)	~737	~509	523.3
Non-GAAP (Generally Accepted Accounting Principles (US)) gross margin	~69%	~69%	69.3%
Non-GAAP EPS	~\$2.0+	lower	\$1.05
Adjusted EBITDA (earnings before interest, taxes, depreciation & amortisation)			183.0 (35% margin)

FY2025 revenue was \$523.3m with a ~69% non-GAAP gross margin and \$183m adjusted EBITDA (35% margin); GAAP net income was near breakeven (\$3.1m) while non-GAAP EPS was \$1.05 [S1]. The recovery is accelerating — Q4 2025 +24% YoY, Q1 2026 +42% YoY to \$170.9m with non-GAAP EPS up ~80% — and Q1 2026 guidance/print and Q2 commentary imply continued strong growth, helped by AI-server demand [S2]. Still, FY2025 revenue and EPS remain well below the 2023 peak, so the bull case requires the recovery to exceed the prior peak, not just bounce. Margins are a genuine strength and have held near ~69% through the cycle.

Customers & suppliers

Customers: Lattice sells across data-center/AI-server OEMs and hyperscaler supply chains (platform management, control, security), communications/telecom infrastructure, industrial/automotive, and consumer — largely through global distributors, which concentrates channel-inventory risk (the cause of the 2024 air-pocket) [S3]. Suppliers: fabless, relying on third-party foundries (Samsung 28nm for Nexus, plus others such as TSMC) — adding supply, cost and geographic concentration risk it doesn't control. China has historically been a meaningful share of revenue, creating both demand exposure and localization/export-control risk [S5].

Sector & market (TAM)

Lattice plays in the FPGA / programmable-logic market — a roughly \$10bn-class market growing at high-single-to-low-double-digit rates, with faster growth in low-power edge, security, and AI-infrastructure attach [S7]. Its served slice is the low-power small/mid-range segment (and, via Avant, mid-range), where power efficiency and cost matter more than raw logic density. The most cited growth driver is rising FPGA content per AI server (board management controllers, hardware root-of-trust/PFR, sensor and power sequencing) as AI data-center build-outs accelerate [S3]. The "edge AI on FPGA" angle is real but modest relative to GPU/NPU inference — FPGAs win in ultra-low-power, always-on, glue/control roles.

Competitive landscape

Lattice is the low-power leader but the #3 merchant FPGA vendor overall, squeezed from above and below.

Player	Focus	Position	Note
Lattice	Low-power small/mid-range FPGAs (Nexus, Avant)	Low-power leader; ~69% GM	#3 by revenue (~7–14% share); premium margins
AMD (Xilinx)	Adaptive SoC / Versal, high-end FPGAs	Market leader (~51% share)	far larger R&D; AI/data-center focus
Altera (Intel spin-out)	Agilex high-/mid-range FPGAs	#2 (~29% share)	independent (Silver Lake-backed)
Microchip	PolarFire / low-power flash FPGAs	Direct mid/low-range rival	broad MCU franchise
Efinix / GOWIN / Pango / QuickLogic / Renesas	Low-cost / low-power FPGAs	Cost challengers (esp. China)	attack Lattice's value tier

The top five vendors hold ~80–86% of the FPGA market [S5]. Lattice wins on power efficiency, security and toolchain in its niche; the risks are (a) AMD/Altera pushing down-market and (b) Chinese low-cost FPGAs (GOWIN, Pango, Efinix) eroding the value tier amid China localization — while Avant pushes Lattice *up* into the segment where its incumbency is weakest.

Growth drivers & catalysts

- AI-server FPGA attach — rising content per server (management, control, security) as data-center build-outs accelerate; record Communications & Computing revenue [S3].
- New-product ramp (Nexus 2 / Avant) — mid-teens % of revenue and growing double-digits, with higher capability/ASP [S3].
- AMI acquisition (~\$1.65bn) — adds server firmware/BMC software, expanding data-center content and (per the company) immediately accretive [S2].
- Cyclical recovery — Q1'26 +42% YoY, strong Q2 guidance; operating leverage on ~69% gross margins [S2].
- Security/PFR & post-quantum — differentiated, sticky platform-security content [S3].

Recent news

- Q1 2026 (reported): revenue +42% YoY to \$170.9m, non-GAAP EPS up ~80%; Q2 guidance implies ~50% YoY growth [S2].
- ~\$1.65bn acquisition of AMI (server platform firmware/management) announced — immediately accretive [S2].
- FY2025 results: record Communications & Computing revenue; \$523.3m total, ~69% NG gross margin [S1].
- Sep 2024: Ford Tamer appointed CEO (ex-Inphi) [S4].

Headwinds & key risks

- Premium valuation (~37x sales): prices a secular-growth recovery; vulnerable if growth normalizes or the cycle disappoints [S6].
- Still below the 2023 peak: FY2025 revenue/EPS remain under prior-peak levels; recovery must exceed peak to justify the multiple [S1].
- Sub-scale vs AMD/Altera: an order of magnitude smaller in R&D; Avant pushes into their turf [S5].
- China / low-end competition: GOWIN/Pango/Efinix and localization pressure the value tier; export-control tail risk.
- Channel concentration & cyclicality: distributor-heavy model and comms/industrial capex (capital expenditure) cycles drive lumpiness.
- M&A (mergers & acquisitions) integration: the AMI deal adds software/integration and (likely) leverage to manage.

Valuation

At ~\$147.75 on a ~\$19.6bn market cap (up ~49% YTD 2026), Lattice trades at roughly 37x sales on \$523.3m of FY2025 revenue and a very high multiple of non-GAAP earnings (\$1.05 FY25 EPS) [S1][S6]. That is a software-like multiple for a small, cyclical fabless FPGA vendor — justified only if the recovery proves secular (durably above the 2023 peak), margins hold ~69%, and the AI-server attach + Avant + AMI combine into sustained double-digit growth. The asymmetry is unfavorable: a single guide-down or cycle stumble can compress both the multiple and the earnings base.

Verdict & what to watch

Lattice is a genuinely high-quality franchise — the low-power FPGA leader with best-in-class ~69% margins, a credible AI-server attach story, a strong cyclical recovery (Q1'26 +42%), and a strategic move into platform firmware via AMI. But it is a small #3 player against AMD and Altera, exposed to Chinese low-end competition, still below its 2023 peak, and priced at ~37x sales that demands the recovery be secular and the margins durable. Verdict: high-quality low-power FPGA leader, recovering hard — but premium-priced; confidence 0.55.

Decision boundaries (what would change the view):

- Revenue durably exceeding the 2023 peak with sustained sequential growth (not a one-off restock) -> more positive (+).
- Non-GAAP gross margin holding ~69% through the recovery -> more positive (+).
- Avant and AMI becoming quantified, growing revenue lines with named data-center wins -> more positive (+).
- Visible China/low-end share erosion to GOWIN/Pango/Efinix -> more negative (-).
- Multiple compression from ~37x sales if growth normalizes -> more negative (-).
- A cycle stumble or AMI integration miss -> more negative (-).

Open questions (highest-leverage unknowns):

- Current revenue vs the 2023 peak and the shape (V/U/L) of the recovery.
- Avant/new-product revenue contribution and named mid-range design wins.
- China as % of revenue and trend vs domestic FPGA vendors.
- AMI deal economics (price/multiple, margin, leverage) and integration.

Appendix — methodology & sources

Generated by AutoLab (thesis mode) on 2026-05-30. The loop iteratively scouts the weakest point, researches it, red-teams it, and integrates the findings; . Headline confidence 0.55.