Fast Take

MediaTek Inc.

HEADLINE

Aug sales of NT$64.2bn (+32.4% MoM, +44.1% YoY), tracking 71.5% of UBSe in Q3.

OUR TAKE

QTD sales is tracking to high end of Q3 guide of flat to +5% QoQ. Sept sales should sustain strength with price hike and new flagship 5G SoC, on top of new product ramp of smart edge. TPU v8t on track for HVM from late Q3 for >US$2bn sales in 2026.

Equities

Taiwan

Semiconductors

12-month rating	**Buy**
12m price target	**NT$6,500.00**
Price (10 Sep 2026)	**NT$4,720**

RIC: 2454.TW **BBG:** 2454 TT

Trading data and key metrics

52-wk range	NT$4,760.00-1,145.00
Market cap.	NT$7,570b/US$240b
Shares o/s	1,604m (ORD)
Free float	88%
Avg. daily volume ('000)	10,241
Avg. daily value (m)	NT$41,302.5
Common s/h equity (12/26E)	NT$445b
P/BV (12/26E)	16.9x
Net debt to EBITDA (12/26E)	NM

EPS (UBS, diluted) (NT$)

	UBS	Cons.
12/26E	67.48	68.52
12/27E	181.09	141.32
12/28E	300.76	265.33

Sunny Lin
Analyst
sunny.lin@ubs.com
+886-2-8722 7346

Ryan Sun
Analyst
ryan-za.sun@ubs.com
+886-2-8722 7267

Christine Chen, CFA
Associate Analyst
christine.chen@ubs.com
+886-2-8722 7352

Highlights (NT$m)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Revenues	433,446	530,586	595,966	673,974	1,278,048	1,902,512	2,121,717	2,350,919
EBIT (UBS)	71,800	102,412	103,470	107,089	324,646	546,963	611,354	681,099
Net earnings (UBS)	76,979	106,387	105,319	107,688	288,998	479,973	537,670	600,658
EPS (UBS, diluted) (NT$)	48.34	66.81	66.07	67.48	181.09	300.76	336.91	376.38
DPS (net) (NT$)	79.48	82.90	53.50	54.09	145.16	241.09	270.07	301.71
Net (debt) / cash	163,196	202,756	234,290	161,022	186,955	184,147		

Profitability/valuation	12/23	12/24	12/25	12/26E	12/27E	12/28E
EBIT (UBS) margin %	16.6	19.3	17.4	15.9	25.4	28.7
ROIC (EBIT) %	61.8	231.3	>500	175.6	186.8	169.3
EV/EBITDA (UBS core) x	10.2	12.7	14.6	54.9	20.8	12.6
P/E (UBS, diluted) x	15.8	17.9	20.8	69.9	26.1	15.7
Equity FCF (UBS) yield %	13.1	7.5	6.1	0.9	2.8	4.9
Dividend yield (net) %	10.4	6.9	3.9	1.1	3.1	5.1

Source: Company accounts, LSEG Eikon, UBS estimates. Metrics marked as (UBS) have had analyst adjustments applied. Valuations: based on an average share price tha
price of NT$ 4,720.00 on 10-Sep-2026 16:58:00 CST

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Forecast returns

Forecast price appreciation	37.7%
Forecast dividend yield	1.1%
Forecast stock return	38.9%
Market return assumption	6.3%
Forecast excess return	32.6%

Company Description

MediaTek is a leading integrated circuit (IC) design company in Taiwan, focusing on solutions from the edge to the cloud, applications for its product offerings range from smartphones, smart homes and AI PCs to high-performance computing, automotive, and AI data centers.

Valuation Method and Risk Statement

Our price target for MediaTek is based on a target PE methodology.
Fabless integrated circuit (IC) design houses face a variety of uncertainties, including rapidly changing technology, end-market demand, competition, employee turnover and foundry wafer costs. They are also vulnerable to legal disputes over intellectual property rights. In addition, MediaTek is exposed to potential price competition in handset SoC, TV SoC, etc. Downside risks include slower-than-expected market share gains and a weaker-than-expected demand recovery.