22 Sep 2026 22:06:14 ET | 9 pages

US Semiconductor Equipment

2026 SEMICON West Preview - Focus on Supply Chain Readiness

CITI'S TAKE

We maintain our bull case WFE of $163Bn/$224Bn/$286Bn in 2026/27/28 heading into SEMICON West but caution investors from raising WFE expectations higher due to supply chain readiness. **We believe semiconductor shortages of DRAM, MLCC, PCB boards, and optical components are now impacting some equipment makers, creating a potential bottleneck in the very tools used to manufacture chips.** While demand-driven, this cycle bears similarities to the 2020-2022 COVID period, when supply shock driven IC and subsystem shortages drove expanded capacity, improved visibility, and more effective supply chain planning. As such, equipment makers are better prepared this time but risk areas to watch include long lead-time optical/EUV components and DRAM memory availability. Please join Citi's global semiconductor equipment research team for group meetings with managements from 10+ equipment makers. To sign up for any or all of the meetings, please reach out to your Citi salesperson or email elizabeth.sun@citi.com before the event.

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Key focus is on supply chain readiness — Heading into SEMICON West San Francisco (Oct 13th-15th), we believe component availability is emerging as a key investor topic. During the 2020-22 COVID cycle, supply chain shortages across semiconductor ICs (MCUs/controllers/substrates) and other critical components (valves/pumps) expanded semiconductor equipment lead times from ~3-6 months pre-COVID to 12-18+ months, with select tools reaching 2+ years. Since then, capacity and supply-chain preparedness have improved meaningfully across the value chain, from equipment OEMs to key subsystem suppliers. AMAT is preparing for roughly 2x current quarterly systems output by 2028 and provides suppliers with eight-quarter demand visibility; LRCX is accelerating its 2nd Malaysia expansion, increasing output from existing factories and pushing forecasts deeper into its supplier base; KLAC has invested directly in supplier capacity and is securing critical optics supply out to 2029–30; MKSI is building to support $250Bn WFE + 25% surge for 2028; and AEIS is ramping new facilities to support >$5Bn capacity at total company level. That said, while overall supply conditions remain materially healthier than in 2020–22, the complexity of semi equipment tools means there is always potential risk for a "golden screw" situation. KLAC recently highlighted long-lead-time optics as one area where incremental supply could support additional shipments, while tighter memory availability and thus higher memory pricing has become a larger cost headwind, increasing from ~75bps gross margin impact previously to slightly over 100bps now.

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

Figure 1. Citi's SEMICON West Investor Schedule

SEMICON WEST: Oct 13, 2026 - Oct 14, 2026
San Francisco, CA
Citi Research
Atif Malik, Masahiro Shibano, Elizabeth Sun

Tuesday Oct 13th			
Time	**Company / Event**	**Management**	**Location**
11-11:45am	Advanced Energy	Steve Kelley, President and CEO (TBD); Paul Oldham, EVP and CFO; Edwin Mok, VP Strategic Marketing and IR; Andrew Huang, Director Strategic Marketing and IR	Hyatt Regency San Francisco Downtown SOMA
12-12:45pm	Axcelis	David Ryzhik - SVP, Interim CFO	SPUR, 654 Mission St
1-1:45pm	Applied Materials	Bala Haran, VP, Integrated Materials Solutions	Palace Hotel
2-2:45pm	Veeco	Bill Miller, CEO John Kiernan, Sr. VP, CFO Alex Delacroix, Director, Investor Relations	San Francisco Marriott Marquis
3-3:45pm	Nova	Gaby Waisman, CEO; Guy Kizner, CFO	W San Francisco
4-4:45pm	FormFactor	Mike Slessor, CEO; Aric McKimis, CFO; Stan Finkelstein, VP IR	San Francisco Marriott Marquis
5:15-6:00pm	MKS	John Lee, CEO; Paretosh Misra, VP IR	San Francisco Marriott Marquis
Wednesday Oct 14th			
Time	**Company / Event**	**Management**	**Location**
11-11:45am	Lam Research	Ram Ganesh, Corporate VP of IR	TBD
2-2:30pm	Advantest	Mr. Ryusuke Semba – Section Manager, IR Department at Advantest Corporation	Advantest Booth (South Hall, Hall C, Booth #1833)
3-3:45pm	Teradyne	Roy Chorev, Vice President of Product Development and General Manager of Compute Test	TBD

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Source: Citi Research

Figure 2. SEMICON West Keynote and Panel Schedule

SEMICON WEST: Oct 12, 2026 - Oct 15, 2026
San Francisco, CA

Monday Oct 12			
1:00pm – 5:00pm	SEMI Market Symposium	SEMI, McKinsey, Hilltop Economics, Bloomberg, Yole, BCG	Moscone Center, South Hall, Upper Mezzanine, Room 154
Tuesday Oct 13			
Time	**Event/Keynote**	**Selected Participating Companies**	**Location**
7:30am - 10:30am	Applied Materials Investor Breakfast Presentation	Applied Materials	
8:30am – 11:00pm	CEO Summit Day 1: Semiconductors Today: Explore industry strategies, AI-driven design, advanced packaging, and major manufacturing investments	U.S. Department of Commerce, Synopsys, Semiconductor Engineering, Intel Foundry, Micron	Moscone Center, North Hall, Lower Level, CEO Summit Stage
10:30am – 12:30pm	AP & HI: Power & Thermals - Thermal is the New Node: Managing Power in 3D Systems	ASE, IoTissimo, Microsanj	Moscone Center, South Hall, Upper Mezzanine, Room 156
1:30pm-2:30pm	Geopolitical Panel		Moscone Center, North Hall, Lower Level, CEO Summit Stage
2:00pm – 3:30pm	AP & HI: Metrology & Inspection: The Gatekeepers of Yield in Advanced Packaging	Intel, EVG, QuantumDiamonds, EMD Electronics	Moscone Center, South Hall, Upper Mezzanine, Room 156
3:40pm - 5:15pm	AP & HI: Co-Packaged Optics (CPO): Powering the Next Wave of AI Connectivity)	Nvidia, Lam Research, ABI Photonics,	Moscone Center, South Hall, Upper Mezzanine, Room 156
Wednesday Oct 14			
Time	**Event/Keynote**	**Selected Participating Companies**	**Location**
8:30am – 11:40am	CEO Summit Day 2: Transform Tomorrow: AI, robotics, quantum computing, and next-generation innovation.	Nvidia, Brooks Automation, ASM, Micron	Moscone Center, North Hall, Lower Level, CEO Summit Stage
9:20am - 10:20am	Tomorrow's Test Vision - Session 1: Testing Methodology	Teradyne	Moscone Center, North Hall, Lower Level, Room 21
10:30am – 12:35pm	TechTALKS: Material Innovations for Enabling Future Computing Session 1	Entegris, Coherent, EMD Electronics, Qnity, Applied Materials	Moscone Center, North Hall, Lower Level, Room 20
10:30am – 11:35am	AP & HI: Equipment Frontiers for Advanced Packaging - From Hybrid Bonding to Co-Packaged Optics	Intel, TEL, Lam Research, Applied Materials	Moscone Center, South Hall, Upper Mezzanine, Room 156
1:00pm - 2:00pm	Panel: From Fragile to Future-Ready: AI-Powered Resilience for the $3T Semiconductor Supply Chain	Deloitte, IBM Research, EMD Electronics, KLA	Moscone Center, North Hall, Lower Level, CEO Summit Stage
2:00pm - 3:00pm	Bulls and Bears panel	Mix of Wall Street analysts and investors	Moscone Center, North Hall, Lower Level, CEO Summit Stage
2:00pm – 4:30pm	Future of AI Computing: Bending the Curve for Radical Efficiency Improvement	Nvidia, Lightmatter, Micron, imec, Qualcomm, Emergence	Moscone Center, South Hall, Upper Mezzanine, Room 154
4:15pm – 5:00pm	Cybersecurity Panel Discussion	Tokyo Electron, NIST, Qualcomm, Tone Networks, Renesas, Intel Foundry	Moscone Center, South Hall, Upper Mezzanine, Room 158
Thursday Oct 15			
Time	**Event/Keynote**	**Selected Participating Companies**	**Location**
10:30am - 12:40pm	TechTALKS: Silicon Photonics and Photonic Integrated Circuits: Scaling Toward the Next Era	Yole, Lam Research, Intel, ASM America, Advantest	Moscone Center, South Hall, Upper Mezzanine, Room 154

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