Morgan Stanley | RESEARCH

IDEA

August 31, 2026 05:03 AM GMT

Semiconductors | North America

Weekly: Earnings Week 7 (AVGO, AMBA), SWKS Tech Day

Expect strong AI spending to remain the key theme through off cycle earnings this week, with AVGO and AMBA both positioned for strong data results and outlooks. We also attended Skyworks Tech day last week and add some context.

AVGO (OW, reporting after market closes on Wednesday, September 2nd): Strong AI momentum continues, but expectations remain the key risk. We expect another solid quarter, with strength across both custom ASICs and AI networking, though the bigger question is whether the results can clear a very high investor bar. We model AI revenue of $16.0bn in the July quarter, up 48% sequentially, driven by $10.8bn of custom ASIC revenue and $5.2bn of AI networking revenue. For the October quarter, we expect AI revenue to increase another 32% sequentially to $21.2bn, including $14.9bn of custom ASIC revenue and $6.2bn of AI networking. We see decent room for upside to these numbers as TPU demand remains strong and networking continues to benefit from the broader buildout of AI infrastructure.

The bigger story remains 2027, where we continue to see potential for upside to our roughly $120bn AI revenue estimate. Broadcom previously guided to AI revenue "well above" $100bn next year, and management sounded increasingly confident on the trajectory last quarter, including indicating that growth should persist well into 2028. We are not sure management will provide a more formal update to the 2027 framework this quarter, and do not think one is necessary for the fundamental story to remain intact. TPU should remain the majority of Broadcom's custom ASIC revenue this year and next, but we will also be listening closely for updates on newer custom programs, several of which are expected to become more meaningful as we move through 2027.

The main risk into the print is expectations rather than fundamentals. Last quarter was a good reminder that very strong results are not necessarily enough when the bar is high. Some expectations assume Broadcom will generate more than $150bn of AI revenue next year. We think that is possible, but would not view it as a certainty versus our roughly $120bn estimate. The underlying business can continue to perform exceptionally well without necessarily exceeding the most aggressive expectations. We would also be cautious about reading too much into recent supply chain noise. Reports of downward revisions to certain CoWoS forecasts have created some concern, but these checks can be noisy. We continue to expect very strong growth.

TPU share remains the other major investor debate, but our view has not changed: supplier diversification is real, but AVGO's incumbency is very strong.

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SEMICONDUCTORS

North America
Industry View **Attractive**

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

Research as only a single factor in making their investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report.

As discussed in our recent note (In Defense of AVGO's ASIC Share), we believe MediaTek (covered by Charlie Chan) participation is credible, but continue to expect Broadcom to retain roughly 80% of its longer term TPU opportunity. Recent reports around AMD involvement in TPU v10, along with Marvell's warrant agreement with Google, reinforce that Google (covered by Brian Nowak) is broadening its supplier ecosystem. We acknowledge that diversification, but do not think Broadcom's core TPU opportunity is at risk. If anything, the number of semiconductor companies positioning around TPU underscores the scale of the opportunity.

AVGO remains one of our preferred AI compute names and a close number two behind NVIDIA, which remains our Top Pick. We continue to view Broadcom as one of the strongest growth stories in semiconductors, supported by its custom ASIC leadership, strong networking franchise, increasing customer diversification, and a management team we trust to execute. Expectations create some near term risk, and the TPU supplier debate will likely remain an overhang, but we think the market continues to overstate the risk to Broadcom's longer term AI growth trajectory.

AMBA (OW, reporting after market close on Thursday, September 3rd): Expecting another solid quarter, with July revenue up 7.9% q/q and continued strength in Automotive. We model July quarter revenue to grow 7.9% sequentially, followed by 12% growth in October, as Automotive momentum continues to build and Edge AI demand remains healthy. We expect Automotive to be the stronger growth driver this year, with revenue increasing approximately 20% and outpacing IoT, supported by continued traction in fleet telematics, AI video and safety applications, and increasing AI content per vehicle. IoT trends appear more mixed, with enterprise security remaining relatively healthy while consumer oriented markets could face incremental pressure in 2H from higher memory and storage costs. We view this as the primary near term risk, though the magnitude of any downstream demand impact remains uncertain.

Looking beyond the next few quarters, we continue to view AMBA as well positioned for a broader multiyear buildout in Edge AI. Drones appear to be one of the most compelling near term opportunities, with growing activity across both prosumer and commercial applications, while the upcoming CV7 ramp should provide another source of growth and support the company's favorable ASP trajectory. Automotive also remains an important longer term opportunity, though there were no major updates around a broader CV3 autonomy ramp last quarter. Overall, the story is shifting from a sharp product cycle upswing toward steadier execution, but we remain constructive on AMBA's technology positioning in low power AI inference at the edge and continue to see attractive longer term opportunities across Automotive, drones, robotics, and broader physical AI infrastructure.

On the unconfirmed M&A reports, the strategic value of AMBA has long been one element of our OW thesis, although our conviction has primarily been driven by the strength of the underlying technology. While we have no validation of the reported NXP discussions or whether any such transaction might occur, we can see the potential rationale for such a combination. AMBA would bring differentiated Edge AI

and computer vision capabilities, while NXP's scale, deep automotive relationships, and trusted position with OEMs could help accelerate commercialization, particularly in Automotive where AMBA has historically faced challenges competing against significantly larger suppliers.

Skyworks Tech Day overview

We attended Skyworks' Tech Day in San Jose this past week, where the company highlighted the breadth of its technology portfolio across Mobile and Broad Markets. In Mobile, the focus was on the Google Pixel win - Skyworks now has essentially 100% of RF front-end content after winning the mid-band position for the first time in Google's ~2-year re-compete cycle, with the agreement extended through 2030 and expected to generate over $1bn in cumulative revenue. The company also highlighted its close partnership with MediaTek and early visibility into next-generation RF requirements.

Outside of mobile, the demos centered on how Skyworks can leverage its RF, timing, isolation, sensing, and power capabilities into faster-growing markets. In Precision Timing, the focus was on integrating network synchronization, jitter attenuation, clock generation, and software in a single IC. In Data Center, the focus was on higher-voltage power architectures and opportunities across isolation, gate drivers, and sensing, with Skyworks positioned anywhere 800V touches across the grid-to-rack stack. The company also discussed opportunities in Automotive, WiFi/ Broadband, Drones, and other edge connectivity applications.

We come away incrementally positive from the event on Skyworks' longer-term opportunity; that said, near-term Broad Markets remains mixed, with strength in data center and auto offset by softer IoT, while the smartphone environment continues to hold up despite memory headwinds. Longer term, we see an opportunity for Broad Markets to become a larger part of the business and help diversify Skyworks away from mobile, particularly given ongoing share loss at Apple. The Qorvo deal and integration remain the key catalysts to watch. We continue to see value for patient investors, but the remaining business pressures keep us EW.

AlphaSignals Earnings Preview

Focus KPI	Focus KPI Surprise	Likely impact to consensus EPS*
Broadcom Inc. AVGO.O		
OctQ AI Revenue Guide	↑ Likely upside surprise	↑ Modest revision higher
• Strong AI momentum continues, but expectations remain the key risk		
Ambarella Inc AMBA.O		
OctQ Revenue Guide	— In-line	— Largely unchanged
• Expecting another solid quarter, with July revenue up 7.9% q/q and continued strength in Automotive		

*Likely impact to consensus EPS is for the next 12 months

Broadcom Earnings Preview

The company is scheduled to report after the market close on Wednesday, September 2nd.

Strong AI Momentum Continues, but Expectations Remain the Key Risk. We expect another solid quarter, with strength across both custom ASICs and AI networking, though the bigger question is whether the results can clear a very high investor bar. We model AI revenue of $16.0bn in the July quarter, up 48% sequentially, driven by $10.8bn of custom ASIC revenue and $5.2bn of AI networking revenue. For the October quarter, we expect AI revenue to increase another 32% sequentially to $21.2bn, including $14.9bn of custom ASIC revenue and $6.2bn of AI networking. We see decent room for upside to these numbers as TPU demand remains strong and networking continues to benefit from the broader buildout of AI infrastructure.

The bigger story remains 2027, where we continue to see upside to our roughly $120bn AI revenue estimate. Broadcom previously guided to AI revenue "well above" $100bn next year, and management sounded increasingly confident on the trajectory last quarter, including indicating that growth should persist well into 2028. We are not sure management will provide a more formal update to the 2027 framework this quarter, and do not think one is necessary for the fundamental story to remain intact. TPU should remain the majority of Broadcom's custom ASIC revenue this year and next, but we will also be listening closely for updates on newer custom programs, several of which are expected to become more meaningful as we move through 2027.

The main risk into the print is expectations rather than fundamentals. Last quarter was a good reminder that very strong results are not necessarily enough when the bar is high. Some expectations assumes Broadcom will generate more than $150bn of AI revenue next year. We think that is possible, but would not view it as a certainty versus our roughly $120bn estimate. The underlying business can continue to perform exceptionally well without necessarily exceeding the most aggressive expectations. We would also be cautious about reading too much into recent supply chain noise. Reports of downward revisions to certain CoWoS forecasts have created some concern, but these checks can be noisy. We continue to expect very strong growth.

TPU share remains the other major investor debate, but our view has not changed: supplier diversification is real, displacement is not. As discussed in our recent note (In Defense of AVGO's ASIC Share), we believe MediaTek participation is credible, but continue to expect Broadcom to retain roughly 80% of its longer term TPU opportunity. Recent reports around AMD involvement in TPU v10, along with Marvell's warrant agreement with Google, reinforce that Google is broadening its supplier ecosystem. We acknowledge that diversification, but do not think Broadcom's core TPU opportunity is at risk. If anything, the number of semiconductor companies positioning around TPU underscores the scale of the opportunity.

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we trust to execute. Expectations create some near term risk, and the TPU supplier debate will likely remain an overhang, but we think the market continues to overstate the risk to Broadcom's longer term AI growth trajectory.

Details on the July quarter: We model revenue of $29.4 bn (up 32.5% q/q and up 84.3% y/y), in-line with the Street at $29.2bn. By segment, we model Semiconductor Solutions revenue of $20.5bn (36.6% q/q and 123.6% y/y) and Infrastructure Software revenue of $8.9bn (up 24.1% q/q and up 31.3% y/y). Our gross margin estimate of 74.0% is slightly above the Street at 73.5% and our EPS estimate of $3.24 is slightly ahead of the Street at $3.22.

Outlook on October quarter: We model revenue of $34.8bn (up 18.5% q/q and 93.4% y/y), slightly above the Street at $34.7bn. By segment, we model Semiconductor Solutions revenue of $25.9bn (up 26.5% q/q and 134.3% y/y) and Infrastructure Software revenue of $8.9bn (flat q/q and up 28.3% y/y). Our gross margin estimate of 72.9% is in-line with the Street and our EPS estimate of $3.85 is slightly ahead of the Street at $3.84.

Exhibit 1: AVGO: MS vs. Cons

MS vs. Consensus

Figures in $ MMs

	F3Q26E		F4Q26E		2026E		2027E	
	MS	Cons.	MS	Cons.	MS	Cons.	MS	Cons.
Revenues	29,404	29,241	34,844	34,657	105,746	105,737	167,484	175,580
Q/Q Change	*32.5%*	*31.8%*	*18.5%*	*18.5%*				
GMs	74.0%	73.5%	72.9%	72.9%	74.8%	74.6%	70.8%	71.1%
EPS	$3.24	$3.22	$3.85	$3.84	$11.59	$11.59	$18.28	$19.56

Risk Reward – Broadcom Inc. (AVGO.O)

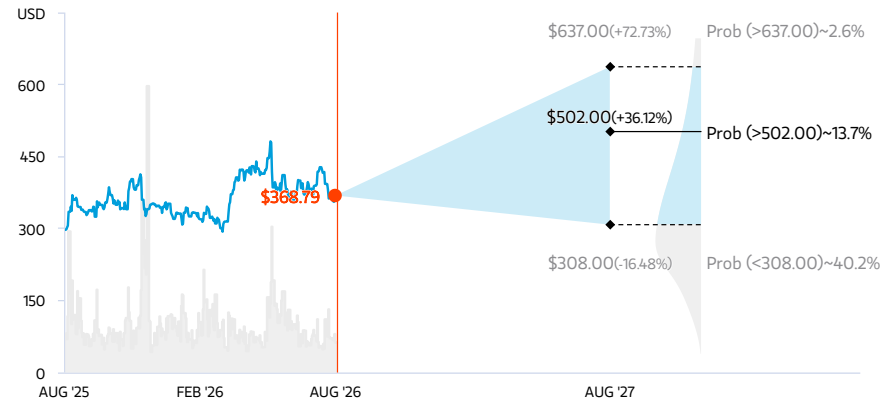
Overweight on growth in AI, recovery in core semis, and potential VMW upside.

PRICE TARGET $502.00

We value AVGO at 28X CY2027e ModelWare EPS of $17.92. This is roughly 26x non-GAAP EPS of $19.59, which is broadly in-line or below their AI peer group.

Consensus Price Target Distribution $215.88 — $514.10 (MS PT, Mean) — $675.00

RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)



Base, and Bear case scenarios playing out were estimated with implied volatility data from the options market as of 28 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

OVERWEIGHT THESIS

- AVGO has the second largest AI exposure (in absolute dollars) in our coverage and is poised to grow as hyperscale capex increases. We see the company maintaining their premium multiple as networking and ASIC businesses continue to grow.
- We expect non-AI semis to have a cyclical rebound late next year after a period of high excess inventory in the networking and storage markets.
- We expect VMware to successfully integrate into the portfolio and focus operations, cut costs, and drive stable cash flows.

Consensus Rating Distribution

92%	Overweight
8%	Equal-weight
0%	Underweight

MS Rating

Risk Reward Themes

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

View descriptions of Risk Rewards Themes here

BULL CASE $637.00

31X 2027e ModelWare Bull EPS of $20.55

Revenue growth surprises to the upside and AI revenues grow from ramp of new xPU customers, continued networking strength, and VMware synergies. The stock's valuation multiple expands as investors gain confidence in its AI and M&A strategy.

BASE CASE $502.00

28X 2027e ModelWare Base EPS of $17.92

Posts strong revenue growth in CY26 CY27 driven by strong AI revenues from xPU and Networking, and software growth.

BEAR CASE $308.00

20X 2027e ModelWare Bear EPS of $15.40

Revenue growth disappoints and synergies underwhelm. New customer engagements fail to reach production The stock's valuation multiple falls to 31X

Risk Reward – Broadcom Inc. (AVGO.O)

KEY EARNINGS INPUTS

Drivers	Oct 2025	Oct 2026e	Oct 2027e	Oct 2028e
GAAP Revenue ($, mm)	63,887	105,746	167,484	214,313
MW Gross Margin (%)	77.3	74.0	70.3	69.8
MW EPS ($)	5.39	9.98	16.63	21.48
Inventory ($, mm)	2,270	7,864	10,715	12,477
DOI	57.2	104.3	78.6	70.3

INVESTMENT DRIVERS

- Dominant position in the data center with merchant silicon and ASICs
- Increasing adoption of carrier aggregation, antenna filtering in RF and 5G adoption
- Potential for better than expected accretion from the Symantec deal

GLOBAL REVENUE EXPOSURE



View explanation of regional hierarchies here

MS ALPHA MODELS

4/5 **BEST**	24 Month Horizon	5/5 **MOST**	3 Month Horizon

the highest favored Quintile and 5 is the least favored Quintile

RISKS TO PT/RATING

RISKS TO UPSIDE

- Stronger AI revenues
- Faster recovery in core semis businesses
- Realized VMware synergies

RISKS TO DOWNSIDE

- Lose networking share to Nvidia (Mellanox)
- ASIC chips are uncompetitive; lose customers to competitors
- Execution on VMware acquisition

OWNERSHIP POSITIONING

Inst. Owners, % Active	53.7%
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 Oct 2026e

Sales / Revenue ($, mm)	103,197	105,746 / 105,910	109,132
EBITDA ($, mm)	58,160	71,397 / 71,327	79,277
Net income ($, mm)	47,691	57,329 / 56,960	60,045
EPS ($)	9.78	11.59 / 11.56	12.15

◆ Mean ◆

AMBA Earnings Preview

The company is scheduled to report after the market close on Thursday, September 3rd.

Expecting another solid quarter, with July revenue up 7.9% q/q and continued strength in Automotive. We model July quarter revenue to grow 7.9% sequentially, followed by 12% growth in October, as Automotive momentum continues to build and Edge AI demand remains healthy. We expect Automotive to be the stronger growth driver this year, with revenue increasing approximately 20% and outpacing IoT, supported by continued traction in fleet telematics, AI video and safety applications, and increasing AI content per vehicle. IoT trends appear more mixed, with enterprise security remaining relatively healthy while consumer oriented markets could face incremental pressure in 2H from higher memory and storage costs. We view this as the primary near term risk, though the magnitude of any downstream demand impact remains uncertain.

Looking beyond the next few quarters, we continue to view AMBA as well positioned for a broader multiyear buildout in Edge AI. Drones appear to be one of the most compelling near term opportunities, with growing activity across both prosumer and commercial applications, while the upcoming CV7 ramp should provide another source of growth and support the company's favorable ASP trajectory. Automotive also remains an important longer term opportunity, though there were no major updates around a broader CV3 autonomy ramp last quarter. Overall, the story is shifting from a sharp product cycle upswing toward steadier execution, but we remain constructive on AMBA's technology positioning in low power AI inference at the edge and continue to see attractive longer term opportunities across Automotive, drones, robotics, and broader physical AI infrastructure.

On the unconfirmed M&A reports, the strategic value of AMBA has long been one element of our OW thesis, although our conviction has primarily been driven by the strength of the underlying technology. While we have no validation of the reported NXP discussions or whether any such transaction might occur, we can see the potential rationale for such a combination. AMBA would bring differentiated Edge AI and computer vision capabilities, while NXP's scale, deep automotive relationships, and trusted position with OEMs could help accelerate commercialization, particularly in Automotive where AMBA has historically faced challenges competing against significantly larger suppliers.

Details on the July quarter: We model revenue of $108.3mn (up 7.9% q/q and 13.3% y/y), above the Street at $107.8mn. By segment, we model IP Security to be up 9.7% q/q and up 14.5% y/y and estimate autos to be up 4.0% q/q and up 21.3% y/y. Our gross margin estimate of 59.8% is in-line with the street and EPS of $0.16 is slightly below the Street at $0.17.

October quarter outlook: Looking ahead to next quarter, we model revenue up 12.0% q/q and up 11.8% y/y to $121.2mn, above the street at $119.3mn. We model IP Security up 15.3% q/q and up 12.3% y/y and autos revenue to be up 3.0% q/q and up 19.5% y/y. Our gross margin estimate of 59.7% is in-line with the Street at 59.6% and EPS of $0.29 is slightly below the Street at $0.30.

Exhibit 2: AMBA: MS vs. Cons

MS vs. Consensus

Figures in $ millions

	F2Q27E		F3Q27E		F2027E		F2028E	
	MS	Cons.	MS	Cons.	MS	Cons.	MS	Cons.
Revenues	108.3	107.8	121.2	119.3	443.3	441.4	484.3	498.3
Q/Q change (%)	*7.9%*	*7.4%*	*12.0%*	*10.7%*				
Gross margin (%)	*59.8%*	*59.8%*	*59.7%*	*59.6%*	*59.8%*	*59.8%*	*60.0%*	*60.0%*
EPS	$0.16	$0.17	$0.29	$0.30	$0.74	$0.79	$0.83	$1.08

Risk Reward – Ambarella Inc (AMBA.O)

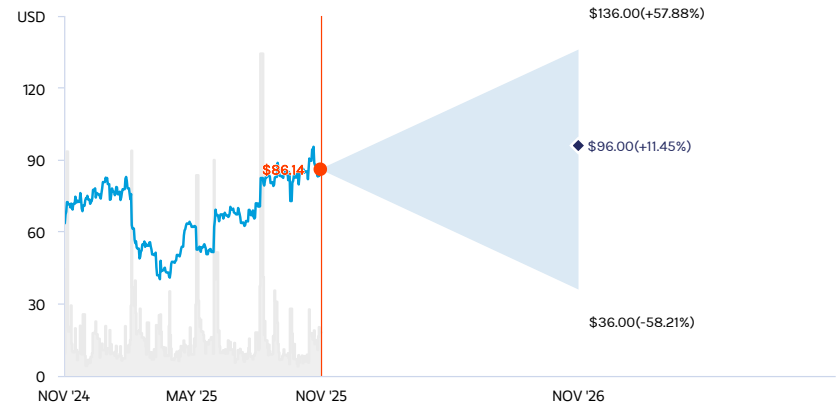
Long term prospects with CV3 are exciting, but L2+ autonomy development is slow.

PRICE TARGET $96.00

EV/sales of 9x CY26, 9x sales is a slight premium to small cap semiconductors

Consensus Price Target Distribution $49.60 — $89.98 (Mean) — $105.00 (MS PT)

RISK REWARD CHART



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

OVERWEIGHT THESIS

- We like Ambarella's fundamental position and think that bears generally underestimate the company's technology leadership. We think that the company's computer vision (CV) products are unique and expect CV to drive transformative growth
- Home security and automotive applications will add growth on top of existing core market growth (core markets include surveillance, dash mounted autos and OEM auto surround view/digital rear view mirrors)
- Sensor fusion beginning with radar and camera begins to materialize, though we do not yet base material revenue growth on this market

Consensus Rating Distribution

- 56% Overweight
- 44% Equal-weight
- 0% Underweight
- MS Rating

Risk Reward Themes

Electric Vehicles:	*Positive*
Secular Growth:	*Positive*

View descriptions of Risk Rewards Themes here

BULL CASE $136.00

10X CY26e Revenue of $537mm

CV products take auto market share, consumer grows more than expected, and sensor fusion business materializes

- CV solution begins to overcome auto incumbents; further relationships with tier one suppliers, surveillance growth continues

- Design win momentum accelerates, including some in sensor fusion products, and later robotics

- Core business grows more meaningfully, as adoption of CV drives strong growth across all segments

BASE CASE $96.00

~9X CY26e Revenue of $410mm

Incremental growth in security camera opportunities combines with a burgeoning automotive segment

- Increasing CV penetration leads to improved ASPs and larger SAM

- Current pace of EV and AV adoption drives automotive revenue

- Design win momentum continues

BEAR CASE $36.00

3.5X CY26e Revenue of $352mm

Automotive revenue takes longer than expected to ramp; Security camera growth stalls

- AMBA design wins and market share gains in the automotive segment result in smaller revenue opportunities than expected, leading to slower growth and lower multiple

- CV penetration rate decelerates in security camera market

- Computer vision products fail to make any real impact beyond initial surveillance wins.

Risk Reward – Ambarella Inc (AMBA.O)

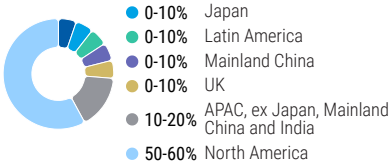
KEY EARNINGS INPUTS

Drivers	2025	2026e	2027e	2028e
GAAP Revenue ($, mm)	285	381	410	469
MW Gross Margin (%)	61.6	60.1	59.9	60.0
MW EPS ($)	(2.77)	(1.94)	(2.46)	(2.61)
Inventory ($, mm)	34	33	37	42
DOI	93.4	78.5	78.5	78.5

INVESTMENT DRIVERS

- Automotive customer relationships announced throughout 2022
- IP Security systems adopt computer vision more quickly, driving 2x increase to average selling price
- Sensor fusion solutions find definitive market fit, take market share from incumbents

GLOBAL REVENUE EXPOSURE



View explanation of regional hierarchies here

MS ALPHA MODELS

4/5 **BEST**	24 Month Horizon	4/5 **MOST**	3 Month Horizon

the highest favored Quintile and 5 is the least favored Quintile

RISKS TO PT/RATING

RISKS TO UPSIDE

- AMBA becomes the CV solution of choice over incumbent auto players
- Design wins continue in the automotive and surveillance markets, but also consumer
- CV penetration accelerates

RISKS TO DOWNSIDE

- Legacy pressures could spread to surveillance and auto, with most of the R&D now going to computer vision
- Auto SAM does not grow as quickly as expected
- Security camera CV replacement rate does not materialize

OWNERSHIP POSITIONING

Inst. Owners, % Active	49.1%
HF Sector Long/Short Ratio	2x
HF Sector Net Exposure	26.3%

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MS ESTIMATES VS. CONSENSUS

FY Jan 2026e

Sales / Revenue ($, mm)
◆ 381
Note: There are not sufficient brokers supplying consensus data for this metric

EBITDA ($, mm)
◆ (79)
Note: There are not sufficient brokers supplying consensus data for this metric

Net income ($, mm)
◆ (83)
Note: There are not sufficient brokers supplying consensus data for this metric

EPS ($)
◆ 0.47
Note: There are not sufficient brokers supplying consensus data for this metric

◆ Mean ◆

Semiconductor Coverage – Valuation / Stock Performance

Exhibit 3: Weekly stock performance

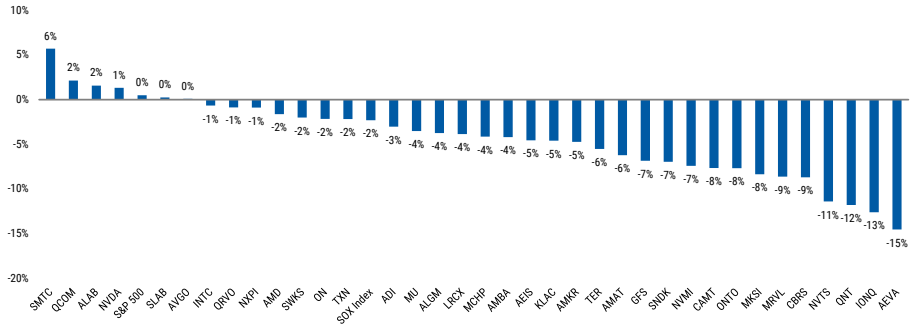


Exhibit 4: Monthly stock performance

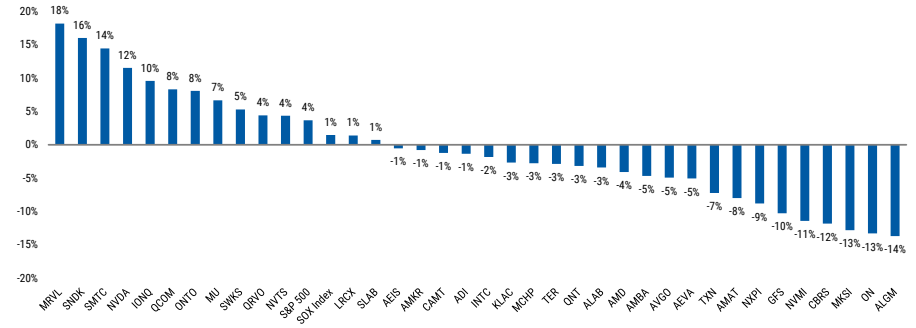
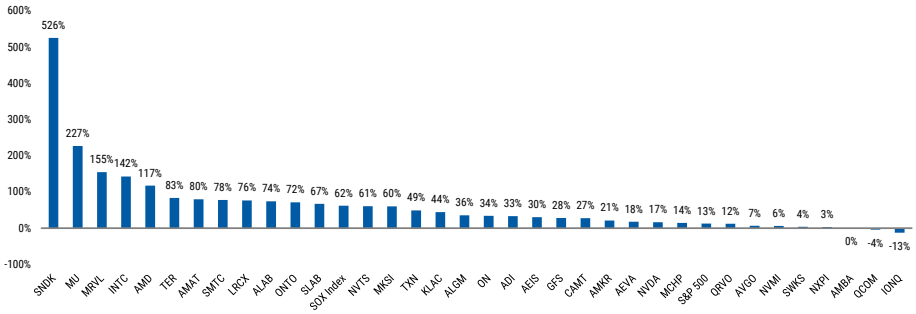
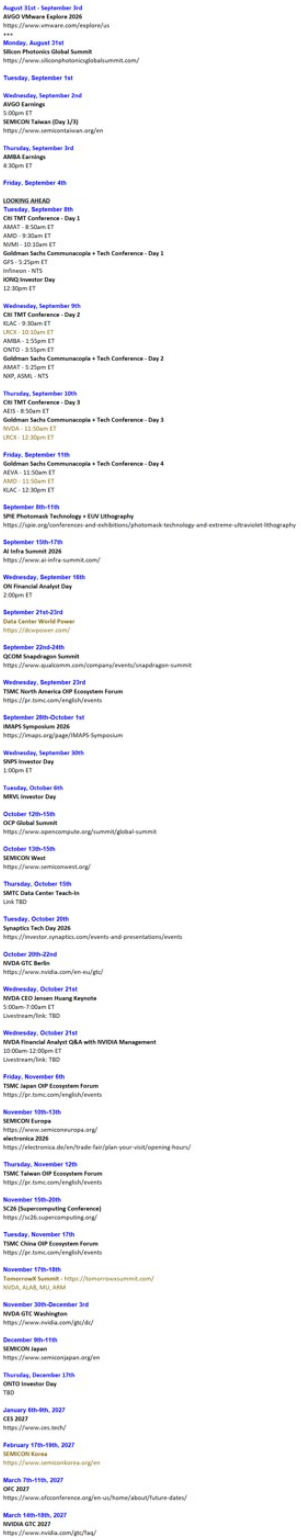


Exhibit 5: YTD stock performance



Semis Week Ahead

Exhibit 6: August 31st - September 4th, 2026



August 31st - September 3rd
AVGO VMware Explore 2026
https://www.vmware.com/explore/us
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Monday, August 31st
Silicon Photonics Global Summit
https://www.siliconphotonicsglobalsummit.com/

Tuesday, September 1st

Wednesday, September 2nd
AVGO Earnings
5:00pm ET
SEMICON Taiwan (Day 1/3)
https://www.semicontaiwan.org/en

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

Friday, September 4th

LOOKING AHEAD
Tuesday, September 8th
Citi TMT Conference - Day 1
AMAT - 8:50am ET
AMD - 9:30am ET
NVMI - 10:10am ET
Goldman Sachs Communacopia + Tech Conference - Day 1
QFS - 5:25pm ET
Infineon - NTS
IONQ Investor Day
12:30pm ET

Wednesday, September 9th
Citi TMT Conference - Day 2
KLAC - 9:30am ET
LRCX - 10:10am ET
AMBA - 1:55pm ET
ONTO - 3:55pm ET
Goldman Sachs Communacopia + Tech Conference - Day 2
AMAT - 5:25pm ET
NXP, ASML - NTS

Thursday, September 10th
Citi TMT Conference - Day 3
AEIS - 8:50am ET
Goldman Sachs Communacopia + Tech Conference - Day 3
NVDA - 11:50am ET
LRCX - 12:30pm ET

Friday, September 11th
Goldman Sachs Communacopia + Tech Conference - Day 4
AEVA - 11:50am ET
AMD - 11:50am ET
KLAC - 12:30pm 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 21st-23rd
Data Center World Power
https://dcwpower.com/

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

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

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

Thursday, October 15th
SMTC Data Center Teach-In
Link TBD

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

October 20th-22nd
NVDA 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

November 17th-18th
TomorrowX Summit - https://tomorrowxsummit.com/
NVDA, ALAB, MU, ARM

November 30th-December 3rd
NVDA GTC Washington
https://www.nvidia.com/gtc/dc/

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/

February 17th-19th, 2027
SEMICON Korea
https://www.semiconkorea.org/en

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/

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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	$465.6	$290	$465	$700	0%
CBRS	OW	$179.1	$90	$279	$400	56%
INTC	EW	$89.5	$50	$84	$137	-6%
NVDA	OW	$217.6	$160	$300	$350	38%
Memory						
MU	OW	$932.9	$675	$1,200	$1,650	29%
SNDK	OW	$1,485.0	$1,100	$1,750	$2,635	18%
Capital Equipment						
AEIS	OW	$272.8	$255	$439	$634	61%
AMAT	EW	$461.7	$413	$642	$893	39%
CAMT	EW	$135.6	$115	$165	$223	22%
KLAC	OW	$175.5	$165	$253	$325	44%
LRCX	OW	$301.9	$236	$367	$481	22%
MKSI	OW	$255.8	$278	$439	$595	72%
NVMI	EW	$349.1	$307	$461	$639	32%
ONTO	OW	$270.8	$244	$383	$493	41%
TER	EW	$355.0	$273	$397	$535	12%
Comm-IC / Multi-Market						
ALAB	OW	$289.5	$208	$382	$490	32%
AMBA	OW	$70.6	$34	$96	$136	36%
AVGO	OW	$368.8	$308	$502	$637	36%
MRVL	EW	$216.6	$143	$246	$376	14%
QCOM	EW	$164.2	$104	$220	$298	34%
QRVO	EW	$94.7	$40	$84	$110	-11%
SMTC	EW	$131.2	$108	$195	$294	49%
SWKS	EW	$65.8	$43	$72	$105	9%
Analog / MCUs						
ADI	OW	$361.8	$370	$458	$548	27%
ALGM	OW	$35.8	$44	$52	$72	45%
MCHP	EW	$72.9	$75	$103	$129	41%
NVTS	UW	$11.5	$6.3	$12.6	$20.9	10%
NXPI	OW	$223.6	$270	$338	$404	51%
ON	NC	$72.6	++	++	++	-
SLAB	EW	$218.5	$83	$231	$265	6%
TXN	UW	$258.6	$213	$255	$302	-1%
Components						
AEVA	EW	$15.6	$5.0	$27.0	$73.0	73%
Foundry						
AMKR	EW	$47.9	$49	$70	$89	46%
GFS	EW	$44.8	$34	$60	$86	34%
Quantum Computing						
IONQ	EW	$39.2	$6	$49.0	$110	25%
QNT	EW	$49.9	$12	$78.0	$160	56%

Exhibit 8: MS vs. Street

		CY2027e EPS				CY2027e Revenue			
		MS	Consensus	% Diff		MS	Consensus	% Diff
OW	ADI	$16.94	$17.15	(4%)	ADI	$18,513	$18,793	(3%)
	AEIS	$16.91	$15.19	(4%)	AEIS	$3,261	$3,009	(3%)
	ALAB	$5.83	$6.49	(8%)	ALAB	$2,953	$3,079	(1%)
	ALGM	$1.48	$1.38	10%	ALGM	$1,264	$1,238	2%
	AMBA	$0.83	$1.05	3%	AMBA	$484	$493	0%
	AVGO	$19.59	$20.69	(3%)	AVGO	$180,289	$185,620	0%
	CBRS	$1.03	$1.30	(3%)	CBRS	$2,883	$2,954	0%
	KLAC	$6.23	$6.07	(1%)	KLAC	$20,430	$19,849	(0%)
	LRCX	$11.26	$10.60	(0%)	LRCX	$39,626	$38,025	(0%)
	MKSI	$19.03	$17.50	4%	MKSI	$6,443	$6,113	1%
	MU	$180.48	$160.06	45%	MU	$285,950	$259,867	18%
	NVDA	$9.21	$14.82	6%	NVDA	$405,968	$649,330	5%
	NXPI	$18.76	$18.18	4%	NXPI	$15,767	$15,932	1%
	ONTO	$12.53	$11.65	4%	ONTO	$1,967	$1,868	1%
	SNDK	$211.96	$234.31	43%	SNDK	$48,964	$53,147	7%
EW	AEVA	-$1.85	-$1.59	2%	AEVA	$74	$70	(19%)
	AMAT	$20.45	$19.62	2%	AMAT	$50,160	$48,392	3%
	AMD	$15.54	$15.73	1%	AMD	$88,987	$88,837	(5%)
	AMKR	$2.32	$2.75	(8%)	AMKR	$8,421	$8,623	(4%)
	CAMT	$5.01	$4.89	10%	CAMT	$788	$755	5%
	GFS	$2.44	$2.53	(4%)	GFS	$8,038	$8,202	(1%)
	INTC	$2.00	$2.07	21%	INTC	$71,264	$72,072	0%
	IONQ	-$0.94	-$2.43	(109%)	IONQ	$424	$387	3%
	MCHP	$4.10	$4.33	(1%)	MCHP	$7,095	$7,174	2%
	MRVL	$6.68	$6.48	3%	MRVL	$18,033	$17,470	2%
	NVMI	$14.13	$13.66	1%	NVMI	$1,414	$1,360	4%
	QCOM	$10.89	$10.95	(100%)	QCOM	$47,259	$46,777	(100%)
	QNT	-$1.55	-$1.65	(100%)	QNT	$63	$61	(100%)
	QRVO	$8.04	$7.92	(3%)	QRVO	$3,586	$3,631	(7%)
	SLAB	$4.14	$4.51	9%	SLAB	$1,073	$1,081	1%
	SMTC	$5.65	$5.64	(2%)	SMTC	$1,895	$1,906	0%
	SWKS	$5.31	$5.17	(4%)	SWKS	$4,101	$4,104	(3%)
	TER	$11.91	$11.75	0%	TER	$6,476	$6,241	2%
UW	NVTS	-$0.10	-$0.12	13%	NVTS	$68	$73	15%
	TXN	$9.80	$10.27	(1%)	TXN	$23,832	$24,977	(1%)
++	ON	$4.42	$4.50	8%	ON	$7,551	$7,394	(0%)

Revenue and EPS Growth

Exhibit 9: 2025-27e Revenue CAGR

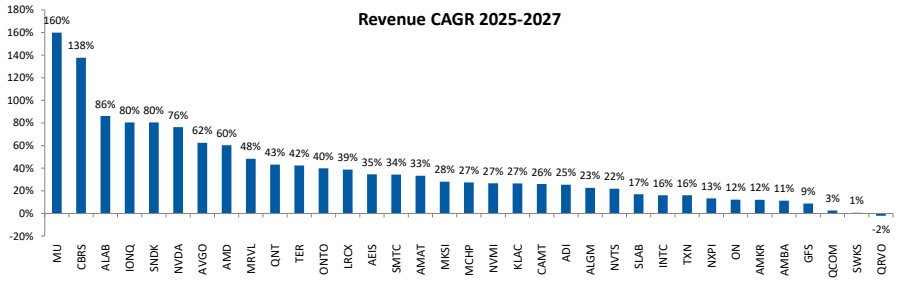
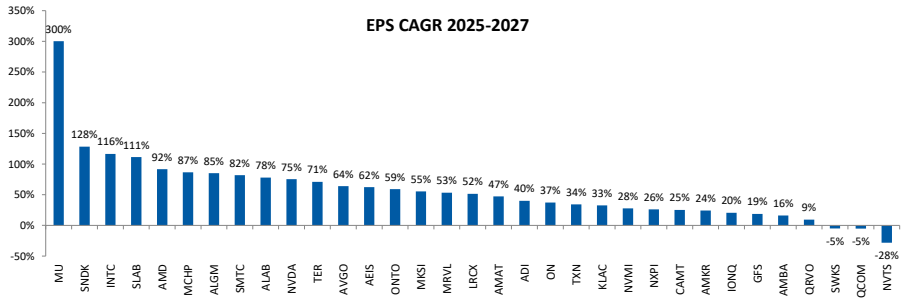


Exhibit 10: 2025-27e EPS CAGR



Inventory

Exhibit 11: Semiconductor Company inventory is at 114 days, up 2 days q/q, which is 2 days ahead of the seasonal increase of 5 days. DOI is 23 days above the historical median and trailing 4-quarters slightly increased...

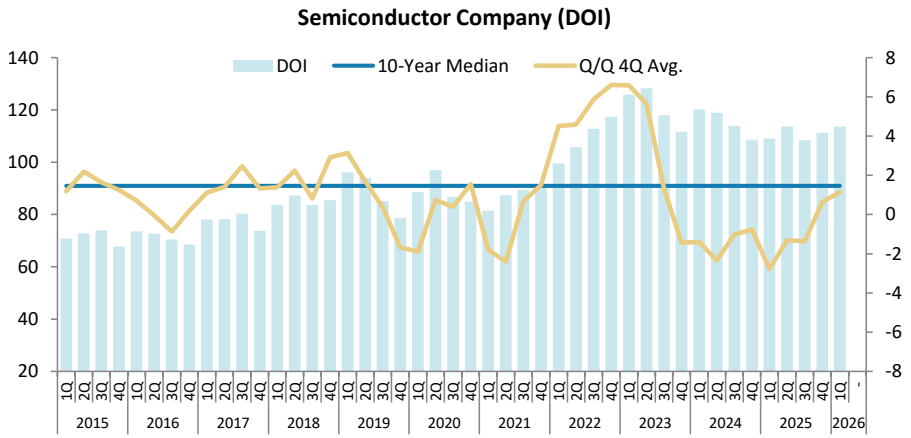


Exhibit 12: Semi Customer DOI increased 9 days sequentially to 60 days vs a seasonal increase of 8 days. DOI is above the historical median and trailing 4 quarters increased from last quarter

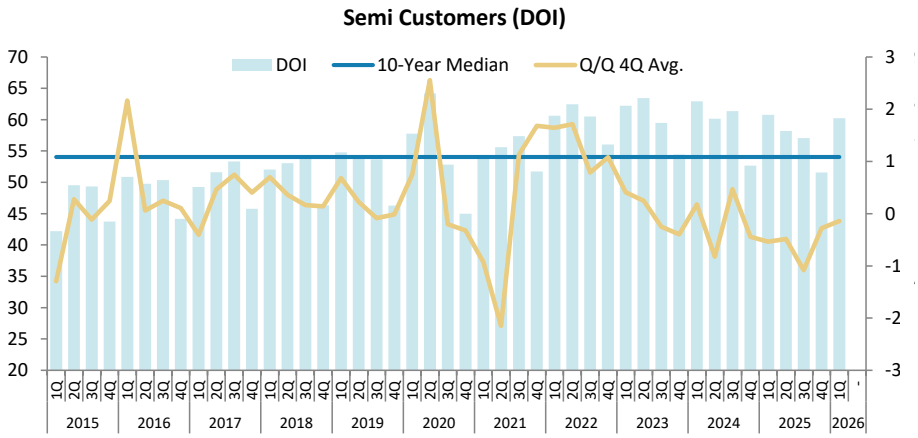
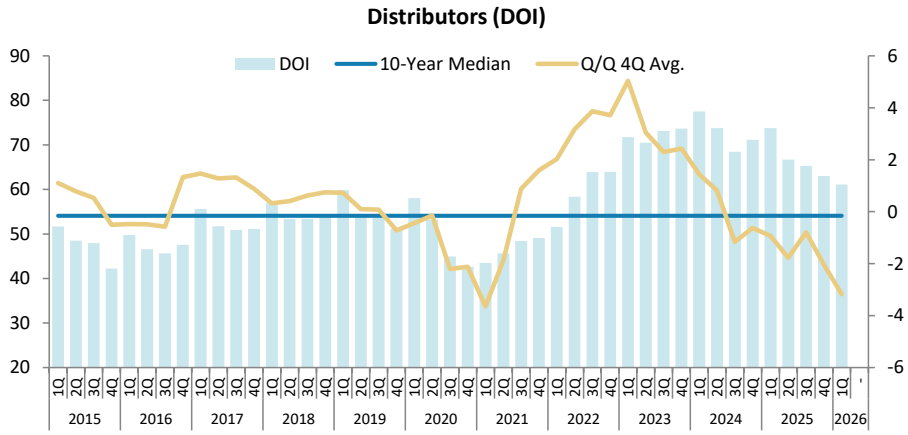


Exhibit 13: Distributor inventory is at 61 days, down 2 days q/q, below seasonal increase of 4 days. DOI is 7 days above the historical median while trailing 4-quarters decreased sequentially



Short Interest

Exhibit 14: Short Interest as % of Float

	28/Aug/25	29/May/26	28/Jun/26	29/Jul/26	28/Aug/26
ADI	1.7%	2.2%	2.0%	2.5%	1.7%
AEIS	6.4%	5.9%	5.7%	3.7%	4.3%
AEVA	11.1%	11.5%	10.4%	6.7%	6.4%
ALAB	5.3%	7.6%	6.9%	7.3%	5.0%
ALGM	4.4%	5.9%	6.4%	8.3%	5.3%
AMAT	1.9%	2.0%	2.5%	2.5%	1.5%
AMBA	5.0%	6.0%	5.1%	7.5%	9.3%
AMD	2.6%	2.2%	2.7%	2.5%	2.5%
AMKR	2.7%	3.0%	3.4%	3.6%	3.9%
AVGO	0.9%	1.1%	1.2%	1.5%	1.2%
CAMT	8.0%	6.5%	6.5%	5.8%	7.3%
CBRS			2.5%	5.7%	6.7%
GFS	1.8%	1.8%	1.4%	1.3%	0.9%
INTC	2.3%	2.6%	2.6%	2.4%	2.6%
IONQ	8.6%	20.7%	14.3%	10.9%	10.5%
KLAC	2.5%	2.4%	26.9%	0.3%	1.9%
LRCX	2.3%	2.3%	2.6%	2.3%	2.3%
MCHP	5.4%	5.5%	6.0%	7.2%	6.1%
MKSI	5.5%	5.3%	6.5%	7.3%	8.1%
MRVL	3.4%	3.2%	4.0%	3.9%	3.2%
MU	2.7%	3.3%	3.3%	2.8%	2.7%
NVDA	0.8%	1.2%	1.2%	1.3%	1.2%
NVMI	4.7%	4.8%	5.6%	4.6%	5.7%
NVTS	16.0%	16.0%	13.8%	13.2%	15.4%
NXPI	2.9%	2.6%	3.3%	3.5%	3.7%
ON	8.3%	7.5%	8.0%	7.6%	7.5%
ONTO	4.3%	2.1%	4.0%	5.4%	5.2%
QCOM	2.2%	4.7%	4.3%	3.8%	3.2%
QNT				12.7%	7.4%
QRVO	5.5%	6.7%	7.9%	7.7%	5.7%
SLAB	4.1%	5.7%	7.1%	6.9%	8.5%
SMTC	10.3%	6.7%	6.8%	6.0%	7.7%
SNDK	5.0%	7.4%	6.3%	4.9%	5.2%
SWKS	8.1%	15.1%	18.7%	19.2%	19.8%
TER	5.1%	3.5%	4.4%	5.8%	4.4%
TXN	1.8%	1.7%	2.1%	1.8%	2.2%
AVERAGE	4.9%	5.6%	6.3%	5.4%	5.5%
MEDIAN	4.5%	5.0%	5.6%	4.9%	5.0%

agreement to acquire Synaptics Incorporated ("Synaptics"), as announced on June 25, 2026. The proposed transaction is subject to approval by Synaptics' shareholders, receipt of required regulatory approval and other customary closing conditions. This report and the information provided herein is not intended to (i) provide voting advice, (ii) serve as an endorsement of the proposed transaction, or (iii) result in the procurement, withholding or revocation of a proxy or any other action by a security holder. Onsemi has agreed to pay

report.

Valuation Methodology and Risks

NVIDIA Corp. (NVDA.O)

~20 our MW CY27 EPS estimate of $15.01, 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.

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

Skyworks Solutions Inc (SWKS.O)

With the deal synergies, we believe that combined CY27 EPS would be about $7, vs. our standalone $5.31, so this would be about ~13x the combined entity. Given some deal risk and synergy uncertainties, we would prefer to value on standalone EPS with a 13.5x multiple.

Risks to Upside

- SWKS/QRVO acquisition approved
- Captures greater $ content in 5G smartphones
- Potential to regain share in China after a weak period
- Increased expansion of Broad Markets portfolio

Risks to Downside

- SWKS/QRVO acquisition canceled
- Increasing competition and China localization efforts in RF
- Customer concentration and potential pricing pressure from Apple (~60% of total sales)
- If GM fails to recover to near-term target

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