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US Semiconductors and Semiconductor Equipment

2Q26 Earnings Recap: Summer Sell-off; What's Next?

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CITI'S TAKE

After an 18% summer sell-off in SOX where the group ran into high expectations and a modest deceleration in earnings momentum, we expect a rebound going into the Citi Global TMT conference where we expect positive semis commentary led by AMD, MRVL, LITE, ALAB, and semi caps (see preview and key themes). Fundamentally, data center demand remains strong (34% of semis TAM), auto/industrial (21%) continues to recover, while demand from PCs and handsets (42%) remains weak due to memory cost inflation and supply constraints. We lift our CPU TAM to $237B by 2030 and see 2028 WFE bull case approaching $300B post earnings.

Average EPS revisions slower for semis than semi caps: — C26/27 consensus EPS estimates for 2Q26 reports were up 5%/10% on average for semis and 10%/11% for semi caps. Estimate revision momentum slowed down for semis from 1Q 15%/12% and maintained for semi caps. Networking/analog/semi caps earnings momentum remained strong, followed by compute, and then memory (Figure 3).

Raising CPU TAM to $237B by 2030 — We update our CPU model post earnings and Hot Chips conference. We believe the CPU TAM expands from $29B in 2025 to $237B in 2030, or a 52% CAGR. This forecast is above the forecasted TAMs from AMD, Arm, and NVIDIA or $100B/$220B/$200B respectively. Post Hot Chips, we are more constructive on the innovation occurring in the server CPU space. We still expect AMD to be the key beneficiary of the CPU renaissance and Intel as a secondary beneficiary.

2028 WFE Bull Case Approaching $300B — We update our top-down WFE analysis for 2026/2027/2028 based on Citi's updated hyperscaler capex model of 106%/56%/33% growth in CY26/27/28. We now see base case WFE of $158Bn/$209Bn/$257Bn, with bull case WFE reaching $163Bn/$224Bn/$286Bn in 2026/27/28 (including $3Bn/$10Bn/$10Bn Terafab spending), up from $147Bn/$200Bn/$250Bn prior and implies 37%/27% growth in both 2027/2028 in the bull case.

See Appendix A-1 for Analyst Certification, Important Disclosures and Research Analyst Affiliations.

2Q26 Earnings Recap

Figure 1. Consensus EPS Estimates Following 2Q26 Earnings

	2026 Consensus EPS			2027 Consensus EPS		
	Pre-earnings	Post-earnings	Delta	Pre-earnings	Post-earnings	Delta
Semiconductors			**5%**			**10%**
ADI	$12.86	$13.53	5%	$15.38	$17.24	12%
ALAB	$3.07	$3.99	30%	$4.84	$6.49	34%
AMD	$7.51	$7.63	2%	$13.85	$15.77	14%
AVGO	$12.94	$12.90	0%	$20.66	$21.25	3%
CBRS	-$0.90	-$0.50	-44%	$0.96	$1.30	35%
GFS	$1.90	$1.94	2%	$2.49	$2.53	1%
INTC	$1.11	$1.54	39%	$1.64	$2.11	29%
IFX	$2.30	$2.32	1%	$3.40	$3.51	3%
MCHP	$2.80	$3.15	12%	$3.92	$4.33	11%
MPWR	$24.17	$27.42	13%	$30.60	$35.92	17%
MRVL	$3.97	$4.08	3%	$6.12	$6.52	7%
NXPI	$14.85	$15.12	2%	$17.94	$18.24	2%
NVDA	$8.66	$8.89	3%	$12.52	$15.19	21%
ON	$3.09	$3.20	3%	$4.30	$4.50	5%
QCOM	$10.82	$10.41	-4%	$11.57	$10.83	-6%
SLAB	$2.50	$2.91	16%	$4.19	$4.51	8%
SNDK	$137.07	$142.65	4%	$226.67	$238.29	5%
STM	$1.32	$1.36	3%	$2.66	$2.68	1%
SWKS	$5.03	$5.02	0%	$5.37	$5.17	-4%
TXN	$7.82	$8.53	9%	$9.15	$10.32	13%
Semi Cap			**10%**			**11%**
AEIS	$9.42	$11.24	19%	$12.29	$15.19	24%
AMAT	$13.19	$13.79	5%	$18.21	$19.63	8%
ASML	$37.16	$43.69	18%	$51.60	$60.14	17%
ENTG	$3.66	$3.92	7%	$4.71	$5.06	7%
FORM	$2.46	$3.05	24%	$3.07	$3.75	22%
KLAC	$4.46	$4.61	3%	$5.81	$6.07	5%
LRCX	$6.97	$7.65	10%	$9.21	$10.54	14%
MKSI	$11.78	$13.13	11%	$15.45	$17.50	13%
NVMI	$10.48	$10.67	2%	$12.85	$13.66	6%
TER	$7.60	$9.07	19%	$10.46	$11.41	9%
VECO	$1.63	$1.50	-8%	$3.34	$3.17	-5%

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Source: Citi Research, FactSet



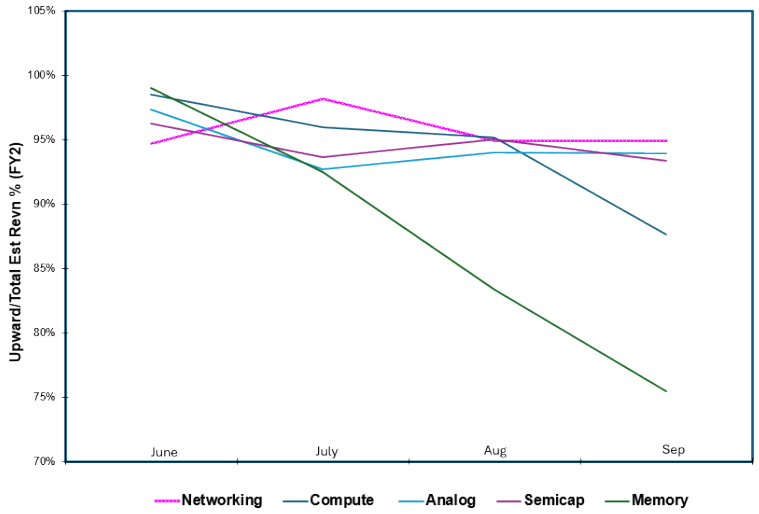
Figure 2. Consensus Sales Estimates Following 1Q26 Earnings

	2026 Consensus EPS			2027 Consensus EPS		
	Pre-earnings	Post-earnings	Delta	Pre-earnings	Post-earnings	Delta
Semiconductors			**3%**			**7%**
ADI	$15,149	$15,683	4%	$17,310	$18,847	9%
ALAB	$1,562	$1,909	22%	$2,313	$3,079	33%
AMD	$50,196	$50,995	2%	$79,638	$88,784	11%
AVGO	$117,503	$117,186	0%	$185,268	$191,646	3%
CBRS	$863	$887	3%	$2,961	$2,954	0%
GFS	$7,244	$7,307	1%	$8,042	$8,216	2%
INTC	$58,801	$63,213	8%	$66,153	$72,947	10%
IFX	$19,499	$19,903	2%	$23,015	$23,794	3%
MCHP	$5,841	$5,982	2%	$6,944	$7,174	3%
MPWR	$3,713	$4,149	12%	$4,561	$5,339	17%
MRVL	$11,278	$11,708	4%	$16,413	$17,681	8%
NXPI	$14,136	$14,289	1%	$15,680	$15,944	2%
NVDA	$379,836	$393,087	3%	$556,682	$670,059	20%
ON	$6,481	$6,551	1%	$7,208	$7,395	3%
QCOM	$43,051	$43,491	1%	$46,046	$46,694	1%
SLAB	$945	$926	-2%	$1,087	$1,081	-1%
SNDK	$34,454	$34,866	1%	$52,733	$53,951	2%
STM	$14,351	$14,405	0%	$16,823	$17,130	2%
SWKS	$3,946	$3,973	1%	$4,098	$4,104	0%
TXN	$21,161	$21,957	4%	$23,623	$25,012	6%
Semi Cap			**6%**			**8%**
AEIS	$2,249	$2,425	8%	$2,699	$3,009	11%
AMAT	$35,227	$36,418	3%	$45,221	$48,417	7%
ASML	$45,664	$49,786	9%	$57,533	$63,563	10%
ENTG	$3,456	$3,575	3%	$3,886	$4,039	4%
FORM	$966	$1,033	7%	$1,113	$1,197	8%
KLAC	$15,459	$15,876	3%	$18,969	$19,912	5%
LRCX	$27,218	$29,043	7%	$33,964	$37,971	12%
MKSI	$4,817	$5,081	5%	$5,603	$6,113	9%
NVMI	$1,065	$1,078	1%	$1,296	$1,360	5%
TER	$4,550	$5,139	13%	$5,632	$6,190	10%
VECO	$779	$800	3%	$1,063	$1,106	4%

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Source: Citi Research, FactSet

Figure 3. Semis End Market Estimate Revisions



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Raising CPU TAM to $237B by 2030

CPU Background:

A CPU, or a central processing unit, is a type of processor that functions as the "brains" of a system and is commonly found in servers, PCs, smartphones, and various IoT devices. The server CPU market has historically been one of the most competitive and profitable applications for CPUs. For example, Intel's Data Center segment typically had operating margins north of 40% for most of the 2010's. Server CPUs come in a variety of flavors, including different core counts, ISA's (instruction set architecture), channel counts, and various other factors.

Prior to the explosion of agentic AI, a CPU was primarily limited to two main applications: 1.) traditional workflows and 2.) acting as the head node for AI applications. In a head node, the CPU merely does the "management" by sending the user request to the GPU and sending the output back to the user. In this context, the GPU is doing heavy lifting such as running matrix multiplications to train LLMs or doing the inferencing when you query a chatbot. The third new application for CPUs is agentic AI, and this new application has seen explosive growth within the past year as AI has moved from chatbot inferencing to agentic autonomous workflows like Claude Code. At Citi, we define agentic CPUs as those that are handling the orchestration, reasoning loops, data processing, and security components of autonomous AI agents. In Agentic AI, CPUs have become the new bottleneck as CPU-to-GPU ratios move from 1:8 in model training, to 1:4 in inferencing, to 1:1 or greater in agentic AI. We believe the ratio will increasingly skew towards CPUs over time as agentic AI scales.

We believe AMD will be the primary beneficiary of the CPU renaissance due to their performance leadership, greater core counts, X86 ISA, broader SKU offerings, and support for both multithreading and single threading. In this framework, we compare the future offerings for Nvidia (Vera), AMD (Venice) and Intel (Diamond Rapids). AMD's Venice CPU will offer core counts between 8 and 256 cores,

enabling AMD to support a variety of workloads while maintaining absolute performance leadership and supporting a variety of workloads. We believe Intel will have success as well, but we believe their Diamond Rapids CPU will trail AMD's Venice as it doesn't support multi-threading, has fewer threads, will be released ~2 quarters later, and expect an overall performance gap versus Venice. Intel's next generation CPU Coral Rapids will see a return to multi-threading, but this product likely won't be released until 2028. While we believe NVDA will be successful in reasoning server CPUs, Vera will feature a proprietary technology called spatial multi-threading, Vera will have fewer cores (Vera has 88 cores, Venice has up 256 cores, Diamond Rapids has up to 256 cores), and Vera will utilize the Arm ISA. One of the drawbacks of the Arm ISA is that it faces software incompatibility with legacy systems and requires porting to run models smoothly, however this drawback is getting diminished over time. Given Nvidia is fabless and has a set allocation of wafers from its foundry partners, we believe Nvidia will prioritize its GPU shipments over individual CPU shipments given their entrenched position in the GPU market.

We update our CPU model post earnings and Hot Chips. We believe the CPU TAM expands from $29B in 2025 to $237B (previously $137B) in 2030, or a 52% CAGR. We expect general purpose CPUs to grow at a 21% CAGR to $52B in 2030, AI head nodes to grow at a 50% CAGR to $63B in 2030, and agentic CPUs to grow at a 230% CAGR to $123B in 2030. We model general purpose CPUs to represent 22% of the TAM in 2030, AI head nodes to represent 26% of the TAM in 2030, and agentic CPUs to represent 52% of the TAM by 2030. For reference, Arm forecasted a TAM of $100B by 2030, AMD forecasted a TAM of $220B by 2030, and Nvidia forecasted a TAM of $200B.

Figure 4. Citi CPU TAM Model ($M)

TAM Estimates ($M)	C25	C26E	C27E	C28E	C29E	C30E
General Purpose CPU	$20,544	$27,310	$33,706	$37,929	$47,522	$52,226
% of Total	71%	53%	34%	29%	27%	22%
YoY		33%	23%	13%	25%	10%
AI Headnodes	$8,185	$12,522	$27,577	$34,395	$47,199	$62,646
% of Total	28%	24%	28%	26%	27%	26%
YoY		53%	120%	25%	37%	33%
Agentic CPU Applications	$311	$11,437	$36,938	$59,812	$82,683	$122,545
% of Total	1%	22%	38%	45%	47%	52%
YoY		3578%	223%	62%	38%	48%
Total	**$29,039**	**$51,269**	**$98,220**	**$132,136**	**$177,404**	**$237,417**
YoY		76%	35%	24%	30%	18%

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Source: Citi Research, Mercury Research

With these updates, we now model total server CPU units to grow from ~30 million units in 2025 to 76 million units in 2030, or 21% CAGR (previously 17%). We believe Intel units could grow at 14% CAGR, AMD units could grow at 31% CAGR (previously 25%), and Arm units could grow at 26% CAGR (previously 25%).

Figure 5. Citi Server CPU Unit Model

Unit Model (M)	C25	C26E	C27E	C28E	C29E	C30E
CPU Units (M)	**29,814**	**38,331**	**48,833**	**54,348**	**64,771**	**76,087**
YoY	23%	29%	27%	11%	19%	17%
Intel	18,547	20,836	23,173	25,443	31,673	35,016
YoY	9%	12%	11%	10%	24%	11%
AMD	7,240	10,776	17,735	20,871	23,287	28,450
YoY	32%	49%	65%	18%	12%	22%
ARM/Others	4,027	6,719	7,924	8,034	9,812	12,621
YoY	127%	67%	18%	1%	22%	29%

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Source: Citi Research, Mercury Research

We adjust our 2030 share estimates with our updated model. By 2030, we expect Intel to have 46% share (unchanged), AMD to have 37% share (previously 35%), and Arm/Others to have 17% share (previously 20%). We are more optimistic about AMD's near-term share opportunity with its leading TCO and supply allocation, as well as confidence in Intel ramping supply and improving yields. Most of our Arm shipment forecasts are coming from Nvidia Arm-based CPUs. We continue to expect AMD to be the primary beneficiary of the CPU renaissance, and Intel to be a secondary beneficiary given its manufacturing capacity and improving long-term roadmap.

Figure 6. Citi Server CPU Market Share Forecast

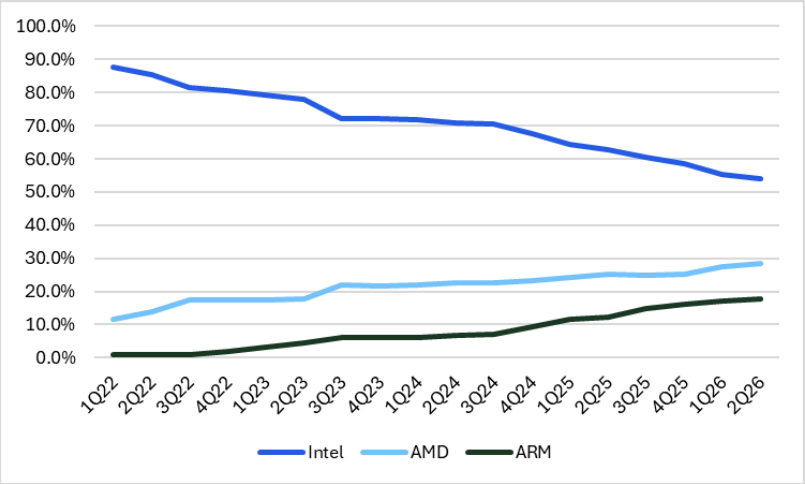
Unit Market Share (%)	C25	C26E	C27E	C28E	C29E	C30E
Intel	62%	54%	47%	47%	49%	46%
YoY	-780 bps	-785 bps	-690 bps	-64 bps	208 bps	-288 bps
AMD	24%	28%	36%	38%	36%	37%
YoY	163 bps	383 bps	820 bps	208 bps	-245 bps	144 bps
ARM/Others	14%	18%	16%	15%	15%	17%
YoY	617 bps	402 bps	-130 bps	-144 bps	37 bps	144 bps

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Source: Citi Research, Mercury Research

Market Share Update

Mercury Research released estimates for 2Q26 microprocessor shipments and market share. Intel's server MPU share was down 137 basis points QoQ from 55.3% in 1Q26 to 53.9% in 2Q26 while AMD's server MPU share was up 89 basis points QoQ from 27.5% in 1Q26 to 28.4% in 2Q26 due to our belief of better available CPU supply. Arm's server MPU share was up 48 basis points QoQ from 17.2% in 1Q26 to 17.6% in 2Q26.

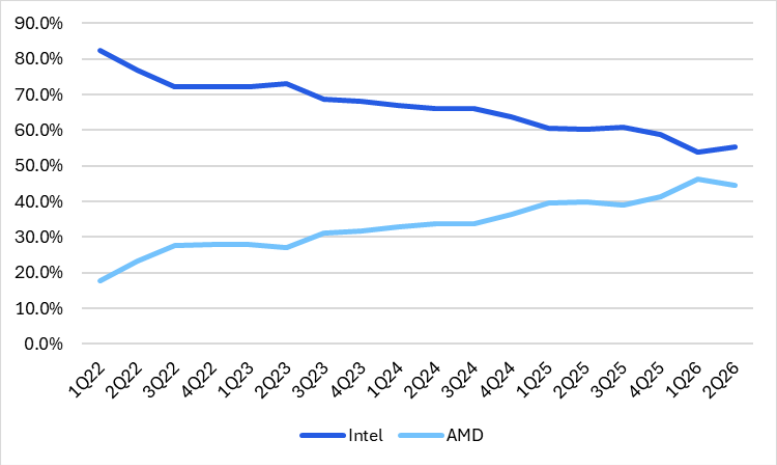
Figure 7. Server MPU Share, 1Q22-2Q26



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Source: Citi Research, Mercury Research

Server MPU revenue share, which excludes Arm, saw Intel gain 168 basis points QoQ from 53.8% in 1Q26 to 55.4% in 2Q26 on richer mix and the company raised ASPs. AMD's server revenue share declined 168 basis points QoQ from 46.2% in 1Q26 to 44.6% in 2Q26.

Figure 8. Server MPU Revenue Share, 1Q22-2Q26



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Hot Chips CPU Notes:

We attended the Hot Chips conference recently, where we became increasingly constructive on the innovation occurring in the space. Please find the major CPU product details from Nvidia, Intel, Arm, and Fujitsu below:

Nvidia Vera CPU

- Agentic AI is the most complex computing workload in history. AI is moving from a query to a full workflow
- Vera is Nvidia's second generation server SOC and designed for agentic workflows
- Vera Rubin is a full-stack AI factory platform: Vera Rubin NVL-72 for training/inference, Groq 3 LPX, Vera CPU Rack, Vera Bluefield storage, and Spectrum X networking
- Vera Rubin NVL72 delivers up to a 30X throughput per MW versus GB300 on Deepseek
- LPX 3rd partner benchmark - 4x faster decode
- Vera CPU maximizes agent performance per core, max single threaded CPU at scale
- 5 important innovations on Vera that differentiates it from other DC CPUs: massive cores, bult for power limited data centers, built to process massive data, completely protected, and massive IO
- Massive Cores: Olympus delivers more agent performance per core, per watt
- Built to process massive data: scalable coherency eliminates data ingestion bottleneck. Monolithic compute die, 88 Nvidia custom Olympus cores with 176 threads

- Vera delivers up to 6X more data processing performance versus a traditional CPU - in study with NYSE
- Massive I/O: Vera's massive I/O keeps GPU and Memory Investments fully utilized

Fujitsu- Arm based CPU

- Agentic AI drives greater CPU usage for orchestration and peripheral processing.
- Fujistu-Monaka processor is made in Japan CPU engineered for AI performance and power efficiency
- Production shipments will begin in 2027
- Features up to 144 cores per socket, with options for both air and liquid cooling
- Uses 2nm
- Next CPU will launch in 2029 with a 1.4nm CPU for Data center, HPC, and AI

Arm AGI CPU

- Arm share is over 60% for host AI CPU platforms
- Arm AGI features TSMC N3P node and up to 136 cores (3 variants: 64 cores, 128 cores, and 136 cores)
- Each chiplet features up to 50B transistors, for over 100B transistors in a dual-transistor design
- Memory subsystem: up to 8800 MT/s on DDR5

Intel Diamond Rapids

- CPUs for data centers need higher performance per thread, maximize performance per watt, run the right workloads, need a scalable architecture, and need security. CPU needs to balance all these.
- Next Xeon architecture will be called Fan-out fabric architecture - which will have scalable compute building blocks, centralized I/O and memory, unified memory fabric, and a flexible I/O fabric
- Diamond Rapids is in the lab today
- Diamond Rapids SOC Overview: up to 256 cores total, 4 compute building blocks, 16 channel memory, 128 lanes of I/O, PCIe Gen 6, CXL 3.0, UPI 3
- Fabric Tile are built on Intel 3, Core is built on Intel 18A-P
- Intel 18A-P gives a 9% performance improvement over Intel 18A, and Intel 18A had a 15% performance improvement over the prior generation

Lifting 2026/27/28 WFE

Top-down WFE

We update our top-down WFE analysis for 2026/2027/2028 based on Citi's updated hyperscaler capex model of 106%/56%/33% growth in CY26/27/28. We

now see base case WFE of $158Bn/$209Bn/$257Bn, with bull case WFE reaching $163Bn/$224Bn/$286Bn in 2026/27/28 (including $3Bn/$10Bn/$10Bn Terafab spending), up from $147Bn/$200Bn/$250Bn prior and implies 37%/27% growth in both 2027/2028 in the bull case.

During the Jun-Q/July-Q earnings, KLAC, LRCX, and TEL all lifted 2026 WFE expectations to $150Bn+, and AMAT also raised its semis sales expectations this year. KLAC explicitly noted that advanced packaging growth is now in the mid-30% range vs 20% prior, while LRCX, KLAC and AMAT all revised up their AP revenue to over 70% Y/Y vs 50% prior. Looking beyond 2026, **AMAT** sees CY27 to be another strong year with leading edge F/L, DRAM and AP to account for more than 80% of the growth, **Tokyo Electron** now expects CY27 WFE to be $190Bn+ and can support $200Bn-$250Bn from CY27 onwards, **KLAC** endorsed industry consensus of $190Bn WFE with upside potential, citing unprecedented visibility into 2H 2027 and even has early conversations for 2029 and beyond, and **LRCX** characterized demand environment as extraordinary setup for 2027 WFE growth (DRAM > leading edge F/L>NAND) and sees the favorable trend to continue into 2028, all driven by robust AI-related semiconductor demand, broad-based capacity additions across DRAM and logic, and increasing advanced packaging intensity. Lam now expects $1-2Bn additional WFE spending on top of the $8Bn prior from every $100Bn data center capex. Against the backdrop of robust WFE growth, **TER** now expects ATE TAM to stabilize at 7-9% WFE driven by increasing chiplets complexity and higher test intensity requirements for AI processors and memory, reversing the trend of undergrowing in the last decade. **Advantest** revised up 2026 ATE TAM by 19% to grow ~50% Y/Y, supported by increasing volumes of AI related semis and device complexity.

Figure 9. WFE reaching $209Bn/$257Bn in CY27/28, with bull case of $224Bn/$286Bn.

Base

WFE Mix	2025	2026 Growth	WFE2026E	2027 Growth	WFE2027E	2028 Growth	WFE2028E	2028 WFE Mix	2029 Growth	WFE2029E	2030 Growth	WFE2030E
AI	$ 45	106%	$ 93	56%	$ 144	33%	$ 192	75%	36%	$ 261	30%	$ 338
China	$ 39	0%	$ 39	0%	$ 39	0%	$ 39	15%	0%	$ 39	0%	$ 39
Other Non-AI	$ 27	0%	$ 27	0%	$ 27	0%	$ 27	10%	0%	$ 27	0%	$ 27
Total WFE ($Bn)	**$ 110**	**43%**	**$ 158**	**33%**	**$ 209**	**23%**	**$ 257**		**27%**	**$ 326**	**24%**	**$ 403**

Bull

WFE Mix	2025	2026 Growth	WFE2026E	2027 Growth	WFE2027E	2028 Growth	WFE2028E	2028 WFE Mix	2029 Growth	WFE2029E	2030 Growth	WFE2030E
AI	$ 45	111%	$ 95	61%	$ 152	38%	$ 210	74%	41%	$ 296	35%	$ 400
China	$ 39	5%	$ 40	5%	$ 42	5%	$ 45	16%	5%	$ 47	5%	$ 49
Other Non-AI	$ 27	5%	$ 28	5%	$ 29	5%	$ 31	11%	5%	$ 32	5%	$ 34
Total WFE ($Bn)	**$ 110**	**48%**	**$ 163**	**37%**	**$ 224**	**27%**	**$ 286**		**32%**	**$ 376**	**29%**	**$ 483**

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Source: Citi Research

Bottom-up WFE

We also update our bottom-up WFE model based on top spenders' capex comments for CY26 and beyond to align with our base case.

During the quarter, **TSMC** raised 2026 capex to $60–64Bn and expects spending over the next three years to be significantly above the prior 3-year period, supported by advanced-node and packaging expansion in Taiwan and its enlarged $265B Arizona plan. **Intel** raised 2026 capex to over $20Bn, with tooling up roughly 40%, and expects 2027 capex to increase significantly again as it expands Intel 3, 18A/18A-P and advanced-packaging capacity, primarily in the U.S., alongside a €5B Ireland expansion. While **Samsung** has not provided precise 2026 guidance but expects a substantial increase from 2025's KRW52.7T, driven by Pyeongtaek and Taylor, while its long-term domestic plan includes KRW2,100T of semiconductor investment through 2040 across Pyeongtaek, Yongin, Gwangju and new HBM capacity. **SK Hynix** expects 2026 capex in the high-KRW40T range, led by M15X and the early-2027 opening of Yongin's first cleanroom; longer term, it

plans KRW1,100T across Yongin, Cheongju and a new southwestern Korea cluster, plus a $4B+ Indiana HBM-packaging facility starting production in 2029. **Micron** expects FY26 capex of approximately $27B and indicated FY27 spending above $10B per quarter and full year could be above mid-40Bn level, although more than half of the increase is construction-related; capacity additions include Idaho, New York, Virginia, Taiwan, Japan and Singapore under its $250B+ US investment plan. Finally, **Sandisk and Kioxia** plan to invest more than $31B through 2032 in Yokkaichi and Kitakami, including a new Fab 3 targeted for FY2029. Overall, these plans support stronger WFE in 2027 and sustained tool installations through 2028–30, although the largest long-term commitments are phased project envelopes rather than near-term equipment orders.

Figure 10. Bottom-up WFE Model

Citi Top Spender Model							
(US$ millions)	23	24	25	2026 CAPEX Outlook/ WFE GUIDE	26E	27E	28E
Global Foundries	$1,804	$625	$722	Net CY26 capex in the range of 15% to 20% of full year revenue, trending toward higher end of the rate	$1,461	$1,402	$1,472
Intel	$25,750	$24,000	$17,672	CY26 gross capex >$20Bn, tooling 40% higher vs 2025; 2027 capex significantly above 2026	$20,261	$29,156	$35,000
Rapidus		$0	$5,000	FY25 budget of ¥800Bn ; FY26 budget of ¥631Bn	$4,000	$4,000	$4,000
Micron Technology	$7,708	$9,800	$20,062	FY26 capex $27Bn, FY27 up significantly, higher than mid $40Bn.	$35,213	$53,000	$56,180
Nanya Technology	$424	$456	$429	FY26 capex TWD 69.7 approved, 50% WFE; 2027 could be 4x	$2,230	$8,922	$4,461
Sandisk/ Kioxia	$2,200	$800	$1,792	FY27 capex to be ~6% of revenue	$2,075	$3,189	$3,451
SK Hynix	$6,232	$11,100	$19,250	CY26 capex to reach KRW high-40 trillion	$34,265	$49,684	$78,004
Samsung	$41,127	$33,984	$33,250	FY26: Expect Memory CapEx to increase considering the market outlook.	$51,538	$63,391	$83,676
TSMC	$30,450	$29,800	$41,000	CY2026 capex of $60Bn - $64Bn. Split as 70-80% in advanced node, 10% in specialty node, and 10%-20% in advanced packaging, testing and mask making and others.	$62,000	$76,500	$85,700
UMC	$2,919	$2,800	$1,600	CY26 CapEx now $2Bn, 2027 up low teens, board approval of $5Bn over the next few years	$2,000	$2,240	$2,509
Terafab				15% of SPCX AI Capex goes to Terafab	$8,102	$21,600	$23,250
ASE				CY26 capex of $10.5Bn, including $6.5Bn for equipments	$10,500	$10,290	$8,541
Amkor				2026 capex of $2.5Bn - $3Bn	$2,750	$2,338	$1,917
China (domestic)	$30,000	$35,000	$36,000	Citi models flat total domestic China capex spending in 2026	$36,000	$42,480	$45,878
Top Spender Capex $MM	**$148,614**	**$148,366**	**$176,777**		**$259,144**	**$355,584**	**$423,582**
YY%	*-4%*	*0%*	*19%*		*47%*	*37%*	*19%*
Total Semi Capex $MM	$166,982	$166,703	$198,626		$272,783	$374,278	$445,876
Wafer Fab Equipment $MM	**$96,015**	**$99,167**	**$110,267**		**$157,123**	**$215,584**	**$256,824**
YY%	*0%*	*3%*	*11%*		*43%*	*37%*	*19%*
Segment WFE Breakdown $MM							
Logic (Foundry + IDM)	$71,420	$72,614	$75,072		$103,621	$139,822	$158,333
YY%	*13%*	*2%*	*3%*		*38%*	*35%*	*13%*
Memory	$20,262	$26,554	$35,185		$53,502	$75,763	$98,492
YY%	*-38%*	*31%*	*32%*		*52%*	*42%*	*30%*
DRAM	$14,217	$19,903	$25,874		$41,399	$60,028	$78,037
YY%	*1%*	*40%*	*30%*		*60%*	*45%*	*30%*
NAND	$6,046	$6,650	$9,310		$12,104	$15,735	$20,455
YY%	*-68%*	*10%*	*40%*		*30%*	*30%*	*30%*
Advanced Packaging					$15,993	$18,709	$18,945
YY%					*46%*	*17%*	*1%*
China WFE	$33,500	$41,225	$44,393		$47,103	$50,951	$55,912
YY%		*23%*	*8%*		*6%*	*8%*	*10%*

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Companies Mentioned:

Advanced Energy Industries, Inc (AEIS.O; US$280.9; 1; 04 Sep 26; 16:00) | Advanced Micro Devices (AMD.O; US$477.57; 1; 04 Sep 26; 16:00) | Advantest (6857.T; ¥34480.0; 1; 07 Sep 26; 15:30) | Amkor Technology, Inc. (AMKR.O; US$47.77; Not Rated; 04 Sep 26; 16:00) | Analog Devices (ADI.O; US$362.25; 1; 04 Sep 26; 16:00) | Applied Materials Inc (AMAT.O; US$454.71; 1; 04 Sep 26; 16:00) | Arm Holdings PLC (ARM.O; US$252.09; 1; 04 Sep 26; 16:00) | ASE Technology Holding (3711.TW; NT$621.0; 1; 07 Sep 26; 13:30) | ASML Holding NV (ASML.AS; €1500.4; 1; 07 Sep 26; 16:30) | Astera Labs, Inc (ALAB.O; US$310.4; 1; 04 Sep 26; 16:00) | Broadcom Inc (AVGO.O; US$357.9; 1; 04 Sep 26; 16:00) | Cerebras Systems Inc (CBRS.O; US$210.05; 1; 04 Sep 26; 16:00) | Entegris Inc (ENTG.O; US$138.74; 1; 04 Sep 26; 16:00) | FormFactor Inc (FORM.O; US$103.9; 1; 04 Sep 26; 16:00) | Fujitsu (6702.T; ¥3831.0; 1; 07 Sep 26; 15:30) | Global Foundries (GFS.O; US$45.21; 2; 04 Sep 26; 16:00) | Infineon Technologies (IFXGn.DE; €60.79; 1; 07 Sep 26; 17:30) | Intel Corp (INTC.O; US$95.8; 1; 04 Sep 26; 16:00) | Kioxia Holdings (285A.T; ¥59530.0; 1H; 07 Sep 26; 15:30) | KLA Corp (KLAC.O; US$185.6; 1; 04 Sep 26; 16:00) | Lam Research Corp (LRCX.O; US$307.65; 1; 04 Sep 26; 16:00) | Lumentum Holdings Inc (LITE.O; US$881.26; 1; 04 Sep 26; 16:00) | Marvell Technology Inc

(MRVL.O; US$223.55; 1; 04 Sep 26; 16:00) | Microchip Technology (MCHP.O; US$74.17; 1; 04 Sep 26; 16:00) | Micron Technology Inc (MU.O; US$1016.59; 1; 04 Sep 26; 16:00) | MKS Inc (MKSI.O; US$260.31; 1; 04 Sep 26; 16:00) | Monolithic Power Systems (MPWR.O; US$1223.86; 1; 04 Sep 26; 16:00) | Nanya Technology (2408.TW; NT$517.0; 3; 07 Sep 26; 13:30) | Nova Ltd (NVMI.O; US$372.1; 1; 04 Sep 26; 16:00) | NVIDIA Corp (NVDA.O; US$230.36; 1; 04 Sep 26; 16:00) | NXP Semiconductors NV (NXPI.O; US$227.84; 1; 04 Sep 26; 16:00) | ON Semiconductor (ON.O; US$74.38; 2; 04 Sep 26; 16:00) | Qualcomm Inc (QCOM.O; US$168.74; 2; 04 Sep 26; 16:00) | Samsung Electronics (005930.KS; W270000.0; 1; 07 Sep 26; 15:45) | Sandisk Corp (SNDK.O; US$1740.0; 1; 04 Sep 26; 16:00) | Silicon Laboratories (SLAB.O; US$220.58; 2; 04 Sep 26; 16:00) | SK Hynix (000660.KS; W1783000.0; 1; 07 Sep 26; 15:45) | Skyworks Solutions, Inc. (SWKS.O; US$74.02; 2; 04 Sep 26; 16:00) | Space Exploration Technologies (SPCX.O; US$147.95; 1; 04 Sep 26; 16:00) | STMicroelectronics (STMPA.PA; €46.64; 1; 07 Sep 26; 17:30) | Teradyne Inc (TER.O; US$357.03; 1; 04 Sep 26; 16:00) | Texas Instruments Inc (TXN.O; US$258.44; 1; 04 Sep 26; 16:00) | Tokyo Electron (8035.T; ¥55840.0; 1; 07 Sep 26; 15:30) | TSMC (2330.TW; NT$2460.0; 1; 07 Sep 26; 13:30) | UMC (2303.TW; NT$143.0; 1; 07 Sep 26; 13:30) | Veeco Instruments (VECO.O; US$44.67; 1; 04 Sep 26; 16:00)