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UPDATE

October 5, 2026 06:36 AM GMT

Semiconductors | North America

Weekly: SPE Earnings Thoughts & August SIA

SPE likely to show significant strength around these prints. Separately, August SIA was stronger than expected overall, with broad markets softer than expected and memory still supported by tight supply and resilient pricing.

Get ready for BIG SPE prints. The industry is blowing past both demand (cleanroom) and supply (supply chain) constraints. We expect beats and raises across the majority of our U.S. SPE coverage and see the industry surpassing a $200bn WFE run rate in the DecQ (+63% y/y). We see upside to our 39% 2026 WFE growth forecast. The biggest driver of the 2H acceleration will be DRAM, where fab tooling for projects including Micron ID1 and Hynix Yongin has been pulled forward. As a result, we expect DRAM WFE across the major players to grow >100% y/y in the 2H (~50% h/h). On the supply side, we have heard of only isolated pockets of tightness, with some noise around mass flow controllers. SPE companies have largely maintained consistent tool lead times, at the expense of their inventory, as sub-suppliers have undergrown OEMs during the 1H of the year. We have also seen some pull-forwards in leading-edge logic, though to a much smaller extent than in DRAM.

Overall SIA data for August were stronger than expected, as strength in memory more than offset softness in broad markets. August Semiconductor Industry Association billings data reported on Sunday, October 4th, came in above our estimates and seasonality overall, with broad markets below expectations and memory stronger:

- **Overall:** Sales were up 23.3% m/m, above our estimate of +18.1% and above the 10-yr average change of +8.6%. 3-month y/y growth accelerated to 146.1% from 136.2%, and one-month y/y growth was 158.3%.
- **Trend by geography** (y/y): The Americas (+206.0%) was followed by Asia Pacific (+147.3%), China (+140.9%), Europe (+125.7%), and Japan (+75.3%).

Broad markets were weaker than expected following a strong July:

- **Discrete** (miss): -0.3% m/m vs our estimate of +5.0% and 10-yr average change of +4.5%. Units were below the 10-yr average (-3.2% vs -0.8%) as well as ASP (+3.0% vs +5.5%).
- **Analog** (miss): -3.1% m/m vs our estimate of -2.0% and 10-yr average change of +0.1%. Units were above the 10-yr average (+1.2% vs -0.1%), while ASP was below (-4.2% vs +0.3%).
- **MCU** (miss): -8.7% m/m vs our estimate of 0.0% and 10-yr average change of +1.5%. Units were below the 10-yr average (-6.8% vs -1.2%) as well as ASP (-

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SEMICONDUCTORS

North America
Industry View **Attractive**

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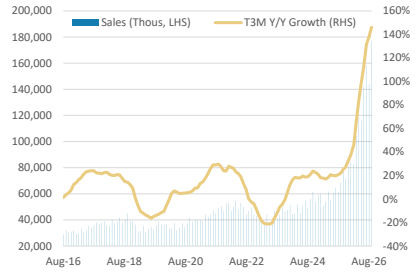
2.1% vs +2.8%).

- **MPU** (in line): +1.8% m/m vs our estimate of +2.0% and 10-yr average change of +2.2%.

Broad markets gave back some ground in August after a strong July, landing below our estimates, though we see this as more likely month-to-month noise than a shift in the trend. The tone at September conferences remained constructive: book-to-bill is above one, Industrial and Auto customers are ordering more as inventory corrections wind down, channel inventories remain lean, and visibility is improving. Utilization is moving higher and lead times are lengthening in pockets, while sell-through continues to run ahead of replenishment, suggesting end demand, rather than restocking, remains the primary driver of the upturn so far.

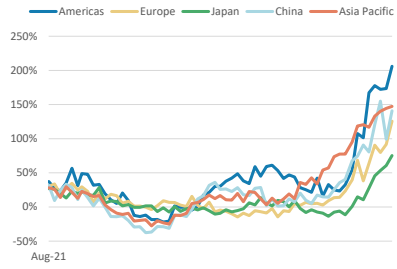
Analog three-month y/y growth increased to 18.0% in August from 17.1% in July, continuing to improve. MCU three-month y/y growth decreased to 17.0% from 18.3% in July, pausing after steady improvement.

Exhibit 1: Global Semiconductor Sales



Source: SIA, Morgan Stanley Research

Exhibit 2: Semiconductor Sales by Region



Source: SIA, Morgan Stanley Research

Memory sales rebounded sharply in August following a soft July, led by NAND, with NAND volumes well ahead of our forecasts and DRAM pricing above our expectations.

- **DRAM:** Sales were below our expectation and slightly below the 5-yr average offset by higher prices; bits were below seasonal (+24.8% m/m vs our estimate of+30.0% and normal seasonality up 39%) and up 27.6% y/y, while ASP was above (+7.7% month on month, vs +5.0%), up 19% from month 2 of 2Q, and up 282.3% y/y. On a 3-month y/y basis, total DRAM sales reached 403.8%, marking a new historical high, while ASP growth also reached a record 270.0%. We note that in general supply constraints tend to create a more linear monthly pattern, though we still see dampened seasonality (weakest in the first month of the qtr then strengthening from there). YTD DRAM bits are up 42% YTD, outsized shipments, which are normal for the first few months of a sharp upturn as producer inventory is cleared, creating tougher comps from here.

- **NAND:** Above our expectation and the 5-yr average, coming in at +41.0% m/m vs our estimate of +20.8% and the 5-yr average of +31.7%. Bits were above our estimate (+34.5% m/m vs +15.0% – normal seasonality up 37%), while ASP was ~in line (+4.8% vs +5.0%). NAND pricing was up 396.5% y/y. On a 3-

month y/y basis, revenue reached a record 501.0%, while ASP growth also reached a new record of 369.1%. Volume growth increased to 26.8% from 23.8% in July.

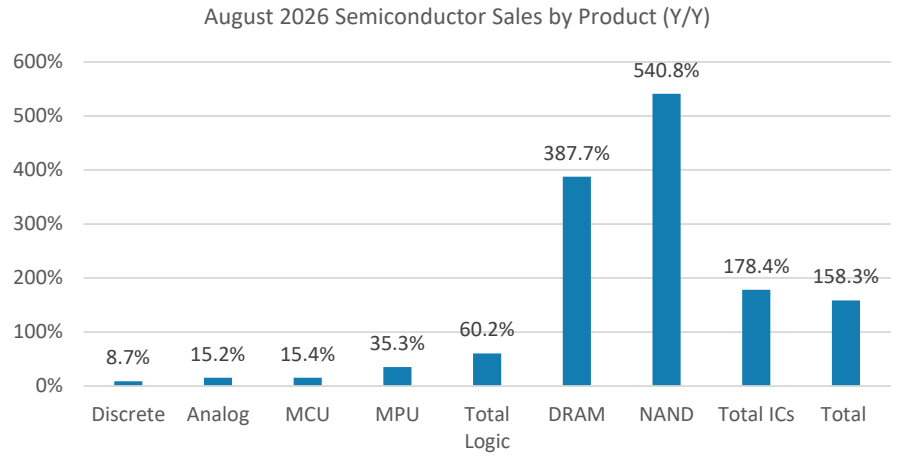
We model for memory price increases to moderate from here, as a trillion dollar memory market brings us into the laws of big numbers, but we expect the strength in the market to be durable.

Changes to our forecast: Our forecast is up from +126% for the year to +132%, with stronger broad based and slightly higher memory prices in late 3Q/4Q vs. our prior estimates – despite slightly lower realized revs in broad markets in August. For CY27, we are assuming ~35% growth y/y to ~$2.5 trillion, up from prior +32%.

Our take: August was a strong headline month driven by memory, with the broad-market softness looking more like a pause after an unusually strong July than a change in direction. We remain constructive on the 2H recovery outside of memory, which still looks healthy beneath the monthly noise. In memory, the debate has moved from how strong pricing can get to how long it lasts; we see multiple years of tight supply/demand, with the cycle more likely to end on a slowdown in AI spending than on new supply. We remain OW MU and SNDK on durable memory tightness, though we favor compute, with NVDA our Top Pick, alongside AVGO. We also remain constructive on LRCX, KLAC, MKSI, AEIS and ONTO in cap equipment/ supply chain, and ADI and NXP in premium analog/MCU.

SIA Note Charts

Exhibit 3: August 2026 Semiconductor Sales by Product (Y/Y)



Source: SIA, Morgan Stanley Research

Exhibit 4: Variance Table

Reported Item ($ mn)	August 2026 Actual	August 2026 Est.	Difference (Act-Est%)	Last Mth	MoM	Last Yr	YoY	Last Mth (Before Revision)	Last Mth Revised vs. Reported
Discrete / Opto / Sensors Sales	8,822	9,292	-5.1%	8,850	-0.3%	8,113	8.7%	8,850	
Analog Sales	8,483	8,528	-0.5%	8,751	-3.1%	7,362	15.2%	8,702	49
MCU Sales	2,016	2,209	-8.7%	2,209	-8.7%	1,747	15.4%	2,209	0
MPU Sales	6,944	6,960	-0.2%	6,823	1.8%	5,134	35.3%	6,823	0
Total Micro Sales	9,193	9,443	-2.6%	9,303	-1.2%	7,124	29.0%	9,306	(3)
Total Logic (ex Micro) Sales	43,453	38,448	13.0%	38,204	13.7%	25,743	68.8%	36,969	1,235
Total Logic Sales	52,645	47,890	9.9%	47,507	10.8%	32,867	60.2%	46,275	1,232
DRAM Sales	66,942	68,010	-1.6%	49,824	34.4%	13,727	387.7%	49,824	0
DRAM Gigabit Equivalents	37,989,674	39,738,979	-4.4%	30,441,392	24.8%	29,777,858	27.6%	30,568,445	(127,053)
DRAM Price per Gb Equivalent	$1.7621	$1.7114	3.0%	$1.6367	7.7%	$0.4610	282.3%	$1.6299	$0.0068
NAND Sales	39,238	33,606	16.8%	27,831	41.0%	6,124	540.8%	27,831	
NAND 1 Gigabit Equivalent	926,453,856	792,324,157	16.9%	688,977,528	34.5%	717,860,904	29.1%	688,977,528	
NAND Price per Gb Equivalent	$0.0424	$0.0424	-0.1%	$0.0404	4.8%	$0.0085	396.5%	$0.0404	
Total Memory Sales	107,311	102,615	4.6%	78,654	36.4%	20,274	429.3%	78,654	0
Total ICs	168,440	159,033	5.9%	134,912	24.9%	60,502	178.4%	133,631	1,281
Semiconductor Sales	177,262	168,325	5.3%	143,762	23.3%	68,615	158.3%	142,480	1,281

Source: SIA, Morgan Stanley Research

Exhibit 5: Quarterly SIA Data

	Mar/24 A	Jun/24 A	Sep/24 A	Dec/24 A	Mar/25 A	Jun/25 A	Sep/25 A	Dec/25 A	Mar/26 A	Jun/26 A	Sep/26 E	Dec/26 E
Revenues ($ Millions)												
Discretes / Optos / Sensors	22,185	21,383	24,285	23,191	21,519	22,629	25,449	24,905	23,996	25,179	27,728	27,588
Analog	19,276	19,011	20,648	20,653	19,813	20,186	23,052	23,396	22,756	23,541	26,905	27,559
MCU	5,751	5,409	5,512	5,087	4,950	5,326	5,694	5,628	5,788	6,285	6,685	6,672
MPU	12,124	13,276	13,911	14,860	13,606	13,943	15,894	17,615	16,548	19,210	21,615	22,915
Other	651	658	690	703	728	752	813	768	565	683	736	100
Total Micro	**18,526**	**19,343**	**20,114**	**20,650**	**19,284**	**20,021**	**22,401**	**24,011**	**22,902**	**26,178**	**29,035**	**29,687**
Logic (ex Micro)	48,462	49,479	56,194	61,634	65,356	68,892	78,853	88,783	91,910	104,796	127,282	135,925
Total Logic	**66,988**	**68,822**	**76,307**	**82,283**	**84,640**	**88,913**	**101,254**	**112,794**	**114,812**	**130,975**	**156,317**	**165,612**
DRAM	18,175	22,269	26,173	28,243	27,074	31,635	39,949	51,939	96,540	153,184	204,154	241,851
NAND	13,472	17,813	18,003	17,140	12,617	15,404	17,382	22,282	46,065	80,928	108,635	125,354
Other	1,039	1,010	1,133	1,048	1,070	1,154	1,310	1,329	1,544	2,483	2,483	2,483
Total Memory	**32,685**	**41,092**	**45,308**	**46,431**	**40,761**	**48,193**	**58,641**	**75,550**	**144,148**	**236,596**	**315,272**	**369,689**
Total ICs	**118,949**	**128,925**	**142,263**	**149,367**	**145,214**	**157,293**	**182,946**	**211,740**	**281,716**	**391,111**	**498,495**	**562,859**
Total Semiconductor	**141,134**	**150,308**	**166,547**	**172,558**	**166,732**	**179,921**	**208,395**	**236,645**	**305,712**	**416,289**	**526,223**	**590,447**
Q/Q Change	*-3.3%*	*6.5%*	*10.8%*	*3.6%*	*-3.4%*	*7.9%*	*15.8%*	*13.6%*	*29.2%*	*36.2%*	*26.4%*	*12.2%*
Y/Y Change	*18.1%*	*18.6%*	*23.7%*	*18.2%*	*18.1%*	*19.7%*	*25.1%*	*37.1%*	*83.4%*	*131.4%*	*152.5%*	*149.5%*

Source: SIA, Morgan Stanley Research

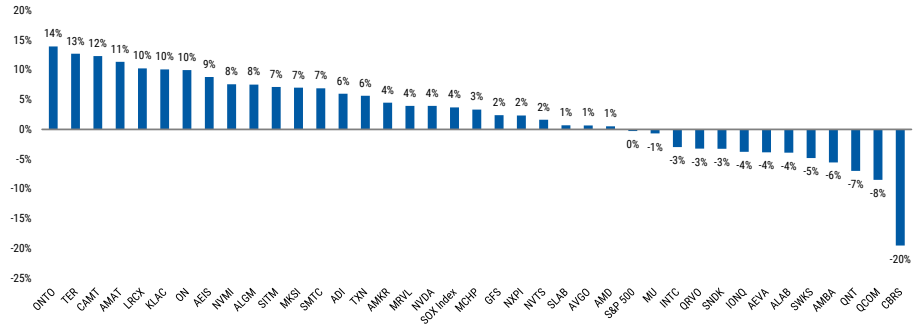
Exhibit 6: Annual SIA Data

	2017 A	2018 A	2019 A	2020 A	2021 A	2022 A	2023 A	2024 A	2025 A	2026 E	2027 E
Revenues ($ Millions)											
Discretes / Optos / Sensors	69,087	75,446	78,953	79,164	92,945	99,591	98,359	91,044	94,502	104,491	111,164
Analog	53,069	58,380	53,939	55,658	73,816	88,919	81,146	79,588	86,447	100,761	113,123
MCU	16,430	17,027	15,808	15,484	19,622	25,030	27,861	21,758	21,597	25,430	28,239
MPU	44,370	46,371	47,974	51,812	56,766	51,299	45,480	54,172	61,059	80,288	93,227
Other	3,286	3,262	2,658	2,382	2,845	3,217	3,172	2,702	3,062	2,084	400
Total Micro	**64,086**	**66,660**	**66,440**	**69,678**	**79,234**	**79,546**	**76,513**	**78,633**	**85,718**	**107,802**	**121,866**
Logic (ex Micro)	102,196	109,411	106,535	118,408	153,710	176,097	178,493	215,768	301,883	459,913	586,979
Total Logic	**166,281**	**176,071**	**172,975**	**188,086**	**232,944**	**255,643**	**255,006**	**294,401**	**387,601**	**567,715**	**708,845**
DRAM	72,802	98,604	62,475	64,324	92,960	77,769	51,945	94,860	150,598	695,729	919,533
NAND	47,227	54,263	40,180	49,390	55,953	47,109	36,104	66,427	67,685	360,982	622,232
Other	3,946	4,428	3,785	3,769	4,921	4,948	4,261	4,229	4,862	8,994	9,934
Total Memory	**123,976**	**157,295**	**106,440**	**117,482**	**153,834**	**129,825**	**92,309**	**165,516**	**223,145**	**1,065,705**	**1,551,699**
Total ICs	**343,326**	**391,746**	**333,354**	**361,226**	**460,594**	**474,388**	**428,461**	**539,505**	**697,193**	**1,734,181**	**2,373,667**
Total Semiconductor	**412,414**	**467,192**	**412,307**	**440,389**	**553,540**	**573,978**	**526,820**	**630,549**	**791,694**	**1,838,672**	**2,484,832**
Y/Y % Growth	*21.7%*	*13.3%*	*-11.7%*	*6.8%*	*25.7%*	*3.7%*	*-8.2%*	*19.7%*	*25.6%*	*132.2%*	*35.1%*
5 year CAGR	*7.2%*	*8.9%*	*4.2%*	*5.6%*	*10.3%*	*6.8%*	*2.4%*	*8.9%*	*12.4%*	*27.1%*	*34.1%*
10 year CAGR	*4.9%*	*6.5%*	*6.2%*	*4.0%*	*6.3%*	*7.0%*	*5.6%*	*6.5%*	*9.0%*	*18.4%*	*19.7%*
Y/Y Real Growth	*19.5%*	*11.0%*	*-13.1%*	*6.0%*	*21.7%*	*-3.4%*	*-12.3%*	*16.7%*	*23.1%*	*127.7%*	*32.5%*

Source: SIA, Morgan Stanley Research

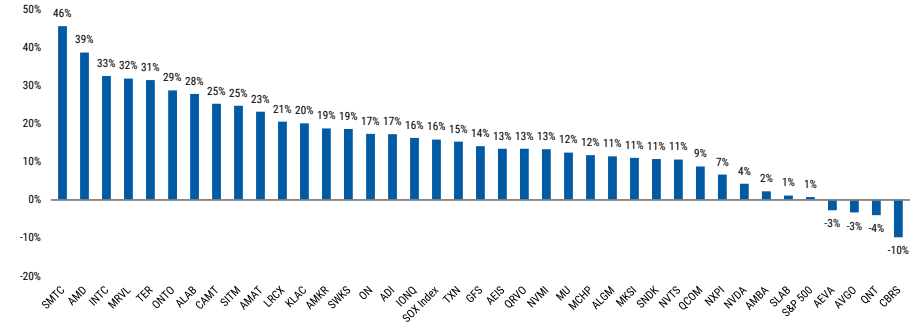
Semiconductor Coverage – Valuation / Stock Performance

Exhibit 7: Weekly stock performance



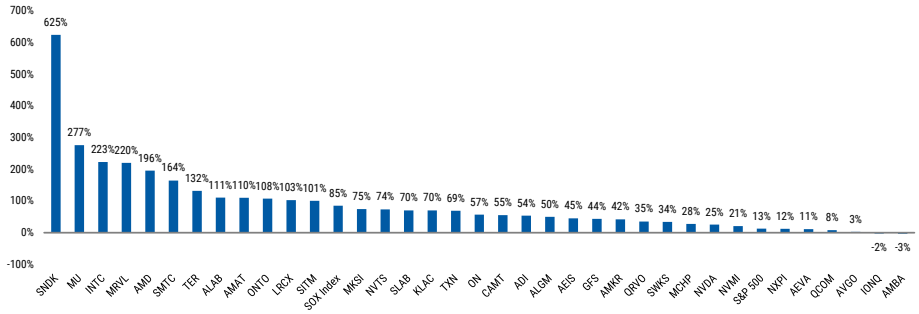
Source: FactSet, Morgan Stanley Research

Exhibit 8: Monthly stock performance



Source: FactSet, Morgan Stanley Research

Exhibit 9: YTD stock performance



Source: FactSet, Morgan Stanley Research

Semis Week Ahead

Exhibit 10: October 5th - October 9th, 2026

Tuesday, October 6th
MRVL Investor Day

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

Monday, October 12th
OCP Global Summit - Day 1
NVDA - 8:55pm ET*

AMAT Epic Center Unveiling

October 13th-15th
SEMICON West & Spark Private Conference
https://www.semiconwest.org/

Tuesday October 13th
AMAT Investor Day

Wednesday October 14th
ASML Earnings
OCP Global Summit - Day 3
AMD - 7:10pm ET

CAMT Investor Breakfast

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

OCP Global Summit - Day 4
AMD - 12:10pm ET
AVGO - 3:50pm ET
MRVL - 4:15pm ET

TSMC Earnings Release

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

Wednesday October 21st
TXN Earnings
4:30pm ET
Webcast | Q3 2026 Earnings Conference Call

LAM Earnings
5pm ET
Link TBD

Thursday October 22nd
Disco Earnings

October 20th-22nd
NVDA GTC Berlin
https://www.nvidia.com/en-eu/gtc/

Wednesday, October 21st
NVDA CEO Jensen Huang Keynote
1:00am-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

Wednesday, October 28th
NXPI Earnings
4:30pm ET
Link TBD

KLA Earnings
5pm ET
Link TBD

Thursday, October 29th
SNDK Earnings
4:30pm ET
Link TBD

Wednesday, November 4th
GFS Earnings
8:30am ET
Link TBD

QCOM Earnings
4:45pm ET
https://event.choruscall.com/mediaframe/webcast.html?webcastid=DztSwmGG

Friday, November 6th
TSMC Japan OIP Ecosystem Forum
https://pr.tsmc.com/english/events

Monday, November 9th
ENTG Investor Day
https://www.semiconeuropa.org/

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 17th-19th
MS Asia Pacific Summit (Add'l Info TBD)

November 18th-20th
MS European TMT Barcelona Conference

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

December 8th-9th
NADSAQ London

December 9th-11th
SEMICON Japan
https://www.semiconjapan.org/en

Thursday, December 14th
MKSI Investor Day
TBD

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/

Source: Bloomberg, Refinitiv, Morgan Stanley Research

Semiconductor Coverage

Exhibit 11: Semiconductors – Risk Reward

Ticker	Rating	Price	Risk-Reward			% Upside / Downside
			Bear	Base	Bull	Base
Computing						
AMD	EW	$633.9	$290	$465	$700	-27%
CBRS	OW	$166.4	$90	$279	$400	68%
INTC	EW	$119.3	$50	$84	$137	-30%
NVDA	OW	$234.0	$160	$300	$350	28%
Memory						
MU	OW	$1,074.9	$675	$1,200	$1,650	12%
SNDK	OW	$1,720.0	$1,100	$1,750	$2,635	2%
Capital Equipment						
AEIS	OW	$304.3	$255	$439	$634	44%
AMAT	EW	$540.0	$339	$563	$811	4%
CAMT	EW	$165.2	$102	$152	$209	-8%
KLAC	OW	$206.9	$165	$253	$325	22%
LRCX	OW	$347.5	$236	$367	$481	6%
MKSI	OW	$279.2	$181	$345	$485	24%
NVMI	EW	$396.1	$307	$461	$639	16%
ONTO	OW	$327.8	$244	$360	$486	10%
TER	EW	$449.0	$273	$397	$535	-12%
Comm-IC / Multi-Market						
ALAB	OW	$350.3	$208	$382	$490	9%
AMBA	OW	$68.7	$34	$96	$136	40%
AVGO	OW	$355.1	$300	$505	$640	42%
MRVL	EW	$272.3	$143	$268	$376	-2%
QCOM	EW	$184.9	$104	$220	$298	19%
QRVO	EW	$114.2	$40	$84	$110	-26%
SMTC	EW	$194.9	$108	$195	$294	0%
SWKS	EW	$85.0	$43	$72	$105	-15%
Analog / MCUs						
ADI	OW	$417.2	$370	$458	$548	10%
ALGM	OW	$39.5	$44	$52	$72	32%
MCHP	EW	$81.3	$75	$103	$129	27%
NVTS	UW	$12.4	$6.3	$12.6	$20.9	2%
NXPI	OW	$243.7	$270	$338	$404	39%
ON	NC	$84.9	++	++	++	-
SITM	OW	$709.4	$440	$730	$990	3%
SLAB	EW	$222.8	$83	$231	$265	4%
TXN	UW	$293.8	$213	$255	$302	-13%
Components						
AEVA	EW	$14.8	$5	$27	$73	83%
Foundry						
AMKR	EW	$56.0	$49	$70	$89	25%
GFS	EW	$50.2	$34	$60	$86	20%
Quantum Computing						
IONQ	EW	$43.8	$6	$49	$110	12%
QNT	EW	$46.1	$12	$78	$160	69%

Source: FactSet, Morgan Stanley Research estimates

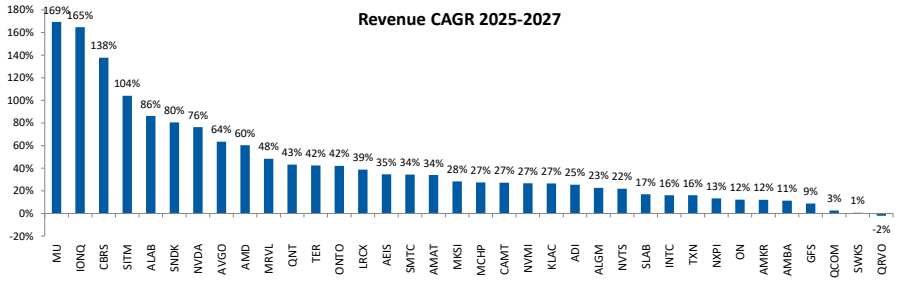
Exhibit 12: MS vs. Street

		CY2027e EPS				CY2027e Revenue			
		MS	Consensus	% Diff		MS	Consensus	% Diff
OW	ADI	$16.94	$17.15	(1%)	ADI	$18,513	$18,793	(1%)
	AEIS	$16.91	$15.19	11%	AEIS	$3,261	$3,009	8%
	ALAB	$5.83	$6.48	(10%)	ALAB	$2,953	$3,079	(4%)
	ALGM	$1.48	$1.38	7%	ALGM	$1,264	$1,238	2%
	AMBA	$0.82	$1.04	(21%)	AMBA	$485	$487	(0%)
	AVGO	$19.63	$21.16	(7%)	AVGO	$182,575	$192,095	(5%)
	CBRS	$1.03	$1.30	(21%)	CBRS	$2,883	$2,954	(2%)
	KLAC	$6.23	$6.13	2%	KLAC	$20,430	$19,939	2%
	LRCX	$11.26	$10.68	5%	LRCX	$39,626	$38,297	3%
	MKSI	$19.60	$17.55	12%	MKSI	$6,466	$6,114	6%
	MU	$204.32	$182.84	12%	MU	$306,894	$286,940	7%
	NVDA	$9.21	$15.20	(39%)	NVDA	$405,968	$667,861	(39%)
	NXPI	$18.76	$18.18	3%	NXPI	$15,767	$15,932	(1%)
	ONTO	$12.89	$11.76	10%	ONTO	$2,028	$1,882	8%
	SITM	$14.90	$14.92	(0%)	SITM	$1,360	$1,353	1%
	SNDK	$211.96	$236.57	(10%)	SNDK	$48,964	$53,491	(8%)
EW	AEVA	-$1.85	-$1.59	17%	AEVA	$74	$70	5%
	AMAT	$20.92	$19.68	6%	AMAT	$50,682	$48,439	5%
	AMD	$15.54	$15.89	(2%)	AMD	$88,987	$89,417	(0%)
	AMKR	$2.32	$2.80	(17%)	AMKR	$8,421	$8,637	(3%)
	CAMT	$5.14	$4.90	5%	CAMT	$802	$756	6%
	GFS	$2.44	$2.52	(3%)	GFS	$8,038	$8,210	(2%)
	INTC	$2.00	$2.12	(6%)	INTC	$71,264	$72,795	(2%)
	IONQ	-$0.64	-$1.46	(56%)	IONQ	$911	$814	12%
	MCHP	$4.10	$4.33	(5%)	MCHP	$7,095	$7,174	(1%)
	MRVL	$6.68	$6.54	2%	MRVL	$18,033	$17,652	2%
	NVMI	$14.13	$13.66	3%	NVMI	$1,414	$1,360	4%
	QCOM	$10.89	$10.87	0%	QCOM	$47,259	$46,843	1%
	QNT	-$1.55	-$1.64	(5%)	QNT	$63	$61	4%
	QRVO	$8.04	$7.92	2%	QRVO	$3,586	$3,631	(1%)
	SLAB	$4.14	$4.51	(8%)	SLAB	$1,073	$1,081	(1%)
	SMTC	$5.65	$5.66	(0%)	SMTC	$1,895	$1,909	(1%)
	SWKS	$5.31	$5.17	3%	SWKS	$4,101	$4,106	(0%)
	TER	$11.91	$11.75	1%	TER	$6,476	$6,241	4%
UW	NVTS	-$0.10	-$0.12	(16%)	NVTS	$68	$73	(6%)
	TXN	$9.80	$10.28	(5%)	TXN	$23,832	$24,977	(5%)
++	ON	$4.42	$4.50	(2%)	ON	$7,551	$7,407	2%

Source: FactSet, Morgan Stanley Research estimates

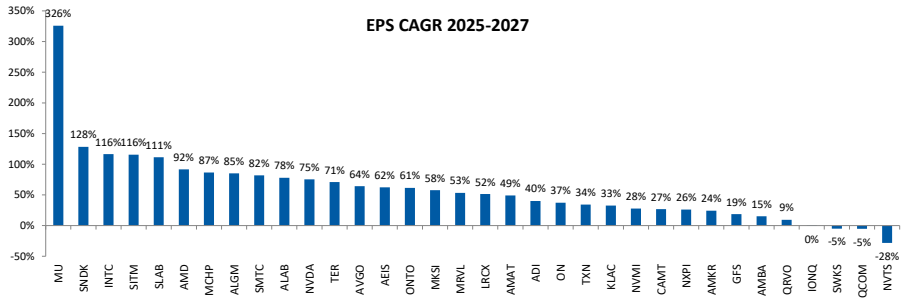
Revenue and EPS Growth

Exhibit 13: 2025-27e Revenue CAGR



Source: FactSet, Morgan Stanley estimates

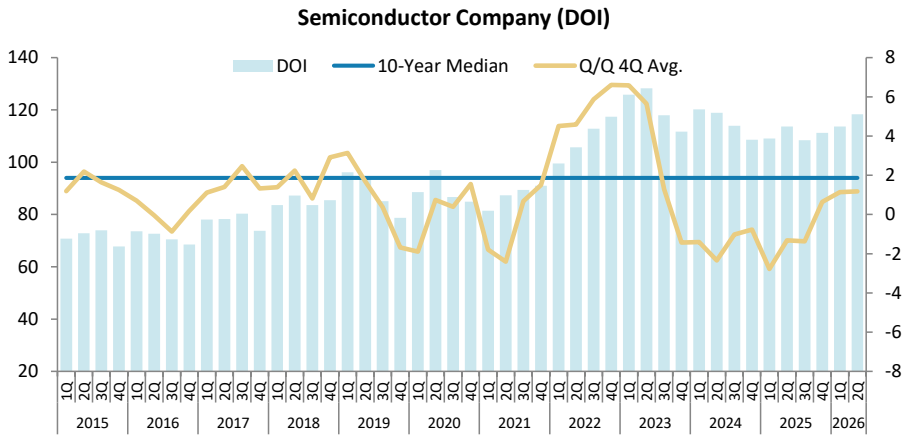
Exhibit 14: 2025-27e EPS CAGR



Source: FactSet, Morgan Stanley estimates

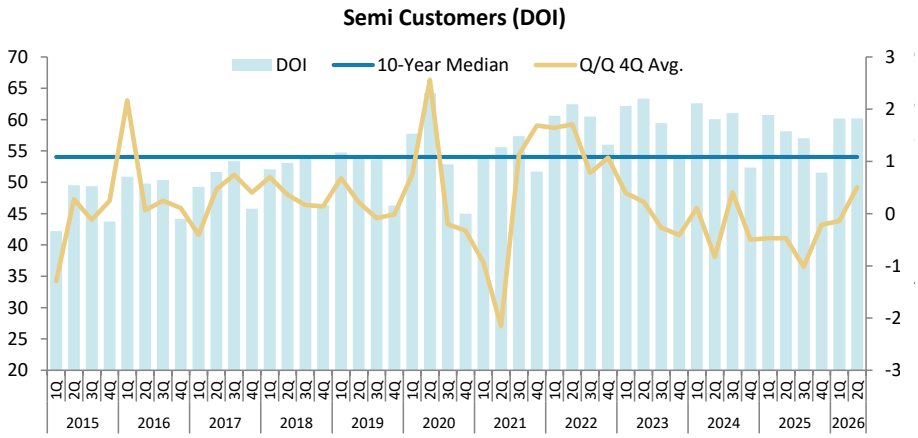
Inventory

Exhibit 15: Semiconductor Company inventory is at 118 days, up 5 days q/q, which is 1 day behind of the seasonal increase of 4 days. DOI is 24 days above the historical median and trailing 4-quarters slightly increased...



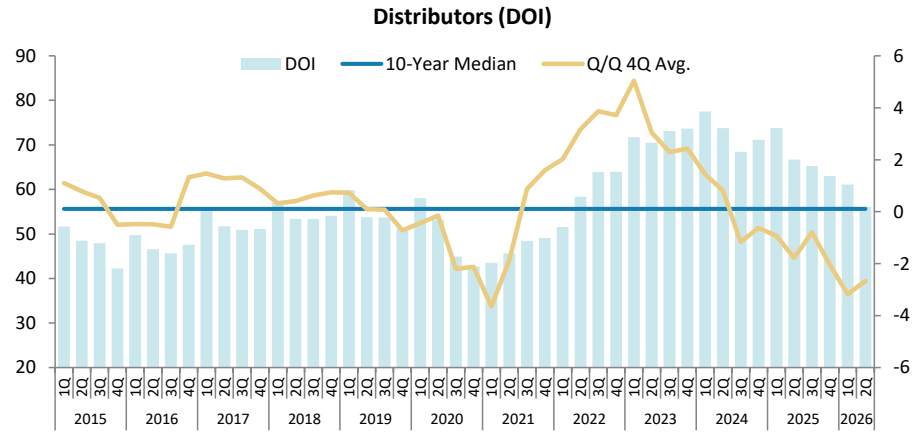
Source: FactSet, Morgan Stanley Research

Exhibit 16: Semi Customer DOI remained flat sequentially to 60 days vs a seasonal decrease of 0 days. DOI is above the historical median and trailing 4 quarters increased from last quarter



Source: FactSet, Morgan Stanley Research

Exhibit 17: Distributor inventory is at 56 days, down 5 days q/q, above seasonal decrease of 1 day. DOI is in line with the historical median while trailing 4-quarters increased sequentially



Source: FactSet, Morgan Stanley Research

Short Interest

Exhibit 18: Short Interest as % of Float

	2/Oct/25	3/Jul/26	2/Aug/26	2/Sep/26	2/Oct/26
ADI	1.8%	2.5%	2.0%	1.8%	1.8%
AEIS	6.0%	3.7%	4.7%	4.3%	4.5%
AEVA	12.9%	6.7%	7.9%	8.7%	10.9%
ALAB	5.2%	7.3%	5.3%	5.2%	5.0%
ALGM	5.6%	8.3%	5.9%	6.9%	5.6%
AMAT	2.5%	2.5%	1.8%	2.0%	1.8%
AMBA	4.5%	7.5%	11.7%	9.9%	12.9%
AMD	2.3%	2.5%	2.3%	2.6%	2.4%
AMKR	1.7%	3.6%	3.6%	3.8%	4.0%
AVGO	1.1%	1.5%	1.3%	1.1%	1.1%
CAMT	10.0%	5.8%	5.7%	7.7%	8.0%
CBRS		5.7%	5.4%	5.6%	5.4%
GFS	2.6%	1.3%	1.2%	1.2%	1.4%
INTC	2.3%	2.4%	2.4%	2.9%	3.0%
IONQ	15.2%	10.9%	12.4%	10.1%	10.0%
KLAC	2.6%	2.6%	2.1%	0.2%	1.8%
LRCX	2.4%	2.3%	2.2%	2.2%	2.1%
MCHP	4.5%	7.2%	6.7%	6.0%	6.0%
MKSI	5.3%	7.3%	8.5%	9.2%	9.0%
MRVL	4.7%	3.9%	4.1%	4.4%	3.6%
MU	2.0%	2.8%	2.6%	2.6%	2.4%
NVDA	0.9%	1.3%	1.2%	1.2%	1.2%
NVMI	6.4%	4.6%	4.6%	6.6%	7.0%
NVTS	18.4%	13.2%	15.1%	15.3%	15.4%
NXPI	3.0%	3.5%	3.5%	3.4%	2.9%
ON	9.0%	7.6%	7.9%	7.8%	7.6%
ONTO	4.8%	5.4%	5.4%	5.0%	5.6%
QCOM	2.3%	3.8%	3.3%	3.2%	3.6%
QNT		12.7%	7.4%	7.8%	10.1%
QRVO	3.4%	7.7%	7.4%	5.6%	5.8%
SITM	5.4%	3.3%	3.7%	3.3%	4.0%
SLAB	4.9%	6.9%	8.6%	8.3%	7.8%
SMTC	8.2%	6.0%	7.8%	8.1%	7.3%
SNDK	4.9%	4.9%	4.7%	4.1%	3.8%
SWKS	6.8%	19.2%	20.8%	23.0%	21.7%
TER	6.6%	5.8%	5.1%	4.5%	5.2%
TXN	2.0%	1.8%	1.8%	2.3%	2.2%
AVERAGE	5.3%	5.4%	5.6%	5.6%	5.7%
MEDIAN	4.7%	4.8%	4.7%	4.4%	4.8%

Source: FactSet, Morgan Stanley Research

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(as of September 30, 2026)

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Stock Rating Category	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
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Equal-weight/Hold	1563	42%	394	42%	25%	763	43%
Not-Rated/Hold	2	0%	1	0%	50%	1	0%
Underweight/Sell	570	15%	96	10%	17%	227	13%
Total	3,734		946			1774	

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INDUSTRY COVERAGE: Semiconductors

COMPANY (TICKER)	RATING (AS OF)	PRICE* (10/02/2026)
Joseph Moore		
Advanced Micro Devices (AMD.O)	E (06/09/2024)	$633.91
Aeva Technologies Inc (AEVA.O)	E (07/19/2021)	$14.76
Allegro Microsystems Inc (ALGM.O)	O (02/13/2026)	$39.53
Ambarella Inc (AMBA.O)	O (03/29/2016)	$68.65
Amkor Technology Inc (AMKR.O)	E (11/08/2023)	$56.02
Analog Devices Inc. (ADI.O)	O (11/16/2023)	$417.15
Astera Labs Inc (ALAB.O)	O (05/11/2025)	$350.33
Broadcom Inc. (AVGO.O)	O (06/09/2024)	$355.14
Cerebras Systems (CBRS.O)	O (06/08/2026)	$166.43
GlobalFoundries Inc (GFS.O)	E (10/28/2024)	$50.17
Intel Corporation (INTC.O)	E (02/22/2023)	$119.33

IonQ Inc (IONQ.N)	E (04/25/2023)	$43.77
Marvell Technology Group Ltd (MRVL.O)	E (09/14/2015)	$272.29
Microchip Technology Inc. (MCHP.O)	E (07/10/2024)	$81.32
Micron Technology Inc. (MU.O)	O (10/06/2025)	$1,074.89
Navitas Semiconductor Corp (NVTS.O)	U (04/06/2025)	$12.40
NVIDIA Corp. (NVDA.O)	O (03/16/2023)	$233.95
NXP Semiconductor NV (NXPI.O)	O (02/11/2025)	$243.66
ON Semiconductor Corp. (ON.O)	++	$84.89
Qorvo Inc (QRVO.O)	E (10/28/2025)	$114.17
Qualcomm Inc. (QCOM.O)	E (06/24/2026)	$184.87
Quantinuum (QNT.O)	E (06/29/2026)	$46.08
SanDisk Corporation. (SNDK.O)	O (03/03/2025)	$1,719.99
Semtech Corp. (SMTC.O)	E (04/06/2025)	$194.88
Silicon Laboratories Inc. (SLAB.O)	E (01/19/2021)	$222.76
SiTime Corporation (SITM.O)	O (09/16/2026)	$709.44
Skyworks Solutions Inc (SWKS.O)	E (11/28/2018)	$85.03
Texas Instruments (TXN.O)	U (04/13/2020)	$293.80
Wolfspeed, INC (WOLF.N)	NR (04/06/2025)	$35.28
Lee Simpson		
Arm Holdings plc (ARM.O)	E (04/07/2026)	$307.49
Cadence Design Systems Inc (CDNS.O)	O (02/14/2024)	$351.35
PDF Solutions Inc (PDFS.O)	O (09/08/2026)	$55.50
Synopsys Inc. (SNPS.O)	O (09/08/2026)	$489.90

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* Historical prices are not split adjusted.

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