Morgan Stanley | RESEARCH

UPDATE

July 30, 2026 06:02 PM GMT

Realtek Semiconductor | Asia Pacific

Better than feared outlook

AlphaSignals Earnings Reaction

Unchanged	Modest shortfall	Modest revision lower
Impact to our thesis	Financial results versus consensus	Direction of next 12-month consensus EPS

Source: Company data, Morgan Stanley Research

The stock appears to be a safe harbor vs. other high-flyers (e.g., Memory) following the trough into 2Q earnings .

Key Takeaways

- 2Q GM missed, but a price increase to take effect in 3Q should help with GM recovery.
- Near-term clients need to build up inventory due to FOMP (fear of missing procurement).
- Our EW rating reflects limited cloud AI exposure, but we view downside as limited as well.

2Q review: 2Q revenue was NT$37.6bn, +3% Q/Q and +18% Y/Y, 3% above MSe. 2Q gross profit was NT$17.7bn. GM was 47.0%, -2.7ppt Q/Q and -3.2ppt Y/Y, 2.7ppt below MSe. EPS was NT$7.42, -12% Q/Q and -3% Y/Y, 12% below MSe. Margin compression was driven by elevated memory pricing and constrained OSAT capacity.

2H26 outlook: PC segment faces demand pressure in 2H26 due to elevated memory costs and CPU supply tightness, but revenue growth is expected, helped by spec-up demand. For the consumer segment, TV shipments have begun to soften after FIFA; home appliance demand continues to grow steadily and global game console shipments are expected to fall this year. The networking segment demonstrated demand stability, supported by enterprise infra refresh cycles and the transition toward higher-value WiFi7 and multi-gig Ethernet solutions. The auto segment is expected to be seasonally strong in 2H, especially helped by growth from the European market.

Other highlights: Increased product pricing with certain customers is to take effect in 3Q, helping GM recover. Realtek is gaining share in the managed switch market, having increased 2-3ppt vs the previous reporting period. WiFi7 penetration in notebooks is estimated to reach ~30% this year, while WiFi8 deployment is seen starting from 1Q28.

Remain EW: The company is indeed showing better than feared outlook due to FOMP (link). We believe the stock is fairly valued relative to our implied target of 19x 2026E P/E. Supply constraints and weak end-market demand continues, but we expect the company to manage some revenue growth in 3Q and a continued GM rebound in 2H, helped by spec-up demand and price increases.

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Realtek Semiconductor (2379.TW, 2379 TT)

Greater China Technology Semiconductors | Taiwan

Stock Rating	**Equal-weight**
Industry View	**Attractive**
Price target	NT$717.00
Up/downside to price target (%)	3
Shr price, close (Jul 30, 2026)	NT$697.00
52-Week Range	NT$970.00-438.00
Sh out, dil, curr (mn)	513
Mkt cap, curr (mn)	NT$357,466
Avg daily trading value (mn)	NT$2,091

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS (NT$)**	28.77	37.49	37.48	43.56
EPS (NT$)§	29.00	32.47	36.89	42.33
Revenue, net (NT$ mn)	122,706	152,532	149,558	160,626
EBITDA (NT$ mn)	18,079	21,468	22,519	26,821
ModelWare net inc (NT $ mn)	14,753	19,230	19,224	22,339
P/E	17.0	18.6	18.6	16.0
ROE (%)	27.9	36.8	32.4	35.5

Div yld (%)	4.8	4.4	4.4	0.0

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

Estimate revisions and quarterly financials

We cut our EPS estimates by 12% each for 2026 and 2027 EPS, and raise 2028 by 1%: For 2026-27, we factor in actual 2Q26 results, near-term end demand weakness and supply constraints. We expect some demand recovery and supply relief into 2028.

Exhibit 1: Realtek: Estimate revisions

(NT$ mn)	New '26e	Old '26e	Diff.	New '27e	Old '27e	Diff.	New '28e	Old '28e	Diff.
Net sales	152,532	156,709	-3%	149,558	160,658	-7%	160,626	162,724	-1%
COGS	78,947	79,554		75,202	82,304		80,848	83,198	
Gross profit	73,585	77,155	-5%	74,356	78,354	-5%	79,777	79,526	0%
Operating expenses	53,699	54,021		53,467	54,415		54,635	54,684	
Operating profit	19,886	23,134	-14%	20,889	23,939	-13%	25,142	24,841	1%
Non-op. income (exp.)	2,514	2,517		1,727	1,731		1,139	1,143	
Pretax income	22,400	25,650	-13%	22,616	25,669	-12%	26,282	25,984	1%
Taxes	3,170	3,749		3,392	3,850		3,942	3,898	
Net income	19,230	21,902	-12%	19,224	21,819	-12%	22,339	22,086	1%
Reported EPS	**37.49**	**42.71**	**-12%**	**37.48**	**42.54**	**-12%**	**43.56**	**43.06**	**1%**
Margins									
Gross margin	48.2%	49.2%	-1.0%	49.7%	48.8%	0.9%	49.7%	48.9%	0.8%
Operating margin	13.0%	14.8%	-1.7%	14.0%	14.9%	-0.9%	15.7%	15.3%	0.4%
Pretax margin	14.7%	16.4%	-1.7%	15.1%	16.0%	-0.9%	16.4%	16.0%	0.4%
Net margin	12.6%	14.0%	-1.4%	12.9%	13.6%	-0.7%	13.9%	13.6%	0.3%
Opex %	35.2%	34.5%	0.7%	35.7%	33.9%	1.9%	34.0%	33.6%	0.4%

Source: Company data, Morgan Stanley Research (e) estimates

Exhibit 2: Realtek: Quarterly financial statements

(NT$ mn)	1Q26	2Q26p	3Q26e	4Q26e	1Q27e	2Q27e	3Q27e	4Q27e	1Q28e	2Q28e	3Q28e	4Q28e	2025	2026e	2027e	2028e
Total Revenues	**36,423**	**37,553**	**39,615**	**38,184**	**35,322**	**38,427**	**40,836**	**34,973**	**36,728**	**39,669**	**42,354**	**41,875**	**122,706**	**152,532**	**149,558**	**160,626**
Sequential Change	*38.6%*	*3.1%*	*5.5%*	*-3.6%*	*-7.5%*	*8.8%*	*6.3%*	*-14.4%*	*5.0%*	*8.0%*	*6.8%*	*-1.1%*				
Change vs Year Ago	*4.0%*	*17.7%*	*34.3%*	*45.3%*	*-3.0%*	*2.3%*	*3.1%*	*-8.4%*	*4.0%*	*3.2%*	*3.7%*	*19.7%*	*8.2%*	*24.3%*	*-1.9%*	*7.4%*
Cost of Sales	18,336	19,902	20,564	19,388	17,794	19,353	20,580	17,474	18,472	20,094	21,318	20,965	61,333	78,947	75,202	80,848
Percent of Revenues	*50%*	*53%*	*52%*	*51%*	*50%*	*50%*	*50%*	*50%*	*50%*	*51%*	*50%*	*50%*	*50%*	*52%*	*50%*	*50%*
Gross Profit	**18,087**	**17,651**	**19,052**	**18,795**	**17,528**	**19,074**	**20,256**	**17,499**	**18,256**	**19,575**	**21,036**	**20,910**	**61,374**	**73,585**	**74,356**	**79,777**
Percent of Revenues	*49.7%*	*47.0%*	*48.1%*	*49.2%*	*49.6%*	*49.6%*	*49.6%*	*50.0%*	*49.7%*	*49.3%*	*49.7%*	*49.9%*	*50.0%*	*48.2%*	*49.7%*	*49.7%*
Incremental Margin	*54%*	*-39%*	*68%*	*NM*	*NM*	*50%*	*49%*	*NM*	*43%*	*45%*	*54%*	*NM*	*45%*	*41%*	*NM*	*49%*
Total Opex	13,755	13,926	13,554	12,463	13,500	14,054	13,724	12,188	13,641	14,198	13,897	12,899	47,014	53,699	53,467	54,635
Percent of Revenues	*37.8%*	*37.1%*	*34.2%*	*32.6%*	*38.2%*	*36.6%*	*33.6%*	*34.9%*	*37.1%*	*35.8%*	*32.8%*	*30.8%*	*38.3%*	*35.2%*	*35.7%*	*34.0%*
Operating Income	**4,332**	**3,725**	**5,497**	**6,332**	**4,027**	**5,020**	**6,532**	**5,310**	**4,615**	**5,377**	**7,139**	**8,011**	**14,360**	**19,886**	**20,889**	**25,142**
Percent of Revenues	*11.9%*	*9.9%*	*13.9%*	*16.6%*	*11.4%*	*13.1%*	*16.0%*	*15.2%*	*12.6%*	*13.6%*	*16.9%*	*19.1%*	*11.7%*	*13.0%*	*14.0%*	*15.7%*
Total Non-operating Income (Loss)	646	645	645	579	432	432	432	432	285	285	285	285	2,901	2,514	1,727	1,139
Profit Before Taxes	4,977	4,370	6,142	6,911	4,459	5,451	6,964	5,742	4,900	5,661	7,424	8,296	17,261	22,400	22,616	26,282
Percent of Revenues	*14%*	*12%*	*16%*	*18%*	*13%*	*14%*	*17%*	*16%*	*13%*	*14%*	*18%*	*20%*	*14%*	*15%*	*15%*	*16%*
Taxes	648	565	921	1,037	669	818	1,045	861	735	849	1,114	1,244	2,507	3,170	3,392	3,942
Tax Rate	*13.0%*	*12.9%*	*15.0%*	*15.0%*	*15.0%*	*15.0%*	*15.0%*	*15.0%*	*15.0%*	*15.0%*	*15.0%*	*15.0%*	*14.5%*	*14.2%*	*15.0%*	*15.0%*
Reported Income (TW GAAP)	**4,330**	**3,805**	**5,221**	**5,874**	**3,790**	**4,634**	**5,919**	**4,881**	**4,165**	**4,812**	**6,310**	**7,052**	**14,753**	**19,230**	**19,224**	**22,339**
Percent of Revenues	*11.9%*	*10.1%*	*13.2%*	*15.4%*	*10.7%*	*12.1%*	*14.5%*	*14.0%*	*11.3%*	*12.1%*	*14.9%*	*16.8%*	*12.0%*	*12.6%*	*12.9%*	*13.9%*
Change vs Year Ago	*-9%*	*-3%*	*52%*	*121%*	*-12%*	*22%*	*13%*	*-17%*	*10%*	*4%*	*7%*	*44%*	*-4%*	*30%*	*0%*	*16%*
Reported EPS (NT$, TW GAAP)	**8.44**	**7.42**	**10.18**	**11.45**	**7.39**	**9.03**	**11.54**	**9.52**	**8.12**	**9.38**	**12.30**	**13.75**	**28.77**	**37.49**	**37.48**	**43.56**
Change vs Year Ago	*-9%*	*-3%*	*52%*	*121%*	*-12%*	*22%*	*13%*	*-17%*	*10%*	*4%*	*7%*	*44%*	*-4%*	*30%*	*0%*	*16%*

Source: Company data, Morgan Stanley Research (e) estimates

Valuation methodology

Our PT is unchanged at NT$717: We factor in changes to our earnings estimates while keeping other parameters in our residual income model unchanged. We maintain our assumptions for cost of equity of 9.6%, intermediate growth rate of 7.3%, payout ratio of 79%, and terminal growth of 4.5%. Our bull and bear case scenario values are both unchanged at NT$1117 and NT$517, respectively.

Exhibit 3: Realtek: RI model

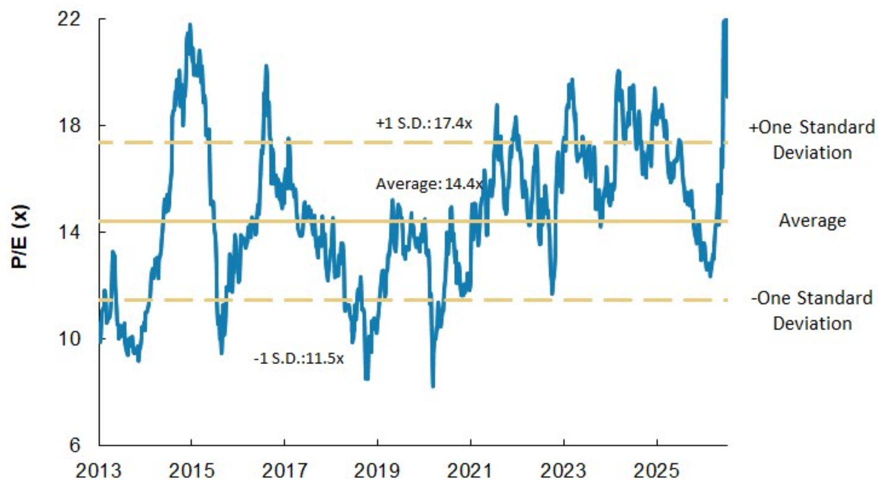
(NT$ mn)	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e
Total Equity	59,382	62,887	69,512	76,394	83,775	91,693	100,185	109,293	119,063	129,542	140,782
Net Profit	19,230	19,224	22,339	23,961	25,701	27,567	29,568	31,715	34,017	36,487	39,136
ROAE	34.5%	31.4%	33.7%	32.8%	32.1%	31.4%	30.8%	30.3%	29.8%	29.4%	29.0%
Residual Income	12,985	12,976	15,189	16,163	17,188	18,286	19,463	20,725	22,077	23,527	25,081
Spread	24.9%	21.9%	24.2%	23.3%	22.5%	21.8%	21.2%	20.7%	20.2%	19.8%	19.4%
Ending Equity Capital	59,382										
PV of Forecast Period	103,318										
PV of Continuing Value	205,035										
Equity Value	367,734										
No. of Shares	513										
Projected Price	717										

Source: Company data, Morgan Stanley Research (e) estimates

Relative valuation

The current stock price implies 18.6x 2026e P/E, roughly in line with the historical average, given weakness in the PC end-market arising from elevated component costs. We view this as fair relative to our implied target P/E of 19.1x.

Exhibit 4: Realtek: Historical P/E



Source: Factset, Morgan Stanley Research estimates

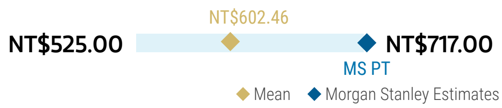
Risk Reward – Realtek Semiconductor (2379.TW)

Better than feared outlook; EW

PRICE TARGET NT$717.00

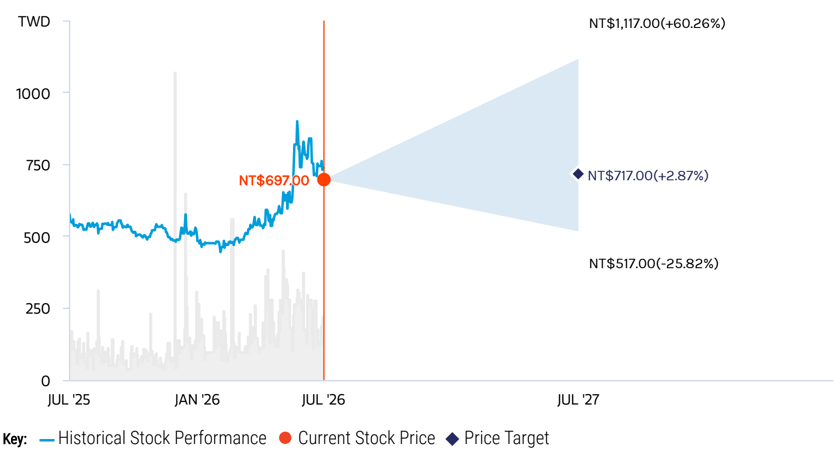
Base case, residual income model. We assume a cost of equity of 9.6%, an intermediate growth rate of 7.3%, payout ratio of 79%, and terminal growth rate of 4.5%.

Consensus Price Target Distribution



Source: Refinitiv, Morgan Stanley Research

RISK REWARD CHART

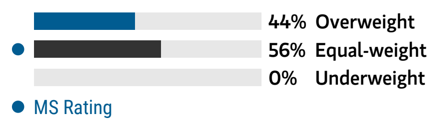


Source: Refinitiv, Morgan Stanley Research

EQUAL-WEIGHT THESIS

- Supply constraints and weak end-market demand continue, but we expect the company to manage some revenue growth in 3Q and a continued GM rebound in 2H, helped by spec-up demand and price increases.
- We believe Realtek could benefit from China's semi localization for auto Ethernet. There are no suitable local players, and Realtek has penetrated EU and US brands since 2018
- AI glasses are another secular growth driver; Realtek's AI glasses solution could drive down BOM cost 70-80% vs. the current solution from US peer Qualcomm
- We view the current 2026e P/E as fair relative to our implied target P/E of 19x.

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Electric Vehicles: *Positive*

View descriptions of Risk Rewards Themes here

BULL CASE NT$1,117.00

30x 2026e EPS

PC and consumer tech orders become stronger, switch/Bluetooth demand recovery comes earlier and is stronger, and higher costs and competition fade away: 1) Wi-Fi to show 30% Y/Y increase in 2026; 2) Ethernet +40% Y/Y in 2026; 3) switches to increase 40% Y/Y; 4) audio Codec +15% Y/Y; 5) gross margin goes to 52% in 2026, as margin erosion from pricing pressure is minimal.

BASE CASE NT$717.00

19x 2026e EPS

For 2026, we expect a modest PC decline owing to component price hikes and a GM decline from cost pass-through without markups: 1) Wi-Fi to show 17% Y/Y increase in 2026; 2) Ethernet +28% Y/Y in 2026; 3) switches to increase 24% Y/Y; 4) audio Codec +5% Y/Y; 5) gross margin declines to 48% in 2026, vs 50% in 2025.

BEAR CASE NT$517.00

14x 2026e EPS

PC and consumer tech orders become weaker, switch/Bluetooth demand recovery comes later and weaker; margin erosion from pricing pressure, higher costs and pricing competition becomes more severe: 1) Wi-Fi -17% Y/Y in 2026; 2) Ethernet -10% Y/Y in 2026; 3) switches flat Y/Y; 4) audio Codec -30% Y/Y; 5) gross margin declines to 48% in 2026, as margin erosion from pricing pressure intensifies.

Risk Reward – Realtek Semiconductor (2379.TW)

KEY EARNINGS INPUTS

Drivers	Dec 2025	Dec 2026e	Dec 2027e	Dec 2028e
1. Wifi Sales (%) (%)	29.3	27.5	22.5	18.8
2. Ethernet Sales (%) (%)	5.8	6.0	5.8	5.9
3. Switch Sales (%) (%)	18.1	18.1	16.4	15.1
4. Bluetooth Sales (%) (%)	6.1	5.7	4.3	3.4
5. TV SoC (%) (%)	12.9	13.0	19.2	18.8

INVESTMENT DRIVERS

- Diversifying its exposure to PCs
- Eased Wi-Fi margin pressure
- Continued growth in IoT business
- New growth driver from auto Ethernet

GLOBAL REVENUE EXPOSURE

- 0-10% Japan
- 0-10% North America
- 30-40% Mainland China
- 50-60% APAC, ex Japan, Mainland China and India

Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies here

MS ALPHA MODELS

1/5 MOST	3 Month Horizon

Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

RISKS TO PT/RATING

RISKS TO UPSIDE

- Stronger-than-expected Wi-Fi growth
- Faster-than-expected new product growth
- Faster-than-expected adoption for auto Ethernet
- Fading PC semi inventory corrections

RISKS TO DOWNSIDE

- Weaker-than-expected Wi-Fi growth
- Slower-than-expected new product growth
- Slower-than-expected margin recovery given ongoing pricing competition
- Further TV SoC project losses in China
- Slower-than-expected adoption for auto Ethernet

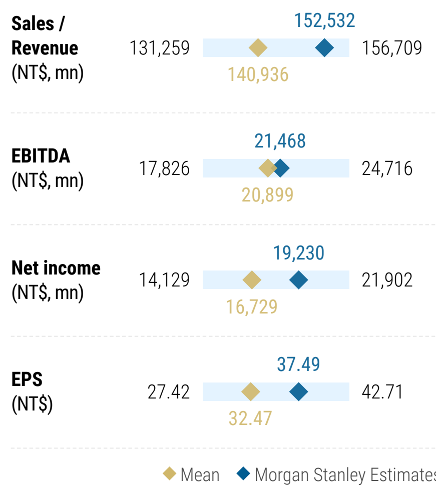
OWNERSHIP POSITIONING

Inst. Owners, % Active 74.7%

Source: Refinitiv, Morgan Stanley Research

MS ESTIMATES VS. CONSENSUS

FY Dec 2026e



Source: Refinitiv, Morgan Stanley Research

Realtek: Financial Summary

Income Statement NT$mn (Years End Dec)	2025	2026e	2027e	2028e
Net sales	122,706	152,532	149,558	160,626
COGS	(61,333)	(78,947)	(75,202)	(80,848)
Gross profit	61,374	73,585	74,356	79,777
Operating expenses	(47,014)	(53,699)	(53,467)	(54,635)
Operating income	**14,360**	**19,886**	**20,889**	**25,142**
Non-operating income	2,901	2,514	1,727	1,139
Pre-tax income	17,261	22,400	22,616	26,282
Income tax	1,476	2,022	1,798	2,089
Net Income bf. emp. bonus	18,737	24,422	24,414	28,371
Employee bonus expense	3,983	5,192	5,190	6,032
Reported net Income	**14,753**	**19,230**	**19,224**	**22,339**
Adj. wtd. avg. shrs (million)	513	513	513	513
Reported EPS (NT$)	**28.77**	**37.49**	**37.48**	**43.56**
Modelware Diluted EPS (NT$)	**28.77**	**37.49**	**37.48**	**43.56**

Balance Sheet NT$mn (Years End Dec)	2025	2026e	2027e	2028e
Cash	13,066	15,830	18,891	22,341
Mkt Securities	48,310	48,310	48,310	48,310
AR/NR	15,011	18,620	18,257	19,608
Inventory	19,561	21,282	20,272	21,794
Other	1,409	1,409	1,409	1,409
Current Assets	**97,357**	**105,451**	**107,139**	**113,462**
Long-term investments	14,175	14,175	14,175	14,175
Fixed assets	10,605	11,665	12,832	14,115
Deffered assets	506	506	506	506
Other assets	7,260	7,260	7,260	7,260
Total Assets	**129,903**	**139,058**	**141,912**	**149,519**
S/T borrowings	10,090	10,090	10,090	10,090
AP/NP	11,738	13,723	13,072	14,053
Other ST liabilities	52,928	52,928	52,928	52,928
LT debt	0	0	0	0
Other LT liabilities	2,935	2,935	2,935	2,935
Common shares	5,155	5,155	5,155	5,155
Total Liabilities	**77,691**	**79,676**	**79,025**	**80,006**
Additional capital	10,506	10,506	10,506	10,506
Retained earning	33,733	40,903	44,408	51,033
Other shareholders' equity	2,818	2,818	2,818	2,818
Total Equity	**52,212**	**59,382**	**62,887**	**69,512**
Total Liab. & Shrhldr's Equity	**129,903**	**139,058**	**141,912**	**149,519**

e = Morgan Stanley Research Estimates

Source: Morgan Stanley Research, Company Data

Cash Flow Statement NT$mn (Years End Dec)	2025	2026e	2027e	2028e
Cashflow from Operations	**23,015**	**17,467**	**21,575**	**22,126**
Net profits	14,753	19,230	19,224	22,339
Depreciation	1,536	1,582	1,629	1,678
Working Capital Change	(3,410)	(3,345)	722	(1,892)
Other adjustments	10,136	0	0	0
Cashflow from Investing	**(16,380)**	**(2,643)**	**(2,796)**	**(2,962)**
Capex	(2,089)	(2,643)	(2,796)	(2,962)
Change of LT Investment	(11,917)	0	0	0
Change of ST Investment	0	0	0	0
Other adjustments	(2,374)	0	0	0
Cashflow from financing	**(7,616)**	**(12,060)**	**(15,719)**	**(15,714)**
Increase in L/T debt	0	0	0	0
Increase in S/T debt	5,590	0	0	0
Cash Dividend Paid	(13,078)	(12,060)	(15,719)	(15,714)
Dir& Emp Bonus Paid	0	0	0	0
Issuance of stock	0	0	0	0
Other adjustments	(128)	0	0	0
Exchange rate adjustment	(766)	0	0	0
Net change in cash	**-1,747**	**2,765**	**3,060**	**3,450**

Financial Ratios	2025	2026e	2027e	2028e
Growth(%)				
Turnover	8.2	24.3	-1.9	7.4
Operating profits	6.4	38.5	5.0	20.4
Pretax profits	5.6	29.8	1.0	16.2
Net profits	-3.5	30.3	0.0	16.2
EPS	-3.5	30.3	0.0	16.2
Margins (%)				
Gross Margin	50.0	48.2	49.7	49.7
Operating Margin	11.7	13.0	14.0	15.7
Pretax Margin	14.1	14.7	15.1	16.4
Net Profit	12.0	12.6	12.9	13.9
Return (%)				
ROAE	28.1	34.5	31.4	33.7
ROAA	12.1	14.3	13.7	15.3
Gearing (%)				
Net Debt/Equity	(5.7)	(9.7)	(14.0)	(17.6)
Liabilities/Equity	148.8	134.2	125.7	115.1
Ratios (X)				
Current ratio	1.3	1.4	1.4	1.5
Quick ratio	0.4	0.4	0.5	0.5
Others				
AR/NR Turnover (days)	45	45	45	45
Inventory Turnover (days)	98	98	98	98
AP Turnover (days)	63	63	63	63
Cash Conversion (days)	80	80	80	80

Risk Reward Reference links

1. View explanation of Options Probabilities methodology - Options_Probabilities_Exhibit_Link.pdf

2. View descriptions of Risk Rewards Themes - RR_Themes_Exhibit_Link.pdf

3. View explanation of regional hierarchies - GEG_Exhibit_Link.pdf

4. View explanation of Theme/Exposure methodology - ESG_Sustainable_Solutions_External_Link.pdf

5. View explanation of HERS methodology - ESG_HERS_External_Link.pdf

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(as of June 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	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	

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.

Equal-weight (E). The stock's total return is expected to be in line with 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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Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.

In-Line (I): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be in line with the relevant broad market benchmark, as indicated below.

Cautious (C): The analyst views the performance of his or her industry coverage universe over the next 12-18 months with caution vs. the relevant broad market benchmark, as indicated below.

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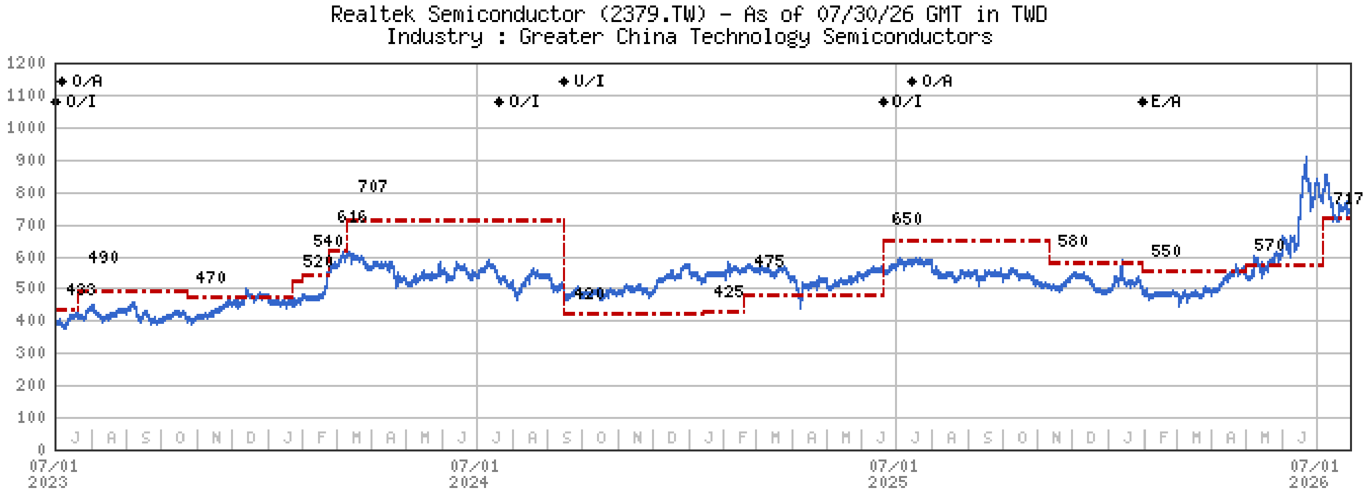
Stock Price, Price Target and Rating History (See Rating Definitions)



Stock Rating History: 7/1/21 : O/I; 10/12/21 : O/C; 2/24/22 : E/C; 10/4/22 : E/A; 12/13/22 : U/A; 2/22/23 : O/I; 7/7/23 : O/A; 7/21/24 : O/I; 9/15/24 : U/I; 6/19/25 : O/I; 7/14/25 : O/A; 1/30/26 : E/A

Price Target History: 5/20/21 : 606; 7/26/21 : 666; 10/12/21 : 566; 2/24/22 : 505; 4/22/22 : 450; 7/12/22 : 333; 7/28/22 : 350; 9/13/22 : 313; 10/28/22 : 244; 12/13/22 : 239; 2/22/23 : 450; 5/30/23 : 433; 7/21/23 : 490; 10/23/23 : 470; 1/23/24 : 520; 2/1/24 : 540; 2/23/24 : 616; 3/11/24 : 707; 9/15/24 : 420; 1/14/25 : 425; 2/18/25 : 475; 6/19/25 : 650; 11/10/25 : 580; 1/30/26 : 550; 4/30/26 : 570; 7/7/26 : 717

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)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

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INDUSTRY COVERAGE: Greater China Technology Semiconductors

COMPANY (TICKER)	RATING (AS OF)	PRICE* (07/30/2026)
Charlie Chan		
ACM Research Inc (ACMR.O)	O (03/07/2023)	US$65.30
Advanced Micro-Fabrication Equipment Inc (688012.SS)	O (11/06/2023)	Rmb346.50
Advanced Wireless Semiconductor Co (8086.TWO)	U (07/14/2025)	NT$103.00
Alchip Technologies Ltd (3661.TW)	O (05/14/2021)	NT$2,785.00
ASE Technology Holding Co. Ltd. (3711.TW)	O (09/15/2024)	NT$505.00
Cambricon Technology Corporation (688256.SS)	O (04/27/2026)	Rmb1,042.43
Global Unichip Corp (3443.TW)	O (06/24/2026)	NT$3,460.00
GlobalWafers Co Ltd (6488.TWO)	E (05/19/2026)	NT$778.00
Gudeng Precision (3680.TWO)	O (11/25/2025)	NT$369.50
Hua Hong Semiconductor Ltd (1347.HK)	E (03/12/2026)	HK$125.50
Iluvatar CoreX Semiconductor Co., Ltd. (9903.HK)	O (04/27/2026)	HK$377.00
King Yuan Electronics Co Ltd (2449.TW)	O (03/03/2023)	NT$203.50
Maxscend Microelectronics Co Ltd (300782.SZ)	U (01/11/2021)	Rmb64.72
MediaTek (2454.TW)	O (11/28/2025)	NT$3,235.00
MetaX Integrated Circuits (688802.SS)	E (04/27/2026)	Rmb672.00
Nanya Technology Corp. (2408.TW)	O (05/28/2026)	NT$328.00
NAURA Technology Group Co Ltd (002371.SZ)	O (11/06/2023)	Rmb668.07
OmniVision Integrated Circuits Group Inc (603501.SS)	E (11/17/2025)	Rmb88.50
Phison Electronics Corp (8299.TWO)	E (02/25/2026)	NT$1,495.00
SG Micro Corp. (300661.SZ)	E (11/03/2025)	Rmb89.58
Silergy Corp. (6415.TW)	U (05/19/2026)	NT$375.50
SMIC (0981.HK)	O (10/21/2025)	HK$62.00
TSMC (2330.TW)	O (02/07/2022)	NT$2,205.00
UMC (2303.TW)	O (05/19/2026)	NT$110.00
Vanguard International Semiconductor (5347.TWO)	E (01/14/2026)	NT$138.00
WIN Semiconductors Corp (3105.TWO)	U (07/14/2025)	NT$268.00

Daisy Dai, CFA		
ASMPT Ltd (0522.HK)	O (07/24/2025)	HK$135.10
China Resources Microelectronics Limited (688396.SS)	U (03/02/2026)	Rmb53.79
Empyrean Technology Co Ltd (301269.SZ)	E (01/17/2025)	Rmb85.49
Hangzhou Silan Microelectronics Co. Ltd. (600460.SS)	U (08/25/2025)	Rmb27.77
Hygon Information Technology Co., Ltd. (688041.SS)	O (07/03/2026)	Rmb273.42
Innoscience (2577.HK)	E (10/13/2025)	HK$36.94
JCET Group Co Ltd (600584.SS)	E (01/16/2026)	Rmb64.51
Shanghai Fudan Microelectronics (1385.HK)	O (03/07/2025)	HK$22.52
SICC Co Ltd (688234.SS)	O (03/20/2026)	Rmb81.35
StarPower Semiconductor Ltd (603290.SS)	E (05/14/2026)	Rmb79.08
Unigroup Guoxin Microelectronics Co Ltd (002049.SZ)	U (01/10/2023)	Rmb64.70
Universal Scientific Ind. (Shanghai) (601231.SS)	O (11/05/2025)	Rmb21.49
Yangjie Technology (300373.SZ)	O (06/10/2022)	Rmb81.93
Daniel Yen, CFA		
AP Memory Technology Corp (6531.TW)	O (07/11/2025)	NT$607.00
ASMedia Technology Inc (5269.TW)	U (10/03/2025)	NT$1,305.00
Aspeed Technology (5274.TWO)	O (06/09/2025)	NT$13,205.00
Egis Technology Inc (6462.TWO)	E (01/28/2026)	NT$88.00
Elan Microelectronics Corp (2458.TW)	O (10/03/2025)	NT$148.00
Espressif Systems (688018.SS)	O (05/15/2023)	Rmb91.88
GigaDevice Semiconductor Beijing Inc (603986.SS)	O (05/15/2025)	Rmb371.10
Macronix International Co Ltd (2337.TW)	O (09/18/2025)	NT$91.80
Montage Technology Co Ltd (6809.HK)	O (03/18/2026)	HK$251.40
Montage Technology Co Ltd (688008.SS)	O (03/18/2026)	Rmb196.78
Novatek (3034.TW)	U (02/04/2026)	NT$491.00
Nuvoton Technology Corporation (4919.TW)	U (11/10/2025)	NT$106.50
Parade Technologies Ltd (4966.TWO)	O (05/27/2026)	NT$532.00
Powerchip Semiconductor Manufacturing Co (6770.TW)	O (10/27/2025)	NT$49.55
Realtek Semiconductor (2379.TW)	E (01/30/2026)	NT$697.00
Shenzhen Goodix Technology Co Ltd (603160.SS)	U (07/14/2025)	Rmb52.23
Winbond Electronics Corp (2344.TW)	O (05/28/2026)	NT$118.50
WPG Holdings (3702.TW)	O (03/16/2026)	NT$105.50
WT Microelectronics Co. Ltd. (3036.TW)	O (01/27/2026)	NT$183.50
Duan Liu		
Dosilicon Co Ltd (688110.SS)	U (09/06/2024)	Rmb101.52
Shenzhen Longsys Electronics Co Ltd (301308.SZ)	E (02/25/2026)	Rmb338.78
Tiffany Yeh		
AllRing Tech Co. (6187.TWO)	O (09/23/2025)	NT$845.00
FOCI Fiber Optic Communications Inc (3363.TWO)	O (01/15/2025)	NT$437.00
Himax Technologies Inc (HIMX.O)	E (02/04/2026)	US$11.64
Hon Precision (7769.TW)	O (04/17/2026)	NT$5,620.00
MPI Corporation (6223.TWO)	O (04/17/2026)	NT$4,800.00
Silicon Motion (SIMO.O)	O (05/06/2024)	US$209.68
WinWay Technology Co Ltd (6515.TW)	O (04/17/2026)	NT$5,290.00

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* Historical prices are not split adjusted.