Morgan Stanley | RESEARCH

UPDATE

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Nanya Technology Corp. | Asia Pacific

Unleashing Strong Pricing Power; OW

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Key Takeaways

- We attribute July's sales beat to price hikes rather than unit growth, highlighting stronger realized pricing in the period.
- Even with flat M/M momentum in August and September, 3Q revenue is likely to grow ~60% Q/Q, above our prior 25–30% Q/Q view.
- Our supply chain checks indicate that Nanya Tech has the strongest bargaining power in DDR4...
- ...supported by possession of the largest DDR4 capacity, especially into 2H26–2027.
- Stay OW. 2027e P/E is 3.9x vs. our implied target multiple of 5.2x and global peers at 3.8x.

Details: Nanya Tech reported July sales of NT$43,868mn, +49% M/M and +720% Y/Y, beating our original +10-15% M/M estimate. We attribute the strength to price hikes. The company indicated that July shipments actually fell M/M given very lean inventories.

Nanya Technology Corp. (2408.TW, 2408 TT)

Greater China Technology Semiconductors | Taiwan

Stock Rating	**Overweight**
Industry View	**Attractive**
Price target	NT$580.00
Up/downside to price target (%)	33
Shr price, close (Aug 4, 2026)	NT$436.00
52-Week Range	NT$505.00-42.10
Sh out, dil, curr (mn)	3,082
Mkt cap, curr (mn)	NT$1,343,794
EV, curr (mn)	NT$1,299,343
Avg daily trading value (mn)	NT$25,640

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS (NT$)**	2.36	62.13	112.32	74.33
Prior EPS (NT$)**	-	-	-	-
EPS (NT$)§	1.95	60.81	95.20	89.11
Revenue, net (NT$ mn)	66,587	348,048	638,966	518,763

EBITDA (NT$ mn)	20,285	267,364	496,607	335,402
ModelWare net inc (NT $ mn)	7,373	209,579	384,461	254,439
P/BV	3.5	3.5	1.8	1.3
RNOA (%)	4.3	168.1	68.8	34.8
ROE (%)	4.5	123.0	102.1	33.4
EV/EBITDA	26.9	5.8	2.7	2.7
Div yld (%)	0.0	0.0	0.0	0.0
FCF yld ratio (%)**	2.4	(16.4)	14.3	28.6
Leverage (EOP) (%)	(26.2)	51.6	(2.6)	(44.0)

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

Valuation Methodology and Risks

Nanya Technology Corp. (2408.TW)

Base case, P/B. We expect the stock to trade at 4.77x for 2026 and 2.36x for 2027, and 1.77x 2028 BVPS, above its average since 2015. We think NTC will benefit from a supply-driven up-cycle as major memory players are exiting the DDR4 market. That should help NTC more than offset the competitive impact from CXMT in the near term.

Risks to Upside

- Sustained DRAM prices from more disciplined supply and stronger demand
- Stronger pricing environment, enabling revenue guidance to be beaten
- Faster-than-expected 1a/1b nm ramp-up progress

Risks to Downside

- Slower-than-expected 1a/1b nm ramp-up
- Less demand for specialty DRAM from 4K2K TVs and smart set-top boxes

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Global Stock Ratings Distribution

(as of July 31, 2026)

The Stock Ratings described below apply to Morgan Stanley's Fundamental Equity Research and do not apply to Debt Research produced by the Firm.

For disclosure purposes only (in accordance with FINRA requirements), we include the category headings of Buy, Hold, and Sell alongside our ratings of Overweight, Equal-weight, Not-Rated and Underweight. Morgan Stanley does not assign ratings of Buy, Hold or Sell to the stocks we cover. Overweight, Equal-weight, Not-Rated and Underweight are not the equivalent of buy, hold, and sell but represent recommended relative weightings (see definitions below). To satisfy regulatory requirements, we correspond Overweight, our most positive stock rating, with a buy recommendation; we correspond Equal-weight and Not-Rated to hold and Underweight to sell recommendations, respectively.

	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	1529	42%	442	47%	29%	750	43%
Equal-weight/Hold	1582	43%	396	42%	25%	773	44%
Not-Rated/Hold	3	0%	1	0%	33%	1	0%
Underweight/Sell	560	15%	97	10%	17%	217	12%
Total	3,674		936			1741	

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.

Analyst Stock Ratings

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.

Not-Rated (NR). Currently the analyst does not have adequate conviction about the stock's total return relative to 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.

Underweight (U). The stock's total return is expected to be below 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.

Unless otherwise specified, the time frame for price targets included in Morgan Stanley Research is 12 to 18 months.

Analyst Industry Views

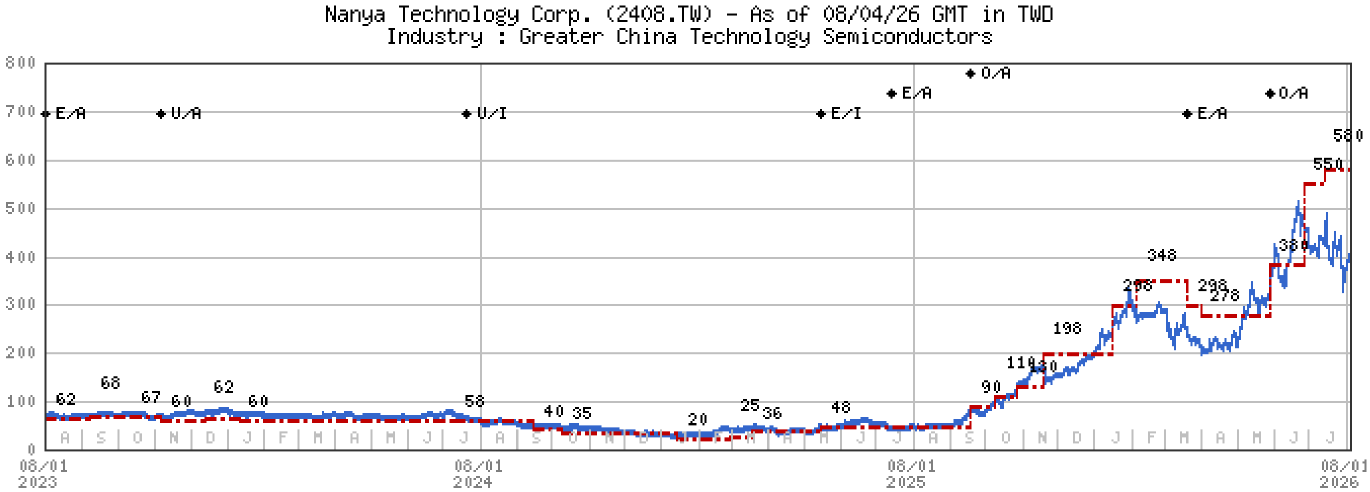
Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.

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.

Benchmarks for each region are as follows: North America - S&P 500; Latin America - relevant MSCI country index or MSCI Latin America Index; Europe - MSCI Europe; Japan - TOPIX; Asia - relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.

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



Stock Rating History: 8/1/21 : O/I; 8/12/21 : E/I; 10/12/21 : E/C; 12/3/21 : U/C; 10/4/22 : E/A; 2/22/23 : E/I; 7/7/23 : E/A; 11/6/23 : U/A; 7/21/24 : U/I; 5/15/25 : E/I; 7/14/25 : E/A; 9/18/25 : O/A; 3/20/26 : E/A; 5/28/26 : O/A

Price Target History: 5/18/21 : 95; 8/12/21 : 75; 10/5/21 : 68; 3/24/22 : 65; 7/1/22 : 48; 1/11/23 : 46; 3/24/23 : 52; 4/11/23 : 60; 5/2/23 : 58; 7/11/23 : 62; 9/8/23 : 68; 10/12/23 : 67; 11/6/23 : 60; 12/13/23 : 62; 1/11/24 : 60; 7/10/24 : 58; 9/15/24 : 40; 10/9/24 : 35; 1/14/25 : 20; 2/27/25 : 25; 3/19/25 : 36; 5/15/25 : 48; 9/18/25 : 90; 10/9/25 : 110; 10/27/25 : 130; 11/18/25 : 198; 1/16/26 : 298; 2/5/26 : 348; 3/20/26 : 298; 3/31/26 : 278; 5/28/26 : 380; 6/26/26 : 550; 7/13/26 : 580

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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Effective January 13, 2014, the industry view benchmarks for Morgan Stanley Asia Pacific are as follows: relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.

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INDUSTRY COVERAGE: Greater China Technology Semiconductors

COMPANY (TICKER)	RATING (AS OF)	PRICE* (08/04/2026)
Charlie Chan		
ACM Research Inc (ACMR.O)	O (03/07/2023)	US$78.64
Advanced Micro-Fabrication Equipment Inc (688012.SS)	O (11/06/2023)	Rmb317.74
Advanced Wireless Semiconductor Co (8086.TWO)	U (07/14/2025)	NT$122.50
Alchip Technologies Ltd (3661.TW)	O (05/14/2021)	NT$3,390.00
ASE Technology Holding Co. Ltd. (3711.TW)	O (09/15/2024)	NT$585.00
Cambricon Technology Corporation (688256.SS)	O (04/27/2026)	Rmb1,078.21
Global Unichip Corp (3443.TW)	O (06/24/2026)	NT$4,145.00
GlobalWafers Co Ltd (6488.TWO)	E (05/19/2026)	NT$952.00
Gudeng Precision (3680.TWO)	O (11/25/2025)	NT$430.00
Hua Hong Semiconductor Ltd (1347.HK)	E (03/12/2026)	HK$135.10
Iluvatar CoreX Semiconductor Co., Ltd. (9903.HK)	O (04/27/2026)	HK$479.20
King Yuan Electronics Co Ltd (2449.TW)	O (03/03/2023)	NT$245.50
Maxscend Microelectronics Co Ltd (300782.SZ)	U (01/11/2021)	Rmb72.34
MediaTek (2454.TW)	O (11/28/2025)	NT$3,865.00
MetaX Integrated Circuits (688802.SS)	E (04/27/2026)	Rmb696.04
Nanya Technology Corp. (2408.TW)	O (05/28/2026)	NT$436.00
NAURA Technology Group Co Ltd (002371.SZ)	O (11/06/2023)	Rmb687.00
OmniVision Integrated Circuits Group Inc (603501.SS)	E (11/17/2025)	Rmb87.95
Phison Electronics Corp (8299.TWO)	E (02/25/2026)	NT$1,820.00
SG Micro Corp. (300661.SZ)	E (11/03/2025)	Rmb101.56
Silergy Corp. (6415.TW)	U (05/19/2026)	NT$424.00
SMIC (0981.HK)	O (10/21/2025)	HK$65.30
TSMC (2330.TW)	O (02/07/2022)	NT$2,320.00
UMC (2303.TW)	O (05/19/2026)	NT$118.50
Vanguard International Semiconductor (5347.TWO)	E (01/14/2026)	NT$154.50
WIN Semiconductors Corp (3105.TWO)	U (07/14/2025)	NT$342.00

Daisy Dai, CFA		
ASMPT Ltd (0522.HK)	O (07/24/2025)	HK$158.00
China Resources Microelectronics Limited (688396.SS)	U (03/02/2026)	Rmb54.15
Empyrean Technology Co Ltd (301269.SZ)	E (01/17/2025)	Rmb89.81
Hangzhou Silan Microelectronics Co. Ltd. (600460.SS)	U (08/25/2025)	Rmb29.12
Hygon Information Technology Co., Ltd. (688041.SS)	O (07/03/2026)	Rmb275.35
Innoscience (2577.HK)	E (10/13/2025)	HK$42.68
JCET Group Co Ltd (600584.SS)	E (01/16/2026)	Rmb65.41
Shanghai Fudan Microelectronics (1385.HK)	O (03/07/2025)	HK$25.80
SICC Co Ltd (688234.SS)	O (03/20/2026)	Rmb86.45
StarPower Semiconductor Ltd (603290.SS)	E (05/14/2026)	Rmb82.80
Unigroup Guoxin Microelectronics Co Ltd (002049.SZ)	U (01/10/2023)	Rmb65.55
Universal Scientific Ind. (Shanghai) (601231.SS)	O (11/05/2025)	Rmb23.60
Yangjie Technology (300373.SZ)	O (06/10/2022)	Rmb86.80
Daniel Yen, CFA		
AP Memory Technology Corp (6531.TW)	O (07/11/2025)	NT$806.00
ASMedia Technology Inc (5269.TW)	U (10/03/2025)	NT$1,360.00
Aspeed Technology (5274.TWO)	O (06/09/2025)	NT$15,500.00
Egis Technology Inc (6462.TWO)	E (01/28/2026)	NT$96.50
Elan Microelectronics Corp (2458.TW)	O (10/03/2025)	NT$157.50
Espressif Systems (688018.SS)	O (05/15/2023)	Rmb105.38
GigaDevice Semiconductor Beijing Inc (603986.SS)	O (05/15/2025)	Rmb356.02
Macronix International Co Ltd (2337.TW)	O (09/18/2025)	NT$120.00
Montage Technology Co Ltd (6809.HK)	O (03/18/2026)	HK$262.60
Montage Technology Co Ltd (688008.SS)	O (03/18/2026)	Rmb203.25
Novatek (3034.TW)	U (02/04/2026)	NT$524.00
Nuvoton Technology Corporation (4919.TW)	U (11/10/2025)	NT$129.50
Parade Technologies Ltd (4966.TWO)	O (05/27/2026)	NT$584.00
Powerchip Semiconductor Manufacturing Co (6770.TW)	O (10/27/2025)	NT$60.10
Realtek Semiconductor (2379.TW)	E (01/30/2026)	NT$723.00
Shenzhen Goodix Technology Co Ltd (603160.SS)	U (07/14/2025)	Rmb52.69
Winbond Electronics Corp (2344.TW)	O (05/28/2026)	NT$157.00
WPG Holdings (3702.TW)	O (03/16/2026)	NT$117.50
WT Microelectronics Co. Ltd. (3036.TW)	O (01/27/2026)	NT$212.50
Duan Liu		
Dosilicon Co Ltd (688110.SS)	U (09/06/2024)	Rmb101.78
Shenzhen Longsys Electronics Co Ltd (301308.SZ)	E (02/25/2026)	Rmb336.05
Tiffany Yeh		
AllRing Tech Co. (6187.TWO)	O (09/23/2025)	NT$1,090.00
FOCI Fiber Optic Communications Inc (3363.TWO)	O (01/15/2025)	NT$563.00
Himax Technologies Inc (HIMX.O)	E (02/04/2026)	US$12.78
Hon Precision (7769.TW)	O (04/17/2026)	NT$6,190.00
MPI Corporation (6223.TWO)	O (04/17/2026)	NT$5,900.00
Silicon Motion (SIMO.O)	O (05/06/2024)	US$251.52
WinWay Technology Co Ltd (6515.TW)	O (04/17/2026)	NT$6,575.00

Stock Ratings are subject to change. Please see latest research for each company.

* Historical prices are not split adjusted.