Morgan Stanley | RESEARCH

UPDATE

May 29, 2026 07:56 AM GMT

ASE Technology Holding Co. Ltd. | Asia Pacific

Asia AI Summit 2026 Feedback

ASE AI summit takeaways:

- **Utilization:** ASE's ATM 1Q utilization is ~80%. 2Q improves to 80%+, with 85% as full utilization.
- **Capex:** 2026 capex is expected at US$8.5bn: US$3bn for buildings and infrastructure, and US$5.5bn for machinery and equipment. Within equipment, testing accounts for 40%, packaging 55%, and the rest EMS. Management expects 2027 capex to at least match 2026 and could be higher.
- **Margin:** Management expects ATM gross margins to remain within the structural 24–30% range through 2026, improving each quarter, with 2H reaching the upper end.
- **CPO opportunities:** The company has a mini line for CPO and is part of the supply chain.
- **CoPoS:** A few products are in qualification, but mass production timing is not clear at this stage.

MORGAN STANLEY TAIWAN LIMITED+
Charlie Chan
Equity Analyst
Charlie.Chan@morganstanley.com +886 2 2730-1725

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

MORGAN STANLEY ASIA LIMITED+
Daisy Dai, CFA
Equity Analyst
Daisy.Dai@morganstanley.com +852 2848-7310

MORGAN STANLEY TAIWAN LIMITED+
Lucas Wang
Research Associate
Lucas.Wang@morganstanley.com +886 2 2730-2875

MORGAN STANLEY ASIA LIMITED+
Henry Zhao
Research Associate
Henry.Zhao@morganstanley.com +852 2239-7731

MORGAN STANLEY TAIWAN LIMITED+
Tiffany Yeh
Equity Analyst
Tiffany.Yeh@morganstanley.com +886 2 7712-3032

MORGAN STANLEY ASIA LIMITED+
Ethan Jia
Research Associate
Ethan.Jia@morganstanley.com +852 3963-2287

ASE Technology Holding Co. Ltd. (3711.TW, 3711 TT)

Greater China Technology Semiconductors | Taiwan

Stock Rating	**Overweight**
Industry View	**Attractive**
Price target	NT$558.00
Up/downside to price target (%)	(9)
Shr price, close (May 29, 2026)	NT$611.00
52-Week Range	NT$669.00-133.00
Mkt cap, curr (mn)	NT$2,757,201

Fiscal Year Ending	**12/25**	**12/26e**	**12/27e**	**12/28e**
EPS (NT$)**	9.22	16.84	26.95	40.85
Prior EPS (NT$)**	-	-	-	-
EPS (NT$)§	8.70	16.44	23.16	31.73
Revenue, net (NT$ bn)	645.4	792.7	1,012.8	1,317.9
P/E	27.2	36.3	22.7	15.0
ROE (%)	11.8	19.9	28.1	36.3
Div yld (%)	2.2	0.9	0.9	0.9

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

ASE Technology Holding Co. Ltd. (3711.TW)

Base case, residual income model. Key assumptions: cost of equity of 9.8%, intermediate growth rate of 9.0%, terminal growth rate of 3.0%, and cash dividend payout ratio of 60%.

Risks to Upside

- Stronger-than-expected global economic and semiconductor growth
- Margin expansion through merger consolidation
- New wearables project wins with higher margins

Risks to Downside

- Slower-than-expected global economic and semiconductor growth
- Further margin erosion amid price competition
- Lack of new features in wearables, causing consumers to lose interest

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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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Unless otherwise specified, the time frame for price targets included in Morgan Stanley Research is 12 to 18 months.

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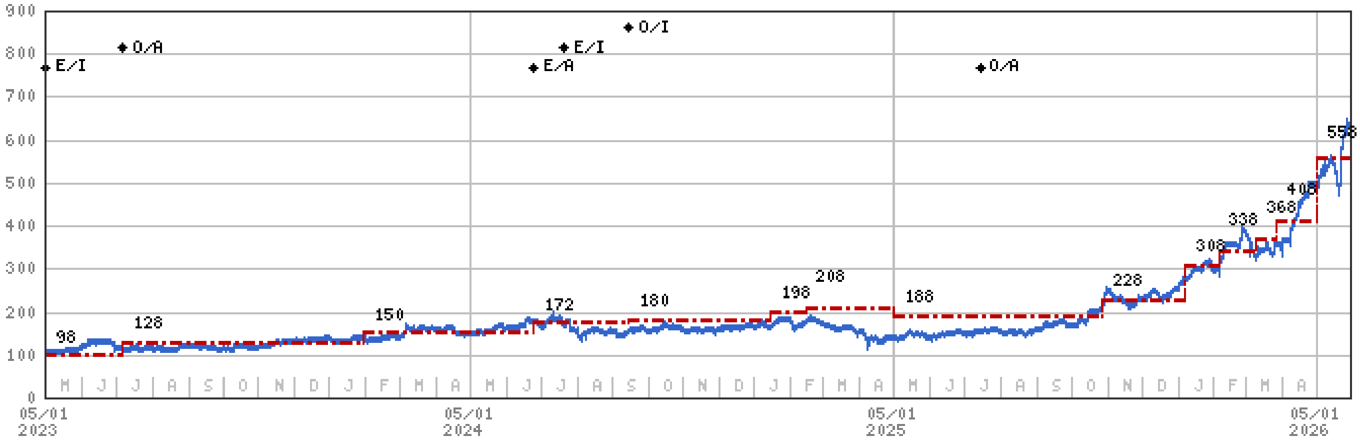
Stock Price, Price Target and Rating History (See Rating Definitions)

ASE Technology Holding Co. Ltd. (3711.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 : E/C; 10/4/22 : E/A; 2/22/23 : E/I; 7/7/23 : O/A; 6/25/24 : E/A; 7/21/24 : E/I; 9/15/24 : O/I; 7/14/25 : O/A

Price Target History: 4/29/21 : 138; 5/20/21 : 123; 7/30/21 : 128; 10/12/21 : 108; 7/12/22 : 90; 7/28/22 : 98; 7/7/23 : 128; 1/30/24 : 150; 6/25/24 : 172; 9/15/24 : 180; 1/15/25 : 198; 2/14/25 : 208; 5/1/25 : 188; 10/28/25 : 228; 1/7/26 : 308; 2/5/26 : 338; 3/9/26 : 368; 3/27/26 : 408; 4/30/26 : 558

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)
Stock and Industry Ratings (abbreviations below) appear as ◆ Stock Rating/Industry View
Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)
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Advanced Micro-Fabrication Equipment Inc (688012.SS)	O (11/06/2023)	Rmb297.68
Advanced Wireless Semiconductor Co (8086.TWO)	U (07/14/2025)	NT$165.50
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$927.00
Gudeng Precision (3680.TWO)	O (11/25/2025)	NT$535.00
Hua Hong Semiconductor Ltd (1347.HK)	E (03/12/2026)	HK$170.00
Iluvatar CoreX Semiconductor Co., Ltd. (9903.HK)	O (04/27/2026)	HK$546.50
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$2,450.00
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$88.25
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$161.50
WIN Semiconductors Corp (3105.TWO)	U (07/14/2025)	NT$528.00

Daisy Dai, CFA		
ASMPT Ltd (0522.HK)	O (07/24/2025)	HK$199.70
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$75.55
JCET Group Co Ltd (600584.SS)	E (01/16/2026)	Rmb82.05
Shanghai Fudan Microelectronics (1385.HK)	O (03/07/2025)	HK$35.50
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$17,835.00
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$458.80
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$845.00
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$1,240.00
FOCI Fiber Optic Communications Inc (3363.TWO)	O (01/15/2025)	NT$815.00
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$5,915.00
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.