Morgan Stanley | RESEARCH

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Semiconductors | North America

Weekly: NVDA Earnings Preview: Strong growth even before Rubin product cycle impact

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SEMICONDUCTORS

North America

Industry View **Attractive**

Expecting strong results, but with Rubin still a quarter or so away from driving more material upside, this report is more about increasing investor confidence in the intangibles: financing, market share, margins. We remain on the positive side of those debates, and see compelling upside at 17x PE.

Key Takeaways

- Expect recent trends to persist, with~$10bn or so incremental quarterly revenue in July/October. Jan Q the bigger acceleration as Rubin ramps in greater size
- Continue to have high conviction in the most important variables, (1) Rubin product leadership, and (2) compute demand continuing to outstrip supply in 2027
- At 17x FY28 EPS (below peers and the broader market) with multiple levers for upside, we continue to see a highly attractive risk reward, stay OW and Top Pick

Strong demand for Blackwell should mean another quarter of beat and raise results, but that's less likely to be a catalyst given the longer term nature of the key debates. Nvidia stock has seen a negative next day reaction for the last 4 consecutive quarters, despite what has been a series of very strong numbers. We aren't necessarily optimistic that trend reverses, as the potential drivers of more significant multiple expansion are centered on longer term issues, including: (1) market share vs competitors, (2) circular financing concerns, (3) gross margin trajectory beyond 2026, (4) the magnitude of Rubin contribution in the second half. We think Nvidia management will be upbeat on each of those focus areas, but without material updates, we wouldn't expect the stock to move higher assuming the typical beat and raise pattern.

But eventually the focus will shift to 2027, where we see several upside levers vs consensus that's still modeling in-line with commentary given 5 months ago. At GTC, Nvidia's CEO said they have line of sight to $1T of Blackwell plus Rubin demand from CY25-CY27; we won't reparse all that commentary here, but our understanding is that figure includes networking but does not include things like Groq, stand alone CPUs, RTX, or software. Total consensus datacenter revenue from CY25-CY27 is $1.054T (we model $1.09T), given CY25 included $30bn or so Hopper and associated networking that looks like a low bar to us. Meanwhile demand indications have upticked significantly given the acceleration in inference demand primarily from frontier labs, but demand from other sectors (enterprise, sovereign) are higher as well. Add in potential contribution from new products, revenue sharing annuity streams, and 2027 could be a much bigger year than we think is appreciated. Supply will continue to be the limiting factor, especially for Rubin, but we think Blackwell demand can sustain at a high level well into next year.

Rubin remains on track, meanwhile Blackwell is stronger. Nvidia has said that Rubin will start to ship in Q3, where we model $9bn (150k units at $60k ASP). That trajectory remains intact, notwithstanding typical week to week issues with a new product that we have written about. Nvidia's primary test partner KYEC cut their FY guidance (see: AI revenue pushed out to 4Q26 and 2027) when they reported Q2 results a few weeks ago; that's more a function of test times than units with MS analyst Charlie Chan leaving FY tested Rubin units unchanged in his updated forecast (but with a higher weighting in Q4). We don't think that will be an issue for Nvidia from a revenue perspective, as even with the cut to Q3 our 150k is much lower than the revised estimates (500k). As far as Blackwell, we reported an uptick in 4nm wafer starts, from our Asia trip in June (see: Takeaways from our meetings in Taiwan), making our current estimate for mostly Blackwell revs into October potentially conservative as well.

Not expecting anything new on margins, financing, or market share but we remain constructive on all 3. These are all important debates for the stock, but we don't know that we will hear anything new from management on the call that will change investors' minds positively or negatively. We expect a reiteration of commentary for FY27 margin in the "mid 70s", as well as supply chain management helping NVDA avoid cost pressures to the extent possible by locking in supply early. That said, we are surprised to see consensus modeling a margin recovery in the back half of FY28 given the breadth of cost inflation (DRAM, front end wafers, packaging, substrates) that does not look like it will subside anytime soon. While we don't rule out a reset lower being an issue for the stock, we think it could become a clearing event given how much of a focus area this is for investors.

As far as financing and market share, we expect to hear a great deal of management enthusiasm on both fronts. Nvidia CEO Jensen Huang published a blog post (here) in conjunction with the $500bn partnership announcement outlining why the move makes sense. It's likely what we hear on the call will mirror that. On share, we expect the company to point to Rubin as unlocking a large improvement in AI factory economics over what is already the leadership platform in Blackwell. We continue to hear large enthusiasm for Rubin from our checks but given the ramp is still in early stages, it will be some time before the market can assess how that's likely to shift share vs ASIC and AMD.

For our thoughts on Nvida's recent financing announcements see:

NVIDIA, neoclouds, and rev sharing: the next big debate (14 Aug 2026)

NVDA $500bn investment mobilization is a positive; brings focus to rev sharing (11 Aug 2026)

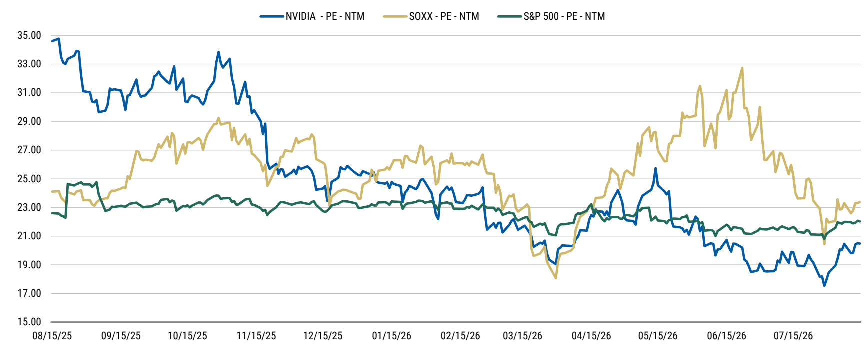
So how would we put this together around the quarter? We model $91.1bn in revenue for July and $102.3bn in revenue for October. We think investor expectations are moderately higher based on some of those supply inputs noted above, and we see the rationale for upside. But our assumption is that more of that comes in January; either way, these figures represent numbers that are still undershipping end demand, and momentum should continue into next year, which is an important factor when thinking about a continued bid to the stock.

Exhibit 1: MS vs Consensus

NVDA: MS vs. Consensus								
Figures in $ MMs	F2Q27E		F3Q27E		2027E		2028E	
	MS	Cons.	MS	Cons.	MS	Cons.	MS	Cons.
Revenue	91,195	91,932	102,346	103,691	393,005	393,705	598,809	562,746
Q/Q Change	*11.7%*	*12.6%*	*12.2%*	*12.8%*				
Gross margin	75.0%	75.0%	74.5%	74.5%	74.4%	74.8%	72.5%	74.7%
EPS	$2.07	$2.08	$2.34	$2.36	$8.98	$9.00	$13.15	$12.73

Source: Factset, Morgan Stanley

Exhibit 2: Over the last year Nvidia has moved from trading at a significant premium to overall semis to a significant discount



Source: Factset, Morgan Stanley

AlphaSignals Earnings Preview

Focus KPI	Focus KPI Surprise	Likely impact to consensus EPS*
NVIDIA Corp. NVDA.O		
Oct Q revenue guidance	⬆ Very likely upside surprise	⬆ Modest revision higher

*Likely impact to consensus EPS is for the next 12 months
Source: Company data, Morgan Stanley Research

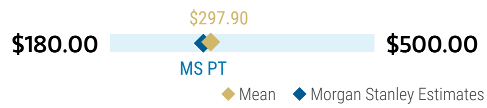
Risk Reward – NVIDIA Corp. (NVDA.O) Top Pick

OW as large language model enthusiasm is transforming cloud capex

PRICE TARGET $288.00

~22 our MW CY27 EPS estimate of $13.08, in-line with the broader market and a discount to compute semis peers (AMD/AVGO/INTC) as high marketshare and gross margins leave limited levers for multiple expansion in the near term.

Consensus Price Target Distribution

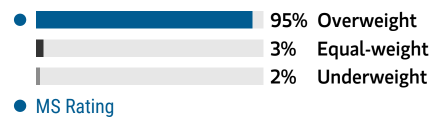


Source: Refinitiv, Morgan Stanley Research

OVERWEIGHT THESIS

- Blackwell remains the premiere solution for gen-AI workloads, where compute demand continues to outstrip supply
- We see continued upward pressure to estimates as demand strength continues, with Rubin expected to maintain Nvidia's performance leadership position

Consensus Rating Distribution



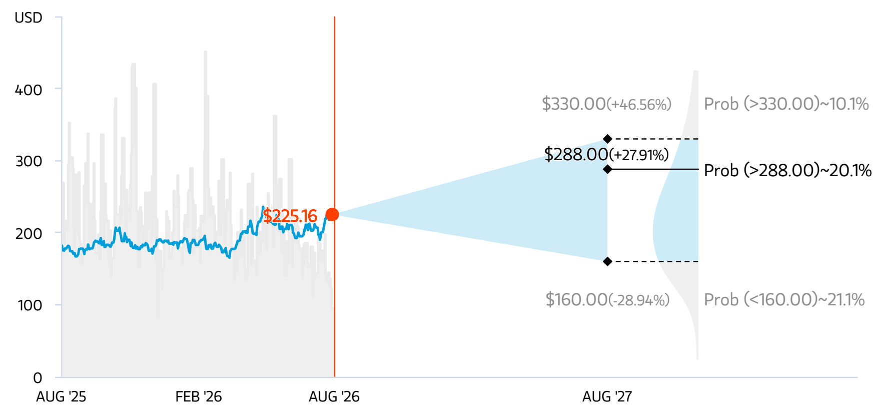
Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

New Data Era:	*Positive*
Pricing Power:	*Positive*
Secular Growth:	*Positive*

View descriptions of Risk Rewards Themes here

RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)



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

Source: Refinitiv, Morgan Stanley Research, Morgan Stanley Institutional Equities Division. The probabilities of our Bull, Base, and Bear case scenarios playing out were estimated with implied volatility data from the options market as of 14 Aug 2026. All figures are approximate risk-neutral probabilities of the stock reaching beyond the scenario price in either three-months' or one-years' time. View explanation of Options Probabilities methodology here

BULL CASE $330.00

~23x bull case MW CY27 EPS of $14

Bull case has DC revenues continuing to grow. Upside from networking, Vera Rubin based systems, networking, and software create potential for a full stack AI computing company worthy of an even greater valuation premium

- Higher margin data center and AI-focused software and services growth accelerates

- GPU based AI PC gains traction, widely increasing the client TAM

- Automotive opportunity takes off, allowing the company to earn recurring, per-car licensing revenue

BASE CASE $288.00

~22x our MW CY27 EPS of $13.08

~22x PE in-line with the broader market and a discount to compute semis peers (AMD/AVGO/INTC) as high marketshare and gross margins leave limited levers for multiple expansion in the near term..

- Revenue grows by 82.0% in 2026 and 52.4% in 2027

BEAR CASE $160.00

~16x bear case MW CY27 EPS of $10

Two key debates both go the wrong direction, causing investors to question future prospects for growth

- Growth in DC slows substantially as supply catches up to demand faster than anticipated

- AI development costs come down materially, a strong competitor enters the market to take market share, or customers begin insourcing custom hardware solutions

- Greater than expected impact from tariff headwinds and export controls

Risk Reward – NVIDIA Corp. (NVDA.O)

KEY EARNINGS INPUTS

Drivers	Dec 2026	Dec 2027e	Dec 2028e	Dec 2029e
GAAP Revenue ($, mm)	215,938	393,005	598,809	783,877
MW Gross Margin (%)	71.3	74.4	72.5	72.0
MW EPS ($)	4.61	8.96	13.08	17.63
Inventory ($, mm)	21,403	39,572	54,220	65,720
DOI	123.3	141.1	118.2	67.5

INVESTMENT DRIVERS

- Growth in AI capex from customers
- Next gen GPUs continue to outpace the competition
- Systems approach allows for higher monetization over time
- New drivers emerge for Nvidia such as AI PCs, autonomous vehicles, robotics, and software

GLOBAL REVENUE EXPOSURE

- 0-10% APAC, ex Japan, Mainland China and India
- 0-10% India
- 0-10% MEA
- 0-10% Mainland China
- 20-30% Europe ex UK
- 50-60% North America

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

MS ALPHA MODELS

4/5 BEST	24 Month Horizon	4/5 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

- Growth in inference and training propel data center revenue
- Gaming sales accelerate as GPU based AI PCs gain traction
- Nvidia can recapture lost revenue in China

RISKS TO DOWNSIDE

- AI end markets don't materialize as expected, customers sharply reduce GPU purchases
- AMD reemerges as a viable GPU competitor
- Cloud customers outside of Google are able to develop competitive custom hardware

OWNERSHIP POSITIONING

Inst. Owners, % Active	50.9%
HF Sector Long/Short Ratio	2.1x
HF Sector Net Exposure	33.6%

Refinitiv; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure – Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Dec 2027e

Sales / Revenue ($, mm)
393,005
Note: There are not sufficient brokers supplying consensus data for this metric

EBITDA ($, mm)
265,340
Note: There are not sufficient brokers supplying consensus data for this metric

Net income ($, mm)
217,756
Note: There are not sufficient brokers supplying consensus data for this metric

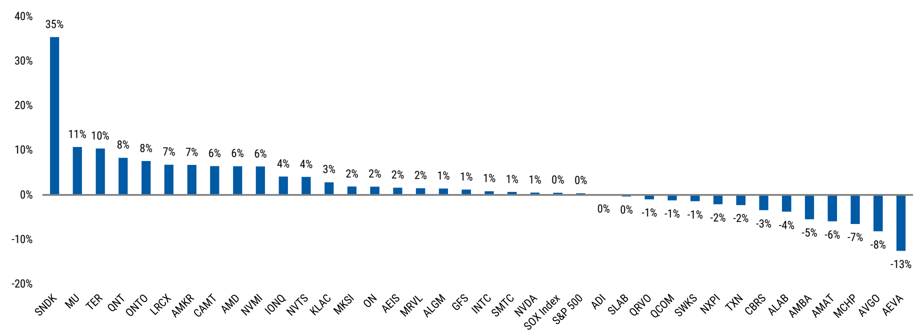
EPS ($)
8.98
Note: There are not sufficient brokers supplying consensus data for this metric

Mean ◆ Morgan Stanley Estimates

Source: Refinitiv, Morgan Stanley Research

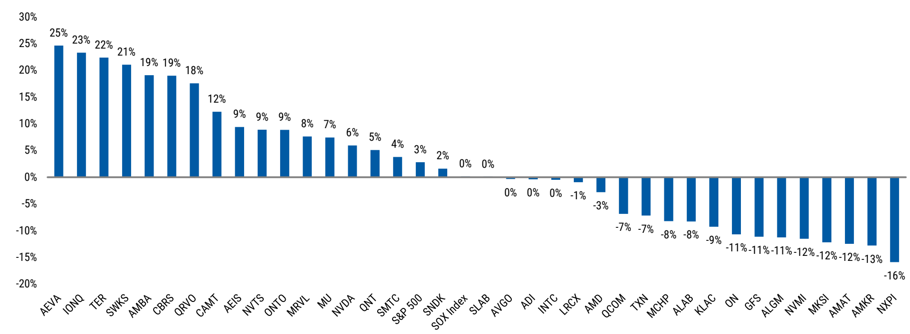
Semiconductor Coverage – Valuation / Stock Performance

Exhibit 3: Weekly stock performance



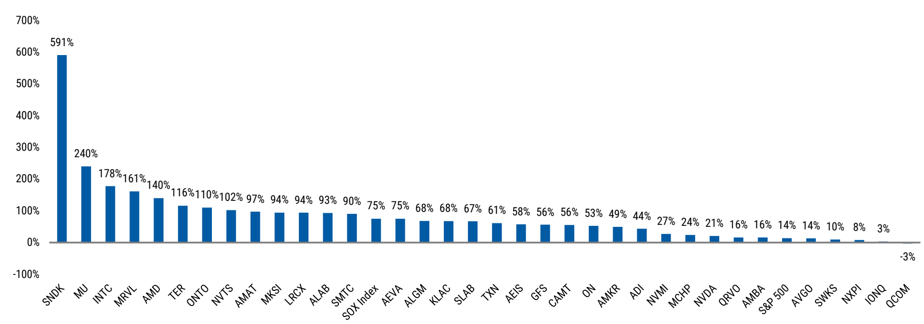
Source: FactSet, Morgan Stanley Research

Exhibit 4: Monthly stock performance



Source: FactSet, Morgan Stanley Research

Exhibit 5: YTD stock performance



Source: FactSet, Morgan Stanley Research

Semis Week Ahead

Exhibit 6: August 17th - August 21st, 2026

Monday, August 17th
Rosenblatt Age of AI Summit - Day 1
ARM - NTS

Tuesday, August 18th
Rosenblatt Age of AI Summit - Day 2
AMD, NVTS - NTS
AMBA - 1:00pm ET

Wednesday, August 19th
Needham Virtual Semiconductor & SemiCap Conference - Day 1
POWI - 8:45am ET
AEVA, ARM, AMAT, LRCX, MU, TEL, MPWR, GFS, ALAB
KLAC, MCHP, AMKR, NVMI, ONTO, Vishay, CMTK, MXL, ALGM
AOSL, IONQ, SIMO - NTS
ADI Earnings
10:00am ET
WOLF Earnings
5:00pm ET

Thursday, August 20th

Friday, August 21st

LOOKING AHEAD
August 23rd-25th
Hot Chips
https://hotchips.org/

Tuesday, August 25th
Jefferies Semis, IT Hardware & Comm Tech Conference - Day 1
AEIS, AEVA - NTS
SMTC Earnings
4:30pm ET

Wednesday, August 26th
SWKS Tech Day 2026
Jefferies Semis, IT Hardware & Comm Tech Conference - Day 2
NXP, AOSL - NTS
NVDA Earnings
5:00pm ET

Thursday, August 27th
Deutsche Bank Technology Conference - Day 2
ONSEMI - 11:55am ET
NXP - NTS
MRVL Earnings
4:45pm ET

August 31st-September 1st
Silicon Photonics Global Summit
https://www.siliconphotonicsglobalsummit.com/

August 31st - September 3rd
AVGO VMware Explore 2026
https://www.vmware.com/explore/us

September 2nd-4th
SEMICON Taiwan
https://www.semicontaiwan.org/en

Wednesday, September 2nd
AVGO Earnings
5:00pm ET

Thursday, September 3rd
AMBA Earnings
4:30pm ET

Tuesday, September 8th
Citi TMT Conference - Day 1
NVMI - 10:10am ET
AMD - 10:30am ET
Goldman Sachs Communacopia + Technology Conference - Day 1
Infineon - NTS
IONQ Investor Day

Wednesday, September 9th
Citi TMT Conference - Day 2
AMBA - 1:55pm ET
ONTO - 3:55pm ET
Goldman Sachs Communacopia + Technology Conference - Day 2
NXP - NTS

Thursday, September 10th
Citi TMT Conference - Day 3
AEIS - 8:50am ET

Friday, September 11th
Goldman Sachs Communacopia + Technology Conference - Day 4
AMD - 11:45am ET
AEVA - 11:50am ET

September 8th-11th
SPIE Photomask Technology + EUV Lithography
https://spie.org/conferences-and-exhibitions/photomask-technology-and-extreme-ultraviolet-lithography

September 15th-17th
AI Infra Summit 2026
https://www.ai-infra-summit.com/

Wednesday, September 16th
ON Financial Analyst Day
2:00pm ET

September 22nd-24th
QCOM Snapdragon Summit
https://www.qualcomm.com/company/events/snapdragon-summit

Wednesday, September 23rd
TSMC North America OIP Ecosystem Forum
https://pr.tsmc.com/english/events

September 28th-October 1st
IMAPS Symposium 2026
https://imaps.org/page/IMAPS-Symposium

Wednesday, September 30th
SNPS Investor Day
1:00pm ET

Tuesday, October 6th
MRVL Investor Day
TBD

October 12th-15th
OCP Global Summit
https://www.opencompute.org/summit/global-summit

October 13th-15th
SEMICON West
https://www.semiconwest.org/

Tuesday, October 20th
Synaptics Tech Day 2026
https://investor.synaptics.com/events-and-presentations/events

October 20th-22nd
GTC Berlin
https://www.nvidia.com/en-eu/gtc/

Wednesday, October 21st
NVDA CEO Jensen Huang Keynote
5:00am-7:00am ET
Livestream/link: TBD

Wednesday, October 21st
NVDA Financial Analyst Q&A with NVIDIA Management
10:00am-12:00pm ET
Livestream/link: TBD

Friday, November 6th
TSMC Japan OIP Ecosystem Forum
https://pr.tsmc.com/english/events

November 10th-13th
SEMICON Europa
https://www.semiconeuropa.org/
electronica 2026
https://electronica.de/en/trade-fair/plan-your-visit/opening-hours/

Thursday, November 12th
TSMC Taiwan OIP Ecosystem Forum
https://pr.tsmc.com/english/events

November 15th-20th
SC26 (Supercomputing Conference)
https://sc26.supercomputing.org/

Tuesday, November 17th
TSMC China OIP Ecosystem Forum
https://pr.tsmc.com/english/events

Tuesday, November 24th
TSMC Europe OIP Ecosystem Forum
https://pr.tsmc.com/english/events

December 9th-11th
SEMICON Japan
https://www.semiconjapan.org/en

Thursday, December 17th
ONTO Investor Day
TBD

January 6th-9th, 2027
CES 2027
https://www.ces.tech/

March 7th-11th, 2027
OFC 2027
https://www.ofcconference.org/en-us/home/about/future-dates/

March 14th-18th, 2027
NVIDIA GTC 2027
https://www.nvidia.com/gtc/faq/

Source: Bloomberg, Refinitiv, Morgan Stanley Research

Semiconductor Coverage

Exhibit 7: Semiconductors – Risk Reward

Ticker	Rating	Price	Risk-Reward Bear	Risk-Reward Base	Risk-Reward Bull	% Upside / Downside Base
Computing						
AMD	EW	$514.4	$290	$465	$700	-10%
CBRS	OW	$219.0	$90	$279	$400	27%
INTC	EW	$102.5	$50	$84	$137	-18%
NVDA	OW	$225.2	$160	$288	$330	28%
Memory						
MU	OW	$971.7	$675	$1,200	$1,650	23%
SNDK	OW	$1,641.1	$1,100	$1,750	$2,635	7%
Capital Equipment						
AEIS	OW	$330.3	$255	$439	$634	33%
AMAT	EW	$507.2	$413	$642	$893	27%
CAMT	EW	$165.4	$115	$165	$223	0%
KLAC	OW	$203.7	$165	$253	$325	24%
LRCX	OW	$332.4	$236	$367	$481	10%
MKSI	OW	$310.7	$278	$439	$595	41%
NVMI	EW	$418.1	$307	$461	$639	10%
ONTO	OW	$331.7	$244	$383	$493	15%
TER	EW	$418.8	$273	$397	$535	-5%
Comm-IC / Multi-Market						
ALAB	OW	$321.6	$208	$382	$490	19%
AMBA	OW	$82.0	$34	$96	$136	17%
AVGO	OW	$393.0	$308	$502	$637	28%
MRVL	EW	$222.0	$130	$195	$286	-12%
QCOM	EW	$165.8	$104	$220	$298	33%
QRVO	EW	$98.1	$40	$84	$110	-14%
SMTC	EW	$140.4	$95	$175	$230	25%
SWKS	EW	$69.6	$43	$72	$105	3%
Analog / MCUs						
ADI	OW	$389.4	$342	$428	$517	10%
ALGM	OW	$44.4	$44	$52	$72	17%
MCHP	EW	$79.2	$75	$103	$129	30%
NVTS	UW	$14.5	$6.3	$12.6	$20.9	-13%
NXPI	OW	$234.7	$270	$338	$404	44%
ON	NC	$82.7	++	++	++	-
SLAB	EW	$218.4	$83	$231	$265	6%
TXN	UW	$279.6	$213	$255	$302	-9%
Components						
AEVA	EW	$23.3	$5.0	$27.0	$73.0	16%
Foundry						
AMKR	EW	$59.0	$49	$70	$89	19%
GFS	EW	$54.6	$34	$60	$86	10%
Quantum Computing						
IONQ	EW	$46.3	$6	$49.0	$110	6%
QNT	EW	$63.6	$12	$78.0	$160	23%

Source: FactSet, Morgan Stanley Research estimates

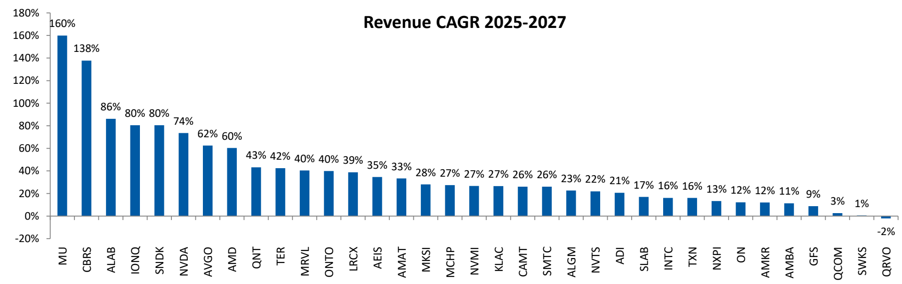
Exhibit 8: MS vs. Street

		CY2027e EPS				CY2027e Revenue		
		MS	Consensus	% Diff		MS	Consensus	% Diff
OW	ADI	$15.28	$15.46	(4%)	ADI	$17,105	$17,368	(3%)
OW	AEIS	$16.91	$15.19	(4%)	AEIS	$3,261	$3,009	(3%)
OW	ALAB	$5.83	$6.39	(8%)	ALAB	$2,953	$3,004	(1%)
OW	ALGM	$1.48	$1.38	10%	ALGM	$1,264	$1,238	2%
OW	AMBA	$0.83	$1.05	3%	AMBA	$484	$494	0%
OW	AVGO	$19.59	$20.70	(3%)	AVGO	$180,289	$185,240	0%
OW	CBRS	$1.03	$1.30	(3%)	CBRS	$2,883	$2,954	0%
OW	KLAC	$6.23	$6.07	(1%)	KLAC	$20,430	$19,849	(0%)
OW	LRCX	$11.26	$10.60	(0%)	LRCX	$39,626	$38,025	(0%)
OW	MKSI	$19.03	$17.50	4%	MKSI	$6,443	$6,101	1%
OW	MU	$180.48	$158.94	45%	MU	$285,950	$259,033	18%
OW	NVDA	$8.98	$12.42	6%	NVDA	$393,005	$548,389	5%
OW	NXPI	$18.76	$18.18	4%	NXPI	$15,767	$15,932	1%
OW	ONTO	$12.53	$11.23	4%	ONTO	$1,967	$1,834	1%
OW	SNDK	$211.96	$233.21	43%	SNDK	$48,964	$52,970	7%
EW	AEVA	-$1.85	-$1.62	2%	AEVA	$74	$71	(19%)
EW	AMAT	$20.45	$18.21	2%	AMAT	$50,160	$45,221	3%
EW	AMD	$15.54	$15.34	1%	AMD	$88,987	$87,135	(5%)
EW	AMKR	$2.32	$2.75	(8%)	AMKR	$8,421	$8,614	(4%)
EW	CAMT	$5.01	$4.89	10%	CAMT	$788	$755	5%
EW	GFS	$2.44	$2.53	(4%)	GFS	$8,038	$8,202	(1%)
EW	INTC	$2.00	$2.04	21%	INTC	$71,264	$71,848	0%
EW	IONQ	-$0.94	-$2.61	(109%)	IONQ	$424	$391	3%
EW	MCHP	$4.10	$4.34	(1%)	MCHP	$7,095	$7,176	2%
EW	MRVL	$5.93	$6.07	3%	MRVL	$16,161	$16,279	2%
EW	NVMI	$14.13	$13.66	1%	NVMI	$1,414	$1,360	4%
EW	QCOM	$10.89	$10.98	(100%)	QCOM	$47,259	$46,777	(100%)
EW	QNT	-$1.55	-$1.65	(100%)	QNT	$63	$59	(100%)
EW	QRVO	$8.04	$7.85	(3%)	QRVO	$3,586	$3,612	(7%)
EW	SLAB	$4.14	$4.51	9%	SLAB	$1,073	$1,081	1%
EW	SMTC	$3.67	$3.75	(2%)	SMTC	$1,668	$1,642	0%
EW	SWKS	$5.31	$5.15	(4%)	SWKS	$4,101	$4,084	(3%)
EW	TER	$11.91	$11.75	0%	TER	$6,476	$6,241	2%
UW	NVTS	-$0.10	-$0.13	13%	NVTS	$68	$74	15%
UW	TXN	$9.80	$10.22	(1%)	TXN	$23,832	$24,981	(1%)
++	ON	$4.42	$4.50	8%	ON	$7,551	$7,394	(0%)

Source: FactSet, Morgan Stanley Research estimates

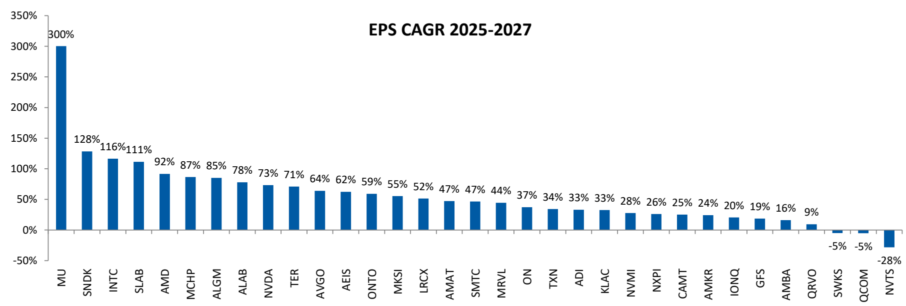
Revenue and EPS Growth

Exhibit 9: 2025-27e Revenue CAGR



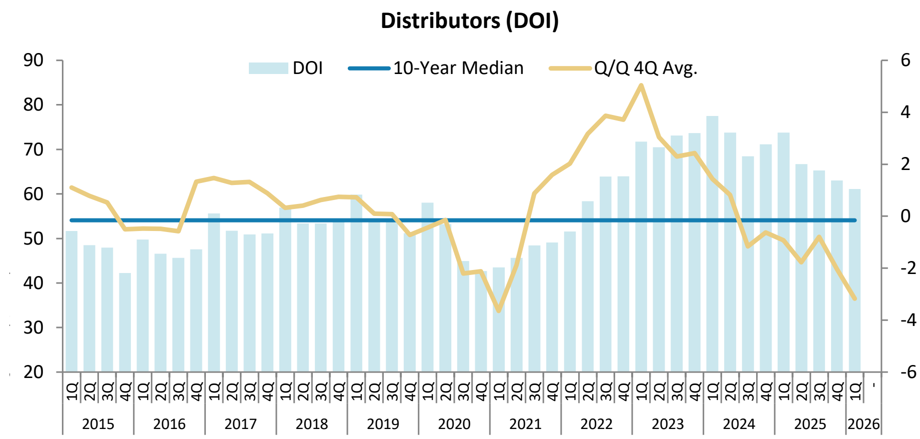
Source: FactSet, Morgan Stanley estimates

Exhibit 10: 2025-27e EPS CAGR



Source: FactSet, Morgan Stanley estimates

Exhibit 13: Distributor inventory is at 61 days, down 2 days q/q, below seasonal increase of 4 days. DOI is 7 days above the historical median while trailing 4-quarters decreased sequentially



Source: FactSet, Morgan Stanley Research

Short Interest

Exhibit 14: Short Interest as % of Float

	14/Aug/25	15/May/26	14/Jun/26	15/Jul/26	14/Aug/26
ADI	1.7%	2.2%	1.9%	2.5%	2.0%
AEIS	6.4%	5.9%	5.7%	3.7%	4.7%
AEVA	11.1%	11.5%	10.4%	6.7%	7.9%
ALAB	5.3%	7.6%	6.9%	7.3%	5.3%
ALGM	4.4%	5.9%	6.4%	8.3%	5.9%
AMAT	1.9%	2.0%	2.5%	2.5%	1.8%
AMBA	5.0%	6.0%	5.1%	7.5%	11.8%
AMD	2.6%	2.2%	2.7%	2.5%	2.3%
AMKR	2.7%	3.0%	3.4%	3.6%	3.6%
AVGO	0.9%	1.1%	1.2%	1.5%	1.3%
CAMT	8.0%	6.5%	6.5%	5.8%	5.7%
CBRS			2.7%	6.2%	5.9%
GFS	1.8%	1.8%	1.4%	1.3%	1.2%
INTC	2.4%	2.8%	2.7%	2.5%	2.5%
IONQ	8.8%	21.1%	14.6%	11.1%	12.6%
KLAC	2.5%	2.4%	26.9%	0.3%	2.1%
LRCX	2.3%	2.3%	2.6%	2.3%	2.2%
MCHP	5.4%	5.5%	6.0%	7.2%	6.7%
MKSI	5.5%	5.3%	6.5%	7.3%	8.5%
MRVL	3.4%	3.2%	4.0%	3.9%	4.1%
MU	2.7%	3.3%	3.3%	2.8%	2.6%
NVDA	0.8%	1.2%	1.2%	1.3%	1.2%
NVMI	4.7%	4.8%	5.6%	4.6%	4.6%
NVTS	16.0%	16.0%	13.8%	13.2%	15.1%
NXPI	2.9%	2.6%	3.3%	3.5%	3.5%
ON	8.3%	7.5%	8.0%	7.6%	7.9%
ONTO	4.3%	2.1%	4.0%	5.4%	5.4%
QCOM	2.2%	4.7%	4.3%	3.8%	3.3%
QNT				1.8%	1.1%
QRVO	5.5%	6.7%	7.9%	7.7%	7.4%
SLAB	4.1%	5.7%	7.1%	6.9%	8.6%
SMTC	10.3%	6.7%	6.8%	6.0%	7.8%
SNDK	4.9%	7.3%	6.2%	4.9%	4.6%
SWKS	8.1%	15.1%	18.7%	19.2%	20.8%
TER	5.1%	3.5%	4.4%	5.8%	5.1%
TXN	1.8%	1.7%	2.1%	1.8%	1.8%
AVERAGE	4.9%	5.6%	6.3%	5.4%	5.7%
MEDIAN	4.5%	5.0%	5.6%	4.9%	4.7%

Source: FactSet, Morgan Stanley Research

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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 July 31, 2026)

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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	

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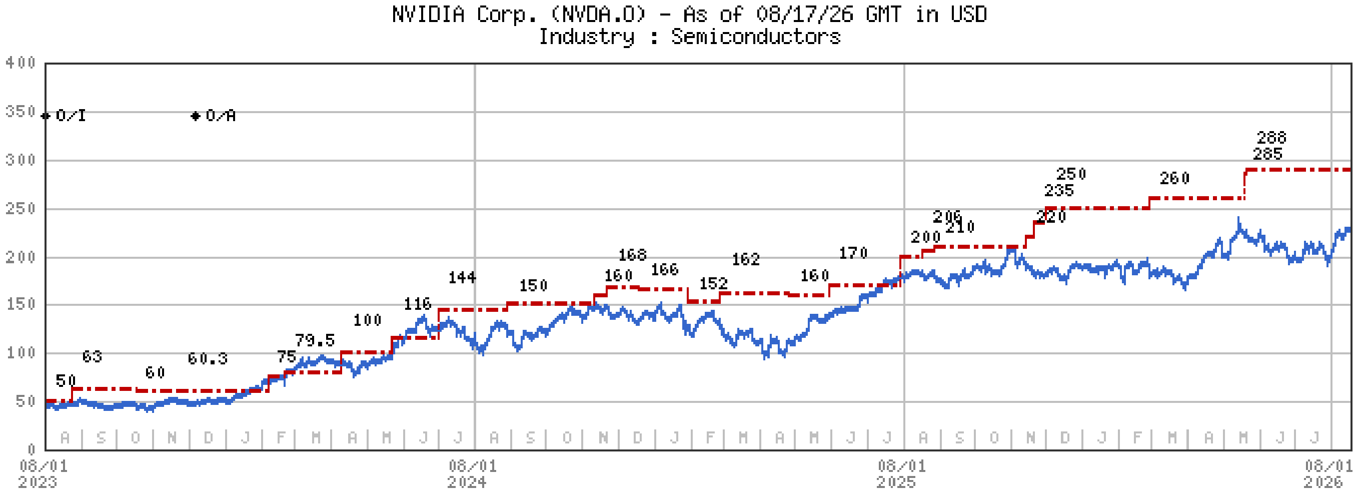
Stock Price, Price Target and Rating History (See Rating Definitions)



Stock Rating History: 8/1/21 : NA/I; 5/3/22 : E/I; 3/16/23 : O/I; 12/7/23 : O/A

Price Target History: 9/13/20 : NA; 5/3/22 : 21.7; 5/25/22 : 18.2; 11/17/22 : 17.5; 2/21/23 : 24.6; 2/22/23 : 25.5; 3/16/23 : 30.4; 5/24/23 : 45; 6/15/23 : 50; 8/24/23 : 63; 10/17/23 : 60; 11/21/23 : 60.3; 2/6/24 : 75; 2/21/24 : 79.5; 4/9/24 : 100; 5/22/24 : 116; 6/30/24 : 144; 8/29/24 : 150; 11/10/24 : 160; 11/21/24 : 168; 12/19/24 : 166; 1/29/25 : 152; 2/26/25 : 162; 4/25/25 : 160; 5/29/25 : 170; 7/29/25 : 200; 8/18/25 : 206; 8/28/25 : 210; 11/14/25 : 220; 11/20/25 : 235; 12/1/25 : 250; 2/26/26 : 260; 5/18/26 : 285; 5/21/26 : 288

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target No Price Target Assigned (NA)
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INDUSTRY COVERAGE: Semiconductors

COMPANY (TICKER)	RATING (AS OF)	PRICE* (08/14/2026)
Joseph Moore		
Advanced Micro Devices (AMD.O)	E (06/09/2024)	$514.39
Aeva Technologies Inc (AEVA.O)	E (07/19/2021)	$23.28
Allegro Microsystems Inc (ALGM.O)	O (02/13/2026)	$44.39
Ambarella Inc (AMBA.O)	O (03/29/2016)	$82.04
Amkor Technology Inc (AMKR.O)	E (11/08/2023)	$58.99
Analog Devices Inc. (ADI.O)	O (11/16/2023)	$389.39
Astera Labs Inc (ALAB.O)	O (05/11/2025)	$321.61
Broadcom Inc. (AVGO.O)	O (06/09/2024)	$392.99
Cerebras Systems (CBRS.O)	O (06/08/2026)	$218.98
GlobalFoundries Inc (GFS.O)	E (10/28/2024)	$54.58
Intel Corporation (INTC.O)	E (02/22/2023)	$102.50
IonQ Inc (IONQ.N)	E (04/25/2023)	$46.26
Marvell Technology Group Ltd (MRVL.O)	E (09/14/2015)	$222.02
Microchip Technology Inc. (MCHP.O)	E (07/10/2024)	$79.17
Micron Technology Inc. (MU.O)	O (10/06/2025)	$971.66
Navitas Semiconductor Corp (NVTS.O)	U (04/06/2025)	$14.45
NVIDIA Corp. (NVDA.O)	O (03/16/2023)	$225.16
NXP Semiconductor NV (NXPI.O)	O (02/11/2025)	$234.71
ON Semiconductor Corp. (ON.O)	++	$82.66
Qorvo Inc (QRVO.O)	E (10/28/2025)	$98.11
Qualcomm Inc. (QCOM.O)	E (06/24/2026)	$165.79
Quantinuum (QNT.O)	E (06/29/2026)	$63.59
SanDisk Corporation. (SNDK.O)	O (03/03/2025)	$1,641.11
Semtech Corp. (SMTC.O)	E (04/06/2025)	$140.35
Silicon Laboratories Inc. (SLAB.O)	E (01/19/2021)	$218.41
Skyworks Solutions Inc (SWKS.O)	E (11/28/2018)	$69.62
Texas Instruments (TXN.O)	U (04/13/2020)	$279.58

Wolfspeed, INC (WOLF.N)	NR (04/06/2025)	$31.79
Lee Simpson		
Arm Holdings plc (ARM.O)	E (04/07/2026)	$279.44
Cadence Design Systems Inc (CDNS.O)	O (02/14/2024)	$324.82
Synopsys Inc. (SNPS.O)	E (02/27/2026)	$421.50

Stock Ratings are subject to change. Please see latest research for each company.
* Historical prices are not split adjusted.