NOMURA

Global Markets Research

30 June 2026

GlobalWafers 6488.TWO 6488 TT

EQUITY: TECHNOLOGY

Refreshed semi wafer cycle and material

Continued improvement in semi wafer supply/demand dynamics; new SiC opportunity in sight

Action: maintain Buy and raise TP to TWD1,200, implying 28% upside

In our Anchor Report of May 2026, "Greater China Semi - A guide to Semi renaissance in 2026-30F," we highlighted a variety of emerging semiconductor technologies for 2027F, such as wafer-bonded NAND, backside power deliver (BPD), and photonics SOI demand, and noted that improving semiconductor wafer supply/demand dynamics had us believe that some related supply-chain names including Globalwafers (GWC) could be among the key beneficiaries of such technologies. We see potential upside for GWC's fundamentals in the near and long term, including: (1) continued improvement in the semiconductor wafer cycle and pricing environment; and (2) SiC possibly acting as an emerging new material in advanced packaging toward 2028F. We thus raise our TP for GWC to TWD1,200 (from TWD850), based on 4.8x 2028F BVPS of TWD252 (previously 3.2x 2028F BVPS). We raise our 2026-28F earnings by 11-41%. The stock is trading at 3.7x 2028F BVPS of TWD252.

Semi wafer supply/demand: rising demand with continuously improving spot price

In our previously published reports (*link 1* , *link 2*), we had indicated some bottom-up checks, including: (1) a spot price recovery of around 5-10% h-h in 1H26F, and another 10% h-h recovery in 2H26F; and (2) the leading semi wafer companies potentially running at tight utilization rates for 12″ semi wafers. We now expect the magnitude of spot price hikes in 2H26F to surpass our previous estimates as now both memory companies and logic foundries are procuring increasingly more semi wafers (vs previously procurement was mainly driven by memory companies). With customers procuring higher volumes than previously committed, we expect companies such as GWC to hike prices. As the spot price was 20% lower than the LTA price during 2023-25, after the spot price hike in 2026F, we expect some semi wafers' spot prices to be on par with the LTA price by end-2026F.

SiC for advanced packaging may start with chip-level thermal plate in Feynman

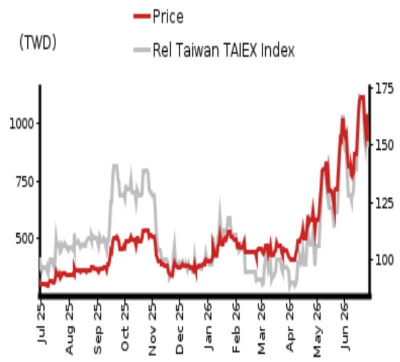
We expect nVidia's (NVDA US, Not rated) next-gen GPU (Feynman) to target the GPU-on-GPU SoIC stack which would lead to higher computational power even with limited growth interposer reticle size. Given rising heat dissipation requirements, Feynman could start adopting SiC thermal plates which function as an integrated silicon carrier (fill up the height gap in between GPU and HBM) and thermal interface material (TIM); *Fig. 1* . We believe this will contribute around 5-10% to GWC's total revenue from 2028F at the earliest (*Fig. 2*).

Year-end 31 Dec	FY25	FY26F		FY27F		FY28F	
Currency (TWD)	Actual	Old	New	Old	New	Old	New
Revenue (mn)	60,598	61,159	61,726	71,372	73,535	83,460	88,666
Reported net profit (mn)	7,311	8,248	11,633	10,825	12,082	15,322	19,163
Normalised net profit (mn)	7,311	8,248	11,633	10,825	12,082	15,322	19,163
FD normalised EPS	15.36	17.25	24.33	22.64	25.27	32.05	40.08
FD norm. EPS growth (%)	-29.8	12.3	58.4	31.3	3.9	41.5	58.6
FD normalised P/E (x)	60.9	–	38.5	–	37.0	–	23.4
EV/EBITDA (x)	32.7	–	34.6	–	24.3	–	16.0
Price/book (x)	4.8	–	4.5	–	4.2	–	3.7
Dividend yield (%)	0.7	–	1.2	–	1.2	–	1.6
ROE (%)	7.9	8.6	12.0	10.6	11.7	13.9	16.9
Net debt/equity (%)	7.1	3.8	net cash	0.3	net cash	net cash	net cash

Source: Company data, Nomura estimates

Rating Remains	**Buy**
Target price Increased from TWD 850.00	**TWD 1,200.00**
Closing price 26 June 2026	**TWD 936.00**
Implied upside	**+28.2%**
Market Cap (USD mn)	14,033.5
ADT (USD mn)	161.7

Relative performance chart



Source: LSEG, Nomura

Research Analysts

Semiconductor

Donnie Teng - NIHK
donnie.teng@nomura.com
+852 2252 1439

Aaron Jeng, CFA - NITB
aaron.jeng@nomura.com
+886(2) 21769962

Production Complete: 2026-06-29 20:30 UTC

Key data on GlobalWafers

Performance

(%)	1M	3M	12M		
Absolute (TWD)	8.1	105.9	194.3	M cap (USDmn)	14,033.5
Absolute (USD)	6.6	106.1	167.8	Free float (%)	27.5
Rel to Taiwan TAIEX Index	5.7	72.2	96.2	3-mth ADT (USDmn)	161.7

Income statement (TWDmn)

Year-end 31 Dec	FY24	FY25	FY26F	FY27F	FY28F
Revenue	62,626	60,598	61,726	73,535	88,666
Cost of goods sold	-42,823	-45,974	-48,565	-54,686	-60,324
Gross profit	19,804	14,624	13,162	18,850	28,342
SG&A	-3,365	-3,770	-3,988	-4,412	-5,024
Employee share expense	-2,320	-2,218	-2,109	-2,427	-2,834
Operating profit	14,119	8,636	7,065	12,011	20,485
EBITDA	18,987	13,797	12,587	17,870	26,559
Depreciation	-4,829	-5,120	-5,478	-5,812	-6,026
Amortisation	-39	-41	-44	-47	-48
EBIT	14,119	8,636	7,065	12,011	20,485
Net interest expense	2,489	1,124	3,386	3,479	4,083
Associates & JCEs	186	85	15	0	0
Other income	-4,364	-329	4,365	0	0
Earnings before tax	12,429	9,516	14,831	15,490	24,568
Income tax	-2,590	-2,205	-3,197	-3,408	-5,405
Net profit after tax	9,840	7,311	11,633	12,082	19,163
Minority interests	7	0	0	0	0
Other items	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Normalised NPAT	9,847	7,311	11,633	12,082	19,163
Extraordinary items	0	0	0	0	0
Reported NPAT	9,847	7,311	11,633	12,082	19,163
Dividends	-5,259	-3,290	-5,235	-5,437	-7,068
Transfer to reserves	4,588	4,021	6,398	6,645	12,095
Valuations and ratios					
Reported P/E (x)	42.3	60.9	38.5	37.0	23.4
Normalised P/E (x)	42.3	60.9	38.5	37.0	23.4
FD normalised P/E (x)	42.7	60.9	38.5	37.0	23.4
Dividend yield (%)	1.2	0.7	1.2	1.2	1.6
Price/cashflow (x)	16.2	–	9.7	28.4	19.8
Price/book (x)	4.9	4.8	4.5	4.2	3.7
EV/EBITDA (x)	23.3	32.7	34.6	24.3	16.0
EV/EBIT (x)	31.2	52.1	61.7	36.1	20.8
Gross margin (%)	31.6	24.1	21.3	25.6	32.0
EBITDA margin (%)	30.3	22.8	20.4	24.3	30.0
EBIT margin (%)	22.5	14.3	11.4	16.3	23.1
Net margin (%)	15.7	12.1	18.8	16.4	21.6
Effective tax rate (%)	20.8	23.2	21.6	22.0	22.0
Dividend payout (%)	53.4	45.0	45.0	45.0	36.9
ROE (%)	12.5	7.9	12.0	11.7	16.9
ROA (pretax %)	8.2	4.5	3.7	6.3	10.5
Growth (%)					
Revenue	-11.4	-3.2	1.9	19.1	20.6
EBITDA	-24.0	-27.3	-8.8	42.0	48.6
Normalised EPS	-51.8	-30.6	58.4	3.9	58.6
Normalised FDEPS	-51.8	-29.8	58.4	3.9	58.6

Source: Company data, Nomura estimates

Cashflow statement (TWDmn)

Year-end 31 Dec	FY24	FY25	FY26F	FY27F	FY28F
EBITDA	18,987	13,797	12,587	17,870	26,559
Change in working capital	11,289	-28,021	28,805	-2,179	-2,649
Other operating cashflow	-4,298	-1,297	4,570	71	-1,322
Cashflow from operations	25,978	-15,520	45,962	15,762	22,589
Capital expenditure	-48,319	-33,130	-25,033	-20,956	-17,398
Free cashflow	-22,342	-48,650	20,929	-5,193	5,190
Reduction in investments	-6,052	498	-127	0	0
Net acquisitions	0	0	0	0	0
Dec in other LT assets	4,302	39,845	14,538	13,418	8,679
Inc in other LT liabilities	0	0	0	0	
Adjustments	0	0	0	0	0
CF after investing acts	-24,092	-8,307	35,339	8,224	13,869
Cash dividends	-8,748	-5,259	-3,290	-5,235	-5,437
Equity issue	0	0	0	0	0
Debt issue	9,776	-11,511	-7,141	0	0
Convertible debt issue	0	0	0	0	0
Others	35,829	5,632	-14,495	0	0
CF from financial acts	36,857	-11,139	-24,927	-5,235	-5,437
Net cashflow	12,765	-19,445	10,413	2,989	8,432
Beginning cash	26,165	38,929	19,484	29,896	32,886
Ending cash	38,929	19,484	29,897	32,886	41,318
Ending net debt	-1,282	6,652	-10,901	-13,891	-22,323

Balance sheet (TWDmn)

As at 31 Dec	FY24	FY25	FY26F	FY27F	FY28F
Cash & equivalents	38,929	19,484	29,896	32,886	41,318
Marketable securities	29	1	0	0	0
Accounts receivable	10,265	10,113	9,586	11,497	13,889
Inventories	11,238	10,399	10,148	11,090	12,114
Other current assets	20,030	46,632	31,636	31,636	31,636
Total current assets	80,492	86,629	81,266	87,109	98,956
LT investments	7,445	6,947	7,074	7,074	7,074
Fixed assets	119,074	107,241	111,560	113,239	115,885
Goodwill	0	0	0	0	0
Other intangible assets	0	0	0	0	0
Other LT assets	17,570	17,525	18,179	18,179	18,179
Total assets	224,581	218,343	218,080	225,602	240,094
Short-term debt	27,117	18,571	14,252	14,252	14,252
Accounts payable	5,371	4,161	4,464	5,138	5,905
Other current liabilities	32,577	31,377	44,105	44,105	44,105
Total current liabilities	65,065	54,109	62,821	63,495	64,262
Long-term debt	10,531	7,565	4,743	4,743	4,743
Convertible debt	0	0	0	0	0
Other LT liabilities	57,958	63,374	50,690	50,690	50,690
Total liabilities	133,553	125,048	118,254	118,929	119,695
Minority interest	-3	-3	-4	-4	-4
Preferred stock	0	0	0	0	0
Common stock	4,781	4,781	4,781	4,781	4,781
Retained earnings	31,640	37,451	41,124	47,769	59,864
Proposed dividends	5,259	3,290	5,235	5,437	7,068
Other equity and reserves	49,350	47,776	48,690	48,690	48,690
Total shareholders' equity	91,030	93,298	99,830	106,677	120,403
Total equity & liabilities	224,580	218,342	218,080	225,602	240,094
Liquidity (x)					
Current ratio	1.24	1.60	1.29	1.37	1.54
Interest cover	–	–	–	–	–
Leverage					
Net debt/EBITDA (x)	net cash	0.48	net cash	net cash	net cash
Net debt/equity (%)	net cash	7.1	net cash	net cash	net cash
Per share					
Reported EPS (TWD)	22.14	15.36	24.33	25.27	40.08
Norm EPS (TWD)	22.14	15.36	24.33	25.27	40.08
FD norm EPS (TWD)	21.90	15.36	24.33	25.27	40.08
BVPS (TWD)	190.39	195.14	208.80	223.12	251.83
DPS (TWD)	11.00	6.88	10.95	11.37	14.78
Activity (days)					
Days receivable	59.4	61.4	58.2	52.3	52.4
Days inventory	87.8	85.9	77.2	70.9	70.4
Days payable	44.3	37.8	32.4	32.0	33.5
Cash cycle	102.9	109.4	103.0	91.2	89.3

Source: Company data, Nomura estimates

Company profile

GlobalWafers is the world's third-largest and largest non-Japanese wafer manufacturer that specializing in 3" to 12" silicon wafer manufacturing, possessing a complete production line from ingot growth, slicing, etching, diffusion, polishing and epitaxy.

Valuation Methodology

Our TP of TWD1200 is based on 4.8x 2028F BVPS TWD252. The 4.8x P/B is based on the upper-half of 2-6x P/B range during the full Semi wafer cycle in 2017-2020. The benchmark index is TAIEX.

Risks that may impede the achievement of the target price

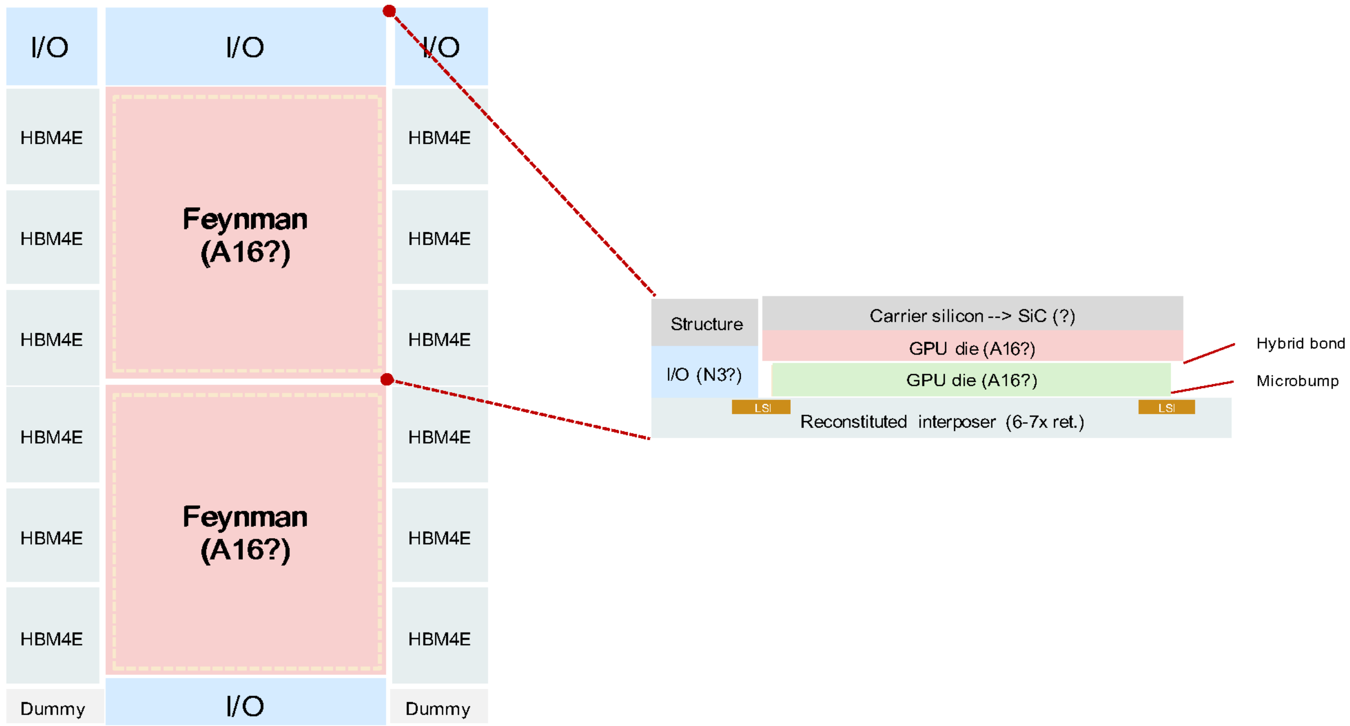
Downside risks include: • Faster-than-expected entry of China into the 12" semi wafer market. • Slower-than-expected of market consolidation. • Worse-than-expected end-demand for the semi industry. • Less favorable demand/supply dynamics in the semi wafer industry. • Less favorable FX volatility and rising material/utility costs.

ESG

In response to global climate change and latest development trends in corporate social responsibilities (CSR), GlobalWafers has taken the initiative to compile a CSR report. Based on long-term in-depth interactions with local communities and engagement with stakeholders, GlobalWafers discloses in the report relevant information on material issues regarding the four aspects of corporate governance, economy, environment, and society, as well as execution & improvement results, in addition to presenting the the future vision and goals in terms of sustainable development.

Fig. 1: The floor plan and cross-section chart of nVidia's Feynman GPU

SiC thermal plate to function as an intergrated silicon carrier (fill up the height gap in between GPU and HBM) and thermal interface material (TIM)



Source: Nomura estimates, Company data

Fig. 2: The revenue contribution assumption for SiC thermal plate for Feynman

Key assumptions		Note
Feynman shipment (mn)(1)	11	Annual shipment
SiC thermal plate area size (mm^2)(2)	1,600	Two full reticle sized GPU dies
SiC thermal plate per 12" SiC substrate (units)(3)	30	Gross die per 12" SiC substrate
12" SiC substrate required (k wafers)(4)	380	(1)/(3)
ASP per 12" SiC substrate (USD)(5)	1,300	8" SiC substrate is priced at USD600-700; now 12" SiC substrate is priced at USD3,000 but only small volume thus not a good reference
Revenue of 12" SiC substrate for Feynman (USD mn)(6)	494	(4)*(5)
GWC market share (%)(7)	33%	Assuming 3 suppliers
Revenue contribution to GWC (USD mn)(8)	165	(6)*(7)
GWC total revenue in 2028F (USD mn)(9)	2,797	Nomura estimates
SiC thermal plate revenue contribution to GWC (%)(10)	6%	(8)/(9)

Source: Nomura estimates

Earnings forecast revisions

We revise up our 2026-28F earnings forecasts by 11-41%. We expect a moderate revenue recovery in 2026F, but believe revenues will accelerate from 2H26F onward, as well as a more favorable supply-demand environment in 2027-28F. YTD 2026, GWC has also recognized meaningful non-operating gains from its investment in Siltronic (WAF GR, Not rated) due to the sharp rise in Siltronic's share price. We have not yet factored any Siltronic stock price impact into our forecasts from 2H26F onward.

In the near term, we believe GWC's profitability is still under pressure due to rising depreciation costs from new capacity expansion, but as market demand continues to grow, we believe price hike potential is also likely to increase.

Fig. 3: GWC: earnings estimate revisions

	2026F			2027F			2028F		
(TWD mn)	Previous	Revised	Change (%; pp)	Previous	Revised	Change (%; pp)	Previous	Revised	Change (%; pp)
Net Sales	61,159	61,726	0.9	71,372	73,535	3.0	83,460	88,666	6.2
Gross profit	13,640	13,162	(3.5)	17,619	18,850	7.0	23,593	28,342	20.1
Operating income	7,929	7,065	(10.9)	11,537	12,011	4.1	16,752	20,485	22.3
Pretax income	10,490	14,831	41.4	13,879	15,490	11.6	19,644	24,568	25.1
Net income	8,248	11,633	41.0	10,825	12,082	11.6	15,322	19,163	25.1
EPS	17.3	24.3	41.0	22.6	25.3	11.6	32.0	40.1	25.1
Gross Margin %	22.3	21.3	(1.0)	24.7	25.6	0.9	28.3	32.0	3.7
Operating Margin %	13.0	11.4	(1.5)	16.2	16.3	0.2	20.1	23.1	3.0
Net Margin %	13.5	18.8	5.4	15.2	16.4	1.3	18.4	21.6	3.3

Source: Nomura estimates

Fig. 4: GWC: P&L

(TWDmn)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26F	3Q26F	4Q26F	2025	2026F	2027F	2028F
Net Sales	15,595	16,008	14,493	14,502	13,985	15,396	15,762	16,584	60,598	61,726	73,535	88,666
Gross profit	4,112	4,123	2,662	3,726	2,914	3,208	3,358	3,682	14,624	13,162	18,850	28,342
Operating income	2,589	2,438	1,230	2,379	1,475	1,669	1,797	2,123	8,636	7,065	12,011	20,485
Pretax income	2,133	2,289	2,187	2,907	2,347	6,445	2,909	3,129	9,516	14,831	15,490	24,568
Net income	1,456	1,682	1,969	2,205	1,896	5,027	2,269	2,441	7,312	11,633	12,082	19,163
Profitability												
Gross Margin	26.4%	25.8%	18.4%	25.7%	20.8%	20.8%	21.3%	22.2%	24.1%	21.3%	25.6%	32.0%
Operating Margin	16.6%	15.2%	8.5%	16.4%	10.5%	10.8%	11.4%	12.8%	14.3%	11.4%	16.3%	23.1%
Pretax Margin	13.7%	14.3%	15.1%	20.0%	16.8%	41.9%	18.5%	18.9%	15.7%	24.0%	21.1%	27.7%
Net Margin	9.3%	10.5%	13.6%	15.2%	13.6%	32.7%	14.4%	14.7%	12.1%	18.8%	16.4%	21.6%
EPS	3.11	3.52	4.12	4.61	3.97	10.52	4.75	5.11	15.36	24.33	25.27	40.08
Growth (QoQ)												
Net Sales	-4.6%	2.7%	-9.5%	0.1%	-3.6%	10.1%	2.4%	5.2%				
Gross profit	-16.4%	0.3%	-35.4%	40.0%	-21.8%	10.1%	4.7%	9.7%				
Op income	-27.8%	-5.8%	-49.6%	93.5%	-38.0%	13.1%	7.7%	18.1%				
Pretax income	168.0%	7.3%	-4.4%	32.9%	-19.3%	174.7%	-54.9%	7.6%				
Net income	204.2%	15.5%	17.1%	12.0%	-14.0%	165.2%	-54.9%	7.6%				
Growth (YoY)												
Net Sales	3.4%	4.5%	-8.7%	-11.3%	-10.3%	-3.8%	8.8%	14.4%	-3.2%	1.9%	19.1%	20.6%
Gross profit	-20.4%	-16.7%	-44.2%	-24.2%	-29.1%	-22.2%	26.1%	-1.2%	-26.2%	-10.0%	43.2%	50.4%
Op income	-34.7%	-27.6%	-61.6%	-33.6%	-43.0%	-31.6%	46.2%	-10.8%	-38.8%	-18.2%	70.0%	70.6%
Pretax income	-53.2%	-35.2%	-38.3%	265.2%	10.0%	181.6%	33.0%	7.6%	-23.4%	55.8%	4.4%	58.6%
Net income	-58.8%	-41.6%	-33.3%	360.5%	30.2%	198.9%	15.2%	10.7%	-25.7%	59.1%	3.9%	58.6%

Source: Company data, Nomura estimates

Valuation methodology and risks

Our new TP of TWD1,200 is based on 4.8x 2028F BVPS of TWD252. The 4.8x target multiple is at the upper-half of the historical P/B range of 2-6x during the full semi wafer cycle in 2017-20.

Downside risks include:

• Faster-than-expected entry of China into the 12" semi wafer market.

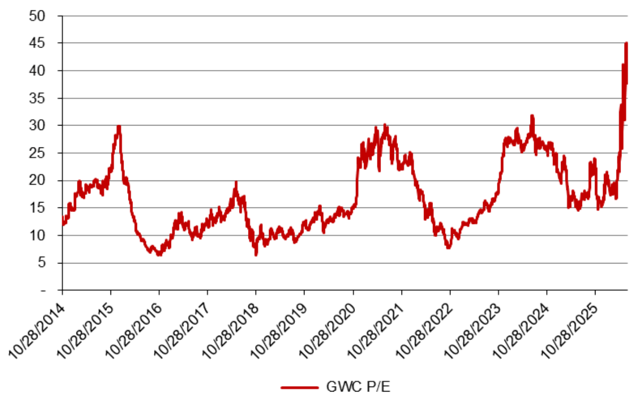
• Slower-than-expected of market consolidation.

• Worse-than-expected end-demand for the semi industry.

• Less favorable demand/supply dynamics in the semi wafer industry.

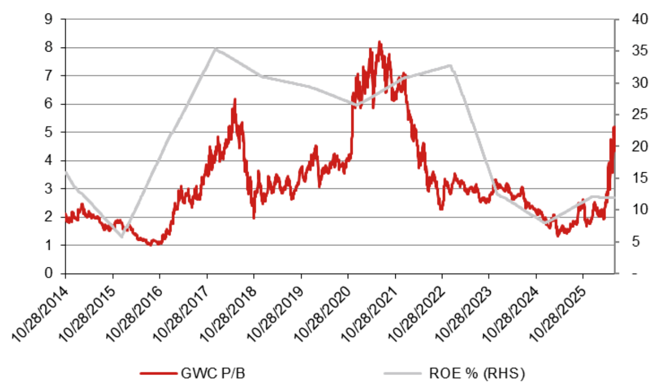
• Less favorable FX volatility and rising material/utility costs.

Fig. 5: GWC: P/E



Source: Bloomberg, Nomura estimates

Fig. 6: GWC: P/B



Source: Bloomberg, Nomura estimates

Appendix A-1

This report has been produced by Nomura International (Hong Kong) Ltd. (NIHK), Hong Kong.
See Disclaimers for Nomura Group entity details.

Analyst Certification

We, Donnie Teng and Aaron Jeng, hereby certify (1) that the views expressed in this Research report accurately reflect our personal views about any or all of the subject securities or issuers referred to in this Research report, (2) no part of our compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this Research report and (3) no part of our compensation is tied to any specific investment banking transactions performed by Nomura Securities International, Inc., Nomura International plc or any other Nomura Group company.

Issuer Specific Regulatory Disclosures

The terms "Nomura" and "Nomura Group" used herein refer to Nomura Holdings, Inc. and its affiliates and subsidiaries, including Nomura Securities International, Inc. ('NSI') and Instinet, LLC ('ILLC'), U. S. registered broker dealers and members of SIPC.

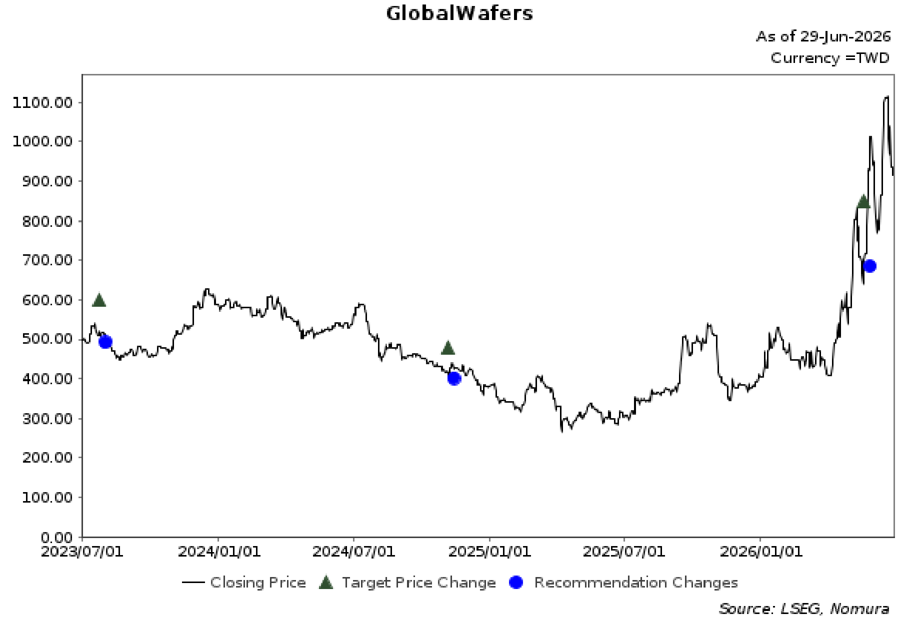
Materially mentioned issuers

Issuer	Ticker	Price	Price date	Stock rating	Sector rating	Disclosures
GlobalWafers	6488 TT	TWD 936.00	26-Jun-2026	Buy	N/A	A6

A6 The Nomura Group expects to receive or intends to seek compensation for investment banking services from the subject company in the next three months.

GlobalWafers (6488 TT) **TWD 936.00 (26-Jun-2026)** Buy (Sector rating: N/A)

Rating and target price chart (three year history)



Date	Rating	Target price	Closing price
21-May-26	Buy		701.00
21-May-26		850.00	701.00
05-Nov-24	Neutral		418.00
05-Nov-24		480.00	418.00
24-Jul-23	Buy		508.00
24-Jul-23		600.00	508.00

For explanation of ratings refer to the stock rating keys located after chart(s)

Valuation Methodology Our TP of TWD1200 is based on 4.8x 2028F BVPS TWD252. The 4.8x P/B is based on the upper-half of 2-6x P/B range during the full Semi wafer cycle in 2017-2020. The benchmark index is TAIEX.
Risks that may impede the achievement of the target price Downside risks include: • Faster-than-expected entry of China into the 12” semi wafer market. • Slower-than-expected of market consolidation. • Worse-than-expected end-demand for the semi industry. • Less favorable demand/supply dynamics in the semi wafer industry. • Less favorable FX volatility and rising material/utility costs.

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