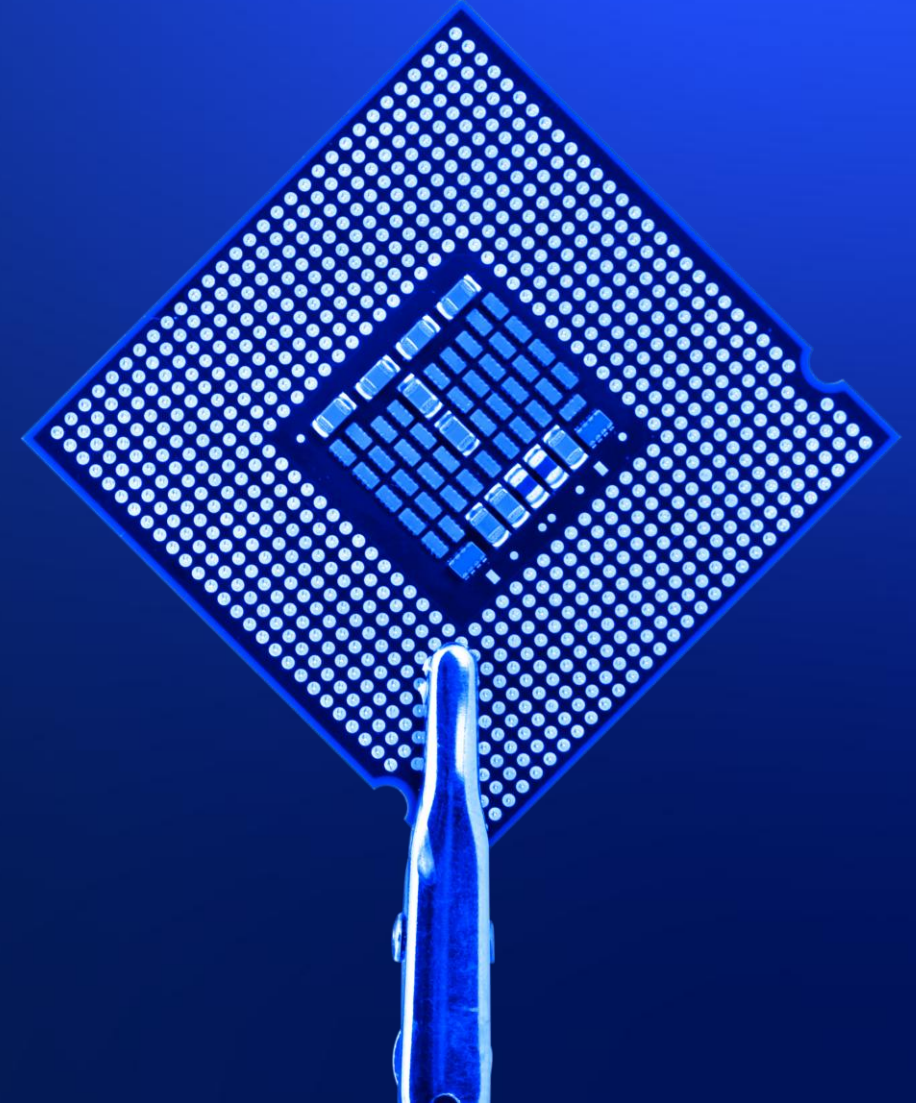


McKinsey Value Intelligence

# Perspectives on value creation in semiconductor

Q1 2026 update



# What this is

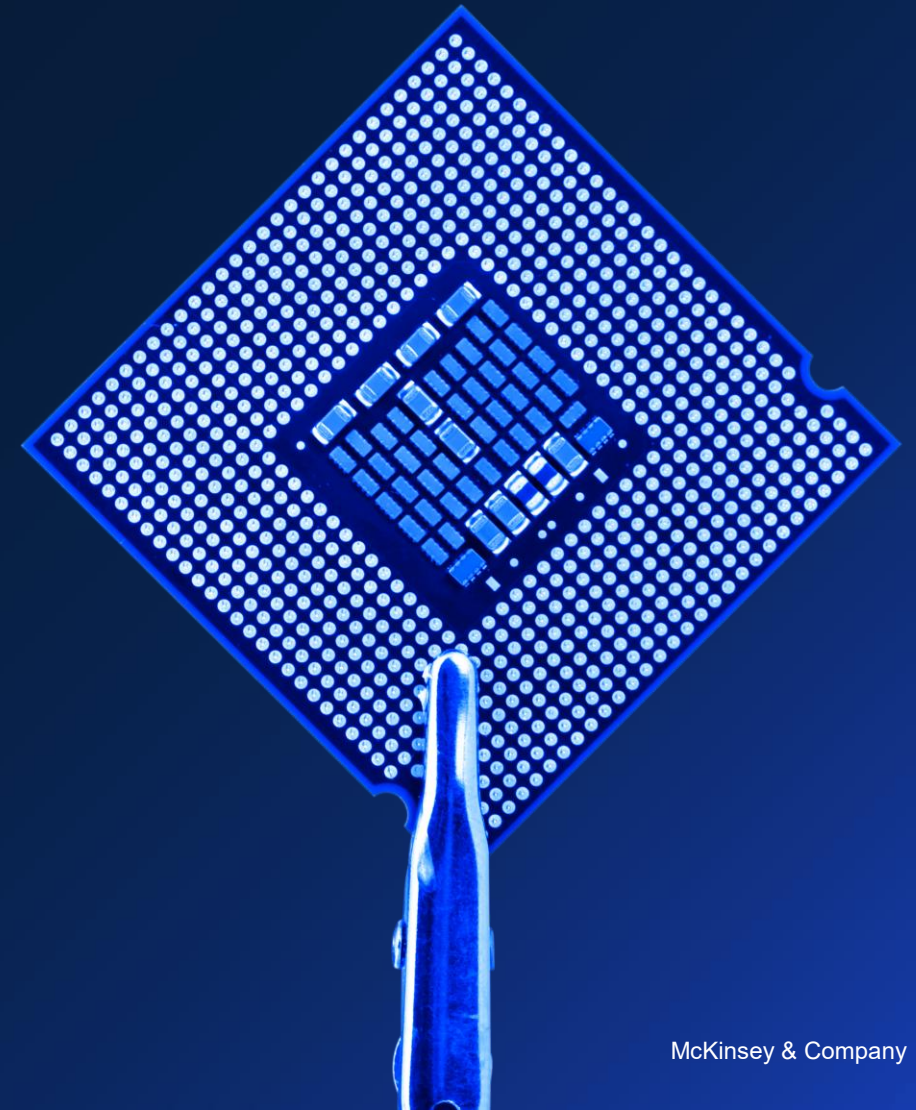
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A perspective on the value creation in semiconductors including capital markets performance of semiconductor companies across sub-segments

... measured across ~320 publicly listed semiconductor companies worldwide, through the value chain (e.g., fabless, IDMs, capital equipment)





... that assesses key metrics of value creation and capture, including total shareholder returns, market cap and multiples

... with a historical and future-looking lens and sharing value creation themes for the semiconductor industry



# Overview of public semiconductor companies analyzed

Semiconductor and capital equipment companies public in Q1 2026 (n=322)<sup>1</sup>

Value chain step	Segment	Number of companies	Description
Equipment 	Capital equipment	85	Equipment used for the fabrication of semiconductor devices, comprised of both wafer fabrication and back-end production equipment. <i>Excludes Nikon</i>
	EDA	6	Software, hardware, and services companies which assist in the definition, planning, design, implementation, verification, and subsequent manufacturing of semiconductor devices
Design 	IP	4	Reusable design blocks which can be licensed out to chip designers
	Fabless	108	Chip design w/o production assets. <i>Excludes Apple</i>
Chip manufacturing 	Wafers	6	Manufacture ultra-pure (silicon) wafers that serve as the substrates on which semiconductor chips are built
	MPU	1	Micro processing unit companies, which include chip design with (Intel) and without (AMD) production assets and have a core focus on MPUs
	Memory IDM	8	Design, manufacture, and sell primarily memory ICs. <i>Excludes Samsung Electronics</i>
	Analog IDM	6	Design, manufacture, and sell primarily analog ICs
	Diversified IDM	18	Design, manufacture, and sell a wide range of semiconductor devices with no core focus on a single category. <i>Excludes Toshiba</i>
	IDM others	38	Design, manufacture, and sell mostly non-memory, non-analog devices. <i>Excludes Fujitsu, Sony and Fuji</i>
	Foundry	12	Wafer manufacturing outsourcing partners of IDMs and fabless chipmakers
	Pkg. & Assembly 	Packaging and Test	30
<b>Total</b>		<b>322</b>	

1. For comparison PHLX Semiconductor index contains 30 companies, with \$629B in 2024 revenue; analysis on subsequent pages includes 322 companies

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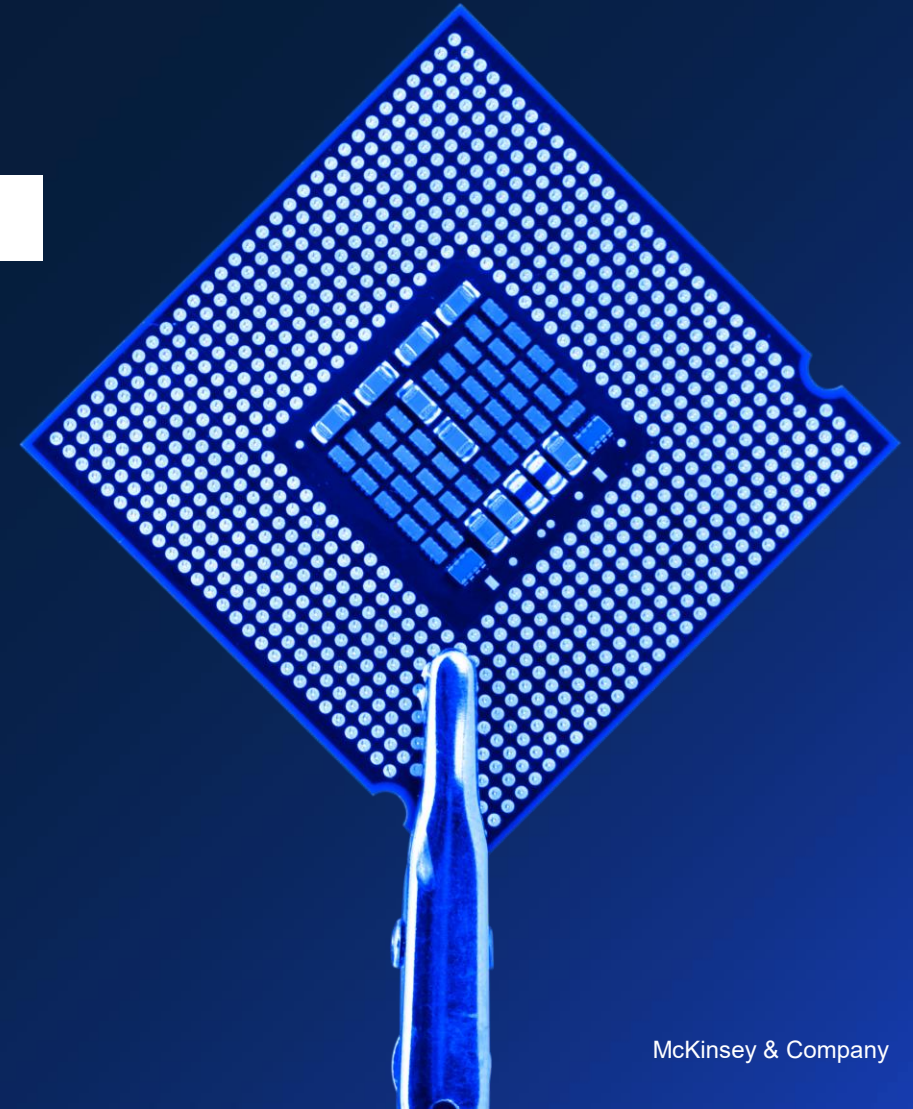
## Industry update and priorities

Update on growth and inventory

Update on TSR and market cap

Value creation outlook

Deep-dive into select industry segments



# Semiconductor update and priority drivers of value creation

As of Mar 26<sup>th</sup>, 2026

## Key updates in our perspective on value creation

- **Semiconductor TSR stayed positive in Q1 2026, with leadership rotating from AI fabless to memory**  
Total semiconductor TSR was ~4% (Dec '25–Mar '26), with performance driven by memory IDMs (34% TSR) amid a sharp demand/pricing upswing and capital equipment (24% TSR); AI-focused fabless players showed negative performance (~-9% TSR)
- **~\$0.5T of market cap was added since Dec 2025, led by memory IDMs, equipment and foundry**  
Industry market cap rose ~+\$494B (+4%) to ~\$13.1T, with IDMs (+\$368B), capital equipment (+\$404B) and foundry (+\$212B) offsetting fabless declines (-\$567B)
- **APAC and Europe led Q1 2026 TSR; the US and Mainland China declined**  
APAC delivered ~21% and Europe ~23% (Dec '25–Mar '26), vs US ~ -2% and Mainland China ~ -4%
- **Implied long-term operating profit growth lowered from 12% to 11%**  
Consensus now implies ~11% long-term operating profit CAGR for the sector, broadly in line with the previous quarter, supported by sustained AI demand and strong underlying semiconductor sales

## Drivers of (future) value creation in semiconductors

- **AI-driven compute and memory positioning**  
Datacenter AI demand remains the engine; the resulting memory demand spike and price increases are accelerating the rotation of value capture into memory (and next to this, foundry & equipment)
- **Geopolitics and supply-chain resilience**  
Local-for-local strategies, export controls, and tariffs are raising complexity and capex needs; winners will diversify manufacturing footprints and design resilient supply chains
- **System-level solutions and differentiated stacks**  
Value is increasingly created through integrated platforms, silicon plus software, interconnect, and ecosystem, driving differentiation beyond standalone component/tool performance
- **Portfolio shaping and capital allocation**  
Reallocate R&D and capex toward structurally higher-growth end markets, scale back lower-return exposure, and use targeted M&A/partnerships to close capability and technology gaps
- **Performance and operating discipline**  
Through-cycle execution on yield, cost, cycle time, and cash (capex/working capital) remains a key differentiator, with AI-enabled productivity accelerating improvements

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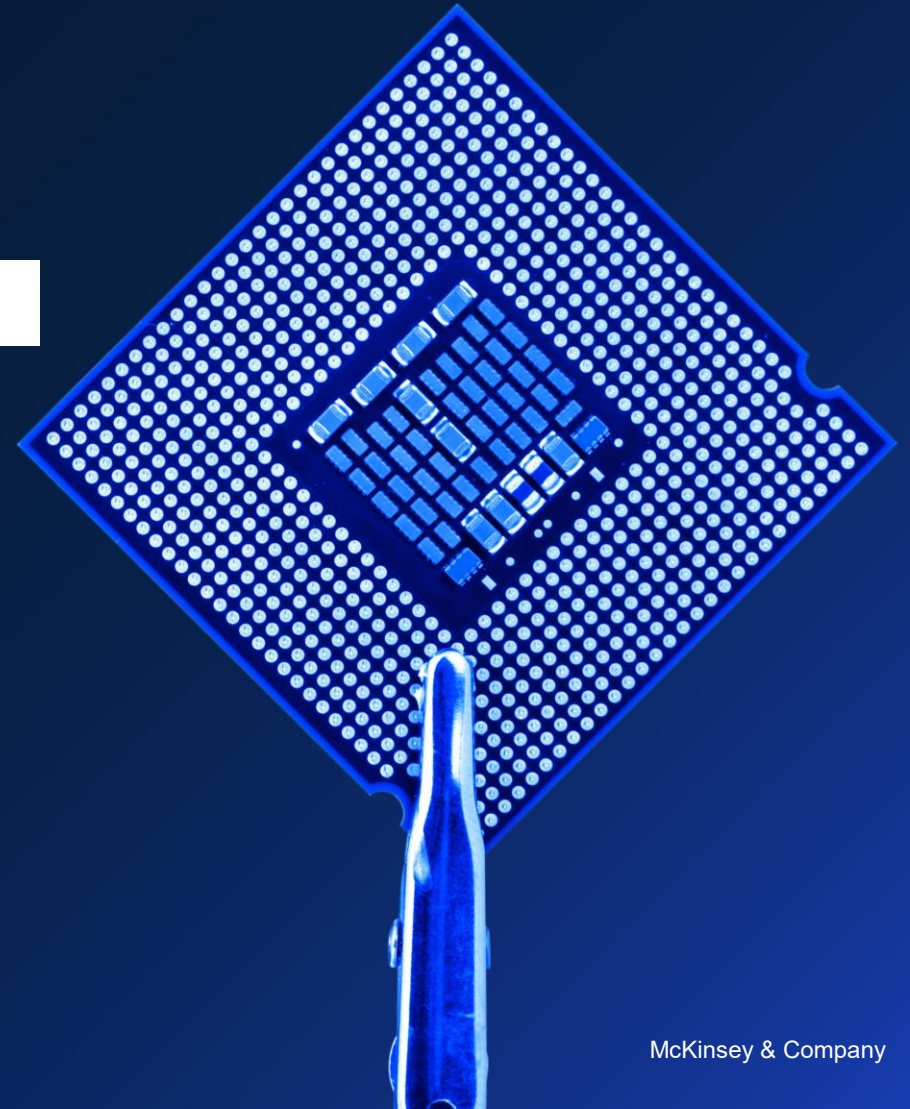
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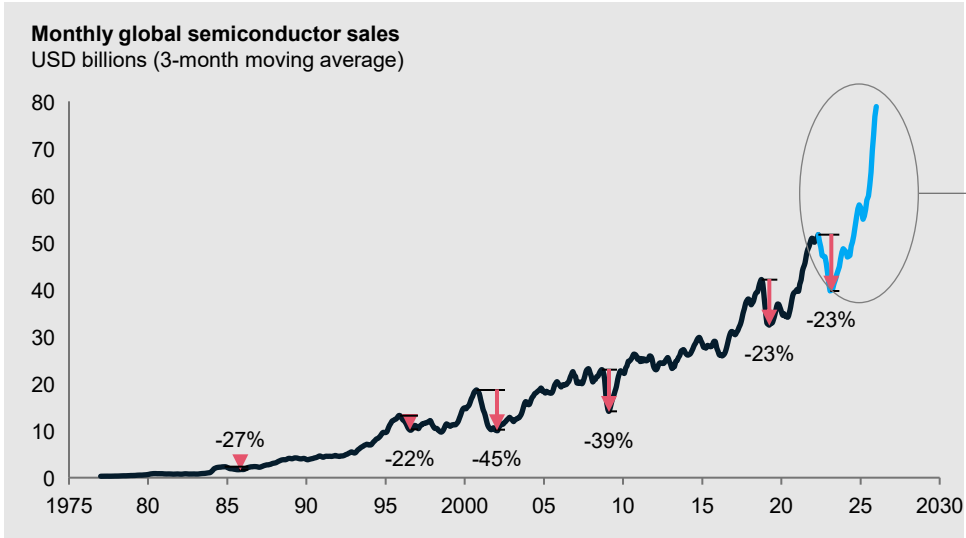
Deep-dive into select industry segments



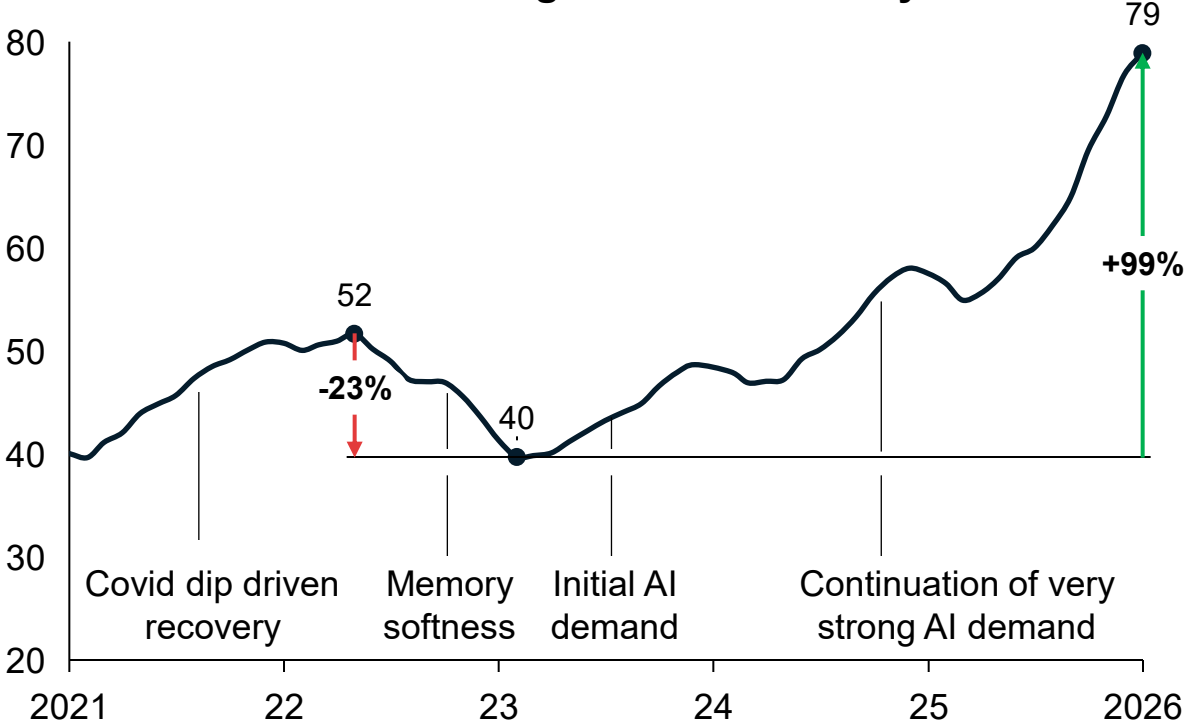
# Sales figures today are well above prior 2022 records

STATUS AS OF FEB 2026

The semiconductor demand has featured strong downswings in the past ...



... similar to this time. Since early 2023, the industry has established new all-time-highs at almost every month



1. Numbers until Dec25 (2-month reporting delay)

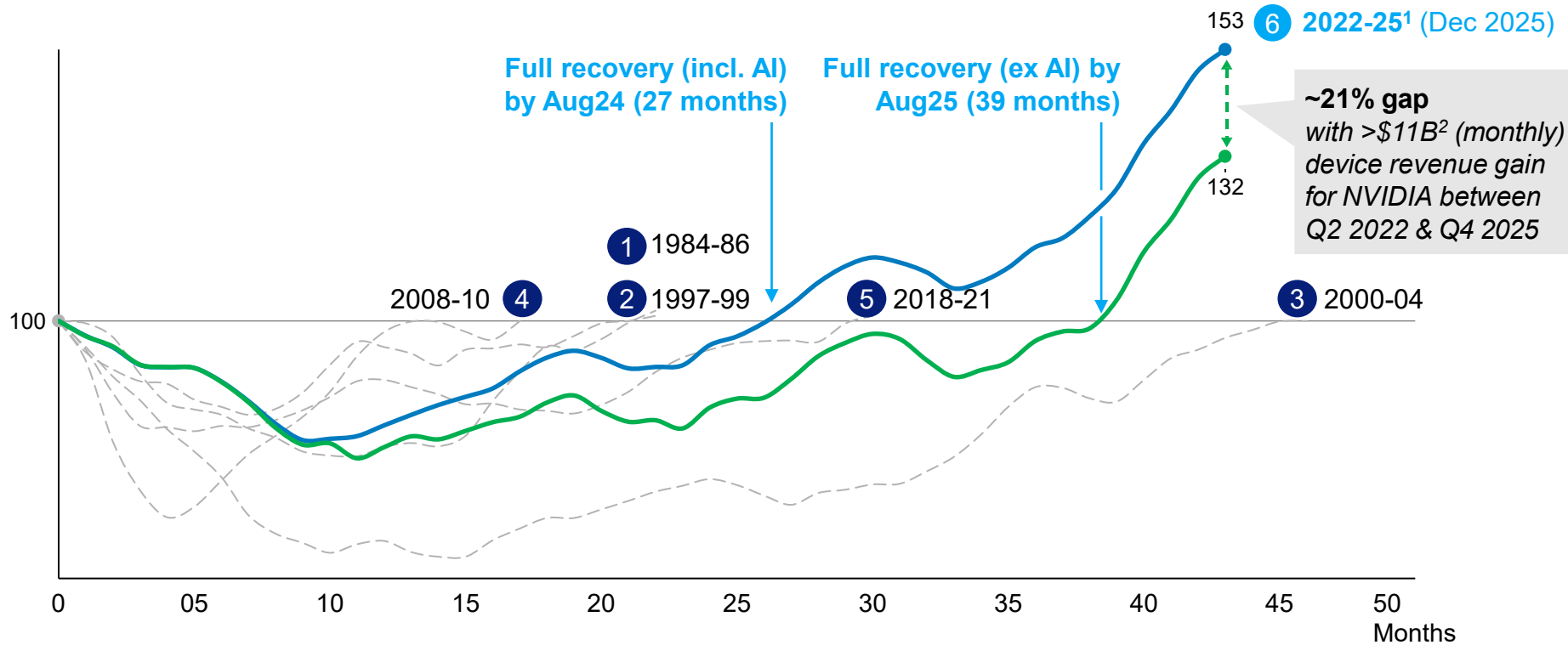
# 2022-23 semiconductor down-turn aligns with historical cycles, yet re-established full recovery, excluding NVIDIA uplift

AS OF FEB 2026<sup>3</sup>

— Excl. Nvidia semiconductor device revenue gain between Q2 2022 and Q4 2025

## Duration of prior semiconductor sales peak to fully recovered sales

3-month moving average revenues in cycles with over 20% declines; billings indexed to 100 at prior peak billings



## Events impacting the semicon industry

- 1 Plaza Accord  
U.S.-Japan Trade War
- 2 Asian Financial Crisis  
DRAM Price Crash
- 3 Dotcom Bubble  
9/11 Downturn
- 4 Lehman B. Collapse  
Global Financial Crisis
- 5 COVID-19 Disruptions
- 6 Global demand drop  
(high inflation, rising interest rates, low cons. electronics demand)

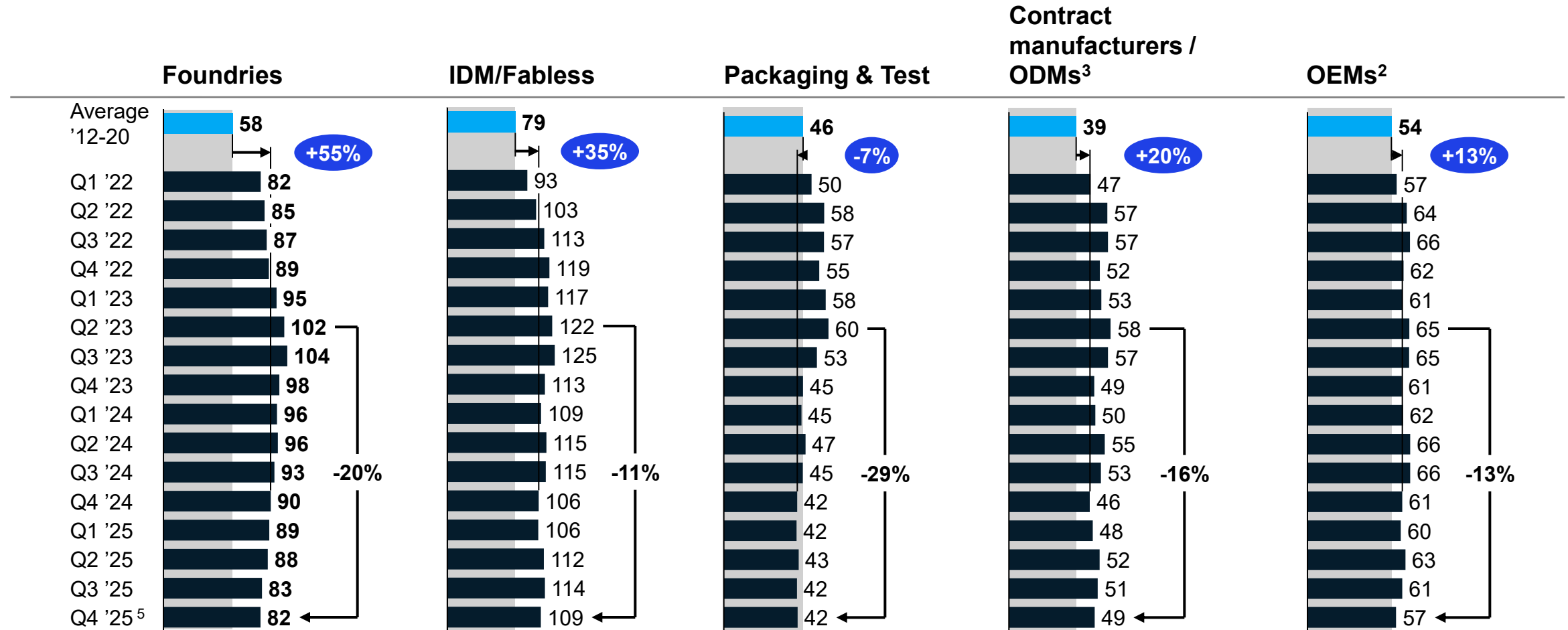
1. Current duration indexed to May 2022 worldwide sales  
 2. NVIDIA semi sales estimated ~13bn per month within CY 4Q 2025 vs. ~1.6-2.0bn per month within first half of CY2022  
 3. Numbers until Dec25 (2-month reporting delay)

# 2025 exhibits some slight deacceleration on downward inventory trend

Average days of inventory<sup>4</sup> (DOI)

As of March 3<sup>rd</sup>, 2026

■ 2012-2020 inventory range



1. Distributors includes 10 distributor companies (semiconductors and Arrow Electronics, Avnet, Macnica Holdings, Supreme, WPG Holdings, and WT Microelectronics) 2. Includes 21 companies such as Hon Hai, Wistron, Pegatron, Jabil, Flex 3. OEM/ODM/EMS customers includes 98 public companies that are the largest purchasers of semiconductors, and do both design and purchasing (e.g., Samsung, Lenovo, Dell, Huawei, etc.) 4. 1-quarter rolling average 5. Based on companies that reported CQ4025 as on March 3<sup>rd</sup> 2026

# Contents

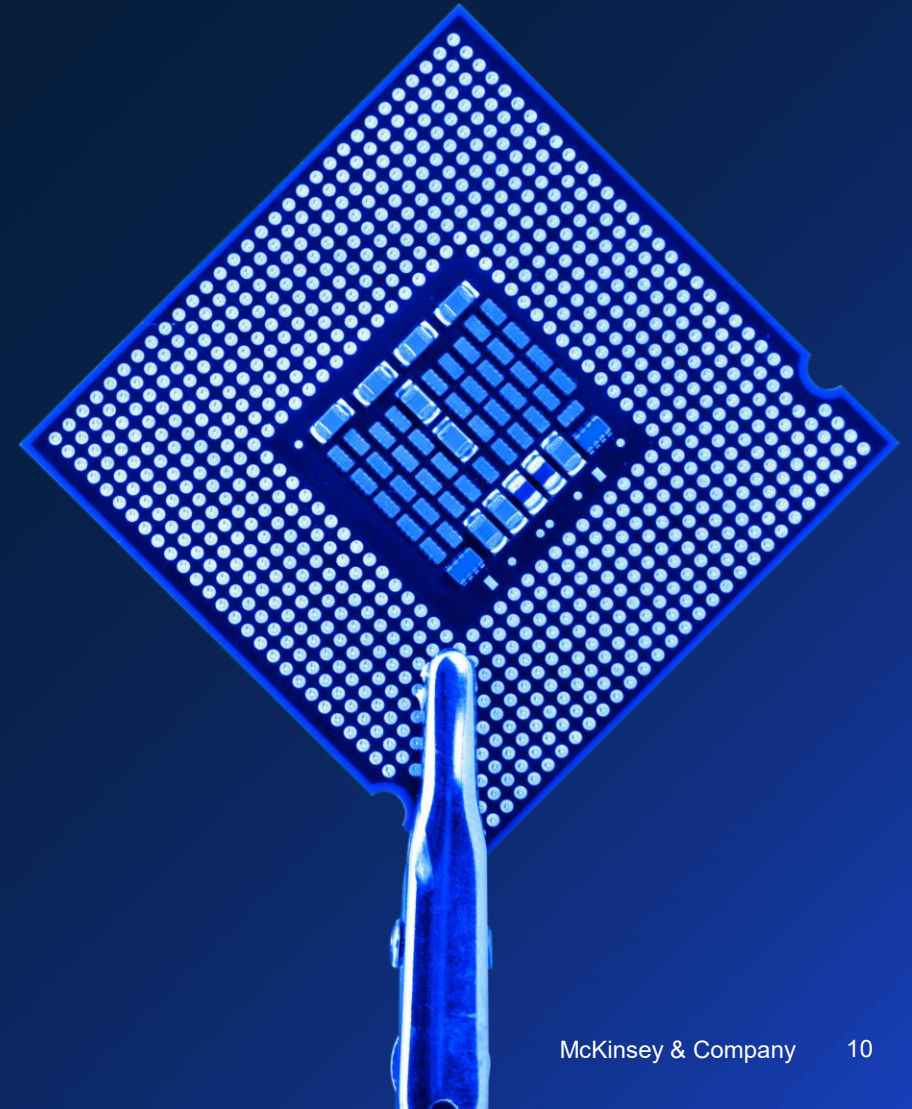
Industry update and priorities

Update on growth and inventory

**Update on TSR and market cap**

Value creation outlook

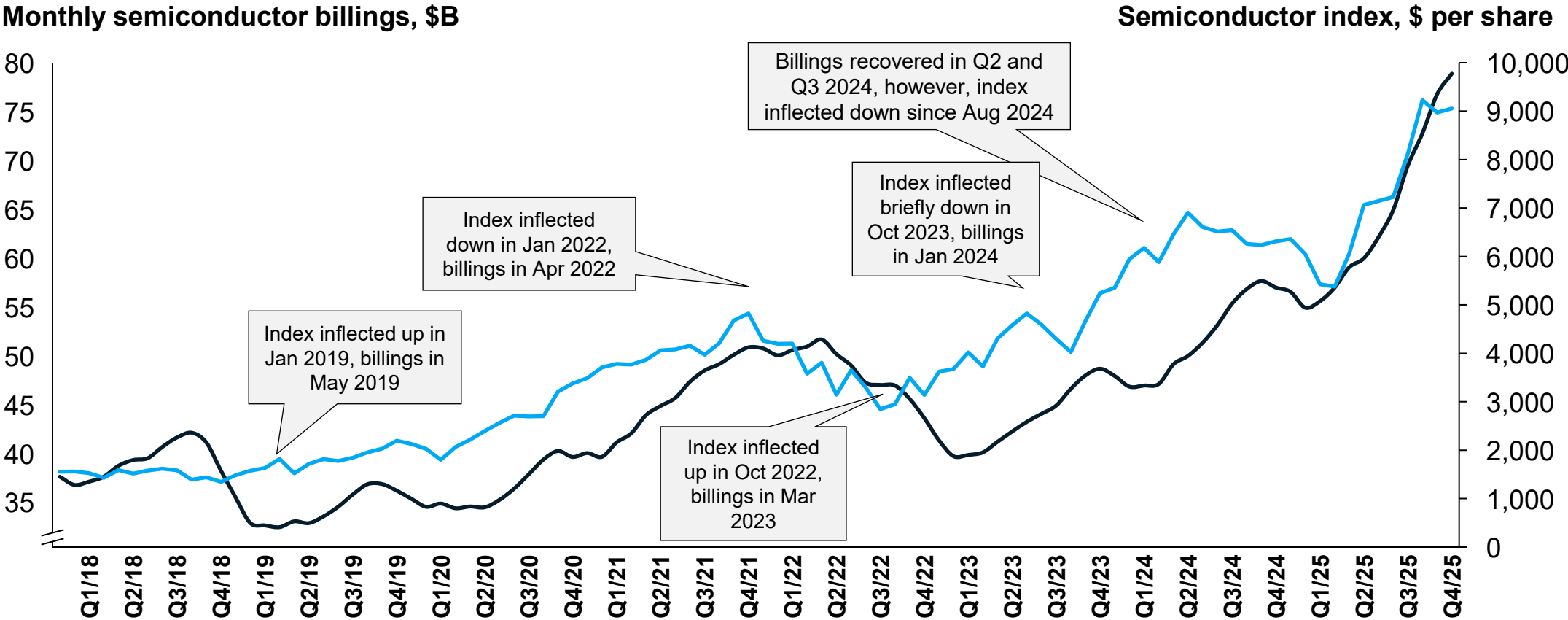
Deep-dive into select industry segments



# Billings continued to grow every quarter in 2025 after Q4 2024 decline

Global monthly semiconductor billings vs. PHLX semiconductor index, Q1 2018 – Dec 2025

— Worldwide semiconductor billings  
— PHLX Semiconductor index



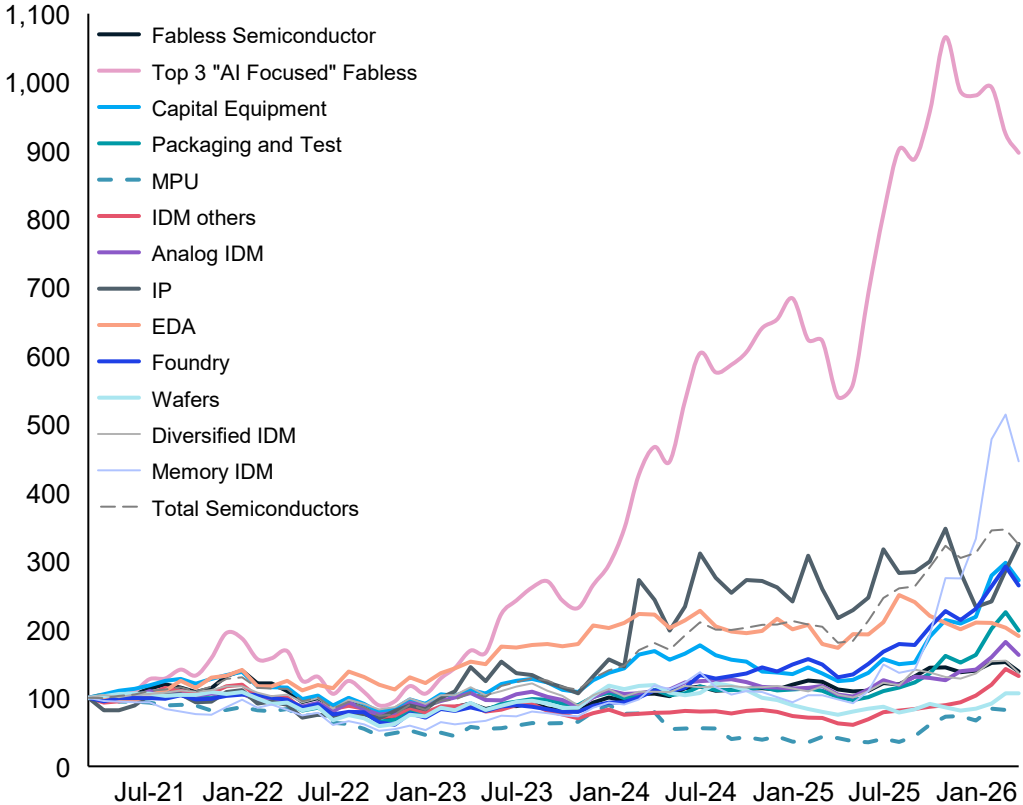
Source: Semiconductor Industry Association, S&P CapitalIQ

# TSR performance across value chain slowed down to 4%, Fabless AI focused players were down -9%

As of Mar 26<sup>th</sup>, 2026

## Indexed TSR, by segment and indices<sup>1</sup>

Feb 28<sup>th</sup>, 2021 = 100



## Total shareholder returns, Percent CAGR, USD

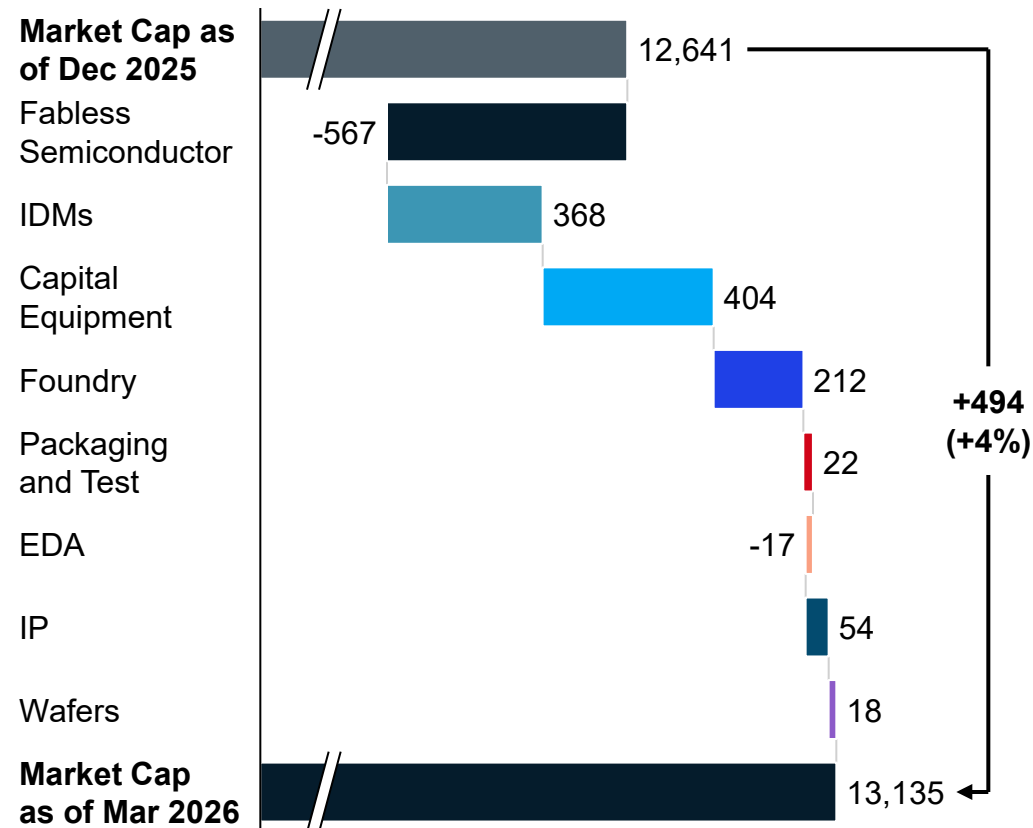
	Last 5 years Feb 21 – Mar 26 <sup>2</sup>	Q4 2025 Sep 25 – Dec 25	Q1 2026 Dec 25 – Mar 26 <sup>2</sup>
Fabless	7	-3	-1
Fabless (AI Focused) <sup>4</sup>	54	3	-9
Capital Equipment	22	15	24
Foundry	21	13	15
Wafers	1	-7	26
MPU <sup>3</sup>	-4	10	20
Memory IDM	34	73	34
Analog IDM	10	9	15
Diversified IDM	6	-1	1
IDM others	6	19	28
Packaging & Test	14	20	22
EDA	14	-4	-9
IP	26	-22	40
Total Semiconductor	26	7	4
PHLX Semiconductor	21	11	7
S&P 500	13	3	-5

1. 322 companies (Capital equipment 85, EDA 6, IP 4, Fabless Semiconductor 105, Fabless AI focus 3 (NVIDIA, Broadcom, AMD) Wafers 6, MPU 1, Memory IDM 8, Analog IDM 6, Diversified IDM 18, IDM others 38, Foundry 12 and Packaging and Test 30) 2. As of Mar 26<sup>th</sup>, 2026, 3. Contains Intel only. 4. Top 3 "AI focused" Fabless: NVIDIA, Broadcom, AMD

# Industry gained ~\$0.5T over Q1 2026, with most gains coming from Memory IDMs, Capital equipment and Foundry

## Semiconductor market cap build-up by segment

Dec 31, 2025 – Mar 26, 2026, USD \$B



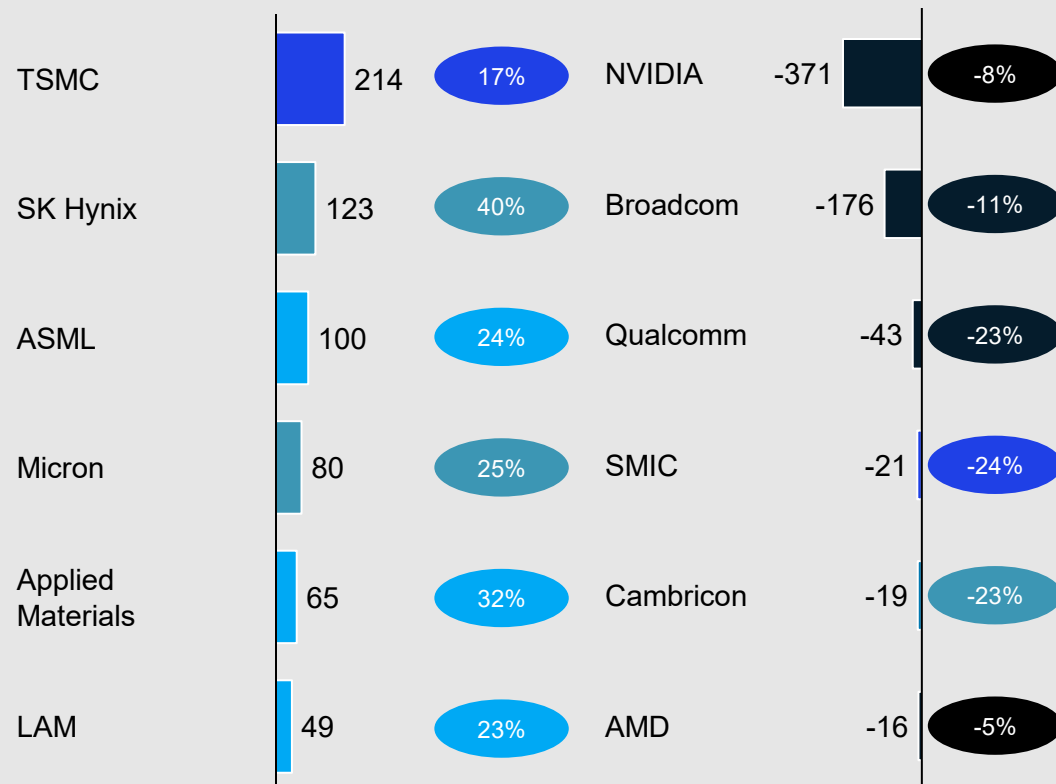
x% % Change vs Dec 2025 market cap

## Market capitalization increases

Dec 31, 2025 – Mar 26, 2026  
USD \$B

## Market capitalization decreases

Dec 31, 2025 – Mar 26, 2026  
USD \$B



1. 322 companies (Capital equipment 85, EDA 6, IP 4, Fabless Semiconductor 105, Fabless AI focus 3 (NVIDIA, Broadcom, AMD) Wafers 6, MPU 1, Memory IDM 8, Analog IDM 6, Diversified IDM 18, IDM others 38, Foundry 12 and Packaging and Test 30)

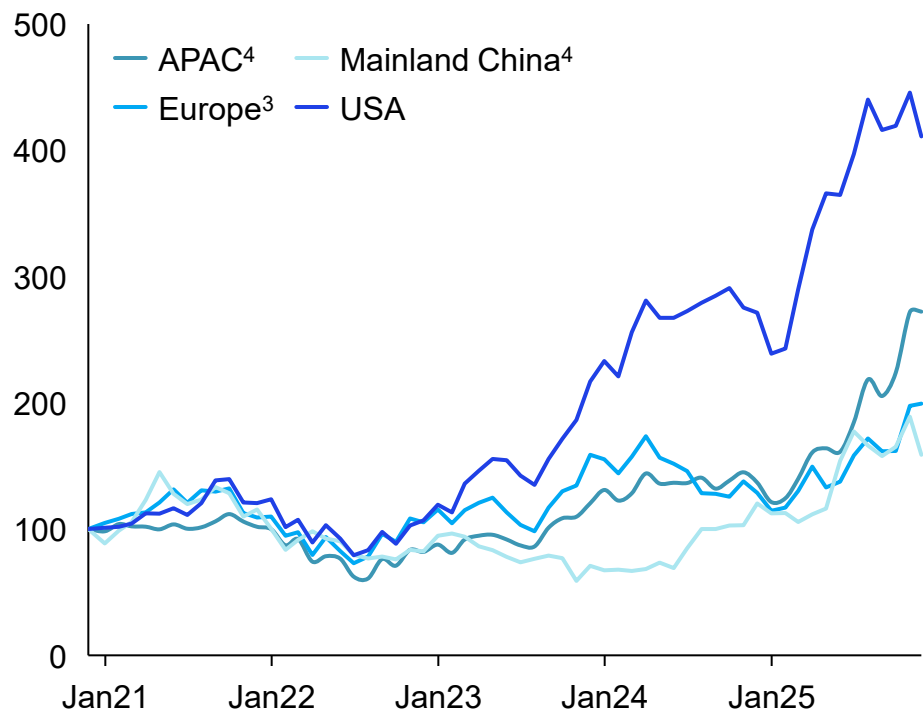
# Q1 2026 shows strong performance in APAC and Europe, though USA and China declined

Total Shareholder Return (TSR) performance by geography, USD<sup>1</sup>

As of Mar 26<sup>th</sup>, 2026

## Total Shareholder Return (TSR) Index<sup>1</sup>

Feb 28<sup>th</sup>, 2021 = 100



## Total shareholder returns, Percent CAGR, USD

	Last 5 years Feb 21 – Mar 26 <sup>2</sup>	Q4 2025 Sep 25 – Dec 25	Q1 2026 Dec 25 – Mar 26 <sup>2</sup>
USA	32	6	-2
APAC	22	21	21
Europe	15	2	23
Mainland China <sup>4</sup>	10	-7	-4
Others <sup>3,5</sup>	41	24	45
Total Semiconductor <sup>1</sup>	26	7	4
PHLX Semiconductor	21	11	7
<b>S&amp;P 500</b>	13	3	-5

1. 322 companies (Europe 28, USA 78, APAC 154, Mainland China 59 and Others 3); 2. As of Mar 26, 2026; 3. Includes companies from Cayman Islands, and Bermuda; 4. Taiwan included under APAC; 5. Includes Africa & Middle East and Latin American & Caribbean companies

# Fabless peers in USA have led the market cap performance in the past 5 years yet slowdown in Q1 2026

TSR and Margin by region and segment<sup>1</sup>

As of Mar 26<sup>th</sup>, 2026

		Market Cap <sup>3</sup> USD Bn	2025 EBITA Margin <sup>2</sup> %	Last 5 Years TSR Feb 21 – Mar 26 <sup>1</sup>	Q4 2025 Sep 25 – Dec 25	Q1 2026 Dec 25 – Mar 26 <sup>1</sup>
<b>Capital Equipment</b>	USA	981	29	24	21	27
	Europe	633	33	20	11	25
	APAC	458	25	23	18	25
	Mainland China	174	10	14	-1	5
<b>EDA</b>	USA	164	24	13	-8	-11
<b>IP</b>	Europe	135	44	23	-23	42
<b>Fabless</b>	USA	6,503	50	46	2	-7
	Mainland China	262	13	4	-12	-5
	APAC	163	16	13	6	11
<b>IDM</b>	USA	1,404	19	10	23	15
	APAC	647	61	27	64	29
	Europe	162	17	1	2	2
	Mainland China	173	13	10	-1	-8
<b>Foundry</b>	APAC	1,701	48	22	16	17

1. Includes figures for subsegments with aggregate market cap above 100 USD Bn as of Mar 26<sup>th</sup>, 2026; 2. Based on average from companies within the segment; 3. Aggregate market cap as of Mar 26<sup>th</sup>, 2026

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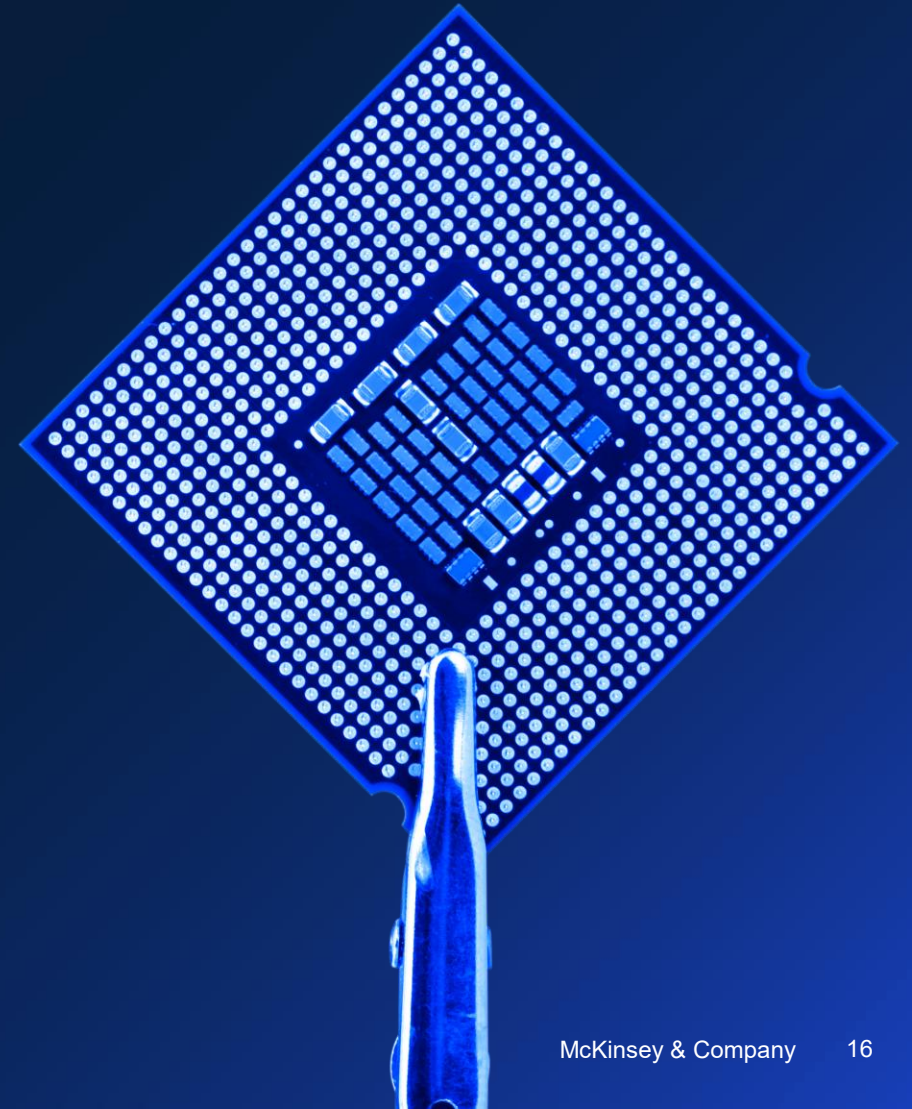
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**Value creation outlook**

Deep-dive into select industry segments



# Overall growth expectation is strong with long term operating profit growth expectation at 11% in-line with previous quarter

Subsector multiples and comparison of operating performance

Below median Above Median

As of Mar 26<sup>th</sup>, 2026

Sub-segments sorted by EV/EBITA	# <sup>1</sup>	EV/EBITA <sup>2</sup> 2027E, Ratio	Revenue growth, CAGR in %		EBITA Margin, average in %		Implied long term operating profit growth <sup>4</sup> 2027+
			2020-25 <sup>3</sup>	2025-27E <sup>3</sup>	2020-25 5-year avg <sup>3</sup>	2025-27E 2-year avg <sup>3</sup>	
IP	4	46	20	26	23	38	19
MPU	1	32	-7	5	15	9	19
Capital Equipment	80	23	12	15	26	29	12
EDA	6	21	14	22	24	36	12
IDM others	31	19	4	15	15	18	14
Diversified IDM	17	18	7	13	27	25	12
Packaging & Test	25	17	6	10	10	11	19
Analog IDM	6	17	8	11	34	42	9
Fabless Semiconductor	76	16	11	13	19	22	9
Fabless (AI Focus) <sup>5</sup>	3	13	44	48	49	63	10
Wafers	6	16	2	5	25	19	10
Foundry	12	15	17	23	38	46	8
Memory IDM	8	4	22	40	29	68	12
Total Industry	275	12	15	27	28	45	11

1. Only companies with 2025 to 2027E data available. For 2020-25 CAGR excludes companies with no revenue in 2020

2. EV based on market capitalization as of Mar 26<sup>th</sup>, 2026. Companies without 2026E-2027E estimates available excluded

3. 2026-27 estimates based on consensus analyst estimates of Mar 26<sup>th</sup>, 2026. Companies without 2027E estimates available excluded

4. Based on simple DCF model with 2026-27 revenue and EBITA based on analyst consensus estimates as of Feb 28<sup>th</sup> 2026, invested capital based on LFY except for MPU (2019-24 avg), Pck & Test (2020-2024 median) LT margin based on 2027E

5. Includes NVIDIA, Broadcom and AMD

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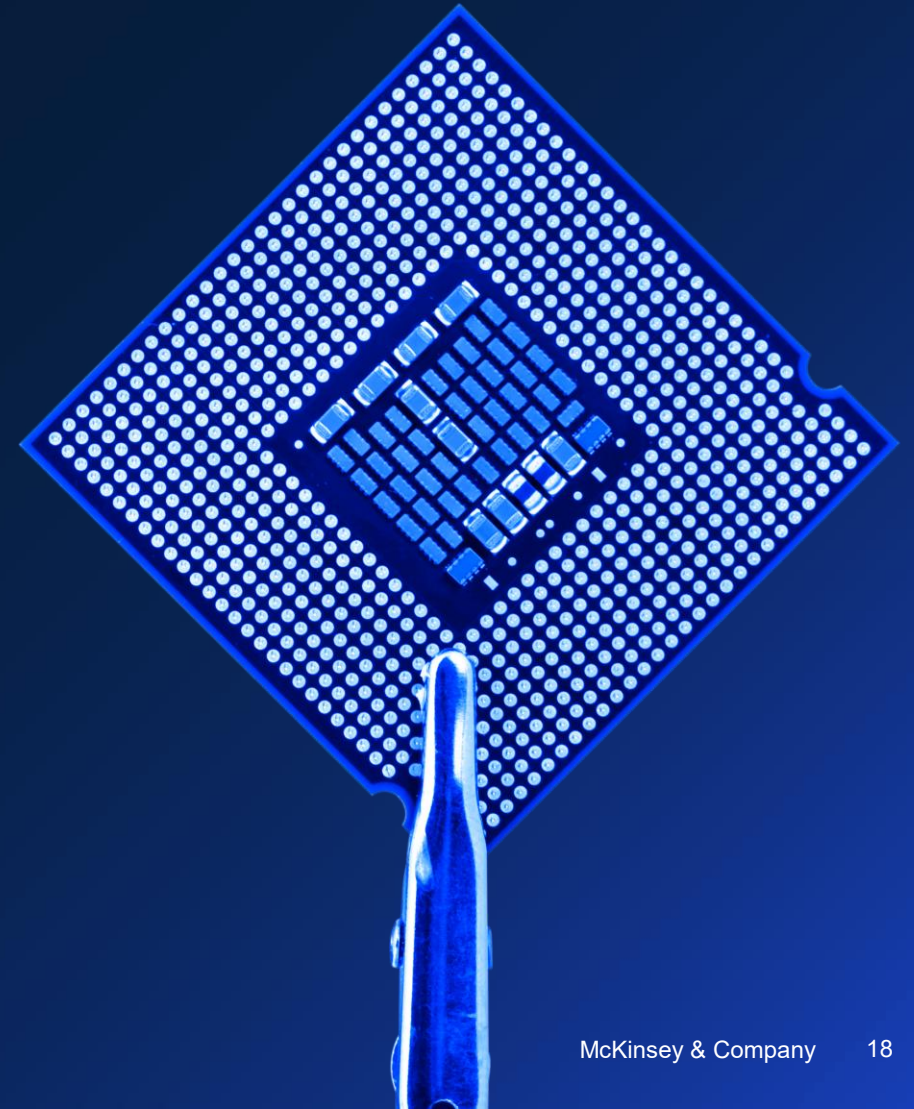
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# Capital equipment peers performed strongly across the segment, while Fabless TSR weighted towards largest, top performers

CAGR TSR performance of top players by segment, Feb 2021 – Mar 2026, CAGR, USD<sup>1</sup>

As of Mar 26<sup>th</sup>, 2026

xx Market Cap in USD Bn ■ Europe ■ USA ■ APAC ■ Mainland China

Capital equipment	IDMs (incl. IDM MPUs) <sup>2,8</sup>	Fabless <sup>4</sup>	Foundry <sup>5,6,7</sup>	Packaging & Test
Advantest <span style="color: #0070C0;">■</span> 48% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">105</span>	Lumentum <span style="color: #0056B3;">■</span> 49% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">49</span>	NVIDIA <span style="color: #0056B3;">■</span> 65% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">4,160</span>	Tower <span style="color: #00AEEF;">■</span> 42% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">1420</span>	King Yuan <span style="color: #0070C0;">■</span> 51% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">13</span>
KLA <span style="color: #0056B3;">■</span> 37% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">190</span>	Cambricon <span style="color: #A6D8F0;">■</span> 45% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">63</span>	Broad com <span style="color: #0056B3;">■</span> 48% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">1,465</span>	TSMC <span style="color: #0070C0;">■</span> 24% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">1,494</span>	ASE <span style="color: #0070C0;">■</span> 31% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">54</span>
Disco <span style="color: #0070C0;">■</span> 34% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">46</span>	Astera Labs <span style="color: #0056B3;">■</span> 33% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">19</span>	Hygon <span style="color: #A6D8F0;">■</span> 42% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">73</span>	SMIC <span style="color: #A6D8F0;">■</span> 16% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">69</span>	Sigurd <span style="color: #0070C0;">■</span> 27% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">2</span>
Lam Research <span style="color: #0056B3;">■</span> 31% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">264</span>	Coherent <span style="color: #0056B3;">■</span> 23% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">48</span>	MPS <span style="color: #0056B3;">■</span> 24% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">52</span>	Nexchip <span style="color: #A6D8F0;">■</span> 13% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">8</span>	Powertech <span style="color: #0070C0;">■</span> 18% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">6</span>
Naura Tech <span style="color: #A6D8F0;">■</span> 26% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">47</span>	Analog Devices <span style="color: #0056B3;">■</span> 17% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">153</span>	AMD <span style="color: #0056B3;">■</span> 19% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">332</span>	UMC <span style="color: #0070C0;">■</span> 4% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">23</span>	Amkor <span style="color: #0056B3;">■</span> 15% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">12</span>
ASM <span style="color: #00AEEF;">■</span> 24% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">38</span>	Texas Instruments <span style="color: #0056B3;">■</span> 5% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">176</span>	Media Tek <span style="color: #0070C0;">■</span> 17% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">79</span>	Powerchip <span style="color: #0070C0;">■</span> 4% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">8</span>	Tongfu <span style="color: #A6D8F0;">■</span> 11% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">12</span>
Applied Materials <span style="color: #0056B3;">■</span> 24% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">269</span>	NXP <span style="color: #00AEEF;">■</span> 3% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">50</span>	Marvell <span style="color: #0056B3;">■</span> 15% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">85</span>	VIS Taiwan <span style="color: #0070C0;">■</span> 2% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">7</span>	JCET <span style="color: #A6D8F0;">■</span> -1% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">13</span>
ASML <span style="color: #00AEEF;">■</span> 20% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">518</span>	Infineon <span style="color: #00AEEF;">■</span> 1% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">58</span>	Montage <span style="color: #A6D8F0;">■</span> 12% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">24</span>	CR Micro <span style="color: #0070C0;">■</span> 2% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">9</span>	Tianshui Huatian <span style="color: #A6D8F0;">■</span> -2% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">7</span>
Tokyo Electron <span style="color: #0070C0;">■</span> 16% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">116</span>	Microchip <span style="color: #0056B3;">■</span> -1% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">35</span>	Qual comm <span style="color: #0056B3;">■</span> 1% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">139</span>	Global Foundries <span style="color: #0056B3;">■</span> -1% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">25</span>	China WLCSP <span style="color: #A6D8F0;">■</span> -6% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">3</span>
Keysight <span style="color: #0056B3;">■</span> 14% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">48</span>	Intel <span style="color: #0056B3;">■</span> -4% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">221</span>	Omni Vision <span style="color: #A6D8F0;">■</span> -14% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">18</span>	Sumco <span style="color: #0070C0;">■</span> -10% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">4</span>	Inari Amertron <span style="color: #0070C0;">■</span> -14% <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">1</span>
Others (75 peers) <sup>3</sup> <span style="color: #808080;">■</span> 21%	Others (78 peers) <sup>2,3</sup> <span style="color: #808080;">■</span> 2%	Others (97 peers) <sup>3</sup> <span style="color: #808080;">■</span> 9%	Others (3 peers) <sup>3</sup> <span style="color: #808080;">■</span> -1%	Others (19 peers) <sup>3</sup> <span style="color: #808080;">■</span> 9%

1. As of Mar 26th, 2026; 2. Excluding Memory, given high cyclicality; 3. Weighted average TSR by market cap.; 4. Hygon TSR as of IPO date of Aug 2022 5. GlobalFoundries TSR as of IPO date of Oct 2021; 6. Powerchip TSR as of IPO date of Dec of 2020; 7. Nextchip TSR as of IPO date of May 2023; Astera Labs as of IPO date of March 2024

# IDM TSR performance

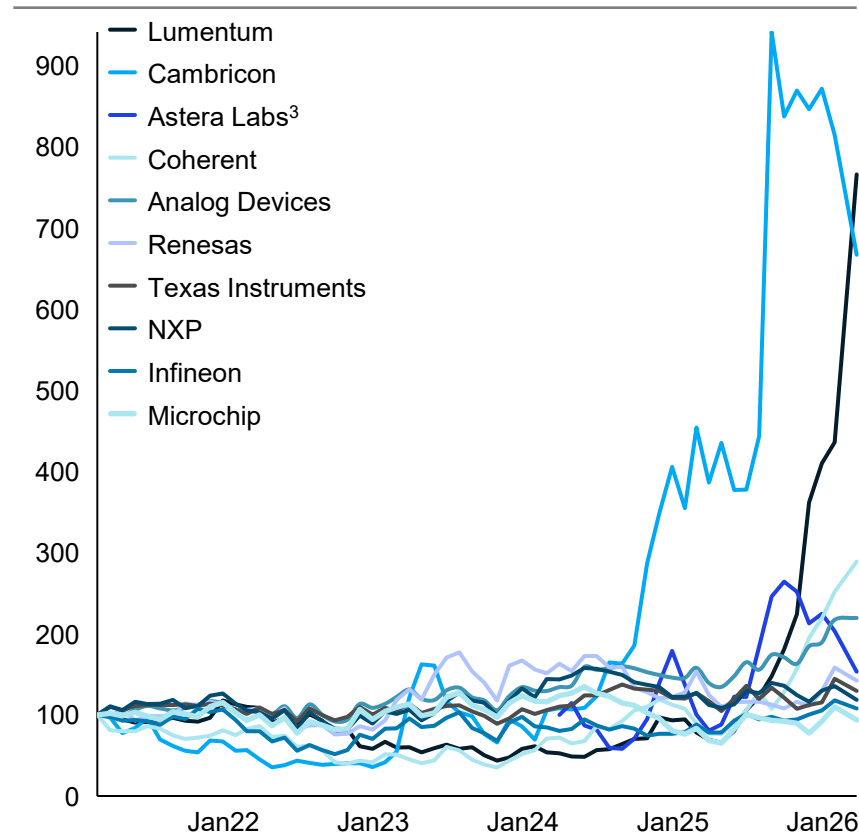
TSR across different time periods for top-10 (by market cap) established IDM & MPU companies<sup>2</sup>

As of Mar 26<sup>th</sup>, 2026

xx Market Cap in USD Bn

## Total Shareholder Return (TSR) Index

Feb 28, 2021 = 100



## Total shareholder returns, Percent CAGR, USD





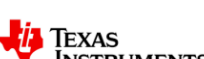





Top 10 players sorted by TSR	Last 5 years Feb 21 – Mar 26 <sup>1</sup>	Q4 2025 Sep 25 – Dec 25	Q1 2026 Dec 25 – Mar 26 <sup>1</sup>	Market Cap (USD Bn)
LUMENTUM	49	127	87	49
Cambricon 寒武纪科技	45	4	-23	63
Astera Labs	33	-15	-32	19
COHERENT	23	71	32	48
ANALOG DEVICES	17	11	16	153
RENESAS	7	20	10	27
TEXAS INSTRUMENTS	5	-5	12	176
NXP	3	-4	-9	50
infineon	1	14	2	58
MICROCHIP	-1	0	1	435

1. As of Mar 26<sup>th</sup>, 2026

2. Excluding Memory, Intel & AMD

# IDM financial performance

As of Mar 26<sup>th</sup>, 2026

Top 10 players <sup>2</sup> sorted by 2025 EBITA margin	2025 Revenue (USD Bn)	Revenue CAGR, %		2025 EBITA (USD Bn)	2025 Margin %	Margin Change pp %	
		2020-2025	2025-2027E <sup>1</sup>			2020-2025	2025-2027E <sup>1</sup>
 ANALOG DEVICES	11	14%	18%	4.6	42%	3%	16%
 MICROCHIP	5	-3%	20%	1.8	39%	2%	8%
 Cambricon 寒武纪科技	2	98%	102%	0.8	36%	173%	-4%
 RENESAS	10	7%	7%	3.4	35%	21%	1%
 TEXAS INSTRUMENTS	18	4%	10%	6.2	35%	-6%	4%
 NXP	12	7%	10%	3.5	29%	7%	10%
 AsteraLabs	1	-	45%	0.2	21%	21%	18%
 infineon	17	11%	11%	3.2	19%	5%	3%
 COHERENT	6	20%	21%	0.9	15%	5%	11%
 LUMENTUM	2	0%	68%	0	-2%	-22%	40%

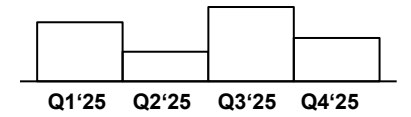
1. Based on consensus estimates as of Mar 26, 2026

2. Excluding Memory

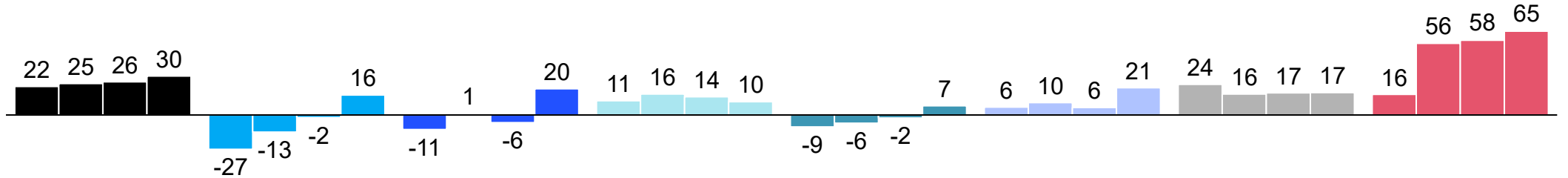
# IDMs quarterly growth and margin evolution

Quarterly y-o-y revenue growth and margin evolution, CQ1'2025-CQ4'2025<sup>1,2</sup>

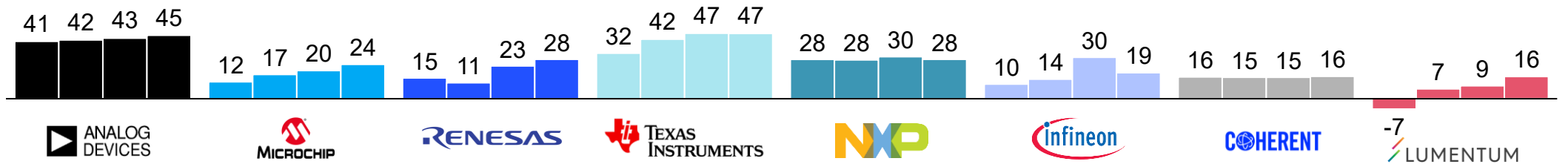
As of Mar 26<sup>th</sup>, 2026



Quarterly y-o-y Growth %



EBITA margin %



1. Based on actual CQ425 number if reported else CQ32025, revenue growth measured in USD  
 2. Excluding Cambricon and Astera Labs numbers as those exhibit high volatility

# Memory TSR performance

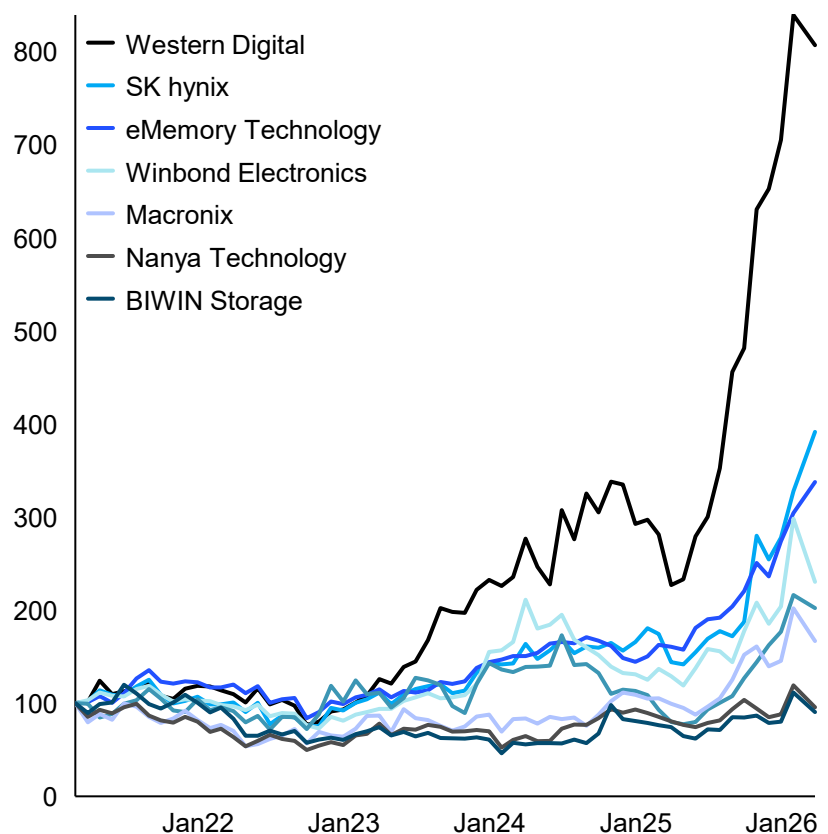
TSR across different time periods for established Memory IDM companies

As of Mar 26<sup>th</sup>, 2026

xx Market Cap in USD Bn

## Total Shareholder Return (TSR) Index

Feb 28, 2021 = 100



## Memory players sorted by TSR








Total shareholder returns, Percent CAGR, USD

Memory players sorted by TSR	Last 5 years Feb 21 – Mar 26 <sup>1</sup>	Q4 2025 Sep 25 – Dec 25	Q1 2026 Dec 25 – Mar 26 <sup>1</sup>	Market Cap (USD Bn)
Western Digital	39	44	59	93
SK hynix	38	82	38	434
Micron	31	71	25	401
eMemory	26	-17	66	7
winbond	24	135	14	14
MXIC MACRONIX INTERNATIONAL CO., LTD.	22	53	219	7
NANYA	18	157	15	22
Biwin Storage Technology	n/a <sup>2</sup>	12	111	16

1. As of Mar 26<sup>th</sup>, 2026 2. Started trading on December 2022

# Memory IDM financial performance

As of Mar 26<sup>th</sup>, 2026

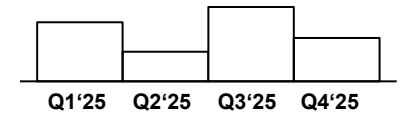
Top 10 players <sup>1</sup> sorted by 2025 EBITA margin	2025 Revenue (USD Bn)	Revenue CAGR, %		2025 EBITA (USD Bn)	2025 Margin %	Margin Change pp %	
		2020-2025	2025-2027E			2020-2025	2025-2027E
 SK hynix	143	37%	14%	100.7	70%	54%	-2%
 NANYA	5	19%	10%	2.5	48%	34%	3%
 Micron	37	12%	115%	9.9	26%	12%	52%
 MXIC MACRONIX INTERNATIONAL CO., LTD.	2	4%	27%	0.4	25%	10%	21%
 Western Digital	10	-11%	29%	2.1	23%	16%	17%
 winbond	3	6%	69%	0.2	6%	4%	36%
 Biwin Storage Technology	2	53%	7%	0.1	6%	3%	8%

1. Based on consensus estimates as of Mar 26, 2026

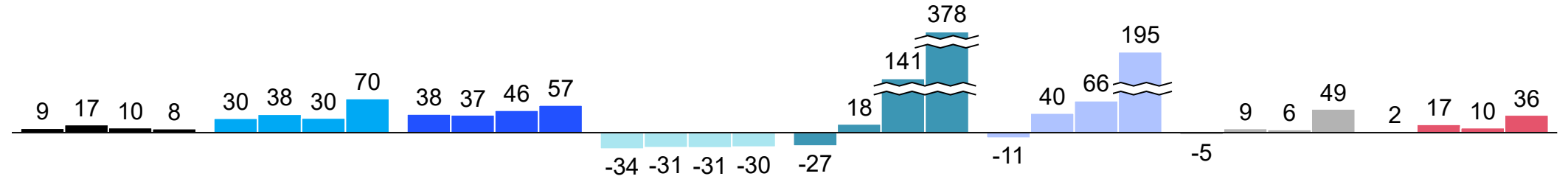
# Memory IDMs quarterly growth and margin evolution

Quarterly y-o-y revenue growth and margin evolution, CQ1'2025-CQ4'2025<sup>1,2</sup>

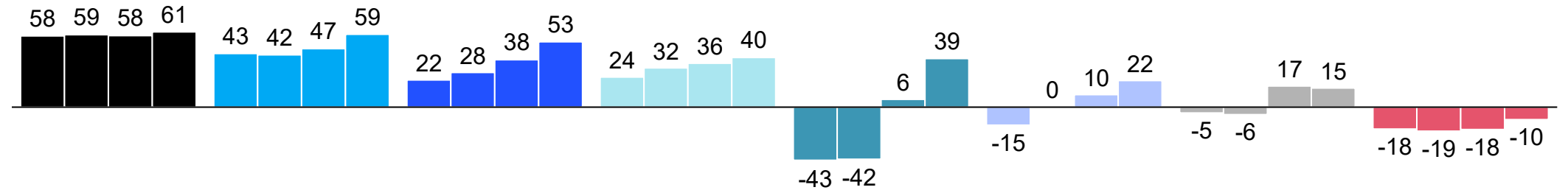
As of Mar 26<sup>th</sup>, 2026



Quarterly y-o-y Growth %



EBITA margin %



1. Based on actual CQ425 number if reported else CQ32025, revenue growth measured in USD  
 2. Excluding Cambricon and Astera Labs numbers as those exhibit high volatility

# Capital equipment TSR performance

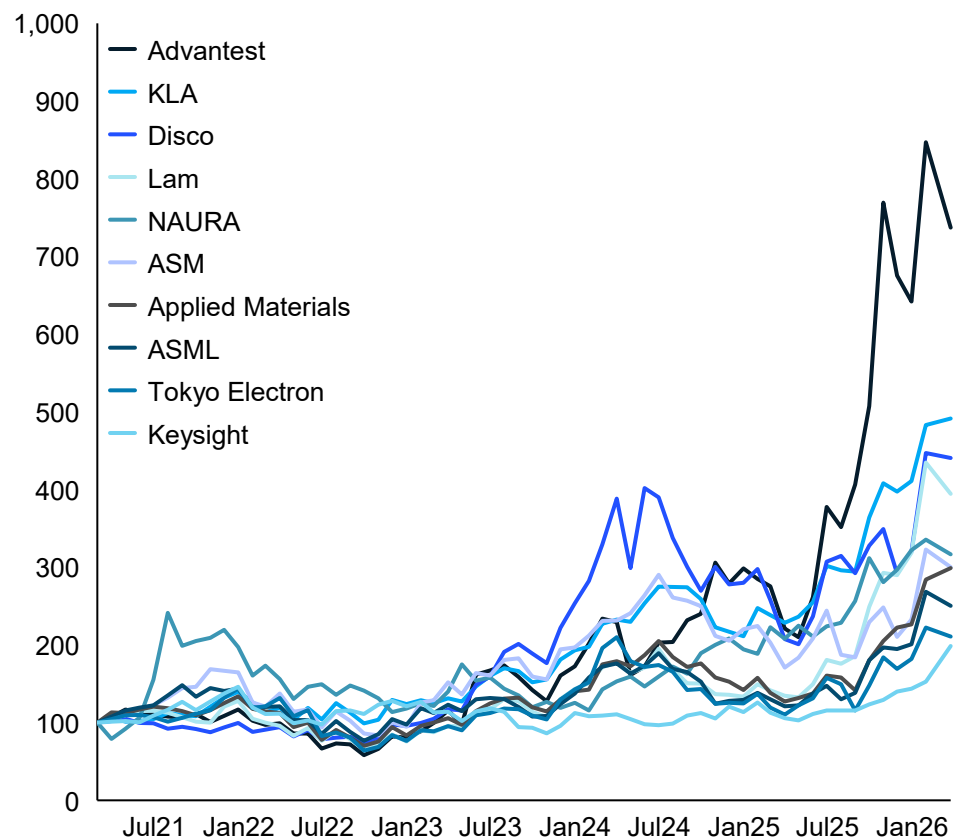
TSR across different time periods for top-10 (by market cap) established capital equipment companies

As of Mar 26<sup>th</sup>, 2026

xx Market Cap in USD Bn

## Total Shareholder Return (TSR) Index

Feb 28, 2021 = 100



## Top 10 players sorted by TSR











## Total shareholder returns, Percent CAGR, USD

	Last 5 years Feb 21 – Mar 26 <sup>1</sup>	Q4 2025 Sep 25 – Dec 25	Q1 2026 Dec 25 – Mar 26 <sup>1</sup>	Market Cap (USD Bn)
<b>ADVANTEST</b>	48	27	15	105
<b>KLA</b>	37	13	20	190
<b>DISCO</b>	34	-2	38	46
<b>Lam RESEARCH</b>	31	28	24	264
<b>NAURA</b>	26	3	-2	47
<b>ASM</b>	24	1	29	38
<b>APPLIED MATERIALS</b>	24	26	32	269
<b>ASML</b>	20	12	24	518
<b>TEL TOKYO ELECTRON</b>	16	23	16	116
<b>KEYSIGHT</b>	14	16	38	48

1. As of Mar 26<sup>th</sup>, 2026

# Capital equipment financial performance

As of Mar 26<sup>th</sup>, 2026

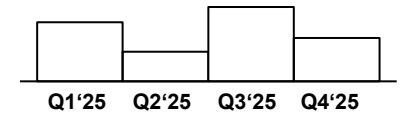
Top 10 players sorted by 2025 EBITA margin	2025 Revenue (USD Bn)	Revenue CAGR, %		2025 EBITA (USD Bn)	2025 Margin %	Margin Change pp %	
		2020-2025	2025-2027E <sup>1</sup>			2020-2025	2025-2027E <sup>1</sup>
	12.2	16%	14%	5.2	43%	9%	3%
	6.8	19%	17%	2.9	43%	-5%	2%
	2.7	11%	13%	1.1	42%	13%	3%
	38.4	18%	16%	13.3	35%	5%	3%
	18.4	13%	22%	5.9	32%	5%	4%
	28.4	11%	15%	8.5	30%	4%	3%
	4.2	21%	14%	1.3	30%	4%	2%
	15.3	4%	15%	3.8	25%	2%	5%
	5.7	44%	24%	1.2	21%	14%	3%
	5.4	5%	16%	1.1	20%	-3%	11%

1. Based on consensus estimates as of Mar 26, 2026

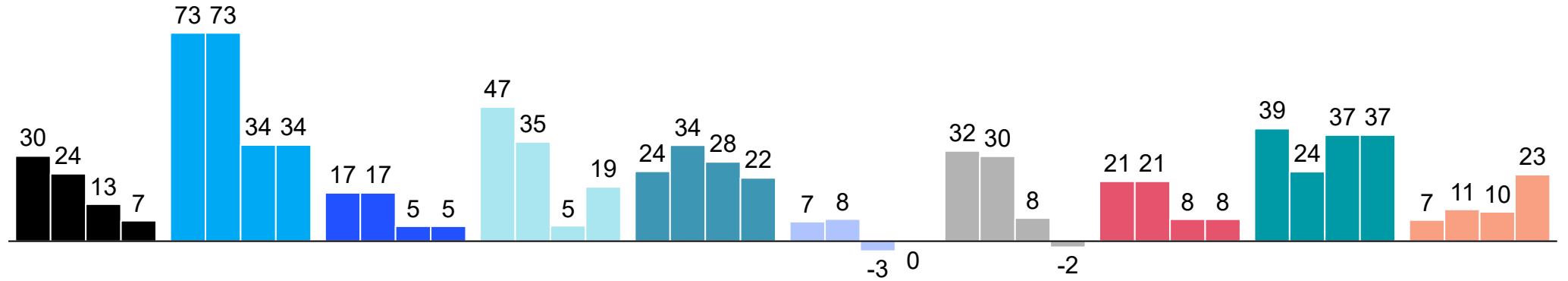
# Capital equipment quarterly growth and margin evolution

Quarterly y-o-y revenue growth and margin evolution, CQ1'2025-CQ4'2025<sup>1</sup>

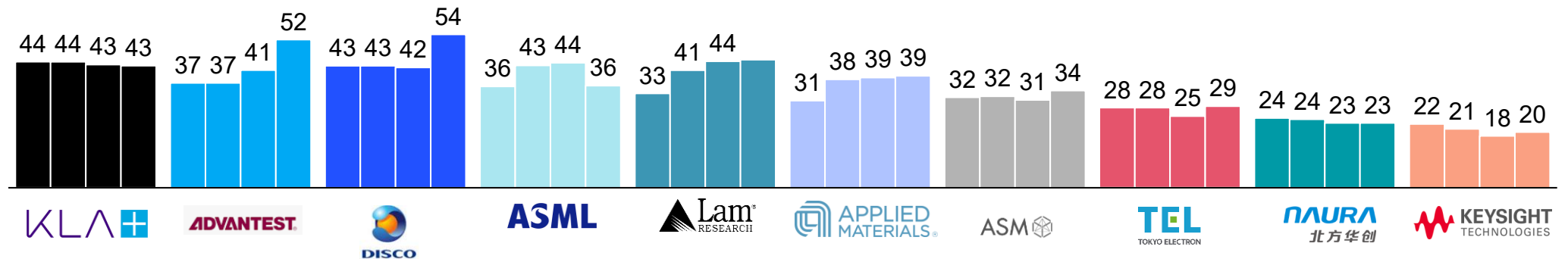
As of Mar 26<sup>th</sup>, 2026



Quarterly y-o-y Growth %



EBITA margin %



1. Based on actual CQ425 number if reported else keeping CQ325 Numbers, revenue growth measured in USD

# Fabless Semiconductor TSR performance

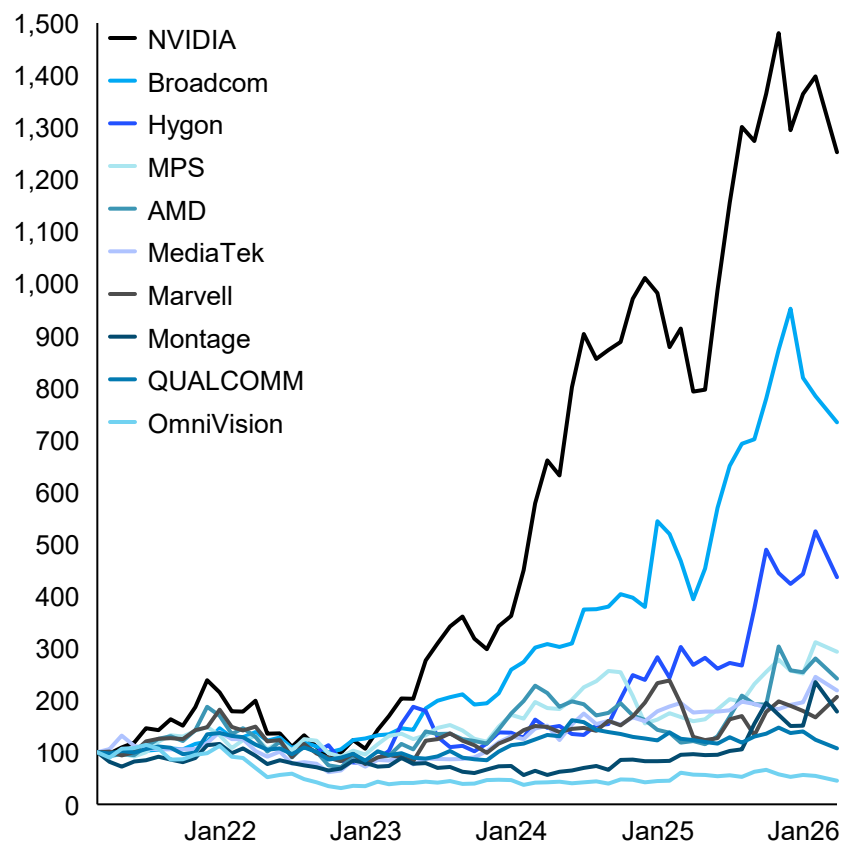
TSR across different time periods for top-10 (by market cap) established Fabless Semiconductor companies

As of Mar 26<sup>th</sup>, 2026

xx Market Cap in USD Bn

## Total Shareholder Return (TSR) Index

Feb 28, 2021 = 100













## Total shareholder returns, Percent CAGR, USD

Top 10 players sorted by TSR	Last 5 years Feb 21 – Mar 26 <sup>1</sup>	Q4 2025 Sep 25 – Dec 25	Q1 2026 Dec 25 – Mar 26 <sup>1</sup>	Market Cap (USD Bn)
NVIDIA	65	0	-8	4,160
BROADCOM	48	5	-10	1,465
HYGON	42	-10	-1	73
MPS	24	-1	17	52
AMD	19	32	-5	332
MEDIATEK	17	6	11	79
MARVELL	15	1	15	85
MONTAGE Technology	12	-22	18	24
Qualcomm	1	3	-23	139
OMNIVISION	14	-15	-20	18

1. As of Mar 26<sup>th</sup>, 2026

# Fabless financial performance

As of Mar 26<sup>th</sup>, 2026

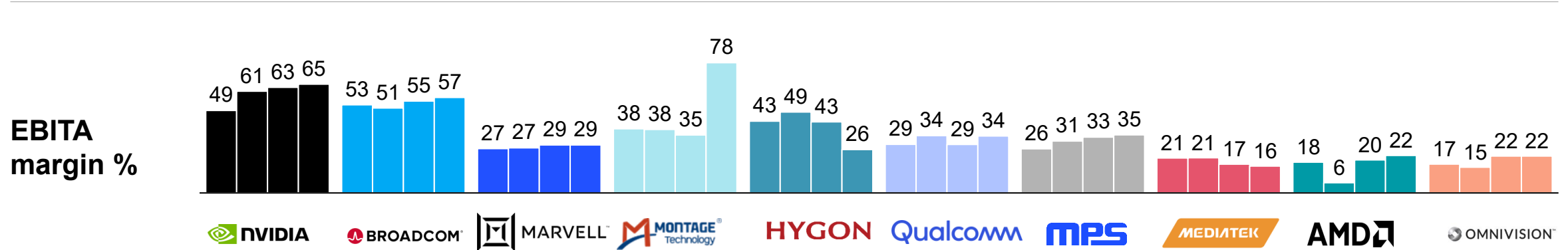
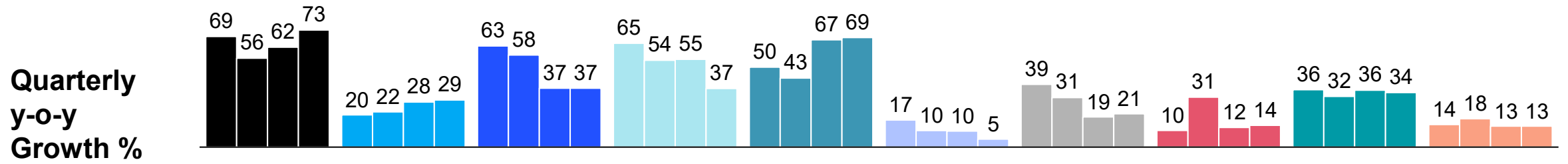
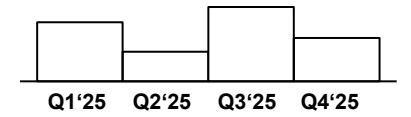
Top 10 players sorted by 2025 EBITA margin	2025 Revenue (USD Bn)	Revenue CAGR, %		2025 EBITA (USD Bn)	2025 Margin %	Margin Change pp %	
		2020-2025	2025-2027E <sup>1</sup>			2020-2025	2025-2027E <sup>1</sup>
 NVIDIA	215.9	67%	45%	131.0	61%	29%	6%
 BROADCOM <sup>®</sup>	63.9	22%	46%	34.5	54%	10%	16%
 MARVELL <sup>™</sup>	8.2	22%	27%	4.1	50%	32%	-3%
 MONTAGE <sup>®</sup> Technology	1.1	31%	9%	0.5	42%	1%	2%
 HYGON	3.1	81%	43%	1.3	42%	23%	-5%
 Qualcomm	44.3	13%	0%	12.8	29%	0%	3%
 MPS	2.8	27%	19%	0.7	26%	6%	10%
 MEDIATEK	19.0	11%	19%	3.6	19%	4%	2%
 AMD	34.6	29%	37%	6.0	17%	3%	17%
 OMNIVISION <sup>™</sup>	4.4	8%	17%	0.7	17%	1%	2%

1. Based on consensus estimates as of Mar 26, 2026

# Fabless quarterly growth and margin evolution

Quarterly y-o-y revenue growth and margin evolution, CQ1'2025-CQ4'2025<sup>1</sup>

As of Mar 26<sup>th</sup>, 2026



1. Based on actual CQ425 number if reported else CQ32025, revenue growth measured in USD

# Foundry TSR performance

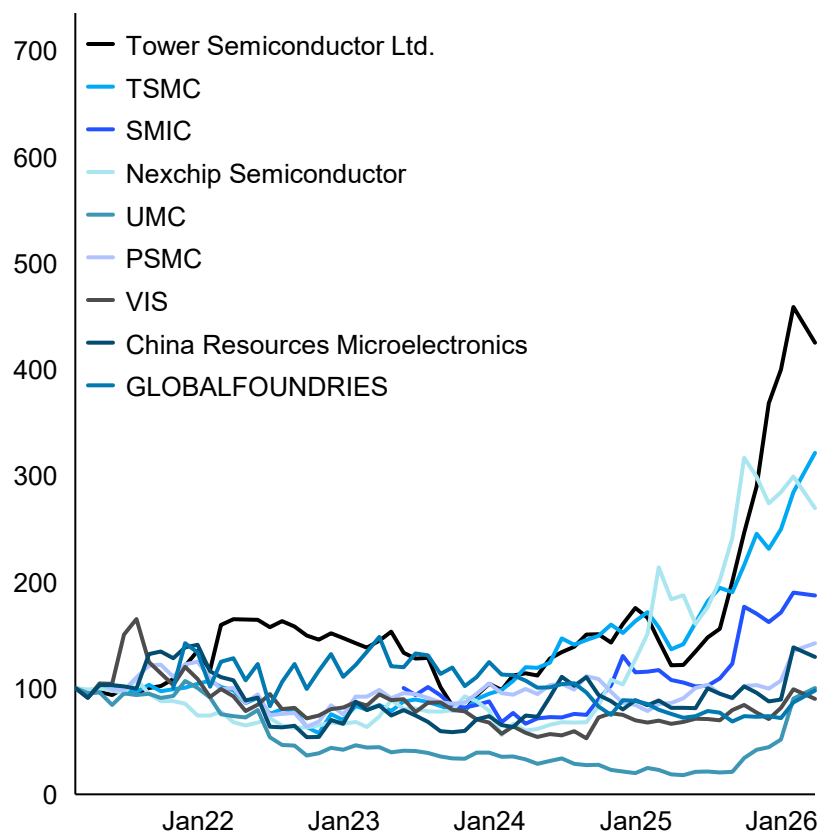
TSR across different time periods for top-10 (by market cap) established Foundry companies

As of Mar 26<sup>th</sup>, 2026

xx Market Cap in USD Bn

## Total Shareholder Return (TSR) Index

Feb 28, 2021 = 100



## Total shareholder returns, Percent CAGR, USD

### Top 10 players sorted by TSR

Last 5 years  
Feb 21 – Mar 26<sup>1</sup>

Q4 2025  
Sep 25 – Dec 25










Q1 2026  
Dec 25 – Mar 26<sup>1</sup>

Country	Company	Last 5 years Feb 21 – Mar 26 <sup>1</sup>	Q4 2025 Sep 25 – Dec 25	Q1 2026 Dec 25 – Mar 26 <sup>1</sup>	Market Cap (USD Bn)
Israel	Tower Semiconductor	42	62	49	20
Taiwan	TSMC	24	16	17	1,494
China	SMIC	16	-10	-26	69
China	Nexchip	13	0	0	8
Taiwan	UMC	4	5	16	23
Taiwan	PSMC	4	-5	4	8
Taiwan	VIS	2	-12	25	7
China	China Resources Microelectronics	2	0	0	9
USA	GlobalFoundries	-1	0	0	25

1. As of Mar 26, 2026. Nexchip, Global Foundries and Powerchip since IPO

# Foundry financial performance

As of Mar 26<sup>th</sup>, 2026

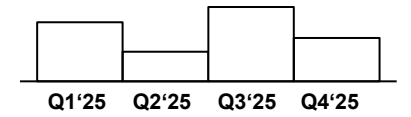
Top 10 players sorted by 2025 EBITA margin	2025 Revenue (USD Bn)	Revenue CAGR, %		2025 EBITA (USD Bn)	2025 Margin %	Margin Change pp %	
		2020-2025	2025-2027E <sup>1</sup>			2020-2025	2025-2027E <sup>1</sup>
 TSMC	121.3	21%	28%	61.7	51%	8%	3%
 PSMC	2.1	5%	-1%	0.6	26%	14%	-22%
 UMC	7.6	4%	9%	1.4	19%	6%	3%
 VIS 世界先进	1.5	6%	17%	0.2	16%	-7%	1%
 GlobalFoundries	6.8	7%	8%	0.9	13%	42%	7%
 晶微电子 CR MICRO	0.3	-24%	3%	0	13%	1%	0%
 Tower Semiconductor Where Analog and Value Meet	1.6	4%	23%	0.2	12%	5%	11%
 SMIC	11.0	23%	14%	1.2	11%	12%	7%
 Nexchip	1.9	52%	4%	0.2	10%	45%	1%

1. Based on consensus estimates as of Mar 26, 2026

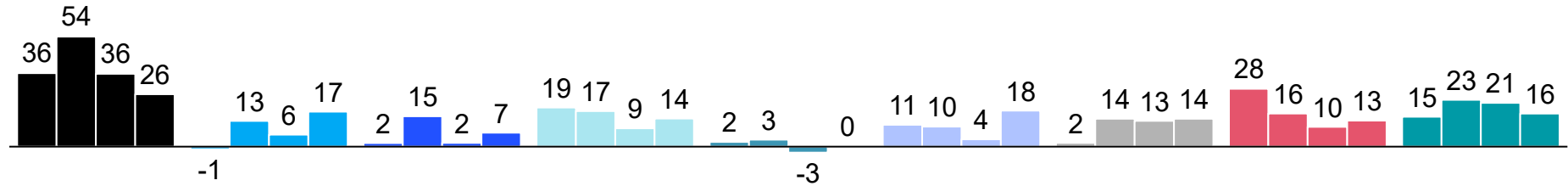
# Foundry quarterly growth and margin evolution

Quarterly y-o-y revenue growth and margin evolution, CQ1'2025-CQ4'2025<sup>1</sup>

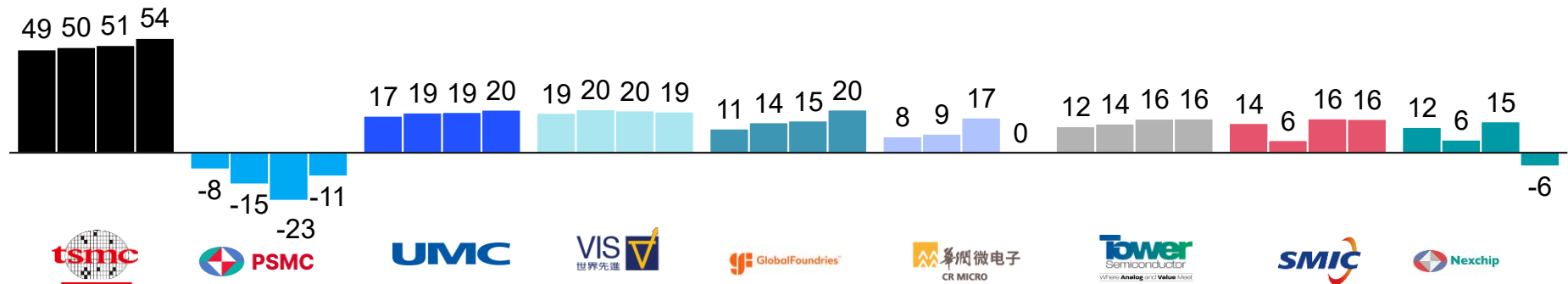
As of Mar 26<sup>th</sup>, 2026



Quarterly y-o-y Growth %



EBITA margin %



1. Based on actual CQ425 number if reported else CQ32025, revenue growth measured in USD

# Packaging & Test TSR performance

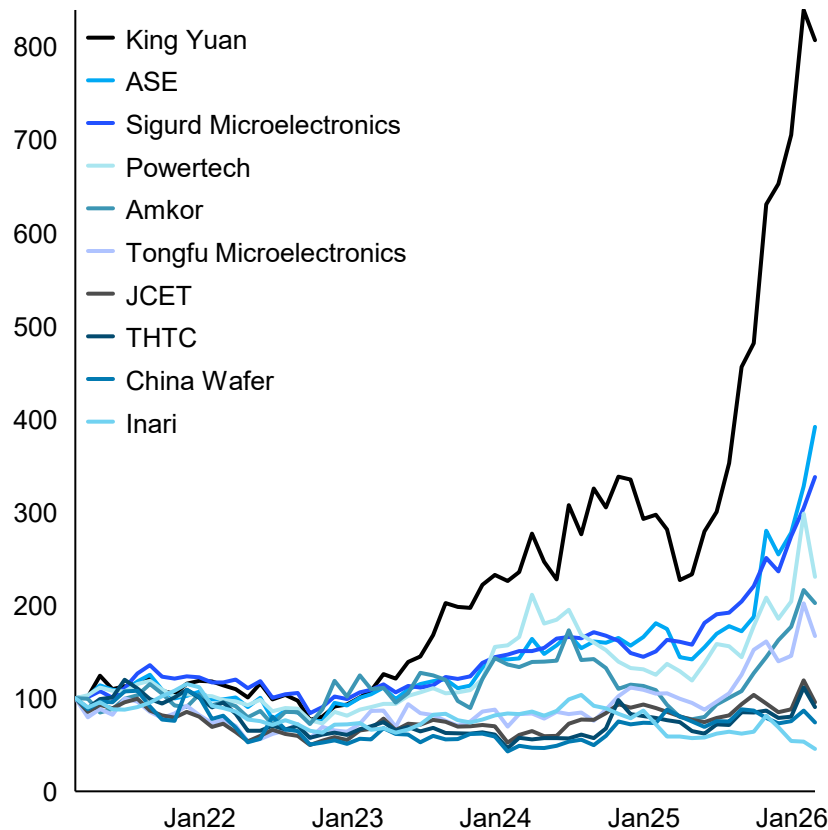
TSR across different time periods for top-10 (by market cap) established Packaging & Test companies

As of Mar 26<sup>th</sup>, 2026

xx Market Cap in USD Bn

## Total Shareholder Return (TSR) Index

Feb 28, 2021 = 100



## Total shareholder returns, Percent CAGR, USD

Top 10 players sorted by TSR

Last 5 years Feb 21 – Mar 26<sup>1</sup>

Q4 2025 Sep 25 – Dec 25











Q1 2026 Dec 25 – Mar 26<sup>1</sup>

Company	Last 5 years	Q4 2025	Q1 2026	Market Cap (USD Bn)
KYEC	51	47	14	11
ASE Technology Holding Co., Ltd.	31	48	41	49
Sigurd	27	24	23	2
PTI	18	15	13	5
Amkor Technology	15	39	15	11
通富微电子 (TONGFU MICROELECTRONICS CO., LTD.)	11	-4	15	9
JCET	-1	-15	8	10
HUA TIAN	-2	-5	13	6
LCSP (LONGCHENG PACKAGING SERVICES)	-6	-13	-2	3
Inari Amertron Berhad	-14	-15	-16	1

1. As of Mar 26<sup>th</sup>, 2026

# Packaging & Test financial performance

As of Mar 26<sup>th</sup>, 2026

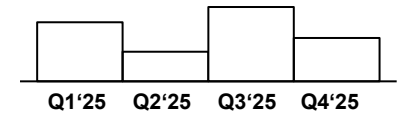
Top 10 players sorted by 2025 EBITA margin	2025 Revenue (USD Bn)	Revenue CAGR, %		2025 EBITA (USD Bn)	2025 Margin %	Margin Change pp %	
		2020-2025	2025-2027E <sup>1</sup>			2020-2025	2025-2027E <sup>1</sup>
 ULSP	0.2	5%	16%	0.1	27%	-6%	0%
 KYEC	1.1	1%	38%	0.3	26%	10%	5%
 ASE Technology Holding Co., Ltd.	24.1	7%	13%	2.8	11%	4%	3%
 Inari Amertron Berhad	0.3	5%	8%	0	11%	-5%	5%
 PTI	2.4	-3%	18%	0.3	11%	-3%	6%
 Amkor Technology	6.7	6%	12%	0.5	7%	-3%	2%
 TF 通富微电	4.0	19%	13%	0.2	6%	2%	1%
 JCET	5.9	8%	12%	0.3	5%	-2%	1%
 HUA TIAN	2.4	13%	16%	0	2%	-7%	1%
 Sigurd	0.6	7%	7%	0	0%	0%	0%

1. Based on consensus estimates as of Mar 26, 2026

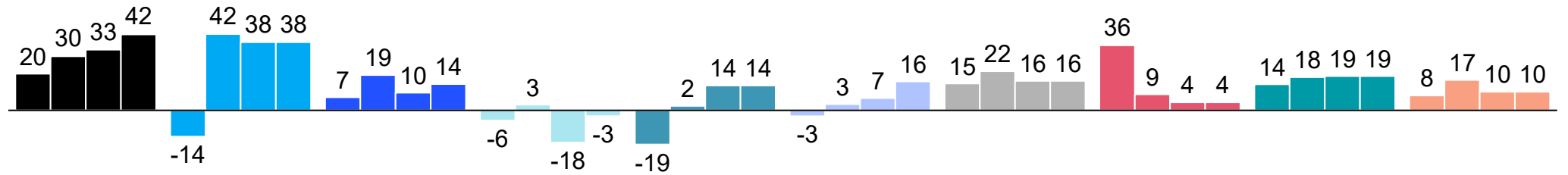
# Packaging & Test quarterly growth and margin evolution

Quarterly y-o-y revenue growth and margin evolution, CQ1'2025-CQ4'2025<sup>1</sup>

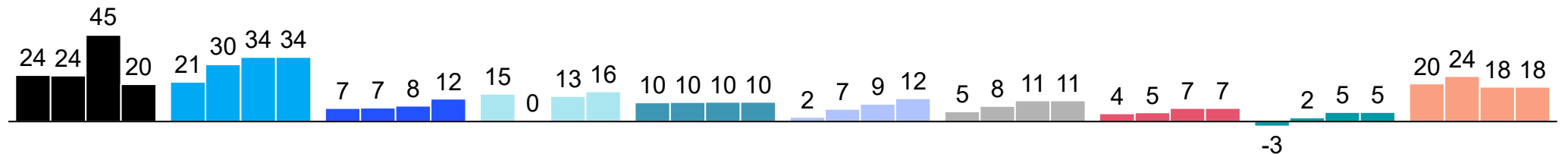
As of Mar 26<sup>th</sup>, 2026



Quarterly y-o-y Growth %



EBITA margin %



1. Based on actual CQ425 number if reported else CQ32025, revenue growth measured in USD

McKinsey  
& Company

