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UPDATE

September 30, 2026 01:27 AM GMT

MediaTek | Asia Pacific

Management Clarifies TPU production timing and TSMC's CoWoS Support; Reit OW

Key Takeaways

- MediaTek management reiterated that TPU shipment has started, and hence it continues to expect >US$2bn revenue in 4Q26.
- It said Intel EMIB-T substrate (for v9) output is tracking MediaTek's plan, so CoWoS collaboration with TSMC could be for next generation TPU.
- Reiterate OW on MediaTek and use yesterday's dip to buy, as TPU revenue should meet our forecasts, and we see high possibility it can win new customers.

What's new? MediaTek's share price was -7.1% (vs. Taiex -0.82%) yesterday, after press reports (Economic Daily, 29 Sept) raised investor concerns on TPUv8 production being delayed to 2Q27. MediaTek management provided the following feedback on the reports and also offered feedback about our report on TSMC CoWoS adoption for next generation TPU, and new customer wins.

Key takeaways: Management said that TPUv8 revenue contribution was on track, while TPUv9 production can fully use Intel EMIB-T:

- MediaTek reiterated its guidance of >US$2bn revenue from TPU (should be v8) in 4Q26. The company has started TPU shipments to customers and said there were no shipment delays to 2Q27.
- Would MediaTek adopt TSMC's CoWoS-L for TPUv9 production in 2028? MediaTek said it has discussed potentially adopting CoWoS with TSMC for next generation chips (we think could be v10 IceFish), but EMIB-T substrate (for v9) output is tracking its plan and hence there is no need for CoWoS support (for v9). Management didn't comment on our EMIB-T substrate volume forecast in 2028, but we believe our 3mn unit forecast for v9 HumuFish in 2028 is achievable, based on our industry checks.

- Management indicated more ASIC production requests from global customers but it needs to consider the margin profile and export control compliance. We think Telsa AI6 should remain at GUC (OW) (see note), and that MediaTek may consider some China CSP projects, such as from ByteDance. Management said that if China customer projects comply with the US's design and TSMC's production guidelines, MediaTek wouldn't rule it out.

MORGAN STANLEY TAIWAN LIMITED+
Charlie Chan
Equity Analyst
Charlie.Chan@morganstanley.com +886 2 2730-1725

Daniel Yen, CFA
Equity Analyst
Daniel.Yen@morganstanley.com +886 2 2730-2863

MORGAN STANLEY ASIA LIMITED+
Daisy Dai, CFA
Equity Analyst
Daisy.Dai@morganstanley.com +852 2848-7310

MORGAN STANLEY TAIWAN LIMITED+
Lucas Wang
Research Associate
Lucas.Wang@morganstanley.com +886 2 2730-2875

MORGAN STANLEY ASIA LIMITED+
Ethan Jia
Research Associate
Ethan.Jia@morganstanley.com +852 3963-2287

Henry Zhao
Equity Analyst
Henry.Zhao@morganstanley.com +852 2239-7731

MediaTek (2454.TW, 2454 TT)
Top Pick

Greater China Technology Semiconductors | Taiwan

Stock Rating	**Overweight**
Industry View	**Attractive**
Price target	NT$6,188.00
Up/downside to price target (%)	26
Shr price, close (Sep 29, 2026)	NT$4,910.00
52-Week Range	NT$5,480.00-1,130.00
Sh out, dil, curr (mn)	1,565
Mkt cap, curr (mn)	NT$7,685,057
EV, curr (mn)	NT$7,469,528
Avg daily trading value (mn)	NT$26,828

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS (NT$)**	66.17	73.35	146.97	342.37
Prior EPS (NT$)**	-	-	-	-
EPS (NT$)§	66.05	68.42	146.83	272.67
Revenue, net (NT$ bn)	596.0	671.9	1,095.6	2,315.2
ModelWare net inc (NT $ bn)	105.3	116.8	233.8	545.3
ROE (%)	26.0	28.5	48.8	78.6
Div yld (%)	19.2	0.0	0.0	0.0

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework
** = Based on consensus methodology

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§ = Consensus data is provided by Refinitiv Estimates
e = Morgan Stanley Research estimates

Valuation Methodology and Risks

MediaTek (2454.TW)

Base case, residual income model. Key assumptions: cost of equity 9.2%, intermediate growth rate 12.0%, terminal growth rate 3.0%.

Risks to Upside

- Edge AI proliferates smartphone replacement cycle.
- Smartphone demand rises in China and other EMs.
- New products attract high demand, resulting in market share gains.
- Google's TPU spurs demand.

Risks to Downside

- Smartphone demand deteriorates in China and other EMs.
- Competition heats up, resulting in pricing competition.
- New products attract low demand, causing market share loss.
- Margin dilution is more severe.

Global Unichip Corp (3443.TW)

Base case, residual income model. Key assumptions: a cost of equity of 9.2%, an intermediate growth rate of 14.5%, and a terminal growth rate of 5%.

Risks to Upside

- 5nm, 3nm and advanced packaging customers decide to accelerate tape-outs.
- AI and other high-growth projects gain substantial customer traction.
- 5nm turnkey momentum is stronger than expected.

Risks to Downside

- AI and other high-growth projects lose significant customer traction.
- Customers' inventory correction is longer than expected.
- 5nm and below ASIC projects contribution is lower than expected.



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Stock Rating Category	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1555	42%	450	48%	29%	767	44%
Equal-weight/Hold	1577	43%	395	42%	25%	770	44%
Not-Rated/Hold	3	0%	1	0%	33%	1	0%
Underweight/Sell	559	15%	93	10%	17%	216	12%
Total	3,694		939			1754	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

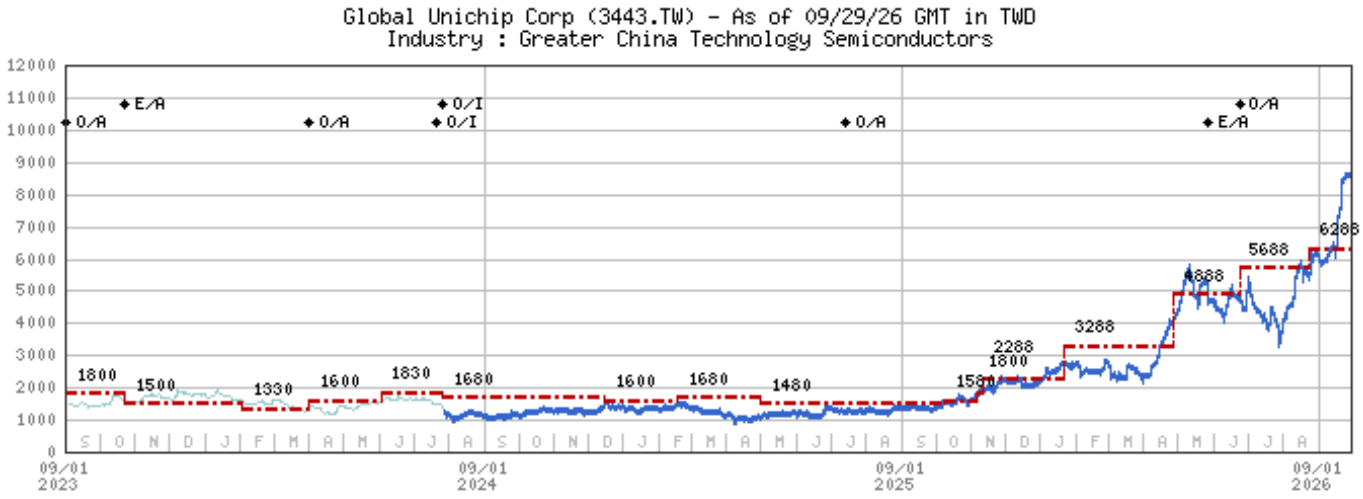
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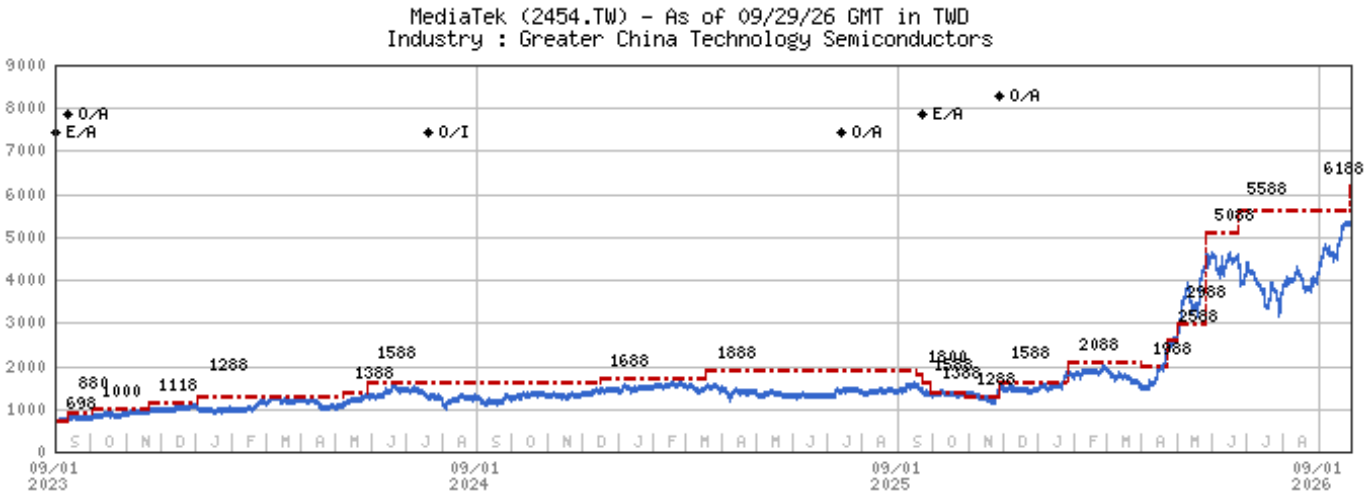
Stock Rating History: 9/1/21 : U/I; 10/12/21 : U/C; 10/4/22 : U/A; 10/28/22 : O/A; 12/28/22 : E/A; 2/22/23 : E/I; 5/4/23 : O/I; 7/7/23 : O/A; 10/23/23 : E/A; 4/1/24 : O/A; 7/21/24 : O/I; 7/27/24 : O/I; 7/14/25 : O/A; 5/28/26 : E/A; 6/24/26 : O/A

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INDUSTRY COVERAGE: Greater China Technology Semiconductors

COMPANY (TICKER)	RATING (AS OF)	PRICE* (09/29/2026)
Charlie Chan		
Advanced Wireless Semiconductor Co (8086.TWO)	U (07/14/2025)	NT$110.00
Alchip Technologies Ltd (3661.TW)	O (05/14/2021)	NT$3,685.00
ASE Technology Holding Co. Ltd. (3711.TW)	O (09/15/2024)	NT$687.00
Cambricon Technology Corporation (688256.SS)	O (04/27/2026)	Rmb1,046.00
CXMT Corp (688825.SS)	O (08/26/2026)	Rmb55.55
Global Unichip Corp (3443.TW)	O (06/24/2026)	NT$7,925.00
GlobalWafers Co Ltd (6488.TWO)	E (05/19/2026)	NT$945.00
Gudeng Precision (3680.TWO)	O (11/25/2025)	NT$548.00
Hua Hong Semiconductor Ltd (1347.HK)	E (03/12/2026)	HK$106.70
Iluvatar CoreX Semiconductor Co., Ltd. (9903.HK)	O (04/27/2026)	HK$117.40
King Yuan Electronics Co Ltd (2449.TW)	O (03/03/2023)	NT$294.50
MediaTek (2454.TW)	O (11/28/2025)	NT$4,910.00
MetaX Integrated Circuits (688802.SS)	E (04/27/2026)	Rmb518.46
Nanya Technology Corp. (2408.TW)	O (05/28/2026)	NT$506.00
OmniVision Integrated Circuits Group Inc (603501.SS)	E (11/17/2025)	Rmb80.36
Phison Electronics Corp (8299.TWO)	E (02/25/2026)	NT$2,115.00
SG Micro Corp. (300661.SZ)	E (11/03/2025)	Rmb112.80
Silergy Corp. (6415.TW)	U (05/19/2026)	NT$409.00
SMIC (0981.HK)	O (10/21/2025)	HK$61.05
TSMC (2330.TW)	O (02/07/2022)	NT$2,475.00
UMC (2303.TW)	O (05/19/2026)	NT$153.50
Vanguard International Semiconductor (5347.TWO)	E (01/14/2026)	NT$178.50
WIN Semiconductors Corp (3105.TWO)	U (07/14/2025)	NT$493.00

Daisy Dai, CFA

ASMPT Ltd (0522.HK)	O (07/24/2025)	HK$162.60
China Resources Microelectronics Limited (688396.SS)	U (03/02/2026)	Rmb56.89
Empyrean Technology Co Ltd (301269.SZ)	E (01/17/2025)	Rmb86.68
Hangzhou Silan Microelectronics Co. Ltd. (600460.SS)	U (08/25/2025)	Rmb31.84
Hygon Information Technology Co., Ltd. (688041.SS)	O (07/03/2026)	Rmb235.88
Innoscience (2577.HK)	E (10/13/2025)	HK$38.22
JCET Group Co Ltd (600584.SS)	O (09/16/2026)	Rmb65.70
Shanghai Fudan Microelectronics (1385.HK)	O (03/07/2025)	HK$26.18
SICC Co Ltd (688234.SS)	O (03/20/2026)	Rmb109.00
SJ Semiconductor Corp (688820.SS)	E (09/16/2026)	Rmb121.01
StarPower Semiconductor Ltd (603290.SS)	E (05/14/2026)	Rmb83.40
Unigroup Guoxin Microelectronics Co Ltd (002049.SZ)	U (01/10/2023)	Rmb58.41
Universal Scientific Ind. (Shanghai) (601231.SS)	O (11/05/2025)	Rmb24.09
Yangjie Technology (300373.SZ)	O (06/10/2022)	Rmb86.00
Daniel Yen, CFA		
AP Memory Technology Corp (6531.TW)	O (07/11/2025)	NT$929.00
ASMedia Technology Inc (5269.TW)	U (10/03/2025)	NT$1,475.00
Aspeed Technology (5274.TWO)	O (06/09/2025)	NT$19,395.00
Egis Technology Inc (6462.TWO)	E (01/28/2026)	NT$103.00
Elan Microelectronics Corp (2458.TW)	O (10/03/2025)	NT$136.00
eMemory Technology Inc (3529.TWO)	O (08/18/2026)	NT$3,305.00
Espressif Systems (688018.SS)	O (05/15/2023)	Rmb115.79
GigaDevice Semiconductor Beijing Inc (603986.SS)	O (05/15/2025)	Rmb367.57
Macronix International Co Ltd (2337.TW)	O (09/18/2025)	NT$118.50
Montage Technology Co Ltd (6809.HK)	O (03/18/2026)	HK$294.00
Montage Technology Co Ltd (688008.SS)	O (03/18/2026)	Rmb212.60
Novatek (3034.TW)	U (02/04/2026)	NT$540.00
Nuvoton Technology Corporation (4919.TW)	U (11/10/2025)	NT$135.50
Parade Technologies Ltd (4966.TWO)	O (05/27/2026)	NT$569.00
Powerchip Semiconductor Manufacturing Co (6770.TW)	O (10/27/2025)	NT$72.30
Realtek Semiconductor (2379.TW)	E (01/30/2026)	NT$760.00
Shenzhen Goodix Technology Co Ltd (603160.SS)	U (07/14/2025)	Rmb54.06
Winbond Electronics Corp (2344.TW)	O (05/28/2026)	NT$174.00
WPG Holdings (3702.TW)	O (03/16/2026)	NT$115.00
WT Microelectronics Co. Ltd. (3036.TW)	O (01/27/2026)	NT$207.50
Duan Liu		
Dosilicon Co Ltd (688110.SS)	U (09/06/2024)	Rmb117.73
Shenzhen Longsys Electronics Co Ltd (301308.SZ)	E (02/25/2026)	Rmb311.66
Henry Zhao		
ACM Research Inc (ACMR.O)	O (03/07/2023)	US$75.61
Advanced Micro-Fabrication Equipment Inc (688012.SS)	O (11/06/2023)	Rmb324.78
Maxscend Microelectronics Co Ltd (300782.SZ)	U (01/11/2021)	Rmb70.08
NAURA Technology Group Co Ltd (002371.SZ)	O (11/06/2023)	Rmb628.96
Tiffany Yeh		
AllRing Tech Co. (6187.TWO)	O (09/23/2025)	NT$1,310.00
FOCI Fiber Optic Communications Inc (3363.TWO)	O (01/15/2025)	NT$652.00
Himax Technologies Inc (HIMX.O)	E (02/04/2026)	US$14.10
Hon Precision (7769.TW)	O (04/17/2026)	NT$5,585.00
MPI Corporation (6223.TWO)	O (04/17/2026)	NT$5,185.00
Silicon Motion (SIMO.O)	O (05/06/2024)	US$276.16
WinWay Technology Co Ltd (6515.TW)	O (04/17/2026)	NT$5,675.00

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