

GLOBAL TECHNOLOGY: SEMICONDUCTOR CAPITAL EQUIPMENT

Raising 2026-28 WFE estimates, driven by memory and foundry strength

Bottom Line: Positive semiconductor CapEx datapoints during 2Q earnings

season drive our WFE estimates meaningfully higher. We raise our 2026/27/28 WFE estimates to \$150/\$218/\$281 bn (+36%/+45%/+29%) from \$141/\$186/\$208 bn (+28%/+32%/+12%) previously, reflecting significant CapEx revisions and more constructive outlooks from SPE suppliers. We see DRAM and leading-edge foundry (near term) as well as NAND and Logic/Other (medium term, including Terafab) as key drivers of WFE momentum, supported by node transitions, migration to HBM4, and capacity additions. We remain bullish on semi cap equipment stocks, and on a global basis we continue to prefer Buy-rated Applied Materials, Lam Research, ASML, Tokyo Electron, ASML, BESS, Lasertec, and Ebara.

Foundry: We raise our 2026/27/28 Foundry WFE estimates to \$58/\$84/\$109 bn (+45%/+45%/+30% YoY) from \$52/\$68/\$78 bn (+30%/+30%/+16% YoY) prior. We increased TSMC CapEx estimates by \$8bn each for 2026-28 since our last update, reflecting higher N2 intensity and continued customer demand. We continue to expect strong WFE momentum in Foundry, particularly from leading-edge logic, as N2 ramps volume in the next several quarters.

DRAM: We raise our 2026/27/28 DRAM WFE estimates to \$48/\$72/\$97 bn (+50%/+50%/+35% YoY) from \$46/\$67/\$74 bn (+45%/+45%/+10% YoY) prior. Since our last update, Giuni Lee increased average 2026-28 DRAM CapEx estimates by 22% for Samsung and 19% for SK Hynix. Despite higher DRAM spending, we continue to believe the industry will remain capacity constrained into 2028.

NAND: We adjust our 2026/27/28 NAND WFE estimates to \$11/\$15/\$22 bn (+35%/+35%/+50% YoY) from \$11/\$17/\$20 bn (+40%/+50%/+15% YoY) prior. We expect incremental spending to be largely upgrade-focused in the near term, supporting tight supply into 2027.

Logic/Other: We raise our 2026/27/28 Logic WFE estimates to \$34/\$47/\$53 bn (+11%/+40%/+12% YoY) from \$32/\$35/\$37 bn (+5%/+9%/+6% YoY) prior. This is majorly driven by (1) upward revisions at Intel as demand is better than expected and (2) recovery in trailing-edge and analog markets.

Terafab: Our WFE revisions are also driven by contributions from Terafab as SpaceX and Tesla are committing ~\$16.8 bn for the initial phase of Terafab ([here](#)); these estimates are embedded in our Logic/Other estimates.

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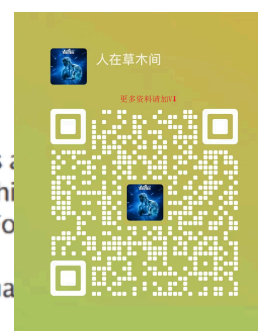


Exhibit 1: GS WFE Market Forecast (New vs. Old)

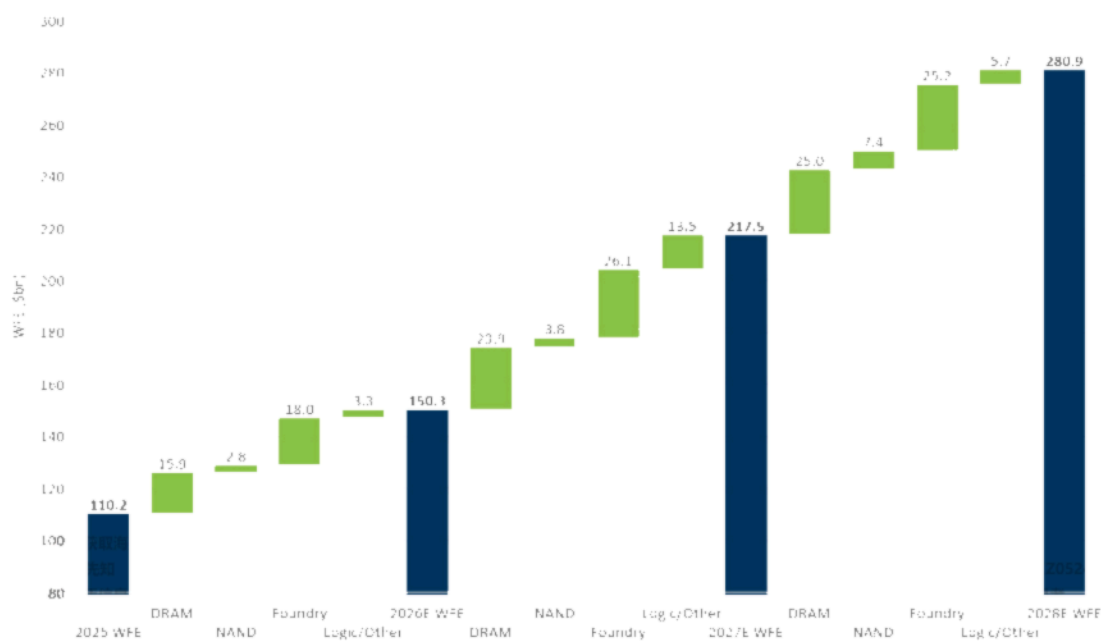
We now forecast 45% WFE growth in 2026 (up from 32% prior), driven by Foundry and DRAM

<u>GS WFE New vs. Old</u>	<u>2026</u>			<u>2027</u>			<u>2028</u>		
\$bn	New	Old	% Change	New	Old	% Change	New	Old	% Change
Total WFE	150	141	+6%	218	186	+17%	281	208	+35%
yoy	36%	28%	+8%	45%	32%	+13%	29%	12%	+17%
Memory	59	57	+2%	86	84	+3%	119	93	+28%
yoy	47%	44%	+3%	47%	46%	+1%	38%	11%	+27%
DRAM	48	46	+3%	72	67	+7%	97	74	+31%
yoy	50%	45%	+5%	50%	45%	+5%	35%	10%	+25%
NAND	11	11	-4%	15	17	-13%	22	20	+13%
yoy	35%	40%	-5%	35%	50%	-15%	50%	15%	+35%
Foundry/Logic & Other	92	84	+9%	131	102	+28%	162	115	+41%
yoy	30%	19%	+11%	43%	22%	+21%	24%	13%	+11%
Foundry	58	52	+12%	84	68	+24%	109	78	+39%
yoy	45%	30%	+15%	45%	30%	+15%	30%	16%	+14%
Logic & Other	34	32	+6%	47	35	+36%	53	37	+43%
yoy	11%	5%	+6%	40%	9%	+31%	12%	6%	+6%

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 2: 2026-28 WFE by Application

2026-28 WFE is driven by leading-edge foundry, DRAM (including HBM) and logic/other



Source: Company data, Goldman Sachs Global Investment Research