Morgan Stanley | RESEARCH

UPDATE

July 31, 2026 12:30 PM GMT

Global Unichip Corp | Asia Pacific

Confirmed design win on next generation AI chip from US auto customer; OW

AlphaSignals Earnings Reaction

Unchanged	⬆ Modest upside	⬆ Modest revision higher
Impact to our thesis	Financial results versus consensus	Direction of next 12-month consensus EPS

Source: Company data, Morgan Stanley Research

Key Takeaways

- Next-generation Google CPU remains on track to tape out by late 2026 or early 2027.
- GUC has no problem with other packaging technology and will fully support customers if needed (we believe management is referring to Intel EMIB-T).
- Management is optimistic about 2027 wafer support from TSMC, and allocation should be finalized in the next two months.
- We stay OW on the stock given more CSP design wins and well-diversified revenue portfolio in coming years.

Confirmed design win on next generation Tesla AI6: Management stated that the design win on a next-generation US automotive customer's AI chip is confirmed. We believe it refers to Tesla AI6. Without a detailed timeline, management believes the AI6 tape-out schedule and PPA (power, performance, area) would both beat foundry competitors (Samsung), which we view as a good sign for GUC's AI6 share.

2H26 could show better shipments than 1H26: Management indicated more TSMC capacity support in 2H26, suggesting stronger shipment/revenue momentum H/H. Cloud-related revenue accounts for ~80% of total revenue, while crypto would ramp down, partially backfilled by automotive demand from China.

Who could be the largest customer to adopt CoWoS in 2027? Although management didn't share details on 2027 CoWoS customers, we believe it could relate to a Meta ASIC project and another European AI start-up.

Exhibit 1: GUC – 2Q26 Earnings Review

(NT$ mn)	2Q26				
	Actual	Q/Q	Y/Y	MS Est.	Consensus
Financials					
Revenue	13,897	21.4%	127.6%	13,606	12,713
Opex	(1,318)	2.2%	20.9%	(1,358)	(1,353)
EPS (NT$)	11.61	-4.9%	100.3%	8.41	10.21
Ratios					
GM (%)	21.5%	-565bps	-1,177bps	19.1%	23.0%
Opex (%)	9.5%	-178bps	-838bps	10.0%	10.6%
OPM (%)	12.1%	-387bps	-340bps	9.1%	12.4%

Source: Company data, Visible Alpha,

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Global Unichip Corp (3443.TW, 3443 TT)

Greater China Technology Semiconductors | Taiwan

Stock Rating	**Overweight**
Industry View	**Attractive**
Price target	NT$5,688.00
Up/downside to price target (%)	49
Shr price, close (Jul 31, 2026)	NT$3,805.00
52-Week Range	NT$5,950.00-1,160.00
Mkt cap, curr (mn)	NT$513,188
Avg daily trading value (mn)	NT$8,149

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS (NT$)**	27.95	44.04	124.37	189.50
Prior EPS (NT$)**	-	-	-	-
EPS (NT$)§	27.83	46.48	94.24	164.31
Revenue, net (NT$ mn)	34,141	61,536	148,903	240,937
P/E	76.0	86.4	30.6	20.1

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

Global Unichip Corp (3443.TW)

Base case, residual income model. Key assumptions: a cost of equity of 9.2%, an intermediate growth rate of 14.5%, and a terminal growth rate of 5%.

Risks to Upside

- 5nm, 3nm and advanced packaging customers decide to accelerate tape-outs.
- AI and other high-growth projects gain substantial customer traction.
- 5nm turnkey momentum is stronger than expected.

Risks to Downside

- AI and other high-growth projects lose significant customer traction.
- Customers' inventory correction is longer than expected.
- 5nm and below ASIC projects contribution is lower than expected.

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(as of June 30, 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	1544	42%	453	49%	29%	757	44%
Equal-weight/Hold	1577	43%	390	42%	25%	769	44%
Not-Rated/Hold	3	0%	1	0%	33%	1	0%
Underweight/Sell	544	15%	89	10%	16%	204	12%
Total	3,668		933			1731	

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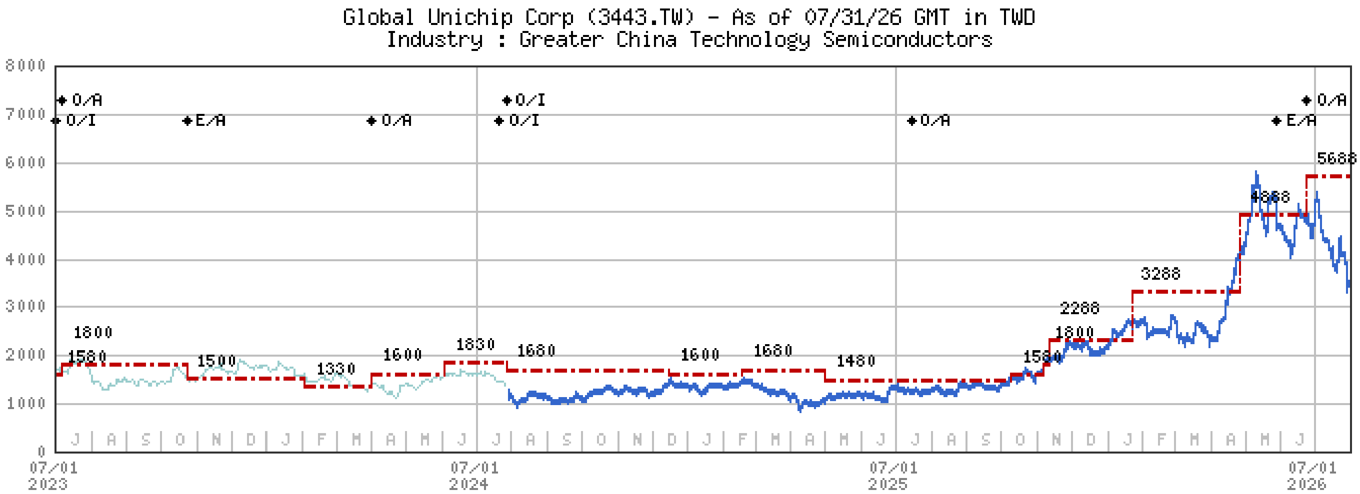
Stock Price, Price Target and Rating History (See Rating Definitions)



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Price Target History: 5/20/21 : 290; 10/29/21 : 450; 10/28/22 : 550; 12/28/22 : 700; 4/6/23 : 888; 5/4/23 : 1280; 6/12/23 : 1580; 7/7/23 : 1800; 10/23/23 : 1500; 2/3/24 : 1330; 4/1/24 : 1600; 6/3/24 : 1830; 7/27/24 : 1680; 12/16/24 : 1600; 2/17/25 : 1680; 5/1/25 : 1480; 10/9/25 : 1580; 11/7/25 : 1800; 11/12/25 : 2288; 1/22/26 : 3288; 4/27/26 : 4888; 6/24/26 : 5688

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INDUSTRY COVERAGE: Greater China Technology Semiconductors

COMPANY (TICKER)	RATING (AS OF)	PRICE* (07/31/2026)
Charlie Chan		
ACM Research Inc (ACMR.O)	O (03/07/2023)	US$78.65
Advanced Micro-Fabrication Equipment Inc (688012.SS)	O (11/06/2023)	Rmb344.00
Advanced Wireless Semiconductor Co (8086.TWO)	U (07/14/2025)	NT$110.00
Alchip Technologies Ltd (3661.TW)	O (05/14/2021)	NT$3,060.00
ASE Technology Holding Co. Ltd. (3711.TW)	O (09/15/2024)	NT$555.00
Cambricon Technology Corporation (688256.SS)	O (04/27/2026)	Rmb1,106.00
Global Unichip Corp (3443.TW)	O (06/24/2026)	NT$3,805.00
GlobalWafers Co Ltd (6488.TWO)	E (05/19/2026)	NT$855.00
Gudeng Precision (3680.TWO)	O (11/25/2025)	NT$399.00
Hua Hong Semiconductor Ltd (1347.HK)	E (03/12/2026)	HK$128.30
Iluvatar CoreX Semiconductor Co., Ltd. (9903.HK)	O (04/27/2026)	HK$425.40
King Yuan Electronics Co Ltd (2449.TW)	O (03/03/2023)	NT$223.50
Maxscend Microelectronics Co Ltd (300782.SZ)	U (01/11/2021)	Rmb67.92
MediaTek (2454.TW)	O (11/28/2025)	NT$3,555.00
MetaX Integrated Circuits (688802.SS)	E (04/27/2026)	Rmb688.87
Nanya Technology Corp. (2408.TW)	O (05/28/2026)	NT$360.50
NAURA Technology Group Co Ltd (002371.SZ)	O (11/06/2023)	Rmb687.00
OmniVision Integrated Circuits Group Inc (603501.SS)	E (11/17/2025)	Rmb88.70
Phison Electronics Corp (8299.TWO)	E (02/25/2026)	NT$1,640.00
SG Micro Corp. (300661.SZ)	E (11/03/2025)	Rmb95.73
Silergy Corp. (6415.TW)	U (05/19/2026)	NT$413.00
SMIC (0981.HK)	O (10/21/2025)	HK$63.25
TSMC (2330.TW)	O (02/07/2022)	NT$2,425.00
UMC (2303.TW)	O (05/19/2026)	NT$121.00
Vanguard International Semiconductor (5347.TWO)	E (01/14/2026)	NT$151.50
WIN Semiconductors Corp (3105.TWO)	U (07/14/2025)	NT$294.50

Daisy Dai, CFA		
ASMPT Ltd (0522.HK)	O (07/24/2025)	HK$151.30
China Resources Microelectronics Limited (688396.SS)	U (03/02/2026)	Rmb54.30
Empyrean Technology Co Ltd (301269.SZ)	E (01/17/2025)	Rmb87.40
Hangzhou Silan Microelectronics Co. Ltd. (600460.SS)	U (08/25/2025)	Rmb28.26
Hygon Information Technology Co., Ltd. (688041.SS)	O (07/03/2026)	Rmb277.00
Innoscience (2577.HK)	E (10/13/2025)	HK$39.06
JCET Group Co Ltd (600584.SS)	E (01/16/2026)	Rmb65.71
Shanghai Fudan Microelectronics (1385.HK)	O (03/07/2025)	HK$23.96
SICC Co Ltd (688234.SS)	O (03/20/2026)	Rmb86.65
StarPower Semiconductor Ltd (603290.SS)	E (05/14/2026)	Rmb80.49
Unigroup Guoxin Microelectronics Co Ltd (002049.SZ)	U (01/10/2023)	Rmb65.02
Universal Scientific Ind. (Shanghai) (601231.SS)	O (11/05/2025)	Rmb21.97
Yangjie Technology (300373.SZ)	O (06/10/2022)	Rmb83.92
Daniel Yen, CFA		
AP Memory Technology Corp (6531.TW)	O (07/11/2025)	NT$667.00
ASMedia Technology Inc (5269.TW)	U (10/03/2025)	NT$1,315.00
Aspeed Technology (5274.TWO)	O (06/09/2025)	NT$14,525.00
Egis Technology Inc (6462.TWO)	E (01/28/2026)	NT$93.70
Elan Microelectronics Corp (2458.TW)	O (10/03/2025)	NT$151.00
Espressif Systems (688018.SS)	O (05/15/2023)	Rmb102.70
GigaDevice Semiconductor Beijing Inc (603986.SS)	O (05/15/2025)	Rmb378.60
Macronix International Co Ltd (2337.TW)	O (09/18/2025)	NT$100.50
Montage Technology Co Ltd (6809.HK)	O (03/18/2026)	HK$269.00
Montage Technology Co Ltd (688008.SS)	O (03/18/2026)	Rmb204.90
Novatek (3034.TW)	U (02/04/2026)	NT$519.00
Nuvoton Technology Corporation (4919.TW)	U (11/10/2025)	NT$117.00
Parade Technologies Ltd (4966.TWO)	O (05/27/2026)	NT$562.00
Powerchip Semiconductor Manufacturing Co (6770.TW)	O (10/27/2025)	NT$54.50
Realtek Semiconductor (2379.TW)	E (01/30/2026)	NT$683.00
Shenzhen Goodix Technology Co Ltd (603160.SS)	U (07/14/2025)	Rmb52.40
Winbond Electronics Corp (2344.TW)	O (05/28/2026)	NT$130.00
WPG Holdings (3702.TW)	O (03/16/2026)	NT$112.50
WT Microelectronics Co. Ltd. (3036.TW)	O (01/27/2026)	NT$196.50
Duan Liu		
Dosilicon Co Ltd (688110.SS)	U (09/06/2024)	Rmb102.15
Shenzhen Longsys Electronics Co Ltd (301308.SZ)	E (02/25/2026)	Rmb346.99
Tiffany Yeh		
AllRing Tech Co. (6187.TWO)	O (09/23/2025)	NT$929.00
FOCI Fiber Optic Communications Inc (3363.TWO)	O (01/15/2025)	NT$480.50
Himax Technologies Inc (HIMX.O)	E (02/04/2026)	US$12.54
Hon Precision (7769.TW)	O (04/17/2026)	NT$6,180.00
MPI Corporation (6223.TWO)	O (04/17/2026)	NT$5,280.00
Silicon Motion (SIMO.O)	O (05/06/2024)	US$255.10
WinWay Technology Co Ltd (6515.TW)	O (04/17/2026)	NT$5,815.00

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* Historical prices are not split adjusted.