

Silergy Corp.

Margin expansion ahead led by better mix & tighter supply; double-upgrade to Buy

Rating Change: BUY | PO: 370.00 TWD | Price: 272.00 TWD

NT\$370 PO based on 25x P/E given stronger growth/GM

We double-upgrade Silergy to Buy (from Underperform) in view of its expected margin expansion from 2026, thanks to a more enhanced mix and tighter foundry supply in 8" wafers. We raise 2026/27E EPS by 10%/52%, after baking in assumptions of stronger revenue and GM (gross margin). Our new PO is NT\$370 (earlier NT\$210), based on 25x (earlier 20x) 2H26-1H27E P/E. We also see positives from 4Q25 earnings call (see p.5-6).

See reminiscence vs last upcycle in margins

As a major fabless in PMIC area, Silergy's GM went into an upcycle during 2019-21, thanks partially to price hike driven by supply tightness from foundry side. For now, we believe it is at the tipping point of GM expansion, considering a tighter supply/demand ahead in 8" foundry, which has triggered (or will likely trigger) peers to raise the product ASP. Accordingly, we expect the firm to deliver stronger revenue growth from 2026, and believe its GM will reach ~55% during 2027-28 (vs ~52% in 2025-26).

Flag further upside to margins given a more enhanced mix

By application, we note that auto and computing (including servers) are expected to register stronger growth vs other areas, with 45-50% and 55-60% revenue CAGR during 2025-27, respectively. Collectively, these applications are likely to generate 33%/37%/39% of total revenue in 2026/27/28 (vs ~26% in 2025). In our view, the firm's GM can also further rise given an increasing mix from auto/computing,

Resilience seen in downcycle; platform migration helps

Moreover, in our view, Silergy's margin profile was more resilient in the downcycle during 2022-24 (Exhibit 3) when compared with other power semi-related fabless, while we see positive from platform migration (to gen-4/5 based on mature 12" process nodes), expediting the firm's shipment delivery to customers.

Estimates (Dec) (NT\$)	2024A	2025A	2026E	2027E	2028E
Net Income (Adjusted - mn)	2,286	2,478	4,044	7,147	8,531
EPS	5.95	6.40	10.44	18.45	22.02
EPS Change (YoY)	204.3%	7.5%	63.2%	76.7%	19.4%
Consensus EPS (Visible Alpha)		11.90	18.34	26.28	
Dividend / Share	2.40	2.55	4.16	7.36	8.78
Free Cash Flow / Share	1.03	6.88	8.97	17.06	18.77
Valuation (Dec)					
P/E	45.71x	42.53x	26.06x	14.74x	12.35x
Dividend Yield	0.882%	0.938%	1.53%	2.70%	3.23%
EV / EBITDA*	29.07x	29.49x	18.41x	10.84x	8.96x
Free Cash Flow Yield*	0.376%	2.52%	3.29%	6.25%	6.88%

* For full definitions of *IQmethod*SM measures, see page 11.

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Refer to important disclosures on page 12 to 14. Analyst Certification on page 9. Price Objective Basis/Risk on page 9.

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Timestamp: 12 March 2026 04:30PM EDT

13 March 2026

Equity

Key Changes

(NT\$)	Previous	Current
Inv. Opinion	C-3-8	C-1-8
Inv. Rating	UNDERPERFORM	BUY
Price Obj.	210.00	370.00
2026E EPS	9.48	10.44
2027E EPS	12.16	18.45
2028E EPS	NA	22.02
2026E EBITDA (m)	4,544.5	4,705.8
2027E EBITDA (m)	5,649.0	7,994.8
2028E EBITDA (m)	NA	9,673.9

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Stock Data

Price	272.00 TWD
Price Objective	370.00 TWD
Date Established	13-Mar-2026
Investment Opinion	C-1-8
52-Week Range	174.50 TWD-459.50 TWD
Mrkt Val / Shares Out (mn)	3,335 USD / 388.7
Market Value (mn)	105,715 TWD
Average Daily Value (mn)	90.40 USD
Free Float	85.7%
BofA Ticker / Exchange	SLEGF / TAI
Bloomberg / Reuters	6415 TT / 6415.TW
ROE (2026E)	10.8%
Net Dbt to Eqty (Dec-2025A)	-47.4%

PMIC – power management integrated circuit

iQprofileSM Silergy Corp.

Key Income Statement Data (Dec)	2024A	2025A	2026E	2027E	2028E
(NT\$ Millions)					
Sales	18,455	18,813	23,581	31,148	37,664
Gross Profit	9,936	9,710	12,355	17,300	20,680
Sell General & Admin Expense	(2,519)	(2,409)	(2,694)	(3,229)	(3,858)
Operating Profit	2,267	2,161	3,953	7,242	8,921
Net Interest & Other Income	316	516	551	652	533
Associates	NA	NA	NA	NA	NA
Pretax Income	2,583	2,677	4,504	7,894	9,454
Tax (expense) / Benefit	(459)	(171)	(424)	(713)	(889)
Net Income (Adjusted)	2,286	2,478	4,044	7,147	8,531
Average Fully Diluted Shares Outstanding	384	387	387	387	387

Key Cash Flow Statement Data

Net Income	2,286	2,478	4,044	7,147	8,531
Depreciation & Amortization	713	777	753	753	753
Change in Working Capital	(1,636)	672	(888)	(701)	(1,294)
Deferred Taxation Charge	NA	NA	NA	NA	NA
Other Adjustments, Net	1,179	198	36	34	34
Cash Flow from Operations	2,542	4,124	3,945	7,233	8,023
Capital Expenditure	(2,145)	(1,458)	(472)	(623)	(753)
(Acquisition) / Disposal of Investments	1,156	(4,736)	0	0	0
Other Cash Inflow / (Outflow)	(167)	(87)	0	0	0
Cash Flow from Investing	(1,156)	(6,281)	(472)	(623)	(753)
Shares Issue / (Repurchase)	503	175	0	0	0
Cost of Dividends Paid	(753)	(927)	(988)	(1,612)	(2,849)
Cash Flow from Financing	1,141	318	(988)	(1,612)	(2,849)
Free Cash Flow	397	2,666	3,473	6,610	7,270
Net Debt	(18,726)	(17,179)	(19,664)	(24,662)	(29,083)
Change in Net Debt	(1,785)	4,137	(2,485)	(4,998)	(4,421)

Key Balance Sheet Data

Property, Plant & Equipment	3,951	4,838	4,757	4,826	5,026
Other Non-Current Assets	9,618	10,750	10,550	10,350	10,150
Trade Receivables	2,460	1,902	2,281	2,609	3,049
Cash & Equivalents	20,609	20,097	22,583	27,580	32,001
Other Current Assets	3,883	3,664	4,222	4,669	5,668
Total Assets	40,522	41,252	44,393	50,036	55,896
Long-Term Debt	1,136	2,068	2,068	2,068	2,068
Other Non-Current Liabilities	241	163	163	163	163
Short-Term Debt	747	850	850	850	850
Other Current Liabilities	2,683	1,931	1,980	2,054	2,198
Total Liabilities	4,807	5,012	5,062	5,135	5,280
Total Equity	35,714	36,240	39,332	44,901	50,616
Total Equity & Liabilities	40,522	41,252	44,393	50,036	55,896

iQmethodSM - Bus Performance*

Return On Capital Employed	6.6%	5.9%	9.5%	15.1%	16.4%
Return On Equity	6.9%	7.0%	10.8%	17.1%	18.0%
Operating Margin	12.3%	11.5%	16.8%	23.2%	23.7%
EBITDA Margin	16.1%	15.6%	20.0%	25.7%	25.7%

iQmethodSM - Quality of Earnings*

Cash Realization Ratio	1.1x	1.7x	1.0x	1.0x	0.9x
Asset Replacement Ratio	4.2x	2.6x	0.9x	1.1x	1.4x
Tax Rate (Reported)	17.8%	6.4%	9.4%	9.0%	9.4%
Net Debt-to-Equity Ratio	-52.4%	-47.4%	-50.0%	-54.9%	-57.5%
Interest Cover	NM	NM	NM	NM	NM

Key Metrics

* For full definitions of iQmethodSM measures, see page 11.

Company Sector

Semiconductors

Company Description

Silergy Corp. was founded in 2008 as a fabless design house mainly engaged in power management IC (PMIC). The company conducts business mainly in China with c.50% revenue exposures, and has footprints in the US, Taiwan, South Korea, Japan and India. By end-application, its business can be split into five categories, including consumer, industrial, computing, communication, and automotive.

Investment Rationale

We have an Buy rating on Silergy, in view of the benefits from price hike which triggers the margin expansion, as well as a better cyclicality across different vehicles including industrial and communication. Longer-term, we also expect the company to benefit from stronger traction to the auto and datacenter-related businesses.

Stock Data

Price to Book Value

2.7x



Margin expansion ahead led by better mix & tighter supply; double-upgrade to Buy

GM/revenue upside looks reminiscent vs last upcycle

Silergy's gross margin (GM) went into an uptrend during 2019-21 (and largely sustained in 2022), thanks to price hike driven by supply tightness from foundry side. As shown in Exhibit 1 and 2, there was a positive correlation between Silergy's GM vs Vanguard's capacity utilization rate and UMC's revenue in 8" process (partially used by Silergy for production).

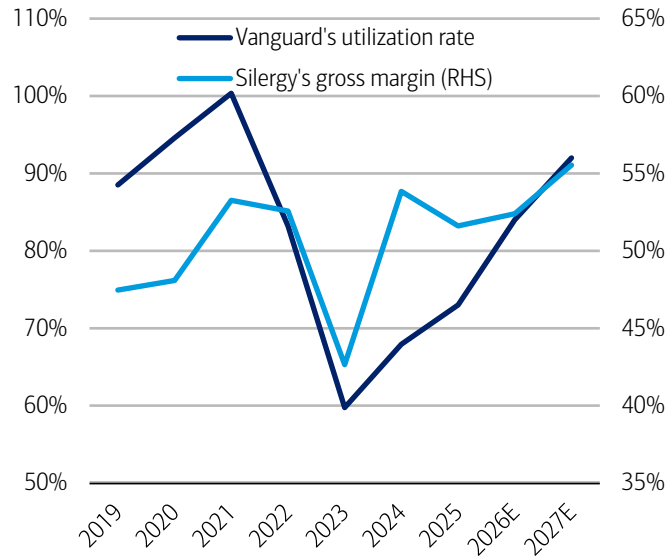
Currently, we believe it is at the tipping point of GM expansion, considering a tighter supply/demand ahead in 8" foundry with potential wafer price recovery into 2H26. In our view Silergy's GM will also see a boost, as it prioritizes capacity support for high-end applications (auto, industrial, datacenter/compute), and enjoys a stronger pricing power in low/mid-end verticals (consumer, communication, etc.), given the supply tightness.

According to some of the peers' announcements in power semis industry (e.g. Halo Micro), product ASP will be raised to reflect foundry price hike (partly due to tighter supply mentioned above). Further, we also note that (see report) [Infineon](#) is expected to raise the price on selective products given tight supply and higher raw material costs. At the same time, some of the peers (e.g. uPI) also mentioned they will follow the pricing trend of overall industry.

In our view, the pricing environment becomes more benign to Silergy, and we expect its revenue growth to turn stronger from 2026, thanks to price hike. We see 2027-28 GM at ~55%, vs ~52% in 2025-26.

Exhibit 1: Silergy's GM vs Vanguard's utilization rate

We see a positive correlation between Silergy's GM and Vanguard's utilization rate

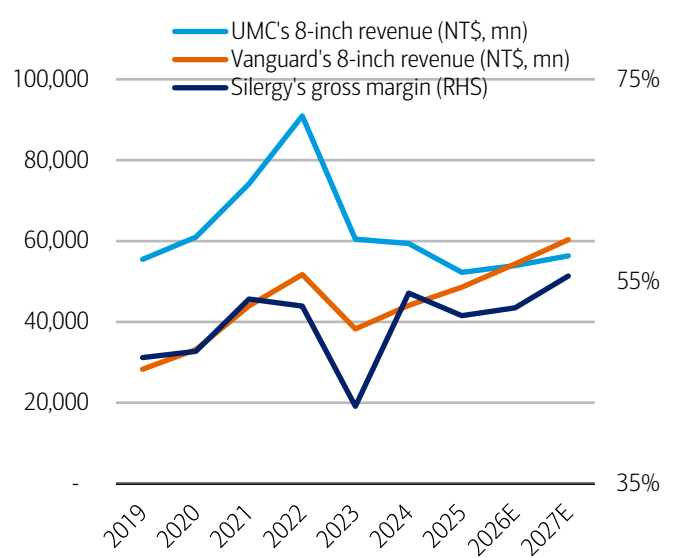


Source: BofA Global Research estimates, company data

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Exhibit 2: Silergy's GM vs Vanguard's/UMC's revenue in 8-inch process

We see a positive correlation between Silergy's GM and Vanguard's/UMC's revenue in 8" (110nm and above)



Source: BofA Global Research estimates, company data

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GM expansion during upcycle & resilience in downcycle

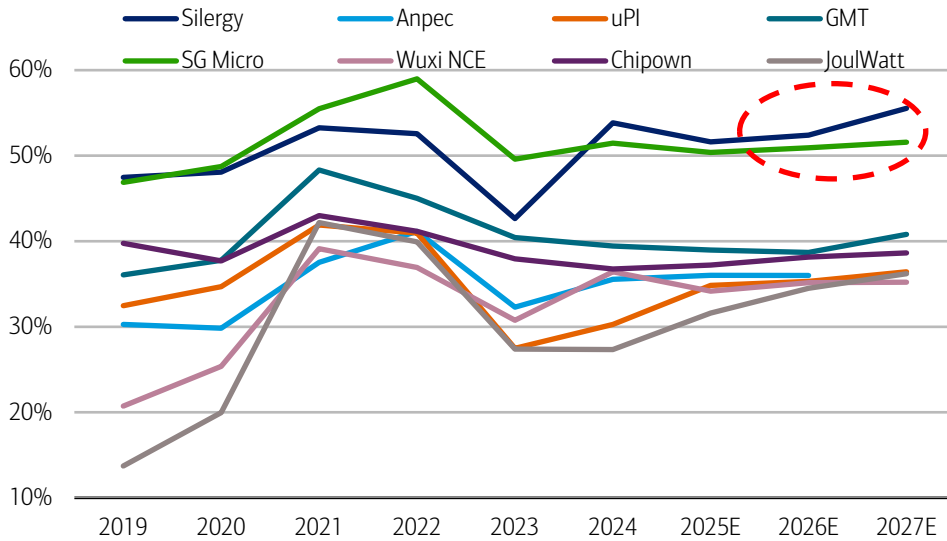
When compared with the GM trends of other power semis fabless, we note that the companies enjoyed the benefits from supply-driven price hike and margin expansion during the last upcycle (Exhibit 3). Also, in our view, Silergy's GM seemed to be more resilient in the downcycle during 2022-24.



Looking ahead, we also see a boost from the continuous penetration increase and migration to gen-4 and gen-5 manufacturing platforms (based on a more advanced process in mature 12-inch wafers), which can also expedite the company’s shipment to customers given the alleviated impact from tighter supply in 8-inch.

Exhibit 3: Gross margin trends by power semi-related names in Greater China

Power semi-related names generally enjoyed a higher margin during pandemic cycle, while GM by companies’ with stronger traction to mid/high-end application seems to be more resilient



Source: BofA Global Research estimates, company data

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Auto/server businesses with stronger growth

By application, we note that auto and computing (in which server-related products belong to) businesses are expected to register stronger growth vs other areas, with 45-50% and 55-60% revenue CAGR during 2025-27, respectively.

An expanded SAM (serviceable addressable market) via more new product offerings in our view, has been (and will continue to be) the reason for Silergy to outgrow its auto-related revenue vs. the end market. To elaborate, the SAM (per vehicle) was ~\$150 in 2025, and the number could reach \$200-250 in 2026 along with a more complete product portfolio including BMS (battery management), MCU (microcontroller), analog chips (signal chain) etc.

Similarly on datacenter side, we see the near-term demand boost from optical module and memory-related applications including SSD (solid state drive), while the company will also try to outgrow the end-market continuously via expanding its offerings into high current/voltage applications (Vcore, DrMOS) in longer-term.

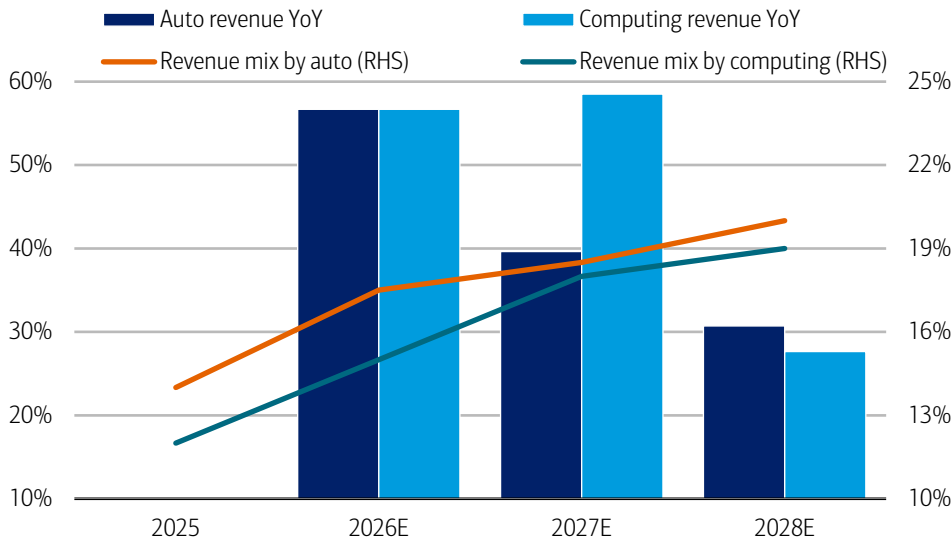
Accordingly, we expect auto and computing to account for 18%/19%/20% and 15%/18%/19% of total revenue in 2026/27/28, respectively (vs 14% and 12% in 2025). We further point out that the GM expansion in the upcoming years can be partially attributed to a higher mix from these applications.

In terms of businesses outside of auto/computing, we see positive from a more contained impact from tariff, as mainland-based customers (~60% of revenue) resumed with a stronger pull-in from late-2H25.



Exhibit 4: Silergy's revenue YoY and mix in auto and computing businesses

Auto and computing are the applications with stronger revenue growth into 2026-28

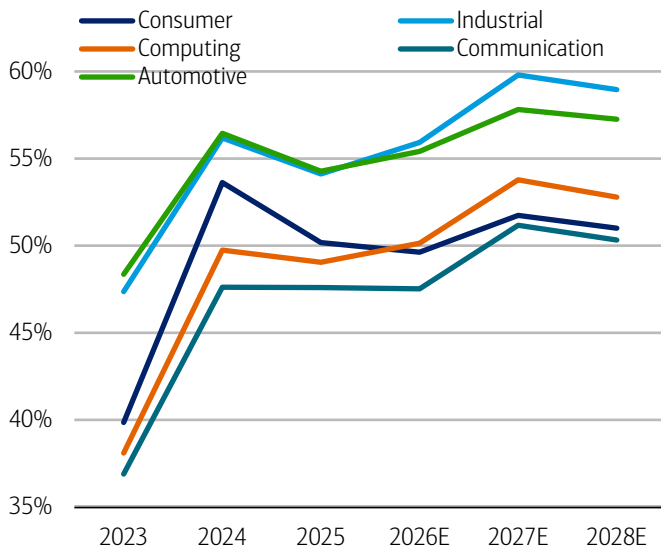


Source: BofA Global Research estimates, company data

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Exhibit 5: Gross margin by application

We expect a stronger GM in different applications across the board

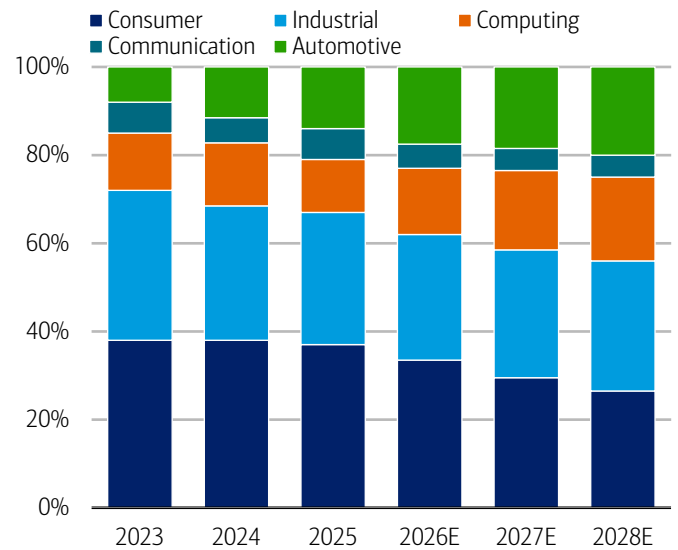


Source: BofA Global Research estimates, company data

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Exhibit 6: Revenue mix by application

We expect continuously rising contribution from auto and computing segments into 2026-28



Source: BofA Global Research estimates, company data

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Positives learnt from 4Q25 earnings call

In near-term, Silergy expects the revenue YoY growth in 1Q25 to be mainly fueled by auto and datacenter applications, which will also continuously pave the way for growth in 2026. When asked of the cadence/magnitude of growth, Chairman states higher confidence level to record 20-30% revenue YoY in 2H26.

On supply chain management, the tightness from 8-inch supply (especially the ones from China foundries) is underscored, which also triggers earlier order placement and some



rush orders from the customers. For instance, some of the auto-related demand is now expected to pull-in from 2Q26 (vs end-2026 previously).

Aside from a strengthening demand in near-term, multiple benefits to Silergy are flagged and these include 1) the edge by Silergy in terms of supply chain management amidst the foundry supply tightness, given its bigger scale vs other power IC (integrated circuit) fabless; and 2) potentially accelerated migration by customers to gen-4 platform (with a better cost structure based on 12-in wafers).

To elaborate, the full-adoption of gen-4 (vs gen-3) manufacturing platform can lift the GM by 5ppts, and the company now targets 20+% adoption of gen-4 by end-2026 (vs 15-20%). On applications with stronger growth, the firm mentions to increase its revenue mix from auto to close to 20% in 2026, while it flags doubling demand of power-related chips by every three years in the datacenter.

Discussion on valuation and earnings change

We raise 2026/27E EPS by 10%/52% after baking in assumptions of stronger revenue and GM, while our estimates remain 0-1% lower vs consensus (for 2026E) as we factor in higher opex assumptions vs the Street numbers. To elaborate, we believe such assumptions are valid, considering the company's stronger resolution to 1) invest in R&D for future growth; and 2) expand the sales channel outside of China.

As for the 4Q25 result, operating income was behind BofAe/consensus, due mainly to a higher-than-expected operating expense. Yet on a positive note, the firm's GM improved by 90bps QoQ in 4Q25, thanks mainly to a higher mix from margin-accretive applications including auto and industrial.

Our PO of NT\$370 is based on 25x (earlier 20x) 2H26-1H27E P/E, considering a stronger growth profile in revenue and earnings. We continue to use P/E as the valuation approach, as we expect the company to stay fairly profitable in our forecast period, and we expect the stock to re-rate along with a continuous recovery in margin profile.

When compared with the peers in fabless (chip-design) industry, Silergy trades at a lower 2027E P/E even though it is expected to record stronger EPS growth during 2025-27, and this makes us to expect further valuation upside vs the current trading multiples. Lower dividend yield and ROE (vs peers' average) could be attributed to a reduced payout ratio vs peers.

Exhibit 7: 4Q25 result review

4Q25 operating income was 18%/12% behind BofAe/consensus owing mainly to a higher-than-expected opex

(NT\$m)	4Q24A	3Q25A	4Q25A	QoQ %	YoY %	BofAe	Diff (%)	Consensus	Diff (%)
Revenue	5,108	4,763	5,392	13.2%	5.5%	5,403	-0.2%	5,384	0.1%
Gross profit	2,829	2,395	2,760	15.2%	-2.4%	2,779	-0.7%	2,730	1.1%
Gross margin (%)	55.4%	50.3%	51.2%	0.9 ppt	-4.2 ppt	51.4%	-0.2 ppt	50.7%	0.5 ppt
Operating Income	923	608	764	25.5%	-17.3%	926	-17.5%	868	-12.0%
Operating margin (%)	18.1%	12.8%	14.2%	1.4 ppt	-3.9 ppt	17.1%	-3.0 ppt	16.1%	-2.0 ppt
Pre-tax Income	936	804	866	7.6%	-7.5%	1,146	-24.5%	1,016	-14.8%
Pre-tax margin (%)	18.3%	16.9%	16.1%	-0.8 ppt	-2.3 ppt	21.2%	-5.2 ppt	18.9%	-2.8 ppt
Net Income	895	680	809	18.9%	-9.6%	981	-17.6%	770	5.1%
Net margin (%)	17.5%	14.3%	15.0%	0.7 ppt	-2.5 ppt	18.2%	-3.2 ppt	14.3%	0.7 ppt
EPS (NT\$)	2.33	1.76	2.09	18.9%	-10.3%	2.53	-17.6%	1.99	5.1%

Source: BofA Global Research estimates, company data, Bloomberg



Exhibit 8: Earnings estimate change

We raise 2027E EPS by 52% mainly to reflect assumption of stronger revenue growth, gross margin, and operating leverage

(NT\$m)	BofA 26 (E)			BofA 27 (E)		
	New	Old	Diff (%)	New	Old	Diff (%)
Total sales	23,581	21,793	8.2	31,148	24,922	25.0
Gross profit	12,355	11,405	8.3	17,300	13,099	32.1
Gross margin	52.4%	52.3%	0.1 ppt	55.5%	52.6%	3.0 ppt
Operating profit	3,953	3,791	4.3	7,242	4,896	47.9
Operating margin	16.8%	17.4%	-0.6 ppt	23.2%	19.6%	3.6 ppt
Pretax income	4,504	4,242	6.2	7,894	5,428	45.4
Pretax margin	19.1%	19.5%	-0.4 ppt	25.3%	21.8%	3.6 ppt
Net income	4,044	3,671	10.1	7,147	4,711	51.7
Net margin	17.1%	16.8%	0.3 ppt	22.9%	18.9%	4.0 ppt
EPS (NT\$)	10.44	9.48	10.1	18.45	12.16	51.7

Source: BofA Global Research estimates

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Exhibit 9: BofAe vs consensus

We are 4-5% ahead of consensus for 2027E revenue

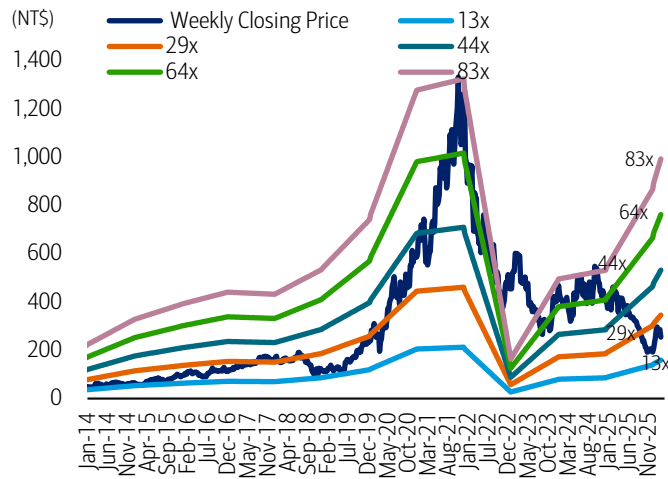
(NT\$m)	2026E			2027E		
	BofAe	Consensus	Diff (%)	BofAe	Consensus	Diff (%)
Total sales	23,581	22,060	6.9	31,148	28,015	11.2
Gross profit	12,355	11,493	7.5	17,300	15,128	14.4
Gross margin	52.4%	52.1%	0.3 ppt	55.5%	54.0%	1.5 ppt
Operating profit	3,953	4,302	-8.1	7,242	7,237	0.1
Operating margin	16.8%	19.5%	-2.7 ppt	23.2%	25.8%	-2.6 ppt
Pretax income	4,504	4,807	-6.3	7,894	7,813	1.0
Pretax margin	19.1%	21.8%	-2.7 ppt	25.3%	27.9%	-2.5 ppt
Net income	4,044	4,049	-0.1	7,147	6,837	4.5
Net margin	17.1%	18.4%	-1.2 ppt	22.9%	24.4%	-1.5 ppt
EPS (NT\$)	10.44	10.45	-0.1	18.45	17.65	4.5

Source: BofA Global Research estimates, Bloomberg

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Exhibit 10: 12-month forward P/E

The stock trades at ~23x forward P/E

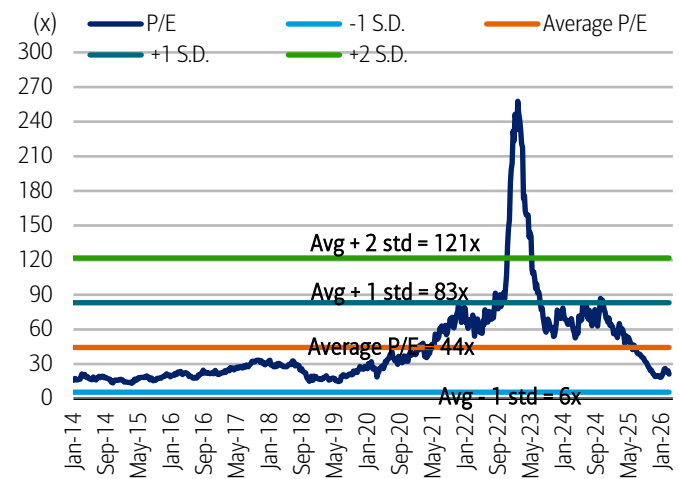


Source: BofA Global Research estimates, company data

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Exhibit 11: 12-month forward P/E with standard deviation

The current multiple (23x) is at low/mid-end of the historical trading range



Source: BofA Global Research estimates, company data

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Exhibit 12: Valuation comparisons

Silergy trades at a lower 2027E P/E but it is expected to generate much stronger earnings growth into 2027

Ticker	Company	Share		Mkt cap (US\$m)	EPS (LC)		PER (X)		PBR (X)		Div. yield (%)		ROE (%)		EV/EBITDA		Earnings CAGR
		price (LC)	Rating		2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E	2025E-2027E
Fables																	
5274 TT	Aspeed	10,495.0	BUY	11,348	146.00	190.03	65.2	50.1	35.4	28.2	1.1	1.6	57.2	62.6	56.4	40.8	35%
5269 TT	ASMedia	1,225.0	BUY	3,018	98	117.38	13.1	10.9	3.5	3.4	3.0	4.0	26.6	31.9	21.7	16.2	31%
4966 TT	Parade	529.0	U/P	1,310	31.1	34.7	16.7	15.0	1.8	1.7	2.8	3.2	11.3	11.8	10.0	9.1	0%
2454 TT	MediaTek	1,785.0	BUY	89,772	61	105.84	29.1	16.8	7.0	5.4	2.7	4.8	24.0	36.2	21.4	12.9	26%
3034 TT	Novatek	389.5	Neutral	7,186	27.6	30.9	13.6	12.1	4.0	3.8	5.9	6.9	28.8	32.1	10.5	9.4	7%
2379 TT	Realtek	473.0	Neutral	7,413	27.2	32.5	16.8	14.0	6.1	5.4	4.9	5.9	37.0	40.9	10.5	9.0	6%
6415 TT	Silergy	272.5	BUY	3,107	10.4	18.5	24.3	13.7	2.5	2.2	1.5	2.7	10.8	17.1	18.4	10.8	70%
Fables average							25.5	18.9	8.6	7.2	3.1	4.2	28.0	33.2	21.3	15.4	25%

Source: BofA Global Research estimates, company data

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Exhibit 13: Income statement

We expect the company's gross margin to expand to ~55% in 2027-28 vs ~52% in 2025-26

NT\$m; %	1Q26E	2Q26E	3Q26E	4Q26E	1Q27E	2Q27E	3Q27E	4Q27E	2025	2026E	2027E	2028E
Revenue	4,826	5,598	6,326	6,832	6,832	7,652	8,417	8,248	18,813	23,581	31,148	37,664
Cost of Revenue	-2,333	-2,668	-2,998	-3,227	-3,078	-3,414	-3,730	-3,627	-9,103	-11,226	-13,849	-16,985
Gross profit	2,493	2,930	3,327	3,605	3,754	4,237	4,687	4,621	9,710	12,355	17,300	20,680
Operating exp	-1,882	-2,015	-2,182	-2,323	-2,323	-2,487	-2,609	-2,639	-7,549	-8,403	-10,058	-11,759
Operating income	610	915	1,145	1,282	1,431	1,751	2,078	1,982	2,161	3,953	7,242	8,921
Non-opt net	118	101	165	167	163	162	164	164	516	551	652	533
Income before tax	728	1,016	1,310	1,449	1,594	1,912	2,242	2,145	2,677	4,504	7,894	9,454
Income Tax	-73	-102	-105	-145	-128	-191	-179	-215	-171	-424	-713	-889
Minorities	-9	-11	-12	-4	-9	-9	-9	-8	-29	-36	-34	-34
Net income	647	904	1,193	1,300	1,458	1,712	2,054	1,923	2,478	4,044	7,147	8,531
EPS (NT\$)	1.7	2.3	3.1	3.4	3.8	4.4	5.3	5.0	6.4	10.4	18.5	22.0
Margin %												
Gross margin	51.7%	52.3%	52.6%	52.8%	55.0%	55.4%	55.7%	56.0%	51.6%	52.4%	55.5%	54.9%
Operating expenses	39.0%	36.0%	34.5%	34.0%	34.0%	32.5%	31.0%	32.0%	40.1%	35.6%	32.3%	31.2%
Operating margin	12.7%	16.3%	18.1%	18.8%	21.0%	22.9%	24.7%	24.0%	11.5%	16.8%	23.2%	23.7%
Pretax margin	15.1%	18.2%	20.7%	21.2%	23.3%	25.0%	26.6%	26.0%	14.2%	19.1%	25.3%	25.1%
Net margin	13.4%	16.1%	18.9%	19.0%	21.3%	22.4%	24.4%	23.3%	13.2%	17.1%	22.9%	22.7%
Sequential growth %												
Revenue	-10.5%	16.0%	13.0%	8.0%	0.0%	12.0%	10.0%	-2.0%	1.9%	25.3%	32.1%	20.9%
Gross profit	-9.7%	17.6%	13.6%	8.3%	4.1%	12.9%	10.6%	-1.4%	-2.3%	27.2%	40.0%	19.5%
Operating exp	-5.7%	7.1%	8.3%	6.4%	0.0%	7.1%	4.9%	1.2%	-1.6%	11.3%	19.7%	16.9%
Operating income	-20.1%	49.8%	25.2%	12.0%	11.6%	22.3%	18.7%	-4.6%	-4.7%	82.9%	83.2%	23.2%
Net income	-20.0%	39.7%	32.0%	9.0%	12.1%	17.4%	20.0%	-6.4%	8.4%	63.2%	76.7%	19.4%

Source: BofA Global Research estimates, company data

BofA GLOBAL RESEARCH



Price objective basis & risk

Silergy Corp. (SLEGF)

We base our PO of NT\$370 on 25x 2H26-1H27E P/E E (vs 45% EPS CAGR during 2026-28, implying 0.5-0.6x PEG). The target multiple is toward the low-to-mid-end of the company's historical trading range (10x-80x), and in our view is supported by a recovering operating margin of 20% and ROE of 14% in 2026-27E.

Upside risks to our PO are:

- 1) Better-than-expected end-market demand, driven by stronger-than-expected recovery in macro activities
- 2) Smaller-than-expected pricing pressure with less competition from global analog leaders and Chinese domestic peers
- 3) Faster-than-expected market share gain in power management under the semiconductor localization theme in China, especially for Communication and Industrial business.

Downside risks to our PO are:

- 1) Stagnant market share especially in China semiconductor universe, given fiercer-than-expected competition from Chinese domestic power management peers
- 2) Weaker-than-expected end demand to dampen the firm's revenue growth, especially given its roughly 40% exposure to consumer market
- 3) Lack of bundle solution such as RF and signal chain to penetrate further into mobile and communication products.

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APR - Semiconductor Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Alchip	ALCPF	3661 TT	Haas Liu
	AMEC	XRTOF	688012 CH	Dai Shen
	ASE Technology Holding	XSRIF	3711 TT	Haas Liu
	ASE Technology Holding -ADR	ASX	ASX US	Haas Liu
	ASMedia Technology Inc.	XZSFF	5269 TT	Mike Yang
	ASMPT	ASMVF	522 HK	Simon Woo, CFA
	Aspeed	XLKMF	5274 TT	Mike Yang
	Chroma ATE	CRMJF	2360 TT	Haas Liu
	eMemory	XYLWF	3529 TT	Mike Yang
	Global Unichip Corp.	GBUHF	3443 TT	Haas Liu
	Grand Process Technology Corp	XZOWF	3131 TT	Mike Yang
	Hanmi Semiconductor	HNSIF	042700 KS	Simon Woo, CFA
	Horizon Robotics	HRZRF	9660 HK	Daley Li, CFA
	InnoScience Technology	XSCHF	2577 HK	Daley Li, CFA
	JCET Group Co Ltd	XJIEF	600584 CH	Dai Shen
	King Yuan Electronics Corp.	KYUFF	2449 TT	Haas Liu
	MediaTek	MDTKF	2454 TT	Haas Liu
	Montage Technology	XRDF	688008 CH	Daley Li, CFA
	MPI Corporation	XMJCF	6223 TT	Mike Yang
	Nanya Technology	NNYAF	2408 TT	Simon Woo, CFA
	NCE Power	XVFFF	605111 CH	Daley Li, CFA
	OmniVision	XXHQF	603501 CH	Dai Shen
	Powerchip Semiconductor Manufacturing Co	XCHPF	6770 TT	Haas Liu
	Powertech Technology	XPPZF	6239 TT	Simon Woo, CFA
	Rockchip	XRPXF	603893 CH	Daley Li, CFA
	Samsung Elec -G	SSNHZ	SMSN LI	Simon Woo, CFA
	Samsung Electronics	SSNLF	005930 KS	Simon Woo, CFA
	Samsung Electronics Preferred	SSNNF	005935 KS	Simon Woo, CFA
	Silergy Corp.	SLEGF	6415 TT	Mike Yang
	Silicon Motion	SIMO	SIMO US	Simon Woo, CFA
	SK Hynix	HXSCF	000660 KS	Simon Woo, CFA
	SK Square	SKSQF	402340 KS	Simon Woo, CFA
	Taiwan Semiconductor Manufacturing Co.	TSM	TSM US	Haas Liu
	Taiwan Semiconductor Manufacturing Co.	TSMWF	2330 TT	Haas Liu
	Winbond Electronics	WBEKF	2344 TT	Dai Shen
	WinWay Technology	XWCLF	6515 TT	Mike Yang
	WT Microelectronics	XZOPF	3036 TT	Mike Yang
NEUTRAL				
	Black Sesame Intl Holding	BSIHF	2533 HK	Daley Li, CFA
	Crystal Clear	XPPTF	300655 CH	Dai Shen
	GigaDevice	XGXIF	603986 CH	Daley Li, CFA
	Kinik	KIKCF	1560 TT	Haas Liu
	LX Semicon	XLXSF	108320 KS	Simon Woo, CFA
	M31 Technology	XMTZF	6643 TT	Mike Yang
	Novatek	NVKMF	3034 TT	Haas Liu
	Phison Electronics	PISNF	8299 TT	Simon Woo, CFA
	Realtek	RLTKF	2379 TT	Mike Yang
	Shenzhen Goodix	XQPLF	603160 CH	Daley Li, CFA
UNDERPERFORM				
	Faraday	FDYTF	3035 TT	Mike Yang
	GlobalWafers	XWLFF	6488 TT	Mike Yang
	Hangzhou Silan Microelectronics	XDFRF	600460 CH	Daley Li, CFA
	Hua Hong Semi	HHUSF	1347 HK	Dai Shen
	Ingenic	XISCF	300223 CH	Dai Shen
	Lion Electronics	XDHFF	605358 CH	Dai Shen
	Macronix International	MXICF	2337 TT	Dai Shen
	Maxscend	MXSXF	300782 CH	Daley Li, CFA
	Parade	PRDWF	4966 TT	Mike Yang
	Soulbrain	XSBOF	357780 KS	Simon Woo, CFA
	United Microelectronics Corp.	XUMIF	2303 TT	Haas Liu
	United Microelectronics Corp.	UMC	UMC US	Haas Liu
	Vanguard International Semiconductor Co	VGILF	5347 TT	Haas Liu
	VeriSilicon	XMLZF	688521 CH	Daley Li, CFA



APR - Semiconductor Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Win Semiconductors	XWIF	3105 TT	Haas Liu
	Wonik IPS	XRHQF	240810 KS	Simon Woo, CFA

iQmethodSM Measures Definitions

Business Performance	Numerator	Denominator
Return On Capital Employed	$\text{NOPAT} = (\text{EBIT} + \text{Interest Income}) \times (1 - \text{Tax Rate}) + \text{Goodwill Amortization}$	Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill
Return On Equity	Net Income	Amortization Shareholders' Equity
Operating Margin	Operating Profit	Sales
Earnings Growth	Expected 5 Year CAGR From Latest Actual	N/A
Free Cash Flow	Cash Flow From Operations – Total Capex	N/A
Quality of Earnings	Numerator	Denominator
Cash Realization Ratio	Cash Flow From Operations	Net Income
Asset Replacement Ratio	Capex	Depreciation
Tax Rate	Tax Charge	Pre-Tax Income
Net Debt-To-Equity Ratio	Net Debt = Total Debt – Cash & Equivalents	Total Equity
Interest Cover	EBIT	Interest Expense
Valuation Toolkit	Numerator	Denominator
Price / Earnings Ratio	Current Share Price	Diluted Earnings Per Share (Basis As Specified)
Price / Book Value	Current Share Price	Shareholders' Equity / Current Basic Shares
Dividend Yield	Annualised Declared Cash Dividend	Current Share Price
Free Cash Flow Yield	Cash Flow From Operations – Total Capex	Market Cap = Current Share Price × Current Basic Shares
Enterprise Value / Sales	$\text{EV} = \text{Current Share Price} \times \text{Current Shares} + \text{Minority Equity} + \text{Net Debt} + \text{Other LT Liabilities}$	Sales
EV / EBITDA	Enterprise Value	Basic EBIT + Depreciation + Amortization

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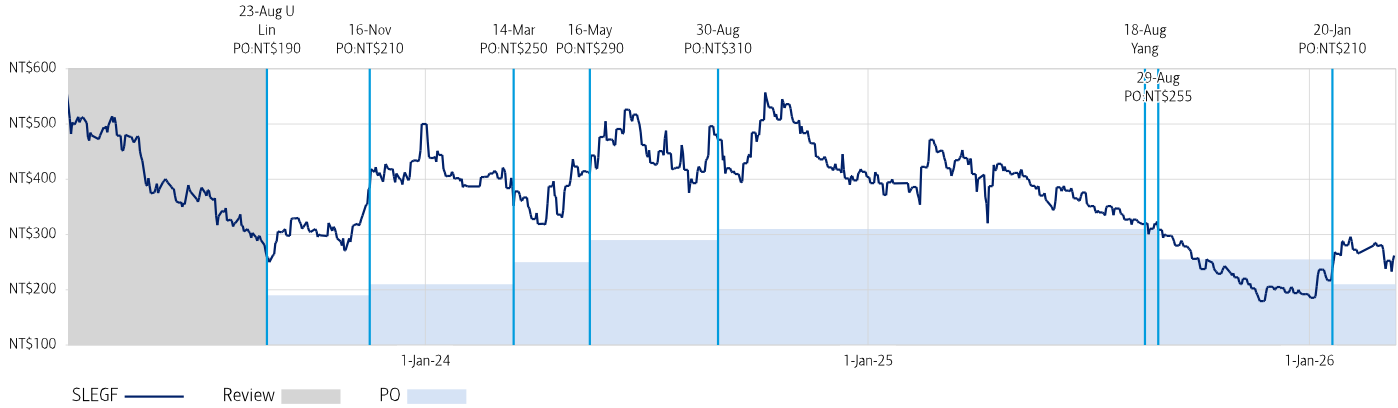
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Important Disclosures

Silergy (SLEGF) Price Chart



SLEGF — Review PO
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Equity Investment Rating Distribution: Technology Group (as of 31 Dec 2025)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	208	54.03%	Buy	106	50.96%
Hold	97	25.19%	Hold	44	45.36%
Sell	80	20.78%	Sell	23	28.75%

Equity Investment Rating Distribution: Global Group (as of 31 Dec 2025)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	1869	53.99%	Buy	1069	57.20%
Hold	834	24.09%	Hold	481	57.67%
Sell	759	21.92%	Sell	383	50.46%

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Buy	≥ 10%	≤ 70%
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Underperform	N/A	≥ 20%

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