UBS Global I/O Semiconductors

ASICs and CPUs move to center stage, driving the next wave of CoWoS expansion

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Stronger and diversifying CoWoS capacity expansion in 2027-28

Following UBS Taiwan Summit (Day 1, Day 2&3) and our CoWoS industry analysis, we are further raising CoWoS industry capacity to 270kwpm from 260kwpm end-2027E, up from 160kwpm end-2026E. Current visibility suggests requirement for further CoWoS capacity expansion in 2028, even with Intel's EMIB-T and TSMC's CoPoS ramping for large package AI accelerator in 2028-29. We believe the trend reflects more robust Cloud AI chip demand, especially from CPUs and ASICs, which we think should mostly stay at CoWoS in 2028-29. The migration toward larger package with heterogenous integration also consumes a lot more capacity. Meanwhile, CoWoS supply continues to diversify, thanks to improving capabilities of OSATs and larger capacity requirement. For CoW, we view ASE's expansion to be more aggressive to reach 70kwpm capacity end of 2027E from 20kwpm end of 2026E, vs TSMC / Amkor's CoW capacity at 180kwpm / 20kwpm end of 2027E. For WoS, as we recently highlighted, TSMC could introduce a new OSAT partner for mass production in 2028 on top of its collaboration with ASE.

ASIC efforts bearing fruit

After several years of investment, the large hyperscalers and AI natives are making solid progress on custom silicon for accelerator and CPU into 2027. On accelerator, Microsoft's Maia 300 performance appears to be competitive, and we estimate Maia 200/300 units of 50/350k in 2027, up from ~100k of total Maias in 2026. OpenAI's Jalapeño may also ramp to 600-700k units in 2027E from 150k in 2026E. Meta's MTIA also targets higher volume to ~450k units in 2027, although visibility seems lower than Microsoft and OpenAI. Large projects such as Google TPUs and Amazon Trainium are on track to reach our estimates of 9m / 3.2m packages in 2027 from 4.1m / 2.5m in 2026E.

Upside to Nvidia and AMD's demand

We raise Nvidia's AI GPU production units in 2027 from 8.2m to 8.8m with higher Rubin estimates and ~200k Rubin CPX units. Rubin Ultra with similar package architecture and HBM de-spec may ramp more smoothly and quickly from mid 2027. We lift AMD's CoWoS demand in 2027E by 11% to factor in more robust ramp of the Venice server CPU, which may reach 5mn in 2027E vs our prior estimate of 4mn. We keep AMD's accelerator units at 1.9mn for 2027E due to tight supply.

Stock recommendations

Along the semiconductor supply chain for Cloud AI, our top picks are **TSMC** (the industry's leading Cloud AI foundry), **MediaTek** (design services for Google TPU with new ASIC opportunity; Key Call Buy), and **ASE** (advanced packaging & testing). We estimate backend, including advanced packaging, to reach ~12%/16% of TSMC sales in 2026/27E. TSMC's advanced packaging sales should sustain ~50% CAGR growth in 2026-30E even with Intel's EMIB competition. Critical equipment suppliers for advanced packaging & testing could also benefit from faster CoWoS expansion and the trend toward larger and more complicated package structure, and we like **All Ring**, **GPTC**, **Chroma**, **Hon Precision**, and **ASMPT**. We lower our price target for **GPTC** from NT $5,000 to NT$4,300, based on the same 33x average 2027-28E PE. We lower our GPTC EPS estimates by 25%/21%/8% in 2026/27/28E as we factor in lower tool unit for sales recognition in 2026 and lower ASP assumption. Maintain Buy as we believe GPTC will be a key beneficiary of advanced packaging capacity expansion. We like **Aspeed** for its strong BMC outlook, and **Alchip** for its Amazon Trainium3 and Trainium4 opportunities.

This report has been prepared by UBS Securities Pte. Ltd., Taipei Branch. **ANALYST CERTIFICATION AND REQUIRED DISCLOSURES, INCLUDING INFORMATION ON THE QUANTITATIVE RESEARCH REVIEW PUBLISHED BY UBS, BEGIN ON PAGE 10.**

Figure 1: Valuation comparison

Company name	Ticker	Rating	Market cap (US$m)	Price target (LC)	Share price (LC)	EPS growth (%)		P/E (x)		P/BV (x)		ROE (%)		Dividend yield (%)	
						2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E
Foundry															
TSMC	2330.TW	Buy	2,004,651	3,650	2,460	64.5	36.9	22.6	16.5	8.4	6.1	43.4	42.7	0.9	1.2
Fabless															
Alchip	3661.TW	Buy	9,048	6,600	3,540	130.9	38.3	22.1	16.0	4.4	3.7	24.4	25.3	1.0	0.9
Aspeed	5274.TWO	Buy	22,915	22,000	19,290	81.8	73.9	102.1	58.7	65.5	39.8	77.5	84.3	0.4	0.7
GUC	3443.TW	Buy	30,096	6,700	7,150	106.2	86.3	123.3	66.2	53.1	32.8	50.2	61.4	0.2	0.3
MediaTek	2454.TW	Buy	237,389	6,500	4,710	2.2	168.4	69.7	26.0	16.9	13.0	25.5	56.5	1.1	1.1
Semi-backend															
ASE	3711.TW	Buy	89,175	835	638	102.4	63.8	33.7	20.5	6.4	5.4	21.2	28.5	1.0	1.9
KYEC	2449.TW	Buy	11,200	325	292	40.5	61.9	31.9	19.7	5.8	4.9	19.9	26.9	2.0	2.0
Equipment															
All Ring	6187.TWO	Buy	3,831	1,700	1,250	98.6	57.4	41.2	26.2	13.1	10.2	35.6	43.9	0.9	1.7
ASMPT	0522.HK	Buy	8,882	200	168	97.3	47.7	33.4	22.6	3.8	3.5	11.8	16.0	0.8	1.6
Chroma ATE	2360.TW	Buy	30,616	2,960	2,290	63.6	37.5	50.5	36.7	27.9	20.3	57.6	64.0	0.4	0.9
GPTC	3131.TWO	Buy	2,245	4,300	2,445	29.6	66.7	41.5	24.9	25.8	16.1	45.5	79.6	1.9	1.7
Hon Precision	7769.TW	Buy	36,978	10,000	6,540	71.1	85.5	50.1	27.0	16.0	11.7	35.8	50.1	0.8	1.4

Source: LSEG, UBS estimates. Note: Priced as of 18 Sept 2026.

Figure 2: Total CoWoS interposer wafer demand

Interposer Wafer Demand (kps)	Q126	Q226	Q326E	Q426E	Q127E	Q227E	Q327E	Q427E	2024	2025	2026E	2027E
Nvidia	**128**	**154**	**231**	**286**	**274**	**300**	**342**	**374**	**174**	**444**	**799**	**1,290**
AMD	**11**	**11**	**30**	**77**	**91**	**122**	**124**	**138**	**37**	**42**	**129**	**475**
ASICs and others	**79**	**98**	**106**	**110**	**173**	**216**	**233**	**242**	**147**	**193**	**393**	**865**
Google TPU - Broadcom									60	76	195	338
Google TPU - MediaTek									0	0	21	182
Amazon Trainium - Alchip									26	5	71	131
Amazon Trainium - Marvell									17	38	21	3
Meta									7	8	9	41
OpenAI									0	0	8	70
Microsoft									1	1	7	29
Others									37	65	62	72
Total	**218**	**264**	**367**	**473**	**538**	**637**	**700**	**755**	**358**	**679**	**1,321**	**2,630**

Source: Company data, UBS estimates

Figure 3: Breakdown of CoWoS demand

ASIC vendor as a % of CoWoS wafers demand	2024	2025	2026E	2027E
Google	17%	11%	16%	20%
Broadcom	*17%*	*11%*	*15%*	*13%*
MediaTek	*0%*	*0%*	*2%*	*7%*
Amazon	12%	6%	7%	5%
Alchip	*7%*	*1%*	*5%*	*5%*
Marvell	*5%*	*6%*	*2%*	*0%*
Meta	2%	1%	1%	2%
Intel / Habana	2%	1%	0%	0%
Microsoft	0%	0%	1%	1%
OpenAI	0%	0%	1%	3%
Tesla	0%	0%	0%	0%
Others	8%	9%	5%	3%
Total ASIC	**41%**	**28%**	**30%**	**33%**
GPU vendors as a % of CoWoS wafers demand				
Nvidia	49%	65%	60%	49%
AMD	10%	6%	10%	18%
Total GPU	**59%**	**72%**	**70%**	**67%**
Total	**100%**	**100%**	**100%**	**100%**

Source: Company data, UBS estimates

Figure 4: Nvidia's supply chain build units

Nvidia Supply Chain Build Units (k chips)	Q126	Q226	Q326E	Q426E	Q127E	Q227E	Q327E	Q427E	2024	2025	2026E	2027E
Ampere	0	0	0	0	0	0	0	0	134	0	0	0
Hopper	180	251	215	100	0	0	0	0	4,086	1,402	747	0
Blackwell B200/B300 and GB200/GB300	1,703	1,855	1,715	953	350	111	81	0	314	5,520	6,225	542
Rubin R200 and VR200	0	70	678	1,399	1,676	1,814	1,497	844	0	0	2,148	5,832
Rubin R300 and VR300	0	0	0	0	0	137	639	1,416	0	0	0	2,193
Rubin CPX	0	0	0	26	61	71	40	45	0	0	26	217
Vera CPU	0	100	428	1,054	1,025	1,180	1,543	1,754	0	0	1,582	5,502
Total	**1,883**	**2,276**	**3,036**	**3,532**	**3,112**	**3,313**	**3,800**	**4,060**	**4,534**	**6,921**	**10,728**	**14,286**

Source: Company data, UBS estimates

Figure 5: AMD's supply chain build units

AMD Supply Chain Build Units (k chips)	Q126	Q226	Q326E	Q426E	Q127E	Q227E	Q327E	Q427E	2024	2025	2026E	2027E
MI300 + MI325X + MI308X+MI355X	163	170	87	89	93	82	15	4	544	626	510	194
MI400	0	0	38	225	295	433	415	369	0	0	263	1,510
MI500	0	0	0	0	0	0	66	177	0	0	0	242
Venice CPU	0	0	400	900	1,000	1,300	1,300	1,400	0	0	1,300	5,000
Others	1	1	1	2	2	3	3	4	11	4	6	13
Total	**164**	**171**	**526**	**1,217**	**1,390**	**1,817**	**1,799**	**1,954**	**555**	**630**	**2,079**	**6,960**

Source: Company data, UBS estimates

Figure 6: ASIC's supply chain build units

ASIC Supply Chain Build Units (k chips)	2024	2025	2026E	2027E
Google TPU - Broadcom	2,045	2,565	3,680	5,000
Google TPU - MediaTek	0	0	467	4,000
Amazon Trainium - Alchip	1,000	176	1,780	3,080
Amazon Trainium - Marvell	600	1,335	686	85
Meta	348	421	165	445
Microsoft	26	34	104	400
OpenAI	0	0	150	650
Others	251	188	64	0
Total	**4,270**	**4,719**	**7,096**	**13,660**

Source: Company data, UBS estimates. Note: Others include Intel's Habana, Tesla's Dojo, etc.

Figure 7: SoIC volume

SoIC (kps)	Q126	Q226	Q326E	Q426E	Q127E	Q227E	Q327E	Q427E	2024	2025	2026E	2027E
SoIC volume	**14**	**17**	**23**	**29**	**44**	**52**	**57**	**61**	**20**	**42**	**83**	**214**

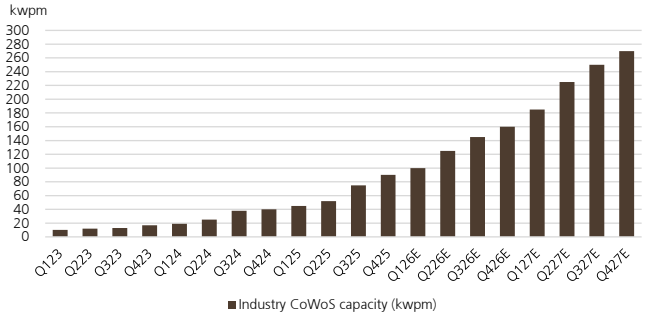
Source: Company data, UBS estimates

Figure 8: TSMC's back-end sales analysis

TSMC's backend sales (US$m)	Q126	Q226	Q326E	Q426E	Q127E	Q227E	Q327E	Q427E	2024	2025	2026E	2027E
Sales from adv packaging	2,704	3,247	4,437	5,766	6,295	7,462	8,347	9,258	5,240	8,899	16,154	31,362
Sales from bumping & testing	919	1,019	1,162	1,278	1,329	1,462	1,609	1,705	2,348	3,156	4,379	6,105
Total TSMC's backend sales	**3,623**	**4,266**	**5,599**	**7,044**	**7,624**	**8,924**	**9,956**	**10,963**	**7,588**	**12,056**	**20,533**	**37,467**
% of TSMC's sales	10.1%	10.6%	12.3%	14.0%	14.6%	15.5%	15.7%	16.3%	8.4%	9.8%	11.9%	15.6%

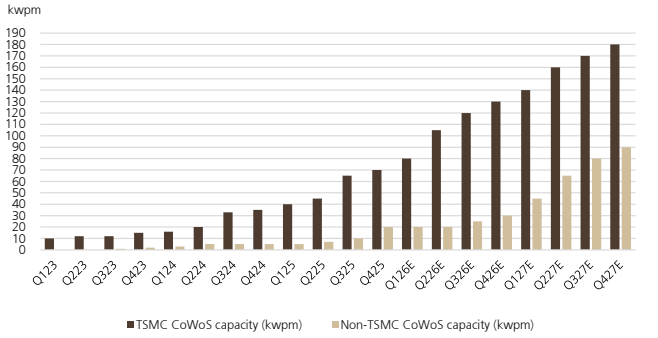
Source: Company data, UBS estimates

Figure 9: Industry CoWoS capacity



Source: Company data, UBS estimates

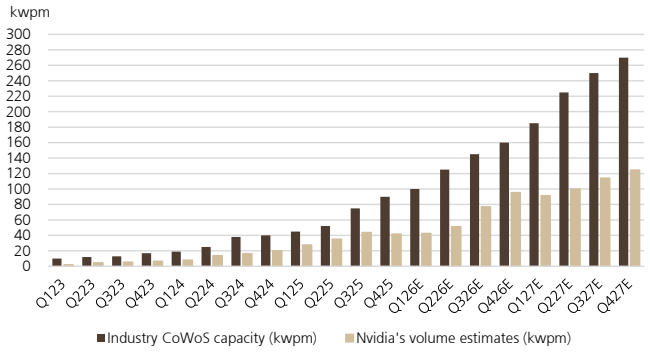
Figure 10: TSMC vs. non-TSMC CoWoS capacity



Source: Company data, UBS estimates. Note: Non-TSMC CoWoS capacity includes ASE and Amkor.

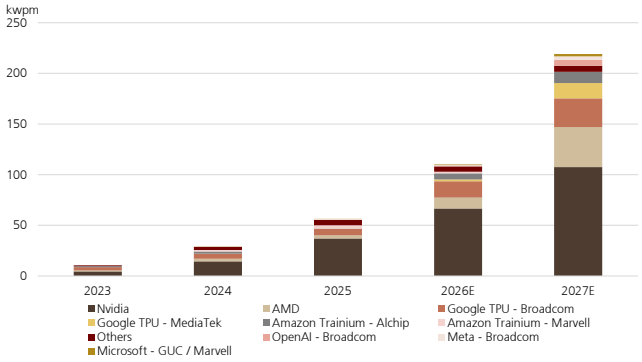
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Figure 11: Industry CoWoS capacity vs. Nvidia's volume



Source: Company data, UBS estimates

Figure 12: CoWoS demand from major customers



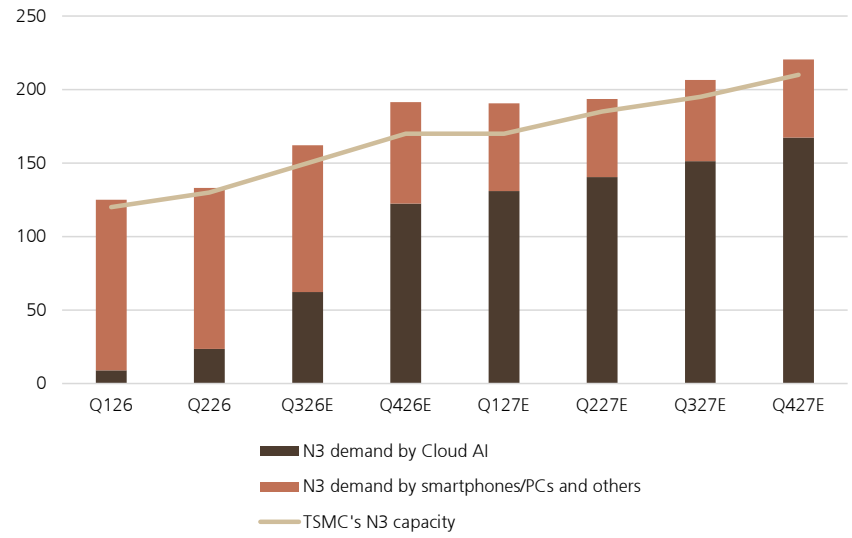
Source: Company data, UBS estimates

Figure 13: N3 supply & demand analysis

			N3 capacity requirement (kwpm)									
Client	**Products**	**Die size (mm2)**	**Q126E**	**Q226E**	**Q326E**	**Q426E**	**2026 demand (k)**	**Q127E**	**Q227E**	**Q327E**	**Q427E**	**2027 demand (k)**
Nvidia	Rubin	1,628	0	2	15	31	141	37	40	33	19	384
	Rubin Ultra	1,628	0	0	0	0	0	0	4	16	36	169
	Vera CPU	800	0	1	5	11	51	11	13	17	19	178
Broadcom	Google - TPU v7 Ironwood	1,400	6	11	16	21	158	14	8	6	0	85
	Google - TPU v8i	1,400	0	0	2	4	18	7	17	25	35	250
	Meta - MTIA v3	1,600	0	1	1	2	11	2	2	3	3	29
	OpenAI	1,600	0	0	0	3	10	3	3	3	3	32
AMD	MI355	840	2	2	1	1	17	1	1	0	0	7
Alchip	Amazon - Trainium 3	1,600	0	4	12	23	115	24	18	12	6	181
Marvell	Amazon - Trainium 2.5	1,600	0	0	0	2	6	0	0	0	0	2
MediaTek	Google - TPU v8t	800	0	0	1	4	15	9	11	11	13	129
Other CPUs / accelerators and products like networking			2	4	10	20	109	22	23	25	33	310
Capacity requirement - Cloud AI (kwpm)			**9**	**24**	**62**	**122**	**652**	**130**	**140**	**151**	**167**	**1,763**
% of N3 demand			***7%***	***18%***	***38%***	***64%***	***36%***	***69%***	***72%***	***73%***	***76%***	***73%***
Apple	iPhone's apps processor	110	43	43	39	22	442	13	11	9	10	128
	Mac's processor	165	10	10	8	7	106	7	6	6	6	74
	iPad's M processor for Pro & Air	160	14	12	12	8	135	11	10	8	8	111
	iPad's A17 Pro processor	104	2	2	1	1	15	3	2	2	2	30
Qualcomm	Flagship smartphone SoC	120	17	13	9	3	129	5	5	4	3	51
MediaTek	5G smartphone SoC	120	5	4	3	1	39	2	2	2	1	19
Intel	Outsourced PC CPUs	100	15	15	8	8	137	8	8	5	4	70
Others like Bitcoin, tablet, ARM based PC CPU			10	10	20	20	180	10	10	20	20	180
Capacity requirement - Consumer and other devices (kwpm)			**116**	**109**	**100**	**69**	**1,183**	**60**	**53**	**55**	**53**	**663**
% of N3 demand			***93%***	***82%***	***62%***	***36%***	***64%***	***31%***	***28%***	***27%***	***24%***	***27%***
Total N3 demand			**125**	**133**	**162**	**191**	**1,834**	**190**	**193**	**206**	**220**	**2,426**
TSMC's N3 installed capacity			**120**	**130**	**150**	**170**	**1,710**	**170**	**185**	**195**	**210**	**2,280**
Capacity utilisation			*104%*	*102%*	*108%*	*113%*	*107%*	*112%*	*104%*	*106%*	*105%*	*106%*

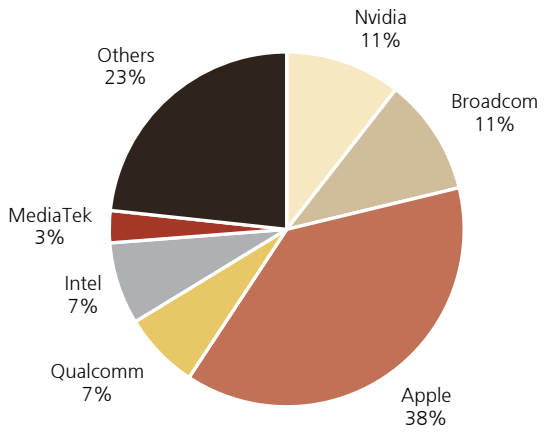
Source: Company data, UBS estimates. Note: kwpm stands for thousands of wafers per month.

Figure 14: TSMC is accelerating N3 capacity expansion to meet strong demand from cloud AI



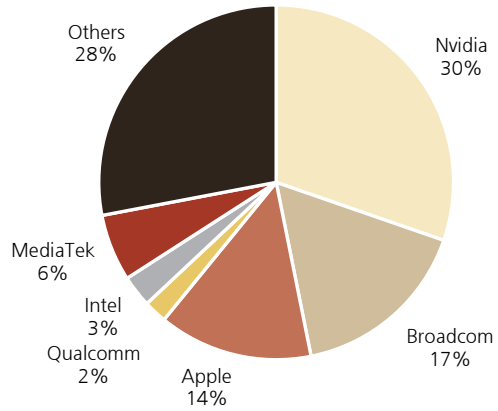
Source: Company data, UBS estimates

Figure 15: N3 capacity share by client in 2026E



Source: Company data, UBS estimates

Figure 16: N3 capacity share by client in 2027E



Source: Company data, UBS estimates

Figure 17: Summary of major advanced packaging equipment vendors

Product category	Ticker	Company name	Market cap (US$m)	Share price (LCY)	Stock YTD performance	P/E (x) 2026E	P/E (x) 2027E	P/E (x) 2028E	Major equipment offering(s)
Die attach	0522.HK	ASMPT	8,882	HKD 168.1	117.0%	33.4	22.6	18.2	• Die bonder for on-substrate (mass reflow) • Thermo-compression bonder (Chip-to-substrate/Chip-to-wafer) • Hybrid bonder
	BESI.AS	BE Semiconductor Industries	16,518	€ 186.7	39.6%	43.1	28.5	18.5	• Hybrid bonder • Thermo-compression bonder • Flip chip bonder
	042700.KS	Hanmi Semiconductor	16,206	KRW 236,000.0	85.2%	70.0	44.5	37.2	• Thermo-compression bonder
	KLIC.O	Kulicke and Soffa	6,383	$83.1	82.5%	21.5	14.1	15.5	• Thermo-compression bonder (Chip-to-substrate/Chip-to-wafer) • Ball bonder in InFO
	6590.T	Shibaura Mechatronics	1,698	JPY 3,790.0	0.1%	16.4	12.4	8.7	• Die bonder for chip-on-wafer (mass reflow) • Hybrid bonder
Wet process	3131.TWO	Grand Process Technology	2,245	TWD 2,445.00	56.7%	41.5	24.9	15.1	• Wet process cleaning tool
	3583.TW	Scientech	1,848	TWD 702.00	110.2%	35.3	23.7	16.7	• Wet process cleaning tool • Temporary bonding/debonding system
Underfill	6187.TWO	All Ring	3,831	TWD 1,250.00	243.4%	41.2	26.2	16.0	• Underfill dispenser • Automated optical inspection (AOI) tool
	NDSN.O	Nordson Corporation	17,819	$311.6	29.6%	26.2	24.1	21.8	• Underfill dispenser
Metrology	2360.TW	Chroma ATE	30,566	TWD 2,290.00	195.5%	51.4	34.3	26.4	• Redistribution layer measurement
Temporary bondin	SMHNn.DE	SÜSS MicroTec	1,493	€ 68.1	73.9%	34.5	21.4	16.1	• Temporary bonding/debonding system

Source: Company data, LSEG, UBS estimates. Share price in local currency. Note: Asian stocks priced as of 18 Sept 2026; non-Asian stocks priced as of 18 Sept 2026. EPS estimates for non-covered (Kulicke and Soffa, Shibaura Mechatronics, Scientech, Nordson Corporation) companies are based on LSEG consensus forecasts.

Forecast changes - GPTC

Figure 18: Revisions to our earnings estimates - GPTC

	New			Old			Change		
(NT$m)	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Revenue	**8,072**	**13,052**	**20,473**	**10,363**	**15,873**	**22,521**	**-22%**	**-18%**	**-9%**
- YoY chg (%)	24%	62%	57%	59%	53%	42%			
Gross profit	**3,163**	**5,776**	**9,233**	**4,239**	**7,106**	**10,167**	**-25%**	**-19%**	**-9%**
- Gross margin	39.2%	44.3%	45.1%	40.9%	44.8%	45.1%	2%	1%	0%
Operating profit	**1,720**	**3,557**	**5,884**	**2,419**	**4,407**	**6,338**	**-29%**	**-19%**	**-7%**
- Operating margin	21.3%	27.3%	28.7%	23.3%	27.8%	28.1%	2%	1%	-1%
Pre-tax profit	**2,132**	**3,555**	**5,878**	**2,815**	**4,432**	**6,355**	**-24%**	**-20%**	**-8%**
Reported net profit	**1,703**	**2,844**	**4,702**	**2,251**	**3,545**	**5,084**	**-24%**	**-20%**	**-8%**
- Net margin	21.1%	21.8%	23.0%	21.7%	22.3%	22.6%			
Reported EPS (NT$)	**58.90**	**98.17**	**162.32**	**78.45**	**123.59**	**177.23**	**-25%**	**-21%**	**-8%**
- YoY chg (%)	30%	67%	65%	73%	58%	43%			

Source: UBS estimates

Figure 19: Our revised earnings estimates vs. consensus - GPTC

	UBS			Consensus			Difference		
(NT$m)	2026E	2027E	2028E	2026F	2027F	2028F	2026E	2027E	2028E
Revenue	**8,072**	**13,052**	**20,473**	**8,129**	**12,480**	**15,772**	**-1%**	**5%**	**30%**
- YoY chg (%)	24%	62%	57%	25%	54%	26%			
Gross profit	**3,163**	**5,776**	**9,233**	**3,149**	**5,242**	**6,840**	**0%**	**10%**	**35%**
- Gross margin	39.2%	44.3%	45.1%	38.7%	42.0%	43.4%			
Operating profit	**1,720**	**3,557**	**5,884**	**1,744**	**3,300**	**4,617**	**-1%**	**8%**	**27%**
- Operating margin	21.3%	27.3%	28.7%	21.4%	26.4%	29.3%			
Pretax profit	**2,132**	**3,555**	**5,878**	**2,147**	**3,327**	**4,644**	**-1%**	**7%**	**27%**
Net profit	**1,703**	**2,844**	**4,702**	**1,736**	**2,644**	**3,681**	**-2%**	**8%**	**28%**
- Net margin	21.1%	21.8%	23.0%	21.4%	21.2%	23.3%			
Basic EPS (NT$)	**58.90**	**98.17**	**162.32**	**60.08**	**91.19**	**126.84**	**-2%**	**8%**	**28%**
- YoY chg (%)	30%	67%	65%	32%	52%	39%			

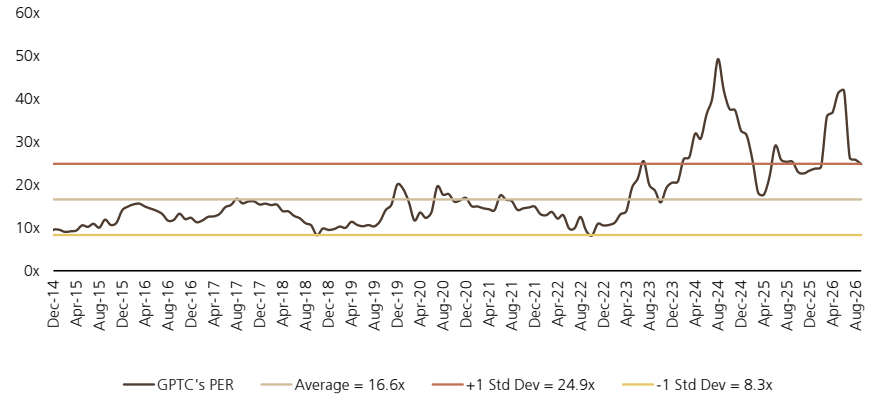
Source: Visible Alpha, UBS estimates

Figure 20: UBS earnings forecasts - GPTC

(NT$m)	2025	Q126	Q226	Q326E	Q426E	2026E	Q127E	Q227E	Q327E	Q427E	2027E	2028E	2029E	2030E
Revenue	**6,514**	**1,596**	**1,727**	**2,283**	**2,466**	**8,072**	**2,813**	**3,172**	**3,484**	**3,583**	**13,052**	**20,473**	**25,888**	**29,837**
- YoY chg (%)	60%	29%	6%	53%	15%	24%	76%	84%	53%	45%	62%	57%	26%	15%
- QoQ chg (%)		-26%	8%	32%	8%		14%	-61%	24%	13%				
Gross profit	**2,681**	**539**	**671**	**921**	**1,032**	**3,163**	**1,240**	**1,401**	**1,542**	**1,592**	**5,776**	**9,233**	**11,684**	**13,464**
- Gross margin	41.2%	33.8%	38.9%	40.3%	41.9%	39.2%	44.1%	44.2%	44.3%	44.4%	44.3%	45.1%	45.1%	45.1%
Operating profit	**1,636**	**210**	**365**	**532**	**613**	**1,720**	**762**	**862**	**950**	**983**	**3,557**	**5,884**	**7,542**	**8,989**
- Operating margin	25.1%	13.2%	21.1%	23.3%	24.9%	21.3%	27.1%	27.2%	27.3%	27.4%	27.3%	28.7%	29.1%	30.1%
Pre-tax profit	**1,690**	**580**	**406**	**533**	**612**	**2,132**	**762**	**862**	**949**	**982**	**3,555**	**5,878**	**7,532**	**8,979**
Net profit	**1,327**	**463**	**324**	**427**	**490**	**1,703**	**609**	**689**	**759**	**786**	**2,844**	**4,702**	**6,026**	**7,183**
- YoY chg (%)	57%	81%	57%	40%	-13%	28%	32%	113%	78%	60%	67%	65%	28%	19%
- QoQ chg (%)		-18%	-30%	32%	15%		24%	-60%	25%	14%				
Basic EPS (NT$)	**45.45**	**16.11**	**11.18**	**14.72**	**16.90**	**58.90**	**21.03**	**23.80**	**26.21**	**27.12**	**98.17**	**162.32**	**208.00**	**247.95**
- YoY chg (%)	56%	84%	58%	42%	-12%	30%	31%	113%	78%	60%	67%	65%	28%	19%
- QoQ chg (%)		-16%	-31%	32%	15%		24%	-60%	25%	14%				

Source: Company data, UBS estimates

Figure 21: GPTC's 12M forward PE band (x)



Source: LSEG, UBS

Valuation Method and Risk Statement

Tech investing involves risk. It is difficult for the investment community, UBS included, to project the financial results of tech companies, as their operating models are highly volatile and unpredictable, and they compete in a highly dynamic marketplace. In addition to their low predictability, valuing tech stocks can be challenging because neither traditional nor non-traditional valuation measures have provided much insight into how tech stocks trade.
We value GPTC based on PE methodology.
Downside risks include: 1) slower-than-expected CoWoS capacity expansion; 2) competitors achieving technological advancements; 3) geopolitical uncertainty; and 4) worse-than-expected AI growth.

Quantitative Research Review

UBS Global Research publishes a quantitative assessment of its analysts' responses to certain questions about the likelihood of an occurrence of a number of short term factors in a product known as the 'Quantitative Research Review'. The views for this month can be found below. Views contained in this assessment on a particular stock reflect only the views on those short term factors which are a different timeframe to the 12-month timeframe reflected in any equity rating set out in this note. For previous responses please make reference to (i) previous UBS Global Research reports; and (ii) where no applicable research report was published that month, the Quantitative Research Review which can be found at https://neo.ubs.com/quantitative, or contact your UBS sales representative for access to the report or the Quantitative Research Team on ubs-quant-answers@ubs.com. A consolidated report which contains all responses is also available and again you should contact your UBS sales representative for details and pricing or the Quantitative Research Team on the email above.

Grand Process Technology

Question	Response
1. Is the industry structure facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting worse, 3 = no change, 5 = getting better, N/A = no view)	4
2. Is the regulatory/government environment facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting tougher 3 = no change, 5 = getting better, N/A = no view)	3
3. Over the last 3-6 months in broad terms have things been improving/no change/getting worse for this stock? Rate on a scale of 1-5 (1 = getting a lot worse, 3 = not much change, 5 = getting a lot better, N/A = no view)	3
4. Relative to the current CONSENSUS EPS forecast, is the next company EPS update likely to lead to: (1 = negative surprise vs consensus, 3 = in-line with consensus, 5 = positive surprise vs consensus expectations, N/A = no view)	3
5. What's driving the difference?	
6. Relative to YOUR current earnings forecast, is there relatively greater risk at the next earnings result of:(1 = downside skew risk to earnings, 3 = equal upside or downside risk to earnings, 5 = upside skew risk to earnings, N/A = no view)	3
7. What's driving the difference?	
8. Is there an upcoming catalyst for the company over the next three months?	No Catalyst
9. Is there an actual or approximate date for the catalyst?	
10. Is the catalyst date an actual or approximate date?	
11. What is the catalyst?	