Morgan Stanley | RESEARCH

UPDATE

May 29, 2026 09:19 AM GMT

Realtek Semiconductor | Asia Pacific

Asia AI Summit 2026 Feedback

2H26 outlook: Visibility for 2H remains uncertain, but 2H is likely to prove weaker than 1H. Customers are actively pre-stocking but have not updated their full-year rolling forecasts. Despite order pull-ins, customer inventory levels appear manageable – they are conscious of overstocking risk from the previous cycle throughout the pandemic.

Market segments: The PC segment is performing robustly. Auto growth is expected to moderate after 6 years of significantly outpacing corporate average. Consumer electronics is now driven by seasonal stocking ahead of summer. Networking is the most resilient segment, due to escalating needs for connectivity.

Supply chain management: The inventory write-off seen in 1Q is expected to continue in future quarters as a result of the company's inventory pre-stocking and its accounting policies.

MORGAN STANLEY TAIWAN LIMITED+

Daniel Yen, CFA
Equity Analyst
Daniel.Yen@morganstanley.com +886 2 2730-2863

Charlie Chan
Equity Analyst
Charlie.Chan@morganstanley.com +886 2 2730-1725

MORGAN STANLEY ASIA LIMITED+

Daisy Dai, CFA
Equity Analyst
Daisy.Dai@morganstanley.com +852 2848-7310

MORGAN STANLEY TAIWAN LIMITED+

Tiffany Yeh
Equity Analyst
Tiffany.Yeh@morganstanley.com +886 2 7712-3032

Lucas Wang
Research Associate
Lucas.Wang@morganstanley.com +886 2 2730-2875

MORGAN STANLEY ASIA LIMITED+

Ethan Jia
Research Associate
Ethan.Jia@morganstanley.com +852 3963-2287

Realtek Semiconductor (2379.TW, 2379 TT)

Greater China Technology Semiconductors | Taiwan

Stock Rating	**Equal-weight**
Industry View	**Attractive**
Price target	NT$570.00
Up/downside to price target (%)	(2)
Shr price, close (May 29, 2026)	NT$580.00
52-Week Range	NT$624.00-438.00
Sh out, dil, curr (mn)	513
Mkt cap, curr (mn)	NT$297,461
Avg daily trading value (mn)	NT$1,609

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS (NT$)**	28.77	35.37	32.60	34.11
Prior EPS (NT$)**	-	-	-	-
EPS (NT$)§	29.00	31.61	36.19	41.35
Revenue, net (NT$ mn)	122,706	146,003	148,698	154,508
EBITDA (NT$ mn)	18,079	20,289	19,566	21,116
ModelWare net inc (NT$ mn)	14,753	18,140	16,718	17,495
P/E	17.0	16.4	17.8	17.0
ROE (%)	27.9	34.7	28.7	29.1
Div yld (%)	4.8	5.0	4.6	0.0

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

Valuation Methodology and Risks

Realtek Semiconductor (2379.TW)

Base case, residual income model. We assume a cost of equity of 9.6%, an intermediate growth rate of 7.3%, payout ratio of 79%, and terminal growth rate of 4.5%.

Risks to Upside

- Stronger-than-expected Wi-Fi growth
- Faster-than-expected new product growth
- Faster-than-expected adoption for auto Ethernet
- Fading PC semi inventory corrections

Risks to Downside

- Weaker-than-expected Wi-Fi growth
- Slower-than-expected new product growth
- Slower-than-expected margin recovery given ongoing pricing competition
- Further TV SoC project losses in China
- Slower-than-expected adoption for auto Ethernet

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(as of April 30, 2026)

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	Coverage Universe		Investment Banking Clients (IBC)			Other Material Investment Services Clients (MISC)	
Stock Rating Category	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1546	42%	467	51%	30%	709	44%
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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Overweight (O). The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

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Not-Rated (NR). Currently the analyst does not have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

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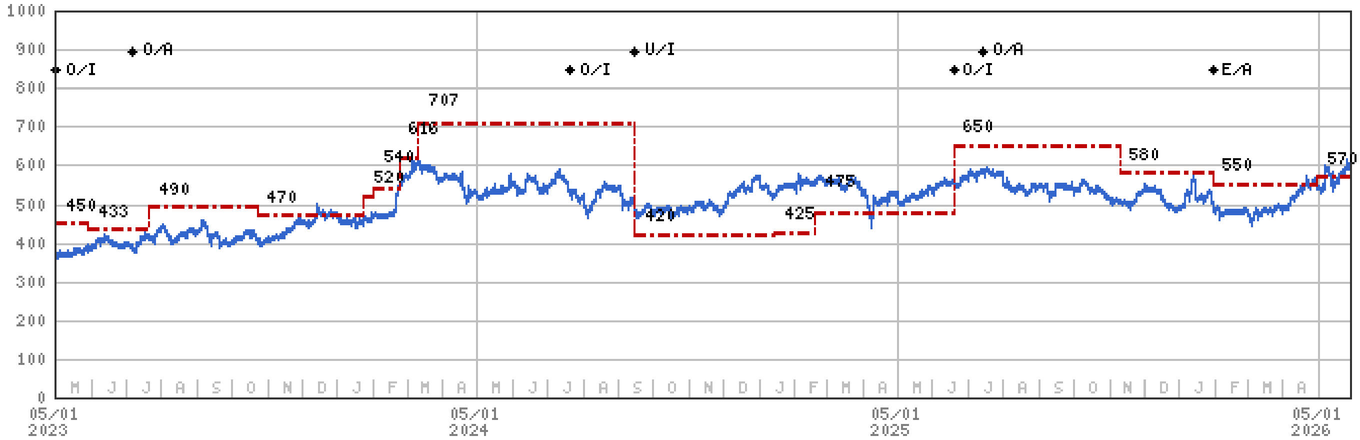
Stock Price, Price Target and Rating History (See Rating Definitions)

Realtek Semiconductor (2379.TW) - As of 05/29/26 GMT in TWD
Industry : Greater China Technology Semiconductors



Stock Rating History: 5/1/21 : O/I; 10/12/21 : O/C; 2/24/22 : E/C; 10/4/22 : E/A; 12/13/22 : U/A; 2/22/23 : O/I; 7/7/23 : O/A; 7/21/24 : O/I; 9/15/24 : U/I; 6/19/25 : O/I; 7/14/25 : O/A; 1/30/26 : E/A

Price Target History: 4/23/21 : 666; 5/20/21 : 606; 7/26/21 : 666; 10/12/21 : 566; 2/24/22 : 505; 4/22/22 : 450; 7/12/22 : 333; 7/28/22 : 350; 9/13/22 : 313; 10/28/22 : 244; 12/13/22 : 239; 2/22/23 : 450; 5/30/23 : 433; 7/21/23 : 490; 10/23/23 : 470; 1/23/24 : 520; 2/1/24 : 540; 2/23/24 : 616; 3/11/24 : 707; 9/15/24 : 420; 1/14/25 : 425; 2/18/25 : 475; 6/19/25 : 650; 11/10/25 : 580; 1/30/26 : 550; 4/30/26 : 570

Source: Morgan Stanley Research   Date Format : MM/DD/YY   Price Target -·   No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst)   Stock Price (Covered by Current Analyst)
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Charlie Chan		
ACM Research Inc (ACMR.O)	O (03/07/2023)	US$92.86
Advanced Micro-Fabrication Equipment Inc (688012.SS)	O (11/06/2023)	Rmb297.68
Advanced Wireless Semiconductor Co (8086.TWO)	U (07/14/2025)	NT$169.00
Alchip Technologies Ltd (3661.TW)	O (05/14/2021)	NT$4,415.00
ASE Technology Holding Co. Ltd. (3711.TW)	O (09/15/2024)	NT$611.00
Cambricon Technology Corporation (688256.SS)	O (04/27/2026)	Rmb1,310.00
Global Unichip Corp (3443.TW)	E (05/28/2026)	NT$4,670.00
GlobalWafers Co Ltd (6488.TWO)	E (05/19/2026)	NT$1,015.00
Gudeng Precision (3680.TWO)	O (11/25/2025)	NT$540.00
Hua Hong Semiconductor Ltd (1347.HK)	E (03/12/2026)	HK$161.30
Iluvatar CoreX Semiconductor Co., Ltd. (9903.HK)	O (04/27/2026)	HK$500.50
King Yuan Electronics Co Ltd (2449.TW)	O (03/03/2023)	NT$328.50
Maxscend Microelectronics Co Ltd (300782.SZ)	U (01/11/2021)	Rmb108.10
MediaTek (2454.TW)	O (11/28/2025)	NT$4,310.00
MetaX Integrated Circuits (688802.SS)	E (04/27/2026)	Rmb676.02
Nanya Technology Corp. (2408.TW)	O (05/28/2026)	NT$347.00
NAURA Technology Group Co Ltd (002371.SZ)	O (11/06/2023)	Rmb629.87
OmniVision Integrated Circuits Group Inc (603501.SS)	E (11/17/2025)	Rmb95.00
Phison Electronics Corp (8299.TWO)	E (02/25/2026)	NT$2,575.00
SG Micro Corp. (300661.SZ)	E (11/03/2025)	Rmb117.77
Silergy Corp. (6415.TW)	U (05/19/2026)	NT$600.00
SMIC (0981.HK)	O (10/21/2025)	HK$81.60
TSMC (2330.TW)	O (02/07/2022)	NT$2,355.00
UMC (2303.TW)	O (05/19/2026)	NT$144.50
Vanguard International Semiconductor (5347.TWO)	E (01/14/2026)	NT$168.00
WIN Semiconductors Corp (3105.TWO)	U (07/14/2025)	NT$527.00

Daisy Dai, CFA		
ASMPT Ltd (0522.HK)	O (07/24/2025)	HK$194.00
China Resources Microelectronics Limited (688396.SS)	U (03/02/2026)	Rmb64.09
Elan Microelectronics Corp (2458.TW)	O (10/03/2025)	NT$162.00
Empyrean Technology Co Ltd (301269.SZ)	E (01/17/2025)	Rmb114.50
Hangzhou Silan Microelectronics Co. Ltd. (600460.SS)	U (08/25/2025)	Rmb34.60
Innoscience (2577.HK)	E (10/13/2025)	HK$71.05
JCET Group Co Ltd (600584.SS)	E (01/16/2026)	Rmb82.05
Shanghai Fudan Microelectronics (1385.HK)	O (03/07/2025)	HK$31.54
SICC Co Ltd (688234.SS)	O (03/20/2026)	Rmb147.10
StarPower Semiconductor Ltd (603290.SS)	E (05/14/2026)	Rmb128.70
Unigroup Guoxin Microelectronics Co Ltd (002049.SZ)	U (01/10/2023)	Rmb79.30
Universal Scientific Ind. (Shanghai) (601231.SS)	O (11/05/2025)	Rmb44.82
Yangjie Technology (300373.SZ)	O (06/10/2022)	Rmb107.12
Daniel Yen, CFA		
AP Memory Technology Corp (6531.TW)	O (07/11/2025)	NT$1,190.00
ASMedia Technology Inc (5269.TW)	U (10/03/2025)	NT$1,465.00
Aspeed Technology (5274.TWO)	O (06/09/2025)	NT$18,950.00
Egis Technology Inc (6462.TWO)	E (01/28/2026)	NT$125.00
Espressif Systems (688018.SS)	O (05/15/2023)	Rmb167.60
GigaDevice Semiconductor Beijing Inc (603986.SS)	O (05/15/2025)	Rmb467.01
Macronix International Co Ltd (2337.TW)	O (09/18/2025)	NT$166.50
Montage Technology Co Ltd (6809.HK)	O (03/18/2026)	HK$400.00
Montage Technology Co Ltd (688008.SS)	O (03/18/2026)	Rmb253.00
Novatek (3034.TW)	U (02/04/2026)	NT$477.00
Nuvoton Technology Corporation (4919.TW)	U (11/10/2025)	NT$191.50
Parade Technologies Ltd (4966.TWO)	O (05/27/2026)	NT$834.00
Powerchip Semiconductor Manufacturing Co (6770.TW)	O (10/27/2025)	NT$88.70
Realtek Semiconductor (2379.TW)	E (01/30/2026)	NT$580.00
Shenzhen Goodix Technology Co Ltd (603160.SS)	U (07/14/2025)	Rmb61.01
Winbond Electronics Corp (2344.TW)	O (05/28/2026)	NT$158.00
WPG Holdings (3702.TW)	O (03/16/2026)	NT$117.50
WT Microelectronics Co. Ltd. (3036.TW)	O (01/27/2026)	NT$288.50
Duan Liu		
Dosilicon Co Ltd (688110.SS)	U (09/06/2024)	Rmb142.16
Shenzhen Longsys Electronics Co Ltd (301308.SZ)	E (02/25/2026)	Rmb551.29
Tiffany Yeh		
AllRing Tech Co. (6187.TWO)	O (09/23/2025)	NT$1,120.00
FOCI Fiber Optic Communications Inc (3363.TWO)	O (01/15/2025)	NT$797.00
Himax Technologies Inc (HIMX.O)	E (02/04/2026)	US$20.82
Hon Precision (7769.TW)	O (04/17/2026)	NT$8,260.00
MPI Corporation (6223.TWO)	O (04/17/2026)	NT$5,960.00
Silicon Motion (SIMO.O)	O (05/06/2024)	US$282.44
WinWay Technology Co Ltd (6515.TW)	O (04/17/2026)	NT$8,665.00

Stock Ratings are subject to change. Please see latest research for each company.
* Historical prices are not split adjusted.