Morgan Stanley | RESEARCH

UPDATE

November 3, 2026 10:35 AM GMT

Winbond Electronics Corp | Asia Pacific

Strong 3Q margins; growth to moderate in 4Q

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

3Q26 earnings beat: 3Q revenue was NT$82bn, +38% Q/Q, +278% Y/Y, 8% below MSe; GM was 70.6%, +4.3ppt Q/Q, +23.9ppt Y/Y, 12.5ppt above MSe; EPS was NT $7.49, +39% Q/Q, +1045% Y/Y, 3% above MSe. CMS revenue grew 50% Q/Q as ASP increased by ~60%, despite lower bit shipments, which was due to reserving supply for LTA customers. Flash revenue rose 34% Q/Q on pricing and mix with flat bit shipments. Memory GM reached 73.9%.

4Q growth to moderate; 16nm supports 2027: Management expects continued 4Q growth, but a slower pace as non-AI demand softens. DRAM contract prices should rise more moderately than in 3Q, while high density NOR remains tight. KH module A capacity should reach 24-25kwpm by end-2026. 16nm ramp from ~2kwpm to 16kwpm is expected to support 2H27 shipments.

AI opportunities broaden; module B capex approved: Management projects server NOR bit shipments to grow 67% Y/Y in 2027. CUBE customers are increasingly inference accelerator developers with several expected to begin small volume production in 2027. Silicon capacitor capacity is largely allocated, but current margins remain below conventional DRAM. The board newly approved NT$73bn capex for the previously announced Module B expansion.

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Winbond Electronics Corp (2344.TW, 2344 TT)

Greater China Technology Semiconductors | Taiwan

Stock Rating	**Overweight**
Industry View	**Attractive**
Price target	NT$288.00
Up/downside to price target (%)	78
Shr price, close (Nov 2, 2026)	NT$162.00
52-Week Range	NT$233.50-48.60
Sh out, dil, curr (mn)	4,180
Mkt cap, curr (mn)	NT$677,160
EV, curr (mn)	NT$700,485
Avg daily trading value (mn)	NT$23,217

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS (NT$)**	0.88	24.89	49.83	59.96
EPS (NT$)§	0.86	25.60	53.77	69.94
Revenue, net (NT$ mn)	89,406	298,818	495,128	558,647
EBITDA (NT$ mn)	18,234	153,844	299,912	350,952
P/E	93.8	6.5	3.3	2.8
P/BV	3.4	3.3	1.6	1.0
ROE (%)	4.3	103.8	101.8	59.3
Div yld (%)	0.0	0.0	0.0	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

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Valuation Methodology and Risks

Winbond Electronics Corp (2344.TW)

Base case, 2.9x 2027e P/B. This method is in line with the approach we adopt for Greater China memory IDM peers, in view of the industry's high volatility. We believe the stock merits a multiple beyond the high end of its historical band of 0.5-1.5x since 2017, as we are seeing DRAM pricing upside, a sustainable NOR price hike, and opportunities in SLC NAND and SiCap foundry business.

Risks to Upside

- NOR Flash pricing increase, driven by stronger-than-expected demand
- Stronger-than-expected DRAM pricing given ongoing supply shortage
- Faster-than-expected SLC NAND development

Risks to Downside

- NOR Flash downcycle, driven by weaker demand
- Lower-than-expected DRAM pricing given ongoing oversupply
- Slower-than-expected SLC NAND development

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(as of October 31, 2026)
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Overweight/Buy	1575	43%	460	49%	29%	742	44%
Equal-weight/Hold	1537	42%	393	42%	26%	720	43%
Not-Rated/Hold	2	0%	1	0%	50%	1	0%
Underweight/Sell	570	15%	92	10%	16%	218	13%
Total	3,684		946			1681	

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.

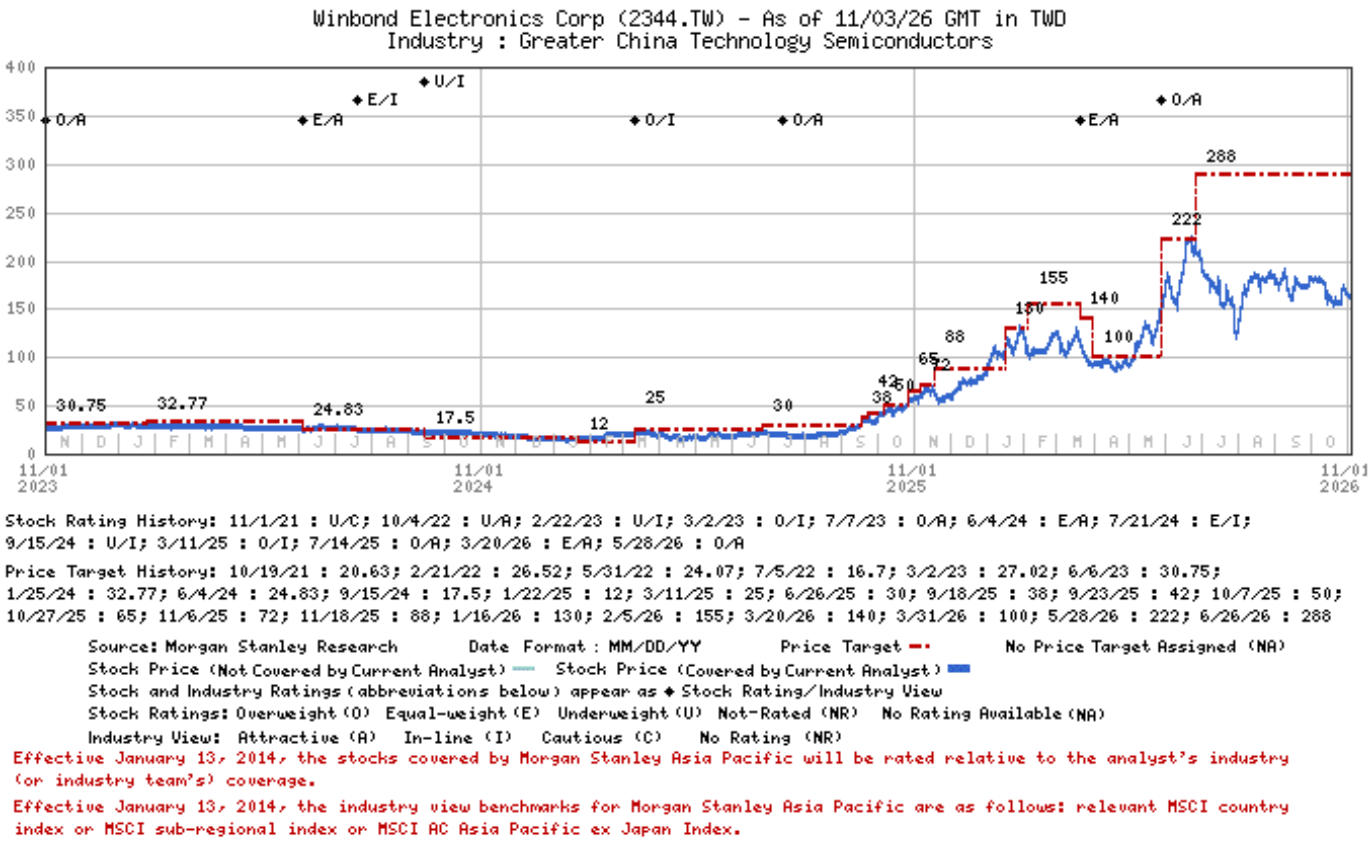
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INDUSTRY COVERAGE: Greater China Technology Semiconductors

COMPANY (TICKER)	RATING (AS OF)	PRICE* (11/03/2026)
Charlie Chan		
Advanced Wireless Semiconductor Co (8086.TWO)	U (07/14/2025)	NT$105.50
Alchip Technologies Ltd (3661.TW)	O (05/14/2021)	NT$3,140.00
ASE Technology Holding Co. Ltd. (3711.TW)	O (09/15/2024)	NT$616.00
Cambricon Technology Corporation (688256.SS)	O (04/27/2026)	Rmb767.93
CXMT Corp (688825.SS)	O (08/26/2026)	Rmb38.80
Global Unichip Corp (3443.TW)	O (06/24/2026)	NT$6,795.00
GlobalWafers Co Ltd (6488.TWO)	E (05/19/2026)	NT$685.00
Gudeng Precision (3680.TWO)	O (11/25/2025)	NT$440.50
Hua Hong Semiconductor Ltd (1347.HK)	E (03/12/2026)	HK$59.35
Iluvatar CoreX Semiconductor Co., Ltd. (9903.HK)	O (04/27/2026)	HK$56.35
MediaTek (2454.TW)	O (11/28/2025)	NT$3,675.00
MetaX Integrated Circuits (688802.SS)	U (11/02/2026)	Rmb415.15
Nanya Technology Corp. (2408.TW)	O (05/28/2026)	NT$411.00
Phison Electronics Corp (8299.TWO)	E (02/25/2026)	NT$1,690.00
SG Micro Corp. (300661.SZ)	E (11/03/2025)	Rmb75.00
Silergy Corp. (6415.TW)	U (05/19/2026)	NT$472.50
SMIC (0981.HK)	O (10/21/2025)	HK$42.62
TSMC (2330.TW)	O (02/07/2022)	NT$2,295.00
UMC (2303.TW)	O (05/19/2026)	NT$103.00
Vanguard International Semiconductor (5347.TWO)	U (10/30/2026)	NT$134.00
WIN Semiconductors Corp (3105.TWO)	O (10/29/2026)	NT$530.00
Daisy Dai, CFA		
ASMPT Ltd (0522.HK)	O (07/24/2025)	HK$101.70

China Resources Microelectronics Limited (688396.SS)	U (03/02/2026)	Rmb46.71
Empyrean Technology Co Ltd (301269.SZ)	O (11/02/2026)	Rmb88.66
Hangzhou Silan Microelectronics Co. Ltd. (600460.SS)	U (08/25/2025)	Rmb22.39
Hygon Information Technology Co., Ltd. (688041.SS)	O (07/03/2026)	Rmb170.00
Innoscience (2577.HK)	E (10/13/2025)	HK$25.30
JCET Group Co Ltd (600584.SS)	O (09/16/2026)	Rmb47.04
Shanghai Fudan Microelectronics (1385.HK)	O (03/07/2025)	HK$21.10
SICC Co Ltd (688234.SS)	O (03/20/2026)	Rmb66.52
SJ Semiconductor Corp (688820.SS)	E (09/16/2026)	Rmb72.70
StarPower Semiconductor Ltd (603290.SS)	U (10/31/2026)	Rmb66.30
Unigroup Guoxin Microelectronics Co Ltd (002049.SZ)	U (01/10/2023)	Rmb48.57
Universal Scientific Ind. (Shanghai) (601231.SS)	O (11/05/2025)	Rmb17.10
Yangjie Technology (300373.SZ)	O (06/10/2022)	Rmb71.88
Daniel Yen, CFA		
AP Memory Technology Corp (6531.TW)	O (07/11/2025)	NT$712.00
ASMedia Technology Inc (5269.TW)	U (10/03/2025)	NT$1,320.00
Aspeed Technology (5274.TWO)	O (06/09/2025)	NT$14,730.00
Egis Technology Inc (6462.TWO)	E (01/28/2026)	NT$88.90
Elan Microelectronics Corp (2458.TW)	O (10/03/2025)	NT$121.00
eMemory Technology Inc (3529.TWO)	O (08/18/2026)	NT$2,160.00
Espressif Systems (688018.SS)	O (05/15/2023)	Rmb136.70
GigaDevice Semiconductor Beijing Inc (603986.SS)	O (05/15/2025)	Rmb250.16
Himax Technologies Inc (HIMX.O)	E (02/04/2026)	US$10.45
Macronix International Co Ltd (2337.TW)	O (09/18/2025)	NT$88.30
Montage Technology Co Ltd (6809.HK)	O (03/18/2026)	HK$198.30
Montage Technology Co Ltd (688008.SS)	O (03/18/2026)	Rmb150.01
Novatek (3034.TW)	U (02/04/2026)	NT$555.00
Nuvoton Technology Corporation (4919.TW)	U (11/10/2025)	NT$107.50
Parade Technologies Ltd (4966.TWO)	U (10/29/2026)	NT$450.50
Powerchip Semiconductor Manufacturing Co (6770.TW)	O (10/27/2025)	NT$60.20
Realtek Semiconductor (2379.TW)	E (01/30/2026)	NT$756.00
Shenzhen Goodix Technology Co Ltd (603160.SS)	U (07/14/2025)	Rmb58.81
Silicon Motion (SIMO.O)	O (05/06/2024)	US$187.90
Winbond Electronics Corp (2344.TW)	O (05/28/2026)	NT$146.00
WPG Holdings (3702.TW)	O (03/16/2026)	NT$101.00
WT Microelectronics Co. Ltd. (3036.TW)	O (01/27/2026)	NT$201.50
Henry Zhao		
ACM Research Inc (ACMR.O)	O (03/07/2023)	US$44.15
Advanced Micro-Fabrication Equipment Inc (688012.SS)	O (11/06/2023)	Rmb205.80
Maxscend Microelectronics Co Ltd (300782.SZ)	U (01/11/2021)	Rmb49.90
NAURA Technology Group Co Ltd (002371.SZ)	O (11/06/2023)	Rmb486.82
OmniVision Integrated Circuits Group Inc (603501.SS)	E (10/29/2026)	Rmb84.06
Lucas Wang		
AllRing Tech Co. (6187.TWO)	O (09/23/2025)	NT$1,080.00
FOCI Fiber Optic Communications Inc (3363.TWO)	E (10/09/2026)	NT$415.50
Hon Precision (7769.TW)	O (04/17/2026)	NT$4,470.00
King Yuan Electronics Co Ltd (2449.TW)	O (03/03/2023)	NT$253.50
MPI Corporation (6223.TWO)	O (04/17/2026)	NT$4,190.00

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* Historical prices are not split adjusted.

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