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Vanguard International Semiconductor | Asia Pacific

Asia AI Summit 2026 Feedback

- **Revenue outlook:** Management expects 2026 revenue to grow ~20% Y/Y, driven by (1) AI server power management, (2) a smartphone power management order shift to Vanguard, and (3) an ASP hike.
- **Capex:** Management expects 2026 capex to reach NT$60-70bn: 90% for VSMC's 12-inch capacity ramp and the rest for 8-inch fab maintenance. NXP is VSMC's largest customer; 40% of capacity will go to NXP.
- **Utilization**: 2Q26 utilization is guided to be 85-90%, vs. ~80% in 1Q26.
- **Interposer opportunity:** Management expects the upcoming Singapore 12-inch capacity to include interposer production (55nm/65nm), with technology transferred from TSMC.
- **GaN and SiC opportunity:** Current GaN capacity is ~3kwpm (8-inch). Vanguard licensed TSMC technology; early commercial runs of GaN on Silicon products are targeted for early 2027. For SiC, the company cooperates with Episil.

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Vanguard International Semiconductor (5347.TWO, 5347 TT)

Greater China Technology Semiconductors | Taiwan

Stock Rating	**Equal-weight**
Industry View	**Attractive**
Price target	NT$180.00
Up/downside to price target (%)	11
Shr price, close (May 28, 2026)	NT$161.50
52-Week Range	NT$185.50-79.20
Sh out, dil, curr (mn)	1,858
Mkt cap, curr (mn)	NT$300,133
EV, curr (mn)	NT$277,587
Avg daily trading value (mn)	NT$2,014

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS (NT$)**	4.18	5.46	6.76	8.32
EPS (NT$)§	4.32	5.70	6.55	8.08
Revenue, net (NT$ mn)	48,591	56,799	68,133	77,468
EBITDA (NT$ mn)	16,326	20,717	25,023	29,713

ModelWare net inc (NT $ mn)	7,770	10,167	12,579	15,487
P/E	22.0	29.6	23.9	19.4
P/BV	2.0	3.5	3.3	3.1
ROE (%)	11.3	12.2	14.7	17.1
EV/EBITDA	9.0	16.9	14.5	12.5

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

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Valuation Methodology and Risks

Vanguard International Semiconductor (5347.TWO)

Base case, residual income model. Key assumptions: a cost of equity of 9.2%, a medium-term growth rate of 13.5%, and a terminal growth rate of 4.0%.

Risks to Upside

- Stronger-than-expected LCD driver IC demand
- Loosened competition in power semi business
- Faster-than-expected EV penetration
- Inability of IDM customers to move production in-house

Risks to Downside

- Inability to fully utilize VSMC 12-inch investment
- Weaker-than-expected LCD driver IC demand
- Intensified competition in power semi business
- Slower-than-expected EV penetration
- IDM customers moving production in-house

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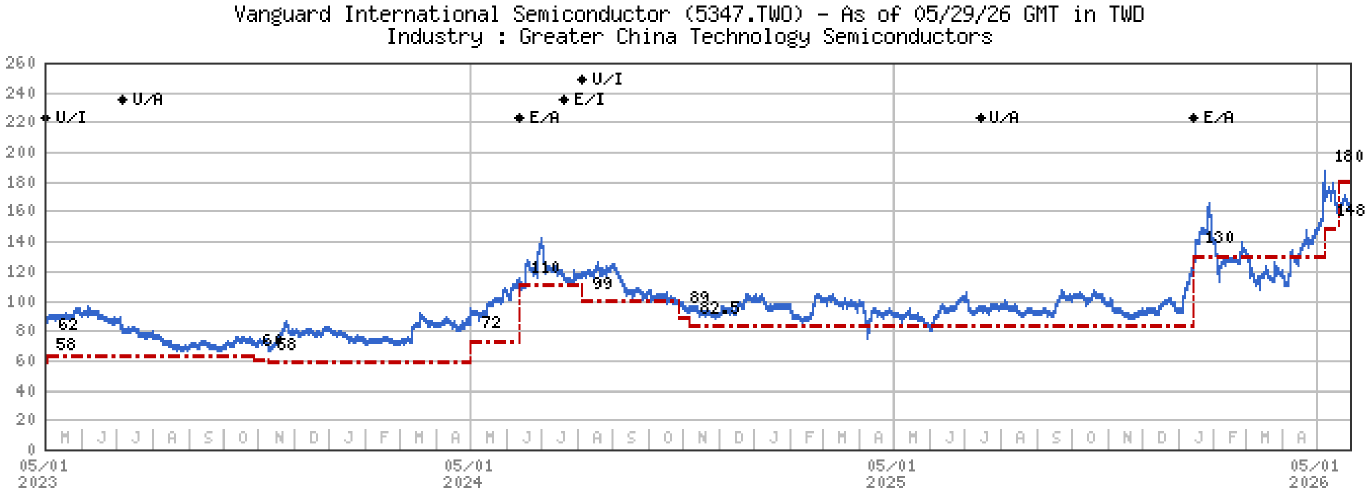
Stock Price, Price Target and Rating History (See Rating Definitions)



Stock Rating History: 5/1/21 : U/I; 10/12/21 : U/C; 2/12/22 : E/C; 9/21/22 : 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; 8/5/24 : U/I; 7/14/25 : U/A; 1/14/26 : E/A

Price Target History: 4/20/21 : 108; 5/20/21 : 93; 8/3/21 : 106; 9/14/21 : 145; 2/12/22 : 135; 6/21/22 : 100; 7/12/22 : 80; 8/2/22 : 75; 9/21/22 : 65; 11/2/22 : 58; 5/3/23 : 62; 10/27/23 : 60; 11/8/23 : 58; 5/1/24 : 72; 6/13/24 : 110; 8/5/24 : 99; 10/28/24 : 89; 11/6/24 : 82.5; 1/14/26 : 130; 5/7/26 : 148; 5/19/26 : 180

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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INDUSTRY COVERAGE: Greater China Technology Semiconductors

COMPANY (TICKER)	RATING (AS OF)	PRICE* (05/29/2026)
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)	Rmb453.12
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)	Rmb1,391.50
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)	Rmb117.09
MediaTek (2454.TW)	O (11/28/2025)	NT$4,310.00
MetaX Integrated Circuits (688802.SS)	E (04/27/2026)	Rmb699.70
Nanya Technology Corp. (2408.TW)	O (05/28/2026)	NT$347.00
NAURA Technology Group Co Ltd (002371.SZ)	O (11/06/2023)	Rmb659.00
OmniVision Integrated Circuits Group Inc (603501.SS)	E (11/17/2025)	Rmb101.90
Phison Electronics Corp (8299.TWO)	E (02/25/2026)	NT$2,450.00
SG Micro Corp. (300661.SZ)	E (11/03/2025)	Rmb121.50
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)	Rmb69.80
Elan Microelectronics Corp (2458.TW)	O (10/03/2025)	NT$162.00
Empyrean Technology Co Ltd (301269.SZ)	E (01/17/2025)	Rmb128.58
Hangzhou Silan Microelectronics Co. Ltd. (600460.SS)	U (08/25/2025)	Rmb38.44
Innoscience (2577.HK)	E (10/13/2025)	HK$75.55
JCET Group Co Ltd (600584.SS)	E (01/16/2026)	Rmb84.74
Shanghai Fudan Microelectronics (1385.HK)	O (03/07/2025)	HK$35.50
SICC Co Ltd (688234.SS)	O (03/20/2026)	Rmb163.55
StarPower Semiconductor Ltd (603290.SS)	E (05/14/2026)	Rmb143.00
Unigroup Guoxin Microelectronics Co Ltd (002049.SZ)	U (01/10/2023)	Rmb86.30
Universal Scientific Ind. (Shanghai) (601231.SS)	O (11/05/2025)	Rmb44.00
Yangjie Technology (300373.SZ)	O (06/10/2022)	Rmb114.30
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)	Rmb179.13
GigaDevice Semiconductor Beijing Inc (603986.SS)	O (05/15/2025)	Rmb483.00
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)	Rmb260.98
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)	Rmb66.09
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)	Rmb147.80
Shenzhen Longsys Electronics Co Ltd (301308.SZ)	E (02/25/2026)	Rmb548.01
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.