

April 30, 2026 03:04 PM GMT

SICC Co Ltd | Asia Pacific

Risk Reward Update

WHAT'S CHANGED

	From	To
SICC Co Ltd (688234.SS)		
Price Target	Rmb100.20	Rmb112.10
Bull Case	Rmb122.60	Rmb137.10
Base Case	Rmb100.20	Rmb112.10
Bear Case	Rmb55.30	Rmb61.90

Updated Components

EPS	
Investment Thesis	
Bull Base Bear Scenarios	

Risk Reward for SICC Co Ltd (688234.SS) has been updated

Reason for change

- We update our model to reflect actual 1Q26 result.
- We cut our 2026 EPS estimate by 3% mainly because of the FX loss in 1Q26, but we raise our 2027/28 EPS estimates by 2% because of stabilizing SiC substrate pricing.
- We raise our price target by 12%, to Rmb112.1, applying 7.5x to 2026 BVPS of Rmb14.9. 7.5x is 1.5 standard deviations above the past-5-year historical trading average of 5.2x. We think with SiC pricing decline moderating, and with gross margin improving, SiCC could trade to a higher multiple.

MORGAN STANLEY ASIA LIMITED+

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SICC Co Ltd (688234.SS, 688234 CH)

Greater China Technology Semiconductors | China

Stock Rating	Overweight
Industry View	Attractive
Price target	Rmb112.10
Shr price, close (Apr 30, 2026)	Rmb101.00
52-Week Range	Rmb116.36-53.18

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS (Rmb)**	(0.4)	0.1	0.4	0.5
Prior EPS (Rmb)**	-	0.1	0.4	0.5

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework

** = Based on consensus methodology
e = Morgan Stanley Research estimates

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Risk Reward – SICC Co Ltd (688234.SS)

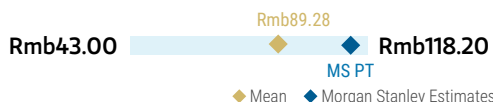
Global leading SiC substrate vendor, further gaining market share

PRICE TARGET Rmb112.10

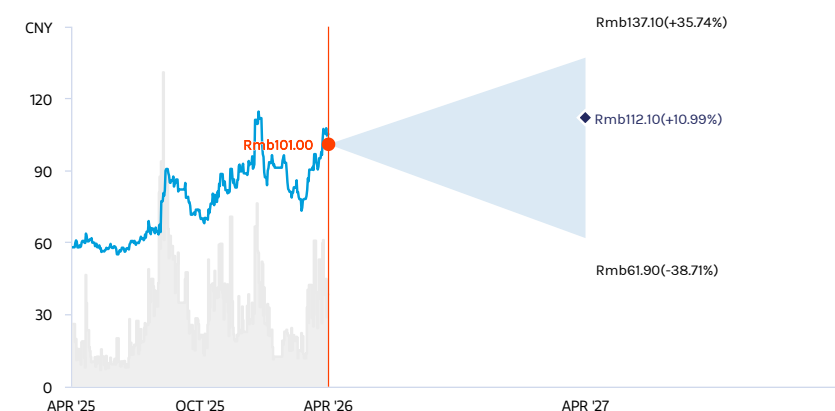
We apply 7.5x 2026e P/B, 1.5 standard deviations above its average since listing in January 2022, reflecting continued market share gains and technology leadership. This method is in-line with the approach we adopt for Greater China IDM peers, in view of the industry's high volatility.

Consensus Price Target Distribution

Source: Refinitiv, Morgan Stanley Research



RISK REWARD CHART



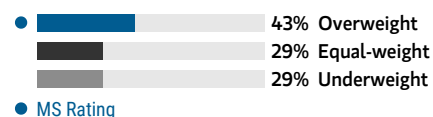
Key: — Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research

OVERWEIGHT THESIS

- We expect SICC to gain share over its global and local competitors due to its technology leadership, especially in 8-inch.
- 6-inch substrate pricing could stabilize while 8-inch SiC substrate pricing keeps declining, but we think SICC's technology breakthrough could lead to lower cost, and thus offset the ASP decline and keep margins stable.
- We expect SiC penetration in EV to continue to rise despite weak overall EV sell-through in China YTD.
- We view valuation as attractive at 6.7x 2026e P/B, slightly above the average of the past three years.

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Electric Vehicles: *Positive*
Pricing Power: *Negative*
Secular Growth: *Positive*

View descriptions of Risk Rewards Themes [here](#)

BULL CASE

Rmb137.10

9.2x 2026e BVPS

Leading AR glass companies start to adopt SiC waveguide AR glass in 2027, and UHV SiC devices start to be used in 800V data centers in 2027; lower-than-expected SiC substrate pricing erosion boosts its GM: 1) Revenue growth at a >40% CAGR in 2025-28; 2) GM improves to >30% in 2027 from ~13% in 2025; 3) SICC gains more market share over its Chinese and global peers; and 4) 8-inch fab capacity ramps even faster.

BASE CASE

Rmb112.10

7.5x 2026e BVPS

More customer adoption as new 8-inch capacity opens faster than expected: 1) Revenue growth at a 27% CAGR in 2025-28; 2) GM around 21% in 2026-28; 3) SICC steadily gains market share over its Chinese and global peers; and 4) 8-inch capacity ramps up faster than expected.

BEAR CASE

Rmb61.90

4.1x 2026e BVPS

Heavier-than-expected SiC substrate pricing erosion hampers GM: 1) Revenue growth shows a 10% CAGR in 2025-28; 2) GM declines to 10% in 2026 from ~13% in 2025; 3) SICC loses market share to Chinese tier-2 substrate peers, with global market share declining; and 4) 8-inch capacity ramp is further delayed.

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](#)
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(as of March 31, 2026)

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	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
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Equal-weight/Hold	1573	43%	372	40%	24%	716	44%
Not-Rated/Hold	4	0%	1	0%	25%	1	0%
Underweight/Sell	568	15%	89	10%	16%	209	13%
Total	3,679		923			1624	

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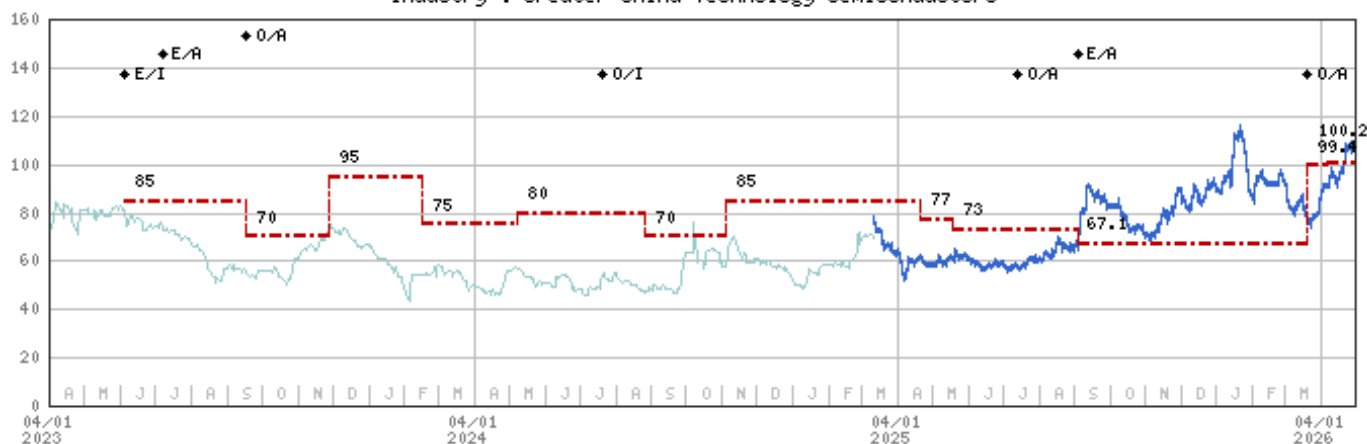
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Stock Price, Price Target and Rating History (See Rating Definitions)

SICC Co Ltd (688234.SS) - As of 04/30/26 GMT in CNY
Industry : Greater China Technology Semiconductors



Stock Rating History: 6/5/23 : E/I; 7/7/23 : E/A; 9/18/23 : O/A; 7/21/24 : O/I; 7/14/25 : O/A; 9/3/25 : E/A; 3/20/26 : O/A

Price Target History: 6/5/23 : 85; 9/18/23 : 70; 11/28/23 : 95; 2/16/24 : 75; 5/8/24 : 80; 8/26/24 : 70; 11/4/24 : 85; 4/21/25 : 77; 5/19/25 : 73; 9/3/25 : 67.1; 3/20/26 : 99.4; 4/6/26 : 100.2

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)
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INDUSTRY COVERAGE: Greater China Technology Semiconductors

COMPANY (TICKER)	RATING (AS OF)	PRICE* (04/30/2026)
Charlie Chan		
ACM Research Inc (ACMR.O)	O (03/07/2023)	US\$48.65
Advanced Micro-Fabrication Equipment Inc (688012.SS)	O (11/06/2023)	Rmb376.30
Advanced Wireless Semiconductor Co (8086.TWO)	U (07/14/2025)	NT\$144.00
Alchip Technologies Ltd (3661.TW)	O (05/14/2021)	NT\$4,135.00
ASE Technology Holding Co. Ltd. (3711.TW)	O (09/15/2024)	NT\$478.00
Cambricon Technology Corporation (688256.SS)	O (04/27/2026)	Rmb1,699.96
Global Unichip Corp (3443.TW)	O (07/27/2024)	NT\$4,260.00
GlobalWafers Co Ltd (6488.TWO)	O (09/19/2025)	NT\$580.00
Gudeng Precision (3680.TWO)	O (11/25/2025)	NT\$537.00
Hua Hong Semiconductor Ltd (1347.HK)	E (03/12/2026)	HK\$114.10
Iluvatar CoreX Semiconductor Co., Ltd. (9903.HK)	O (04/27/2026)	HK\$465.80
King Yuan Electronics Co Ltd (2449.TW)	O (03/03/2023)	NT\$302.50
Maxscend Microelectronics Co Ltd (300782.SZ)	U (01/11/2021)	Rmb99.62
MediaTek (2454.TW)	O (11/28/2025)	NT\$2,610.00
MetaX Integrated Circuits (688802.SS)	E (04/27/2026)	Rmb758.03
Nanya Technology Corp. (2408.TW)	E (03/20/2026)	NT\$215.50
NAURA Technology Group Co Ltd (002371.SZ)	O (11/06/2023)	Rmb536.99
OmniVision Integrated Circuits Group Inc (603501.SS)	E (11/17/2025)	Rmb98.30
Phison Electronics Corp (8299.TWO)	E (02/25/2026)	NT\$1,900.00
SG Micro Corp. (300661.SZ)	E (11/03/2025)	Rmb91.94
Silergy Corp. (6415.TW)	E (04/21/2026)	NT\$427.00
SMIC (0981.HK)	O (10/21/2025)	HK\$70.90
TSMC (2330.TW)	O (02/07/2022)	NT\$2,135.00
UMC (2303.TW)	E (04/20/2026)	NT\$77.30
Vanguard International Semiconductor (5347.TWO)	E (01/14/2026)	NT\$145.50
WIN Semiconductors Corp (3105.TWO)	U (07/14/2025)	NT\$536.00
Daisy Dai, CFA		
ASMP Ltd (0522.HK)	O (07/24/2025)	HK\$163.10

China Resources Microelectronics Limited (688396.SS)	U (03/02/2026)	Rmb56.65
Elan Microelectronics Corp (2458.TW)	O (10/03/2025)	NT\$136.50
Empyrean Technology Co Ltd (301269.SZ)	E (01/17/2025)	Rmb88.82
Hangzhou Silan Microelectronics Co. Ltd. (600460.SS)	U (08/25/2025)	Rmb28.90
Innoscence (2577.HK)	E (10/13/2025)	HK\$64.15
JCET Group Co Ltd (600584.SS)	E (01/16/2026)	Rmb45.56
Shanghai Fudan Microelectronics (1385.HK)	O (03/07/2025)	HK\$38.86
SICC Co Ltd (688234.SS)	O (03/20/2026)	Rmb101.00
StarPower Semiconductor Ltd (603290.SS)	O (03/01/2022)	Rmb103.92
Unigroup Guoxin Microelectronics Co Ltd (002049.SZ)	U (01/10/2023)	Rmb77.32
Universal Scientific Ind. (Shanghai) (601231.SS)	O (11/05/2025)	Rmb37.80
Yangjie Technology (300373.SZ)	O (06/10/2022)	Rmb75.88
Daniel Yen, CFA		
AP Memory Technology Corp (6531.TW)	O (07/11/2025)	NT\$840.00
ASMedia Technology Inc (5269.TW)	U (10/03/2025)	NT\$1,365.00
Aspeed Technology (5274.TWO)	O (06/09/2025)	NT\$16,475.00
Egis Technology Inc (6462.TWO)	E (01/28/2026)	NT\$122.00
Espressif Systems (688018.SS)	O (05/15/2023)	Rmb172.12
GigaDevice Semiconductor Beijing Inc (603986.SS)	O (05/15/2025)	Rmb312.99
Macronix International Co Ltd (2337.TW)	O (09/18/2025)	NT\$154.00
Montage Technology Co Ltd (6809.HK)	O (03/18/2026)	HK\$261.80
Montage Technology Co Ltd (688008.SS)	O (03/18/2026)	Rmb173.30
Novatek (3034.TW)	U (02/04/2026)	NT\$409.00
Nuvoton Technology Corporation (4919.TW)	U (11/10/2025)	NT\$147.50
Parade Technologies Ltd (4966.TWO)	E (01/30/2026)	NT\$575.00
Powerchip Semiconductor Manufacturing Co (6770.TW)	O (10/27/2025)	NT\$51.90
Realtek Semiconductor (2379.TW)	E (01/30/2026)	NT\$537.00
Shenzhen Goodix Technology Co Ltd (603160.SS)	U (07/14/2025)	Rmb64.89
Winbond Electronics Corp (2344.TW)	E (03/20/2026)	NT\$89.80
WPG Holdings (3702.TW)	O (03/16/2026)	NT\$101.00
WT Microelectronics Co. Ltd. (3036.TW)	O (01/27/2026)	NT\$204.00
Duan Liu		
Dosilicon Co Ltd (688110.SS)	U (09/06/2024)	Rmb143.77
Shenzhen Longsys Electronics Co Ltd (301308.SZ)	E (02/25/2026)	Rmb401.12
Tiffany Yeh		
AllRing Tech Co. (6187.TWO)	O (09/23/2025)	NT\$1,210.00
FOCI Fiber Optic Communications Inc (3363.TWO)	O (01/15/2025)	NT\$769.00
Himax Technologies Inc (HIMX.O)	E (02/04/2026)	US\$11.45
Hon Precision (7769.TW)	O (04/17/2026)	NT\$4,945.00
MPI Corporation (6223.TWO)	O (04/17/2026)	NT\$4,925.00
Silicon Motion (SIMO.O)	O (05/06/2024)	US\$217.50
Winway Technology Co Ltd (6515.TW)	O (04/17/2026)	NT\$10,385.00

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* Historical prices are not split adjusted.