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UPDATE

July 9, 2026 09:48 PM GMT

GigaDevice Semiconductor Beijing Inc | Asia Pacific

Preliminary 2Q Results Beat

Strong 2Q26 preliminary results:

- 2Q26 revenue was Rmb7,312mn, +75% Q/Q, +226% Y/Y, 21% above MSe.
- 2Q26 net profit was Rmb5,439mn, +272% Q/Q, +1496% Y/Y, 137% above MSe, implying a 74% margin; 2Q26 net profit excluding non-recurring profit/losses was Rmb3,440mn, implying a 47% margin.
- We now estimate 2Q26 GM could be around 65-70%.
- The company has continued to warn about potential profitability risks in the future due to potential changes in the memory supply/demand landscape ahead.

Keep OW: We remain optimistic that GigaDevice will benefit from:

- Continued price hikes for DDR4/3, NOR Flash, and SLC NAND;
- Long-term potential in customized DRAM; and
- MCU share gain in China.

Daniel Yen, CFA
Equity Analyst
Daniel.Yen@morganstanley.com +886 2 2730-2863

Charlie Chan
Equity Analyst
Charlie.Chan@morganstanley.com +886 2 2730-1725

Daisy Dai, CFA
Equity Analyst
Daisy.Dai@morganstanley.com +852 2848-7310

Ethan Jia
Research Associate
Ethan.Jia@morganstanley.com +852 3963-2287



GigaDevice Semiconductor Beijing Inc (603986.SS, 603986 CG)

Greater China Technology Semiconductors | China

Stock Rating	**Overweight**
Industry View	**Attractive**
Price target	Rmb888.00
Up/downside to price target (%)	34
Shr price, close (Jul 9, 2026)	Rmb663.49
52-Week Range	Rmb846.66-113.82
Sh out, dil, curr (mn)	667
Mkt cap, curr (mn)	Rmb442,858
Avg daily trading value (mn)	Rmb10,655

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS (Rmb)**	2.48	16.68	30.27	35.21
EPS (Rmb)§	2.47	10.98	14.28	11.27
Revenue, net (Rmb mn)	9,203	28,399	46,298	57,916
EBITDA (Rmb mn)	2,027	13,300	23,646	27,463
ModelWare net inc (Rmb mn)	1,648	11,693	21,221	24,688
P/E	86.5	39.8	21.9	18.8
P/BV	7.4	15.3	9.7	7.0
ROE (%)	9.9	60.8	69.8	51.3
EV/EBITDA	63.9	31.6	17.2	14.2
Div yld (%)	0.3	0.8	1.4	1.6

framework
** = Based on consensus methodology
§ = Consensus data is provided by Refinitiv Estimates

investors should be aware that the firm may have a conflict of

Research as only a single factor i
decision.

**For analyst certification and oth
refer to the Disclosure Section, l
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Valuation Methodology and Risks

GigaDevice Semiconductor Beijing Inc (603986.SS)

Our price target is our base case value, derived from our residual income model. Key assumptions: cost of equity of 8.9% (beta 1.1, risk-free rate 2% and risk premium 6%), a payout ratio of 40%, medium-term growth rate of 16.4%, and a terminal growth rate of 3.0%.

Risks to Upside

- NOR up-cycle driven by stronger demand
- Superior chip design, leading to increasing exposure to low-density NOR
- Faster-than-expected DRAM development

Risks to Downside

- NOR down-cycle driven by weaker demand
- Inferior chip design, leading to increasing exposure to mid-/high-density NOR
- Slower-than-expected DRAM development