

May 18, 2026 11:48 PM GMT

Powerchip Semiconductor Manufacturing Co | Asia Pacific

Beneficiary of mature node up-cycle and EMIB supply chain

WHAT'S CHANGED

Powerchip Semiconductor Manufacturing Co (6770.TW)	From	To
Price Target	NT\$71.00	NT\$88.00

We raise our price target from NT\$71 to NT\$88. EPS estimates are down 46% for 2026 but up 71% for 2027. PSMC is set to benefit from a mature node shortage in 2H27, AP Memory's emerging revenue streams from the EMIB supply chain, and continued price hikes and utilization rate improvements.

Mature node up-cycle begins: In [The Foundry Floorplan: All boats riding on the same tide – mature node up-cycle begins](#), we highlighted that we expect a mature node capacity shortage in 2H27, arising from fast growth of AI power ICs as a key part of future AI infrastructure. AI power ICs should more than offset weak consumer and smartphone semi demand. AI infrastructure build-outs are likely to last another two years, so some smartphone and PC customers are now worrying about future mature node shortages. We have therefore raised our ratings and/or valuations of multiple mature node foundries.

A beneficiary as AP Memory's foundry partner in S-SiCap production: We estimate that this will make up 3% of PSMC's total revenue in 2026, 5% in 2027, and 9% in 2028. In [Old Memory - Reaffirming Asymmetric Risks](#), we discussed how AP Memory's S-SiCap business may benefit from: 1) penetration of the EMIB supply chain by supplying IPDs (integrated passive devices) to Humufish TPUs in 2027/28; 2) high growth of AI GPU shipments for China. See [Exhibit 1](#).

Memory price hikes continue: For the traditional memory foundry business, PSMC continues to engage in monthly price negotiations with customers; we expect memory foundry price hikes to continue. See also Shawn Kim's report, [Agentic AI – The Surge Begins](#): we have expanded our memory TAM forecast to reflect agentic AI demand, reflecting our continued bullish view on the broader memory market.

EPS estimates down 46% for 2026 but up 71% for 2027: We introduce our 2028 forecasts. See [PSMC: Earnings Estimate Revisions](#).

Raise price target from NT\$71 to NT\$88; remain OW: We now apply a target 2026e P/B of 2.1x, on BVPS of NT\$42.1 (implies 1.7x 2027e P/B on NT\$50.9 BVPS). We estimate the revenue mix in 2027 between memory, analog, ad logic to be ~48%/30%/22%. If we attribute 52% of the 2027e BVPS to the analog and logic businesses and assume a 3.2x P/B ratio for them (vs. 2027e P/B of 3.3x for UMC and 3.7x for VIS), it would contribute NT\$85 of our price target, – implying an almost free valuation for the memory business.

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Powerchip Semiconductor Manufacturing Co (6770.TW, 6770 TT)

Greater China Technology Semiconductors | Taiwan

Stock Rating	Overweight
Industry View	Attractive
Price target	NT\$88.00
Up/downside to price target (%)	40
Shr price, close (May 15, 2026)	NT\$62.80
52-Week Range	NT\$78.90-14.50
Sh out, dil, curr (mn)	4,188
Mkt cap, curr (mn)	NT\$263,001
EV, curr (mn)	NT\$250,225
Avg daily trading value (mn)	NT\$5,961

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS (NT\$)**	(1.87)	4.64	3.78	4.43
Prior EPS (NT\$)**	(1.64)	8.61	2.21	-
EPS (NT\$)§	(1.89)	5.94	3.86	-
Revenue, net (NT\$ mn)	46,730	73,014	89,835	91,960
EBITDA (NT\$ mn)	(309)	13,009	27,573	29,481
ModelWare net inc (NT \$ mn)	(11,444)	4,364	16,395	19,420
P/E	NM	64.0	17.8	15.1
P/BV	2.0	1.5	1.2	1.0
RNOA (%)	(8.7)	5.9	39.8	53.3
ROE (%)	(12.9)	5.3	8.4	8.2
EV/EBITDA	NM	10.0	3.1	1.3
Div yld (%)	0.0	-	-	-
FCF yld ratio (%)**	4.7	36.4	17.1	17.6
Leverage (EOP) (%)	(15.6)	(80.7)	(85.8)	(89.0)

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Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework
** = Based on consensus methodology
§ = Consensus data is provided by Refinitiv Estimates
e = Morgan Stanley Research estimates

PSMC benefits from AP Memory's S-SiCap business as its foundry partner

Exhibit 1: Revenue contribution to PSMC

	2026e	2027e	2028e
China AI GPU (IPC)			
Total China GPU shipment (k units)	1,992	3,550	4,966
Chips per CoWoS wafer assumption	20	20	20
CoWoS wafers (k units)	100	178	248
Wafer ASP (US\$)	3,000	3,000	3,000
Market share	5%	7%	10%
Revenue (US\$m)	15	37	74
Revenue (NT\$m)	448	1,118	2,235
Humufish (IPD)			
TPU v10 2nm Humufish shipment (k units)		1,000	2,000
Capacitor per chip assumption		150	150
Die per wafer		7,000	7,000
Wafers (k units)		21	43
Wafer ASP (US\$)		3,500	3,500
Revenue (US\$m)		75	150
Revenue (NT\$m)		2,250	4,500
Other customers			
Revenue (US\$m)	67	25	58
Revenue (NT\$m)	2,023	759	1,725
Total S-SiCap revenue from AP Memory (US\$m)	82	138	282
Total S-SiCap revenue from AP Memory (NT\$m)	2,471	4,128	8,460
PSMC total revenue (MSe, NT\$m)	73,014	89,835	89,835
Revenue mix	3%	5%	9%

Source: Morgan Stanley Research estimates

PSMC: Earnings Estimate Revisions

We factor in 4Q25 and 1Q26 actual results. Our 2026 EPS adjustment (-46%) mainly reflects the gains from Fab P5 disposal and related impairments booked in 1Q, which differed from our previous estimates. Excluding the NT\$20.1bn disposal gains and NT\$5.50bn impairment losses related to the disposal, 2026e EPS would be NT\$1.34.

We have raised our revenue and GM forecasts for 2026/27 because management is guiding for improved pricing and higher utilization, and because we believe that PSMC is set to benefit from the mature node up-cycle and emerging S-SiCap revenue streams from AP Memory.

We introduce 2028 forecasts – we expect moderate revenue growth and GM expansion, driven by continued price hikes.

Exhibit 2: PSMC: Earnings estimate revision summary

(NT\$ mn)	New 2026e	Old 2026e	Diff.%	New 2027e	Old 2027e	Diff.%	New 2028e
Net sales	73,014	66,303	10%	89,835	72,058	25%	91,960
Gross profit	15,836	12,955	22%	30,217	21,862	38%	34,579
Operating profit	21,712	4,581	374%	21,309	11,931	79%	25,090
Pretax income	22,332	38,701	-42%	21,994	12,731	73%	25,775
Net income	20,631	37,928	-46%	17,595	10,185	73%	20,620
EPS (NT\$)	4.64	8.61	-46%	3.78	2.21	71%	4.43

Margins

Gross margin	21.7%	19.5%		33.6%	30.3%		37.6%
Operating margin	29.7%	6.9%		23.7%	16.6%		27.3%
Pretax margin	30.6%	58.4%		24.5%	17.7%		28.0%
Net margin	28.3%	57.2%		19.6%	14.1%		22.4%

(NT\$)	New 2026e	Old 2026e	Diff.%	New 2027e	Old 2027e	Diff.%	New 2028e
BVPS	42.1	45.2	-6.9%	50.8	44.9	13.1%	60.4

Source: Company data, Morgan Stanley Research (E) estimates

Exhibit 3: PSMC: Quarterly financials

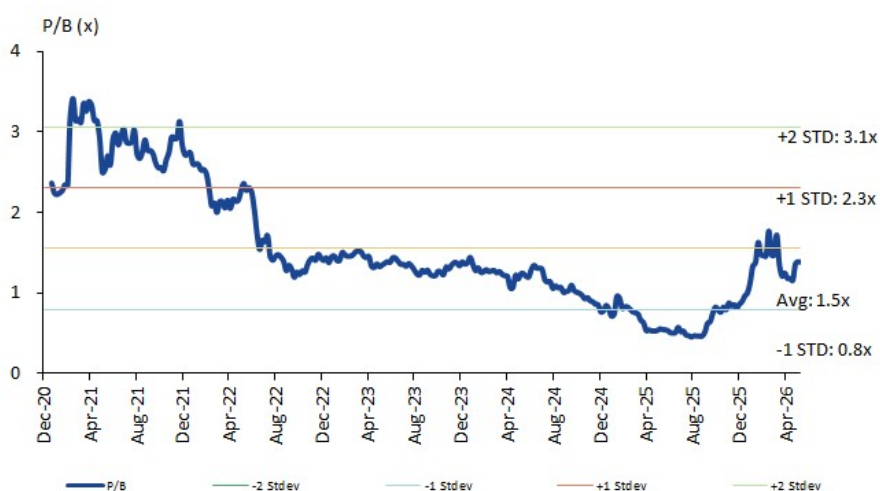
(NT\$ mn)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26e	3Q26e	4Q26e	1Q27e	2Q27e	3Q27e	4Q27e	1Q28e	2Q28e	3Q28e	4Q28e	2025	2026e	2027e	2028e	
Total Revenues	11,116	11,378	11,840	12,495	13,572	17,725	19,653	22,063	22,162	22,492	22,591	22,689	23,024	23,123	23,123	23,123	46,730	73,014	89,835	91,960	
Sequential Change	-0.1%	1.5%	5.0%	5.5%	8.6%	30.6%	10.9%	12.3%	0.4%	1.5%	0.4%	0.0%	0.4%	1.5%	0.0%	0.0%					
Change vs Year Ago	2.7%	1.4%	1.6%	12.2%	22.1%	57.2%	66.0%	76.6%	63.3%	26.9%	14.9%	2.4%	2.4%	2.4%	2.4%	2.4%	4.5%	56.2%	23.0%	2.4%	
Cost of Sales	(11,653)	(12,300)	(12,614)	(11,701)	(12,184)	(14,069)	(14,650)	(16,274)	(15,159)	(15,360)	(14,533)	(14,566)	(14,174)	(14,365)	(14,421)	(14,421)	(48,267)	(57,177)	(59,618)	(57,380)	
Percent of Revenues	104.8%	108.1%	106.5%	93.6%	89.8%	79.4%	74.5%	73.8%	68.4%	68.3%	64.3%	64.5%	62.5%	62.4%	62.4%	62.4%	103.3%	78.3%	66.4%	62.4%	
Gross Profit	(536)	(1,022)	(773)	794	1,388	3,656	5,003	5,789	7,003	7,132	8,057	8,024	8,516	8,660	8,702	8,702	(1,537)	15,836	30,217	34,579	
Percent of Revenues	-4.8%	-9.1%	-6.5%	6.4%	10.2%	20.6%	25.5%	26.2%	31.6%	31.7%	35.7%	35.5%	37.5%	37.6%	37.6%	37.6%	NM	21.7%	33.6%	37.6%	
Total Opex	(322)	(674)	(1,913)	(1,514)	(2,838)	(2,264)	(2,319)	(2,379)	(2,172)	(2,210)	(2,246)	(2,281)	(2,317)	(2,355)	(2,391)	(2,426)	(8,054)	5,876	(8,908)	(9,490)	
Percent of Revenues	2.9%	6.0%	16.2%	12.1%	-94.6%	-12.8%	-11.8%	-10.8%	-9.8%	-9.8%	-9.9%	-10.1%	-10.2%	-10.2%	-10.3%	-10.5%	17.2%	-8.0%	9.9%	10.3%	
R&D	(1,354)	(1,260)	(1,297)	(1,346)	(1,615)	(1,635)	(1,655)	(1,675)	(1,300)	(1,320)	(1,340)	(1,360)	(1,380)	(1,400)	(1,420)	(1,440)	(5,257)	(6,581)	(5,320)	(5,640)	
Percent of Revenues	12.2%	11.2%	11.0%	10.8%	11.9%	9.2%	8.4%	7.6%	5.9%	5.9%	5.9%	6.0%	6.1%	6.1%	6.2%	6.2%	11.3%	9.0%	5.9%	6.1%	
Sales and Marketing	(116)	(111)	(113)	(122)	(170)	(184)	(204)	(229)	(222)	(225)	(226)	(228)	(227)	(230)	(231)	(231)	(463)	(788)	(898)	(920)	
Percent of Revenues	1.0%	1.0%	1.0%	1.0%	1.3%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.1%	1.0%	1.0%	
General and Admin	(622)	(583)	(589)	(560)	(744)	(744)	(759)	(774)	(950)	(965)	(980)	(995)	(1,010)	(1,025)	(1,040)	(1,055)	(2,334)	(3,023)	(3,890)	(4,130)	
Percent of Revenues	5.6%	5.2%	4.8%	4.5%	5.5%	4.2%	3.9%	3.5%	4.3%	4.3%	4.4%	4.5%	4.5%	4.5%	4.5%	4.6%	5.0%	4.1%	4.3%	4.5%	
Operating Income	(858)	(1,696)	(2,686)	(719)	14,226	1,392	2,684	3,410	4,832	4,922	5,812	5,743	6,199	6,304	6,311	6,276	(9,591)	21,712	21,309	25,090	
Percent of Revenues	-7.7%	-15.0%	-22.7%	-5.8%	104.8%	7.9%	13.7%	15.5%	21.8%	21.9%	25.7%	25.4%	27.3%	27.4%	27.3%	27.1%	-20.5%	29.7%	23.7%	27.3%	
Total Non-operating Income(Loss)	(74)	(1,529)	(41)	127	106	171	171	171	171	171	171	171	171	171	171	171	2,114	620	685	685	
Profit Before Taxes	(932)	(3,226)	(2,727)	(592)	14,332	1,563	2,856	3,581	5,003	5,093	5,983	5,915	6,370	6,476	6,482	6,447	(7,477)	22,332	21,994	25,775	
Percent of Revenues	-8.4%	-28.6%	-23.0%	-4.7%	105.6%	8.8%	14.5%	16.2%	22.6%	22.6%	26.5%	26.2%	28.1%	28.1%	28.0%	27.9%	NM	30.6%	24.5%	28.0%	
Change vs Year Ago	112.9%	64.8%	-5.3%	-62.0%	-1637.2%	-148.5%	-204.7%	-704.7%	-65.1%	225.9%	109.5%	65.2%	27.3%	27.1%	8.3%	9.0%					
Taxes	(165)	(108)	(1)	(62)	(101)	(313)	(571)	(716)	(1,001)	(1,019)	(1,197)	(1,183)	(1,274)	(1,295)	(1,296)	(1,289)	(336)	(1,701)	(4,399)	(5,155)	
Tax Rate	-17.7%	-3.3%	0.0%	-10.4%	0.7%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	-4.5%	7.6%	20.0%	20.0%	
Reported Income (TW GAAP)	(1,097)	(3,334)	(2,728)	(654)	14,231	1,250	2,284	2,865	4,002	4,075	4,786	4,732	5,096	5,181	5,186	5,158	(7,813)	20,631	17,595	20,620	
Percent of Revenues	-9.9%	-29.6%	-23.0%	-5.2%	104.9%	7.1%	11.6%	13.0%	18.1%	18.1%	21.2%	20.9%	22.5%	22.5%	22.4%	22.3%	-16.7%	28.3%	19.6%	22.4%	
Change vs Year Ago	149.8%	70.3%	-5.2%	-56.4%	-1397.2%	-137.5%	-183.7%	-538.0%	-71.9%	225.9%	109.5%	65.2%	27.3%	27.1%	8.3%	9.0%	NM	NM	-14.7%	17.2%	
EPS (NT\$)	(0.26)	(0.80)	(0.65)	(0.16)	3.36	0.29	0.49	0.61	0.86	0.87	1.03	1.02	1.09	1.11	1.11	1.11	(1.87)	4.64	3.78	4.43	
Change vs Year Ago	NM	NM	NM	NM	NM	NM	NM	NM	NM	-74.4%	196.5%	109.5%	65.2%	27.3%	27.1%	8.3%	9.0%	NM	NM	-18.6%	17.2%
Weighted average shares	4,179	4,188	4,191	4,193	4,239	4,239	4,659	4,659	4,659	4,659	4,659	4,659	4,659	4,659	4,659	4,659	4,188	4,449	4,659	4,659	

Source: Company data, Morgan Stanley Research (E) estimates

PSMC: Valuation methodology

We raise our price target to NT\$88 from NT\$71: We factor in our estimate changes. We keep our P/B valuation methodology. Our new target is based on 2026e P/B of 2.1x, up from 1.6x. This is higher than the historical average of 1.5x since 2021, reflecting our optimistic view on improved pricing and utilization. The company is also set to benefit over the long term from the Micron partnership, including the front-end migration to 1y process node and back-end opportunities in advanced DRAM production (e.g. HBM). The company is also catching up on DRAM pricing hikes.

Exhibit 4: PSMC: Historical forward P/B



Source: Company data, Morgan Stanley Research estimates

Exhibit 5: PSMC: Historical forward P/B vs. ROE



Source: Company data, Morgan Stanley Research estimates

Risk Reward – Powerchip Semiconductor Manufacturing Co (6770.TW)

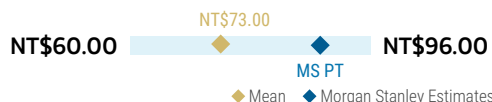
Beneficiary of mature node up-cycle and EMIB supply chain

PRICE TARGET NT\$88.00

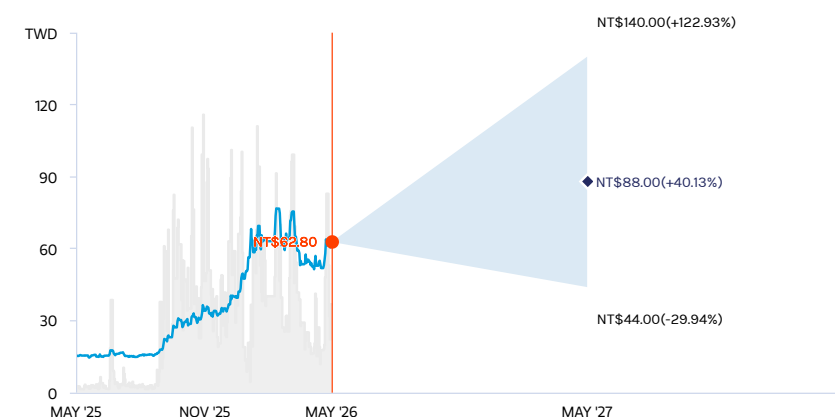
Base case, 2.1x 2026e P/B. This method is in line with our approach for Greater China memory IDM players, in view of the industry's high volatility. Our 2.1x target P/B is higher than the historical average of 1.5x since 2021, reflecting our optimistic view on improved pricing and utilization.

Consensus Price Target Distribution

Source: Refinitiv, Morgan Stanley Research



RISK REWARD CHART



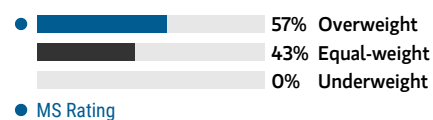
Key: — Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research

OVERWEIGHT THESIS

- We expect a mature node capacity shortage in 2H27, reflecting fast growth of AI power ICs as a key part of future AI infrastructure.
- S-SiCap business from AP Memory is expected to be a major revenue contributor - we expect it to make up 9% of total in 2028.
- We see specialty DRAM price hikes continuing throughout 2026.
- Our new target is based on 2026e P/B of 2.1x, up from 1.6x - higher than the historical average of 1.5x since 2021, reflecting our optimistic view on improved pricing and utilization.

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Disruption: *Positive*
Pricing Power: *Positive*

View descriptions of Risk Rewards Themes [here](#)

BULL CASE

NT\$140.00

3.3x 2026e BVPS

Strong sales growth with gross margin expansion: Our assumptions include: 1) a revenue CAGR of >30% in 2025-28; 2) gross margin expanding to 40%+ by 2028; 3) mature node foundry up-cycle longer than expected; 4) faster revenue ramp-up of AP Memory's S-SiCap business; 5) longer-than-expected specialty DRAM pricing increase .

BASE CASE

NT\$88.00

2.1x 2026e BVPS

Revenue growth with gross margin improvement: Our assumptions include: 1) a revenue CAGR of 25.3% in 2025-28; 2) a gross margin increase to 37%+ by 2028; 3) a mature node foundry up-cycle; 4) additional contribution from AP Memory's S-SiCap business; 5) specialty DRAM pricing continuing to increase.

BEAR CASE

NT\$44.00

1.0x 2026e BVPS

Revenue decline with gross margin erosion: Our assumptions include: 1) a revenue CAGR in the single digits (%) in 2025-28; 2) gross margin of <10% by 2028; 3) mature node foundry capacity no longer in shortage; 4) delays in revenue contribution from AP Memory's S-SiCap business; 5) decreases in specialty DRAM pricing.

Risk Reward – Powerchip Semiconductor Manufacturing Co (6770.TW)

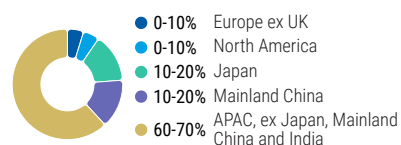
KEY EARNINGS INPUTS

Drivers	2025	2026e	2027e	2028e
Wafer shipment (k 8 inch)	2,614	2,965	3,046	761
Wafer ASP (USD)	457.7	473.3	514.9	517.4
Utilization rate (%) (%)	79.1	94.0	98.0	24.5

INVESTMENT DRIVERS

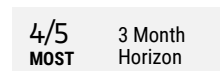
- Demand from consumer electronics clients
- Inventory in the supply chain
- Utilization rate
- Long-term agreements with clients

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies [here](#)

MS ALPHA MODELS



Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

RISKS TO PT/RATING

RISKS TO UPSIDE

- Pricing power is sustained in 2026.
- Listing on main board attracts investment fund flows.
- Aluminum process enjoys higher margins.

RISKS TO DOWNSIDE

- Competition from China intensifies.
- Price erosion is faster than expected.
- Demand from consumer electronics clients weakens further.
- Inventory in the supply chain takes longer to digest.

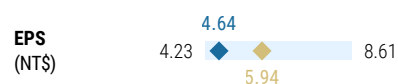
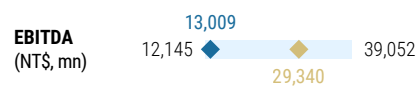
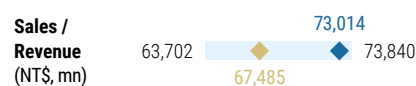
OWNERSHIP POSITIONING



Source: Refinitiv, Morgan Stanley Research

MS ESTIMATES VS. CONSENSUS

FY Dec 2026e



◆ Mean ◆ Morgan Stanley Estimates
Source: Refinitiv, Morgan Stanley Research

PSMC: Financial Summary

Exhibit 6: Financial Summary

Income Statement				
NT\$ mn (Years End Dec)	2025	2026e	2027e	2028e
Net sales	46,730	73,014	89,835	91,960
COGS	(48,267)	(57,177)	(59,618)	(57,380)
Gross profit	(1,537)	15,836	30,217	34,579
Operating expenses	(8,054)	5,876	(8,908)	(9,490)
R&D	(5,257)	(6,581)	(5,320)	(5,640)
SG&A	(2,797)	(3,811)	(4,788)	(5,050)
Operating income	(9,591)	21,712	21,309	25,090
Non-operating income	2,114	620	685	685
Pre-tax income	(7,477)	22,332	21,994	25,775
Income tax	(336)	(1,701)	(4,399)	(5,155)
Net income	(7,813)	20,631	17,595	20,620
Adj. wtd. avg. shrs (mn)	4,188	4,449	4,659	4,659
Reported EPS (NT\$)	(1.87)	4.64	3.78	4.43
EPS for consensus (NT\$)	(1.87)	4.64	3.78	4.43

Cash Flow Statement				
NT\$mnn (Years End Dec)	2025	2026e	2027e	2028e
Cash flow from Operations	7,823	47,018	24,689	25,420
Net profits	(7,813)	20,626	17,591	20,615
Depreciation	9,283	7,564	7,464	5,591
Equity investment losses (income)	11	0	0	0
Other adjustments	6,343	18,827	(366)	(786)
Cash flow from Investing	3,554	41,445	(2,782)	(2,271)
Capex	(8,591)	(15,355)	(2,782)	(2,271)
Change of LT Investment	0	0	0	0
Change of ST Investment	12,145	0	0	0
Other adjustments	(0)	56,800	0	0
Cash flow from financing	(5,517)	59,944	26,211	27,122
Increase in L/T debt	6,140	0	0	0
Increase in S/T debt	0	3,000	3,000	3,000
Cash Dividend Paid	0	2,344	(6,189)	(5,278)
Dir& Emp Bonus Paid	0	0	0	0
Issuance of stock	0	29,400	29,400	29,400
Dec/Inc-TreasureSt	0	25,200	0	0
Other Adjustments	(11,657)	0	0	0
Net change in cash	5,860	148,406	48,118	50,271

Balance Sheet				
NT\$mnn (Years End Dec)	2025	2026e	2027e	2028e
Cash	16,789	165,195	213,313	263,584
Mkt Securities	2,800	2,800	2,800	2,800
AR/NR	6,550	4,667	5,742	5,878
Inventory	9,557	5,567	5,804	5,586
Other	8,451	8,451	8,451	8,451
Current Assets	44,148	186,680	236,111	286,300
Long-term investments	49	49	49	49
Fixed assets	122,004	109,514	104,832	101,512
Other assets	12,485	12,485	12,485	12,485
Total Assets	178,686	308,728	353,477	400,346
S/T borrowings	0	0	0	0
AP/NP	2,997	4,405	4,593	4,420
Other ST liabilities	19,789	34,334	38,093	40,397
LT debt	0	0	0	0
Other LT liabilities	73,900	73,900	73,900	73,900
Total Liabilities	96,685	112,639	116,586	118,718
Common shares	42,259	46,459	46,459	46,459
Retained earning	11,792	96,481	137,282	182,019
Other shareholders' equity	27,950	53,150	53,150	53,150
Total Equity	82,000	196,089	236,891	281,628
Total Liab. & Shrhldr's Equity	178,686	308,728	353,477	400,346

Financial Ratios				
	2025	2026e	2027e	2028e
Growth(%)				
Turnover	4.5	56.2	23.0	2.4
Operating profits	3.2	(326.4)	N/A	N/A
Pretax profits	9.4	(398.7)	(1.5)	17.2
Net profits	N/A	N/A	N/A	N/A
EPS	N/A	N/A	N/A	N/A
Margins (%)				
Gross Margin	(3.3)	21.7	33.6	37.6
Operating Margin	(20.5)	29.7	23.7	27.3
Pretax Margin	(16.0)	30.6	24.5	28.0
Net Profit	(16.7)	28.3	19.6	22.4
Return (%)				
ROAA	(4.3)	8.5	5.3	5.5
ROAE	(9.2)	14.8	8.1	8.0
Gearing (%)				
Net Debt/Equity	69.6	(46.6)	(58.9)	(67.4)
Liabilities/Equity	117.9	57.4	49.2	42.2
Ratios (X)				
Current ratio	1.9	4.8	5.5	6.4
Quick ratio	1.1	4.5	5.2	6.1
Others				
AR/NR Turnover (days)	23.3	23.3	23.3	23.3
Inventory Turnover (days)	35.5	35.5	35.5	35.5
AP Turnover (days)	28.1	28.1	28.1	28.1
Cash Conversion (days)	30.7	30.7	30.7	30.7

E = Morgan Stanley Research Estimates

Source: Morgan Stanley Research, Company Data

Source: Company data, Morgan Stanley Research (E) estimates

Risk Reward Reference links

1. View explanation of Options Probabilities methodology - [Options_Probabilities_Exhibit_Link.pdf](#)
2. View descriptions of Risk Rewards Themes - [RR_Themes_Exhibit_Link.pdf](#)
3. View explanation of regional hierarchies - [GEG_Exhibit_Link.pdf](#)
4. View explanation of Theme/Exposure methodology - [ESG_Sustainable_Solutions_External_Link.pdf](#)
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(as of April 30, 2026)

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Stock Rating Category	Coverage Universe		Investment Banking Clients (IBC)			Other Material Investment Services Clients (MISC)	
	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
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Equal-weight/Hold	1568	43%	358	39%	23%	715	44%
Not-Rated/Hold	4	0%	0	0%	0%	1	0%
Underweight/Sell	555	15%	84	9%	15%	202	12%
Total	3,673		909			1627	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

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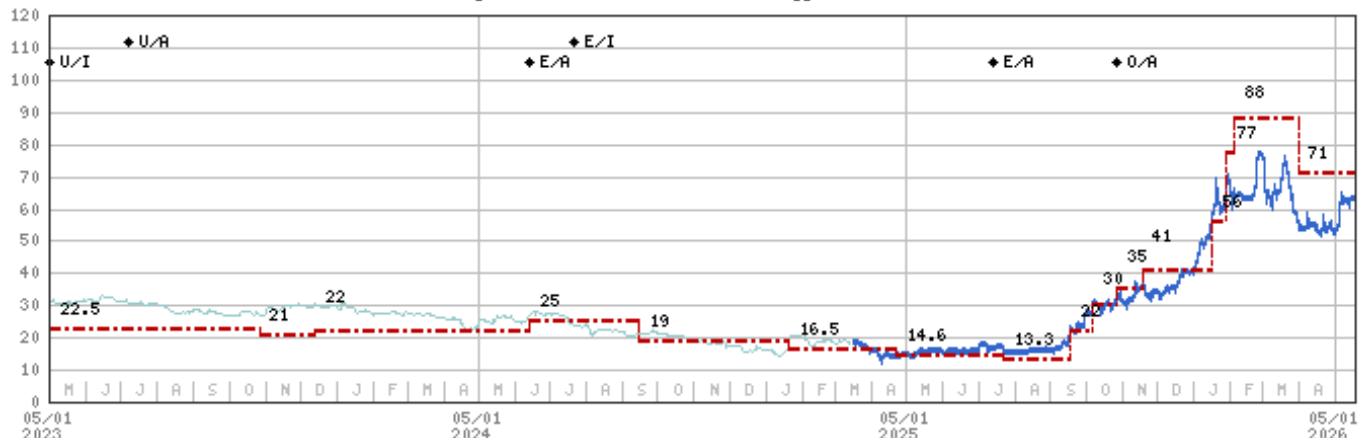
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Stock Price, Price Target and Rating History (See Rating Definitions)

Powerchip Semiconductor Manufacturing Co (6770.TW) - As of 05/18/26 GMT in TWD
 Industry : Greater China Technology Semiconductors



Stock Rating History: 7/12/21 : U/I; 10/12/21 : U/C; 10/4/22 : U/A; 2/22/23 : U/I; 7/7/23 : U/A; 6/13/24 : E/A; 7/21/24 : E/I; 7/14/25 : E/A; 10/27/25 : O/A

Price Target History: 7/12/21 : 58; 9/14/21 : 57; 3/28/22 : 53; 4/12/22 : 49; 6/21/22 : 40; 7/1/22 : 35; 7/15/22 : 33; 8/30/22 : 27; 10/13/22 : 23.5; 12/14/22 : 22.5; 10/27/23 : 21; 12/13/23 : 22; 6/13/24 : 25; 9/15/24 : 19; 1/20/25 : 16.5; 4/22/25 : 14.6; 7/23/25 : 13.3; 9/18/25 : 22; 10/7/25 : 30; 10/27/25 : 35; 11/18/25 : 41; 1/16/26 : 56; 1/28/26 : 77; 2/5/26 : 88; 3/31/26 : 71

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 Stock Price (Not Covered by Current Analyst) — Stock Price (Covered by Current Analyst) —
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INDUSTRY COVERAGE: Greater China Technology Semiconductors

COMPANY (TICKER)	RATING (AS OF)	PRICE* (05/18/2026)
Charlie Chan		
ACM Research Inc (ACMR.O)	O (03/07/2023)	US\$63.67
Advanced Micro-Fabrication Equipment Inc (688012.SS)	O (11/06/2023)	Rmb438.75
Advanced Wireless Semiconductor Co (8086.TWO)	U (07/14/2025)	NT\$147.50
Alchip Technologies Ltd (3661.TW)	O (05/14/2021)	NT\$4,590.00
ASE Technology Holding Co. Ltd. (3711.TW)	O (09/15/2024)	NT\$510.00
Cambricon Technology Corporation (688256.SS)	O (04/27/2026)	Rmb1,216.99
Global Unichip Corp (3443.TW)	O (07/27/2024)	NT\$4,740.00
GlobalWafers Co Ltd (6488.TWO)	O (09/19/2025)	NT\$698.00
Gudeng Precision (3680.TWO)	O (11/25/2025)	NT\$544.00
Hua Hong Semiconductor Ltd (1347.HK)	E (03/12/2026)	HK\$115.80
Iluvatar CoreX Semiconductor Co., Ltd. (9903.HK)	O (04/27/2026)	HK\$479.40
King Yuan Electronics Co Ltd (2449.TW)	O (03/03/2023)	NT\$295.00
Maxscend Microelectronics Co Ltd (300782.SZ)	U (01/11/2021)	Rmb130.80
MediaTek (2454.TW)	O (11/28/2025)	NT\$3,400.00
MetaX Integrated Circuits (688802.SS)	E (04/27/2026)	Rmb728.47
Nanya Technology Corp. (2408.TW)	E (03/20/2026)	NT\$305.00
NAURA Technology Group Co Ltd (002371.SZ)	O (11/06/2023)	Rmb597.97
OmniVision Integrated Circuits Group Inc (603501.SS)	E (11/17/2025)	Rmb99.79
Phison Electronics Corp (8299.TWO)	E (02/25/2026)	NT\$2,735.00
SG Micro Corp. (300661.SZ)	E (11/03/2025)	Rmb105.35
Silergy Corp. (6415.TW)	E (04/21/2026)	NT\$514.00
SMIC (0981.HK)	O (10/21/2025)	HK\$68.70
TSMC (2330.TW)	O (02/07/2022)	NT\$2,240.00
UMC (2303.TW)	E (04/20/2026)	NT\$111.00
Vanguard International Semiconductor (5347.TWO)	E (01/14/2026)	NT\$159.00
WIN Semiconductors Corp (3105.TWO)	U (07/14/2025)	NT\$450.50

Daisy Dai, CFA

ASMP T Ltd (0522.HK)	O (07/24/2025)	HK\$176.40
China Resources Microelectronics Limited (688396.SS)	U (03/02/2026)	Rmb62.06
Elan Microelectronics Corp (2458.TW)	O (10/03/2025)	NT\$145.00
Empyrean Technology Co Ltd (301269.SZ)	E (01/17/2025)	Rmb94.54
Hangzhou Silan Microelectronics Co. Ltd. (600460.SS)	U (08/25/2025)	Rmb31.05
Innoscence (2577.HK)	E (10/13/2025)	HK\$71.45
JCET Group Co Ltd (600584.SS)	E (01/16/2026)	Rmb58.33
Shanghai Fudan Microelectronics (1385.HK)	O (03/07/2025)	HK\$38.74
SICC Co Ltd (688234.SS)	O (03/20/2026)	Rmb149.84
StarPower Semiconductor Ltd (603290.SS)	E (05/14/2026)	Rmb123.60
Unigroup Guoxin Microelectronics Co Ltd (002049.SZ)	U (01/10/2023)	Rmb78.33
Universal Scientific Ind. (Shanghai) (601231.SS)	O (11/05/2025)	Rmb40.09
Yangjie Technology (300373.SZ)	O (06/10/2022)	Rmb81.40

Daniel Yen, CFA

AP Memory Technology Corp (6531.TW)	O (07/11/2025)	NT\$1,135.00
ASMedia Technology Inc (5269.TW)	U (10/03/2025)	NT\$1,390.00
Aspeed Technology (5274.TWO)	O (06/09/2025)	NT\$16,150.00
Egis Technology Inc (6462.TWO)	E (01/28/2026)	NT\$137.50
Espressif Systems (688018.SS)	O (05/15/2023)	Rmb183.79
GigaDevice Semiconductor Beijing Inc (603986.SS)	O (05/15/2025)	Rmb400.00
Macronix International Co Ltd (2337.TW)	O (09/18/2025)	NT\$160.00
Montage Technology Co Ltd (6809.HK)	O (03/18/2026)	HK\$440.80
Montage Technology Co Ltd (688008.SS)	O (03/18/2026)	Rmb247.99
Novatek (3034.TW)	U (02/04/2026)	NT\$475.50
Nuvoton Technology Corporation (4919.TW)	U (11/10/2025)	NT\$148.50
Parade Technologies Ltd (4966.TWO)	E (01/30/2026)	NT\$757.00
Powerchip Semiconductor Manufacturing Co (6770.TW)	O (10/27/2025)	NT\$62.00
Realtek Semiconductor (2379.TW)	E (01/30/2026)	NT\$560.00
Shenzhen Goodix Technology Co Ltd (603160.SS)	U (07/14/2025)	Rmb64.86
Winbond Electronics Corp (2344.TW)	E (03/20/2026)	NT\$130.50
WPG Holdings (3702.TW)	O (03/16/2026)	NT\$110.50
WT Microelectronics Co. Ltd. (3036.TW)	O (01/27/2026)	NT\$263.50

Duan Liu

Dosilicon Co Ltd (688110.SS)	U (09/06/2024)	Rmb157.78
Shenzhen Longsys Electronics Co Ltd (301308.SZ)	E (02/25/2026)	Rmb592.22

Tiffany Yeh

AllRing Tech Co. (6187.TWO)	O (09/23/2025)	NT\$1,135.00
FOCI Fiber Optic Communications Inc (3363.TWO)	O (01/15/2025)	NT\$804.00
Himax Technologies Inc (HIMX.O)	E (02/04/2026)	US\$19.06
Hon Precision (7769.TW)	O (04/17/2026)	NT\$6,655.00
MPI Corporation (6223.TWO)	O (04/17/2026)	NT\$6,135.00
Silicon Motion (SIMO.O)	O (05/06/2024)	US\$259.99
WinWay Technology Co Ltd (6515.TW)	O (04/17/2026)	NT\$10,240.00

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* Historical prices are not split adjusted.