Morgan Stanley | RESEARCH

UPDATE

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## Macronix International Co Ltd | Asia Pacific

# Strong April earnings reflect pricing power

**April profitability fluctuates:** Macronix reported April 2026 net profit of NT $2,102mn, +865% Y/Y. April 2026 EPS was NT$1.07, +813% Y/Y. April 2026 net margin was 35.5%, significantly higher than 1Q26 net margin of 17.0% and our 2Q26 net margin estimate of 17.2%. April EPS of NT$1.07 represents 95% of our 2Q26 EPS estimate of NT$1.13.

**Reiterate OW and Top Pick:** In our recent report Old Memory: Upside Surprise Ahead, we mentioned that SLC NAND plays could enjoy re-rating. Recent developments for servers (for high performance NAND) suggest potential adoption of SLC in data centers – SLC is ideal for fast reading and writing speed. MLC and SLC are both in structural supply shortage, and Macronix is well positioned to capture opportunities in both products.


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**Macronix International Co Ltd (2337.TW, 2337 TT)**

**Top Pick**

**Greater China Technology Semiconductors | Taiwan**

| | |
|---|---|
| **Stock Rating** | **Overweight** |
| **Industry View** | **Attractive** |
| Price target | NT$202.00 |
| Up/downside to price target (%) | 21 |
| Shr price, close (Jun 1, 2026) | NT$167.50 |

| | |
|---|---|
| 52-Week Range | NT$178.50-18.00 |
| Sh out, dil, curr (mn) | 1,805 |
| Mkt cap, curr (mn) | NT$302,300 |
| EV, curr (mn) | NT$305,005 |
| Avg daily trading value (mn) | NT$7,089 |

| Fiscal Year Ending | 12/25 | 12/26e | 12/27e | 12/28e |
|---|---|---|---|---|
| EPS (NT$)** | (1.78) | 7.35 | 20.82 | 21.42 |
| EPS (NT$)§ | (1.86) | 13.28 | 27.70 | 32.04 |
| Revenue, net (NT$ mn) | 28,880 | 66,682 | 126,013 | 127,564 |
| EBITDA (NT$ mn) | 1,396 | 24,507 | 54,966 | 56,339 |
| P/E | NM | 22.8 | 8.0 | 7.8 |
| P/BV | 1.6 | 5.5 | 3.2 | 2.2 |

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

**Macronix International Co Ltd (2337.TW)**

Base case, P/B, in line with our Greater China memory coverage, due to the memory industry's cyclical nature. We apply a target multiple of 7.0x to our 2026 BVPS estimate, vs. its historical average of 1.5x since 2017. We continue to believe the P/B target is justifiable, as The MLC and legacy TLC NAND could be in greater shortage into 2H26, with under supply easily going up to 40%. The only supplier which could fill the gap remains Macronix.

**Risks to Upside**

- Wider legacy NAND supply / demand gap
- NOR up-cycle, driven by limited supply expansion and/or stronger demand
- Faster growth for Switch hardware and core titles

**Risks to Downside**

- Less severe legacy NAND supply / demand gap
- NOR down-cycle, driven by faster supply expansion and/or demand weakness
- Slower growth for Switch hardware and core titles

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(as of May 31, 2026)

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|---|---|---|---|---|---|---|---|
| Stock Rating Category | Count | % of Total | Count | % of Total IBC | % of Rating Category | Count | % of Total Other MISC |
| Overweight/Buy | 1542 | 42% | 465 | 51% | 30% | 707 | 43% |
| Equal-weight/Hold | 1571 | 43% | 369 | 40% | 23% | 723 | 44% |
| Not-Rated/Hold | 3 | 0% | 0 | 0% | 0% | 1 | 0% |
| Underweight/Sell | 551 | 15% | 86 | 9% | 16% | 201 | 12% |
| Total | 3,667 | | 920 | | | 1632 | |

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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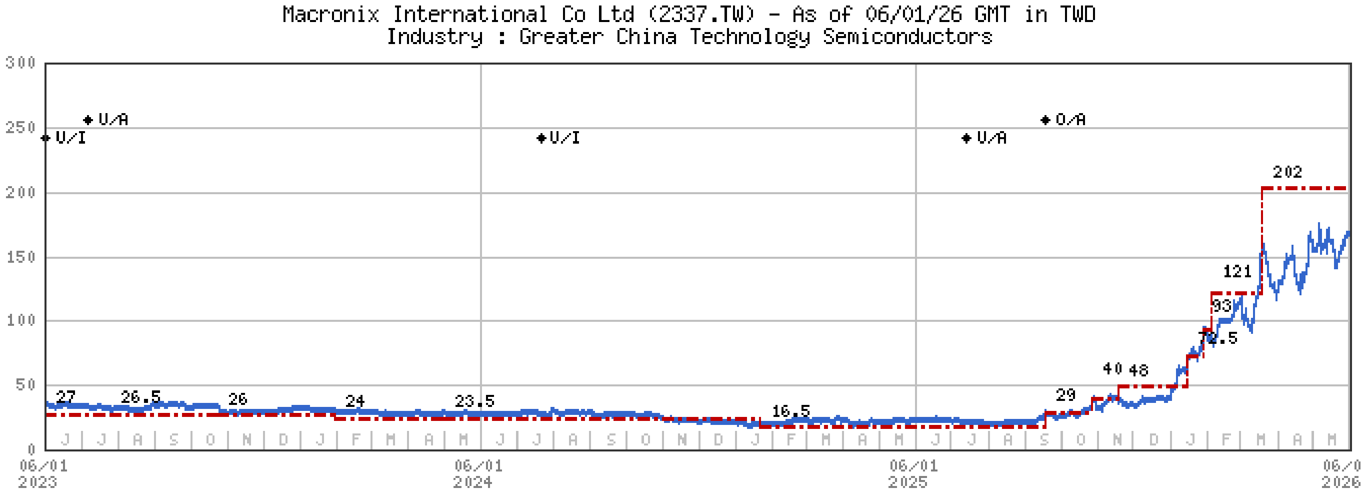


Stock Rating History: 6/1/21 : O/I; 8/12/21 : E/I; 10/12/21 : E/C; 10/19/21 : U/C; 10/4/22 : U/A; 2/22/23 : U/I; 7/7/23 : U/A; 7/21/24 : U/I; 7/14/25 : U/A; 9/18/25 : O/A

Price Target History: 5/18/21 : 47.5; 6/1/21 : 54; 8/12/21 : 44; 9/17/21 : 39; 10/19/21 : 30; 1/25/22 : 33; 7/5/22 : 27; 7/26/23 : 26.5; 10/24/23 : 26; 1/31/24 : 24; 5/1/24 : 23.5; 1/22/25 : 16.5; 9/18/25 : 29; 10/27/25 : 40; 11/18/25 : 48; 1/16/26 : 72.5; 1/28/26 : 93; 2/5/26 : 121; 3/20/26 : 202

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* (06/01/2026) |
|---|---|---|
| **Charlie Chan** | | |
| ACM Research Inc (ACMR.O) | O (03/07/2023) | US$86.56 |
| Advanced Micro-Fabrication Equipment Inc (688012.SS) | O (11/06/2023) | Rmb273.00 |
| Advanced Wireless Semiconductor Co (8086.TWO) | U (07/14/2025) | NT$166.00 |
| Alchip Technologies Ltd (3661.TW) | O (05/14/2021) | NT$4,855.00 |
| ASE Technology Holding Co. Ltd. (3711.TW) | O (09/15/2024) | NT$601.00 |
| Cambricon Technology Corporation (688256.SS) | O (04/27/2026) | Rmb1,238.00 |
| Global Unichip Corp (3443.TW) | E (05/28/2026) | NT$4,655.00 |
| GlobalWafers Co Ltd (6488.TWO) | E (05/19/2026) | NT$950.00 |
| Gudeng Precision (3680.TWO) | O (11/25/2025) | NT$536.00 |
| Hua Hong Semiconductor Ltd (1347.HK) | E (03/12/2026) | HK$152.30 |
| Iluvatar CoreX Semiconductor Co., Ltd. (9903.HK) | O (04/27/2026) | HK$450.20 |
| King Yuan Electronics Co Ltd (2449.TW) | O (03/03/2023) | NT$318.00 |
| Maxscend Microelectronics Co Ltd (300782.SZ) | U (01/11/2021) | Rmb100.35 |
| MediaTek (2454.TW) | O (11/28/2025) | NT$4,555.00 |
| MetaX Integrated Circuits (688802.SS) | E (04/27/2026) | Rmb637.60 |
| Nanya Technology Corp. (2408.TW) | O (05/28/2026) | NT$381.50 |
| NAURA Technology Group Co Ltd (002371.SZ) | O (11/06/2023) | Rmb589.89 |
| OmniVision Integrated Circuits Group Inc (603501.SS) | E (11/17/2025) | Rmb92.23 |
| Phison Electronics Corp (8299.TWO) | E (02/25/2026) | NT$2,770.00 |
| SG Micro Corp. (300661.SZ) | E (11/03/2025) | Rmb105.66 |
| Silergy Corp. (6415.TW) | U (05/19/2026) | NT$606.00 |
| SMIC (0981.HK) | O (10/21/2025) | HK$79.45 |
| TSMC (2330.TW) | O (02/07/2022) | NT$2,355.00 |
| UMC (2303.TW) | O (05/19/2026) | NT$146.00 |
| Vanguard International Semiconductor (5347.TWO) | E (01/14/2026) | NT$179.00 |
| WIN Semiconductors Corp (3105.TWO) | U (07/14/2025) | NT$530.00 |

| | | |
|---|---|---|
| **Daisy Dai, CFA** | | |
| ASMPT Ltd (0522.HK) | O (07/24/2025) | HK$185.70 |
| China Resources Microelectronics Limited (688396.SS) | U (03/02/2026) | Rmb65.60 |
| Elan Microelectronics Corp (2458.TW) | O (10/03/2025) | NT$167.00 |
| Empyrean Technology Co Ltd (301269.SZ) | E (01/17/2025) | Rmb105.75 |
| Hangzhou Silan Microelectronics Co. Ltd. (600460.SS) | U (08/25/2025) | Rmb32.80 |
| Innoscience (2577.HK) | E (10/13/2025) | HK$67.40 |
| JCET Group Co Ltd (600584.SS) | E (01/16/2026) | Rmb75.65 |
| Shanghai Fudan Microelectronics (1385.HK) | O (03/07/2025) | HK$32.46 |
| SICC Co Ltd (688234.SS) | O (03/20/2026) | Rmb135.98 |
| StarPower Semiconductor Ltd (603290.SS) | E (05/14/2026) | Rmb117.11 |
| Unigroup Guoxin Microelectronics Co Ltd (002049.SZ) | U (01/10/2023) | Rmb76.51 |
| Universal Scientific Ind. (Shanghai) (601231.SS) | O (11/05/2025) | Rmb40.34 |
| Yangjie Technology (300373.SZ) | O (06/10/2022) | Rmb99.25 |
| **Daniel Yen, CFA** | | |
| AP Memory Technology Corp (6531.TW) | O (07/11/2025) | NT$1,125.00 |
| ASMedia Technology Inc (5269.TW) | U (10/03/2025) | NT$1,520.00 |
| Aspeed Technology (5274.TWO) | O (06/09/2025) | NT$18,500.00 |
| Egis Technology Inc (6462.TWO) | E (01/28/2026) | NT$123.00 |
| Espressif Systems (688018.SS) | O (05/15/2023) | Rmb164.78 |
| GigaDevice Semiconductor Beijing Inc (603986.SS) | O (05/15/2025) | Rmb468.00 |
| Macronix International Co Ltd (2337.TW) | O (09/18/2025) | NT$167.50 |
| Montage Technology Co Ltd (6809.HK) | O (03/18/2026) | HK$372.40 |
| Montage Technology Co Ltd (688008.SS) | O (03/18/2026) | Rmb232.30 |
| Novatek (3034.TW) | U (02/04/2026) | NT$496.50 |
| Nuvoton Technology Corporation (4919.TW) | U (11/10/2025) | NT$208.00 |
| Parade Technologies Ltd (4966.TWO) | O (05/27/2026) | NT$859.00 |
| Powerchip Semiconductor Manufacturing Co (6770.TW) | O (10/27/2025) | NT$87.00 |
| Realtek Semiconductor (2379.TW) | E (01/30/2026) | NT$609.00 |
| Shenzhen Goodix Technology Co Ltd (603160.SS) | U (07/14/2025) | Rmb57.04 |
| Winbond Electronics Corp (2344.TW) | O (05/28/2026) | NT$168.00 |
| WPG Holdings (3702.TW) | O (03/16/2026) | NT$118.50 |
| WT Microelectronics Co. Ltd. (3036.TW) | O (01/27/2026) | NT$287.50 |
| **Duan Liu** | | |
| Dosilicon Co Ltd (688110.SS) | U (09/06/2024) | Rmb125.53 |
| Shenzhen Longsys Electronics Co Ltd (301308.SZ) | E (02/25/2026) | Rmb505.80 |
| **Tiffany Yeh** | | |
| AllRing Tech Co. (6187.TWO) | O (09/23/2025) | NT$1,070.00 |
| FOCI Fiber Optic Communications Inc (3363.TWO) | O (01/15/2025) | NT$809.00 |
| Himax Technologies Inc (HIMX.O) | E (02/04/2026) | US$20.57 |
| Hon Precision (7769.TW) | O (04/17/2026) | NT$7,515.00 |
| MPI Corporation (6223.TWO) | O (04/17/2026) | NT$5,680.00 |
| Silicon Motion (SIMO.O) | O (05/06/2024) | US$276.87 |
| WinWay Technology Co Ltd (6515.TW) | O (04/17/2026) | NT$8,705.00 |

Stock Ratings are subject to change. Please see latest research for each company.

* Historical prices are not split adjusted.