



ongoing 4G small cell rollouts) at the major US and rest of world telcos – with Ciena noting that appx 50% of cell towers are lit by fiber – suggesting to us that there is appx a +30% runway remaining for “fiberization” of the radio access and metro aggregation network. We provide our preview of Ciena’s upcoming quarterly results in a separate note.

Mavenir: Our MWC conversations with Mavenir senior management noted a positive view on Voice over LTE network services rollouts in 2014+ at the company’s US and European telco customers – i.e. at T-Mobile US, Deutsche Telecom, France Telecom, Vodafone, etc. We get the read that Mavenir’s US telco customers are likely to rollout VoLTE and RCS services sooner versus their European telco counterparts this calendar year. We also noted 11 new carrier customer wins for Mavenir’s voice network solutions in Europe – with potential for VoLTE, RCS, and messaging services rollouts in these customer wins later this year.

Cavium: Our MWC conversations with senior management suggests that Cavium’s Fusion chip shipments (likely a \$20-30 part) into 3G and 4G small cells rollouts is still in early stage at the present – likely a 2H14+ revenue opportunity for Cavium in our view. The Fusion chip likely to ship into OEM platforms (NSN, Huawei, Samsung) at around 14 telcos for the initial phase of 3G/4G small cells rollouts –followed by +15 carriers in the subsequent phases. While we are constructive on Cavium’s CY15+ rev growth opportunities for the new chips – Octeon3, Fusion, Neuron, etc – we remain with our neutral near-term view and our Hold-rating on the stock – noting balanced risk/reward at current levels – i.e. the stock trading at appx 24x P/E for ~19% First Call consensus rev growth expectation.

Ixia: Our MWC conversations with the network testing solutions vendors is another set of datapoints supporting our near-term caution on Ixia – a key vendor in enterprise and carrier network test and network visibility solutions. While 40GE datacenter switch testing and LTE voice and data network equipment and network services testing are multi quarter opportunities for Ixia – we note lumpiness in LTE network testing orders (at telcos such as AT&T, etc), 40GE datacenter switch testing still in early stages and virtualization of testing applications moderating demand for incremental box capacity.

Ruckus: At the show management appeared confident, likely fed by continued cable provider traction. One point which struck us as positive was management’s warm reception to LTE-over-unlicensed (LTE-u). They suggested LTE-u could be a positive development for some of their MSO customers, helping them to possibly put together a mobile strategy (e.g. Republic Wireless). Despite the cable provider wins and the acceptance of LTE-u, we remain on the sidelines here, as we would like to see them gain traction in the mobile operator space, an area where we believe if won, would begin to justify their P/E multiple.