

Cosemi CEO Looks To Future After New Funds

TECHNOLOGY: MAKER OF OPTICAL CABLES PLOTS GROWTH

By: Kevin Costelloe
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Nguyen Nguyen's Ph.D. is in electrical and computer engineering with an emphasis in solid state device technology, but running Cosemi Technologies Inc. means he also spends plenty of time just plain problem-solving.

That spans the whole array of issues at the Irvine maker of high-speed optical cables.

"The CEO of a small business has to be a general problem solver for whatever the problem is that the business needs to deal with at the moment—from accounting to legal to HR to biz dev to technical," Nguyen told the Business Journal on April 13.

"And the CEO always has to be resourceful to solve these problems."

Cosemi designs and develops high-volume, high-performance, plug-and-play HDMI, DisplayPort and USB active optical cables that provide the performance and speed of fiber optics, along with the legacy support of control and power delivery over copper wire, in hybrid cable assemblies.

Broadcom Sale

While Nguyen describes Cosemi as a small business, the company is well-known in OC's semiconductor industry, and in the chipmaking industry at large. It develops the underlying physical layer semiconductors that go inside the company's interconnect active optical cables.

In 2017, San Jose chipmaking giant Broadcom Ltd. (Nasdaq: AVGO), with a large base in Irvine and a market cap currently approaching \$190 billion, bought the photodetector business of Cosemi on undisclosed terms.

As a result of that deal, Cosemi's revenue dropped by a sizeable amount.

Nguyen said that Cosemi's revenue for pandemic-marked 2020 came in at less than \$5 million, an amount similar to 2019, while it showed a pickup toward the end of last year. The company and its financial backers are betting on an uptick in business going forward.

"We are confident about our growth and continued year-over-year growth in 2021 and beyond," according to Nguyen.

Cosemi said in December it plans to accelerate growth and address market opportunities after obtaining \$8 million in a financing round led by Nitto Denko Corp. of Japan.

Cosemi said at that time that Nguyen is the company's largest shareholder, with Nitto Denko also an important stakeholder.

'Doing Good'

Nguyen received his doctorate from the University of California, Santa Barbara, while his résumé also includes high-level posts at Global Communications Semiconductors LLC and Skyworks Solutions predecessor Conexant Systems Inc.

He counts over 20 patents and several industry-first publications, and is bilingual in English and Vietnamese. "We're doing good," he says of Cosemi as the company weathers the pandemic.

"We are a startup company," and given the company revenue and headcount "we still consider ourselves a small business."

The company has about 60 full-time employees, with six to 10 of them in Orange County. Among the team is Samir Desai, a company veteran who in February was promoted to the position of president.

"Cosemi has been open the whole time, but many of our customers were not, so we are gearing up for the reopening to pay visits to our customers and partners," Nguyen said.

Local Support

"Orange County has great resources, it's pretty convenient," according to Nguyen. It has "the right kind of people for the high-tech industry."

Organizations such as healthcare and technology accelerator Octane in Aliso Viejo are providing key business support in OC, the Cosemi CEO said.

Yet, he says more could be done to foster small companies in OC.

"In Orange County we need more of the ecosystem to help small businesses financially from different kinds of vehicles like loans, or venture capital or debt." Nguyen said. "In Orange County we don't have as good an ecosystem as compared to Silicon Valley."

He's looking to help where he can. Nguyen is among the advisers for semiconductor newcomer firm Mobix Labs in Irvine, whose backers count extensive ties to one-time area chipmaker Microsemi, among others.

Mobix announced it had raised \$10 million of funding in February.

Looking to the future of his own company, Nguyen said: "Cosemi would likely merge with the right partner in an M&A transaction."

"Our focus is on the real value creation that we can do," according to the CEO. "You have to believe in the potential."