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UPDATE

May 18, 2026 04:01 AM GMT

Semiconductors | North America

Weekly: Earnings Week 5 (NVDA, ADI)

WHAT'S CHANGED

NVIDIA Corp. (NVDA.O)	From	To
Price Target	$260.00	**$285.00**

Raising estimates and PT on NVDA, which remains our top pick in semis; also see a strong quarter from ADI, given company specific drivers as well as industry recovery.

NVDA (OW, reporting after market close on Wednesday, May 20th): Expecting continued upside to numbers and a bullish tone on key debates (market share vs ASIC, gross margin, rubin readiness). We elevated Nvidia to our top-pick in March (Moving NVIDIA back to top pick in semis) on the view that a below market multiple created an attractive entry in the primary generative AI winner. It has taken time for investor enthusiasm to return to the story as secondary and tertiary AI beneficiaries continue to outperform. But we think the quarter will be a positive step towards a stock rerating, that said Nvidia can only do so much on a Q1 earnings call to ease concerns on longer term debates. We think the typical beat and raise pattern (beat by $3bn, guide $4bn above) is a likley outcome. **What we are focused on for earnings:**

Trajectory to $1T Blackwell+Rubin revenue CY25-CY27: We think CY25 included about $25bn of hopper compute, maybe ~$30bn or so including networking, removing that from the CY25 $185bn in datacenter revenues leaves $155bn, implying $845bn of datacenter over CY26-27 before including products like Groq, standalone CPUs, and ICMS - which should be substantial upside. Despite that consensus estimates for total datacenter revenue over that period is just $785bn (we raise our estimates today to $884bn CY26-CY27, $1.07T CY25-CY27). We think consensus is likley to move much closer to our estimates as Nvidia reaffirms their visibility to those numbers, which importantly should include a discussion of supply constraints that need to be managed in route to that. Constraints including powered shell availability, leading edge wafer capacity, and DRAM.

Managing rising input costs: With the line of sight to continued growth in revenues we highlighted above Nvidia has $95bn in purchase commitments and $21bn in inventories as of the 10k, if that represents 75% gross margin COGS ($464bn in revenue) Nvidia should have the supply to cover much of what they intend to ship over the next 18 months before cost inflation becomes a significant margin headwind. That said the ramp of a new architecture in Rubin will be a headwind, and costs are rising beyond this year so we have derisked our estimates in that respect - and we are now modeling 72.7% gross margins in FY28. But we think that frontfootedness to secure supply puts Nvidia in an advantaged position vs the peer group as ASIC and merchant competition will either see greater margin headwinds or need to raise prices by more to offset those impacts.

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SEMICONDUCTORS

North America
Industry View **Attractive**

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XPU marketshare and new product (Groq/ standalone CPUs) traction: Perhaps the most important debate for the stock is what Nvidia's marketshare in XPUs and in the datacenter broadly looks like out beyond next year. We are optimistic on this debate, ad think Nvidia represents the leading TCO across the market, but as compute remains in short supply that debate is difficult to disprove, and we don't think there's much incremental Nvidia can say on this earnings call to further the debate in either direction. However given how recently Nvidia has launched Groq and standalone CPUs this is an area where we may hear more about the potential revenue contribution in the near-term and how Nvidia see's their solutions for competing offerings.

We also believe that the share debate is somewhat secondary at these prices, if Nvidia's $1T commentary is to be believed Nvida's earnings should be in the range of $4 per share ($16 run rate) exiting 2027. A $16 perpetuity at an 8% discount rate and 1% terminal growth rate has a present value of $229 vs Nvidia's current share price of $225. So investors believe that via margin compression, share loss, or a general slowdown in AI spending that there's very little in long term FCF and earnings growth set to come from Nvidia. All debates we think can to turn more in Nvidia's favor as rubin begins to ship in volume later this year and is key to our positive view on the risk reward.

Product cycle: Vera Rubin ready to go, albeit with some normal startup issues. We continue to see Vera Rubin tracking to schedules, ramping in 2h, though there are some normal week to week ramp challenges that could mean racks are a few weeks later than initial estimates. We see strength in both Rubin and Blackwell demand through 2h and do not see any disruptions.

Raising estimates: We move revenue/GM/EPS (all non-gaap) for the April quarter from $78.25bn/74.9%/$1.69 to 79.264/75.0%/$1.72, July from $84.837bn/75.0%/$1.93 to $87.88bn/75.1%/$2.01, FY27 from $353.8bn/74.4%/$7.93 to $380.591bn/74.4%/$8.61 and finally FY28 from $452.4bn/74.2%/$10.14 to $587.45/72.7%/$13.11.

Raising PT: Our prior PT of $260 was based on ~26 our MW CY27 (FY28) EPS estimate of $10.05. We are lowering our multiple assumption to ~22x, in-line with the broader market and a discount to compute semis peers (AMD/AVGO/INTC) as high marketshare and gross margins leave create limited levers for multiple expansion in the near term. On our now higher $12.99 of EPS that brings the target to $285.

ADI (OW, reporting before market open on Wednesday, May 20th): The base case is a beat and raise, and while the bar has moved higher throughout analog earnings, we believe ADI can still surprise to the upside, particularly as the stock has lagged the broader analog rally. We view the relative underperformance as largely driven by perceived lower torque, given both MSe and Street already model ADI surpassing prior peak revenue levels this year - a distinction shared only with NXP in our analog coverage. We think this misses the setup, as ADI has accelerating AI-linked revenue, large Industrial exposure (~50% of revenue), and GM% near prior peaks, creating a cleaner path for upside if Industrial recovery broadens and AI momentum continues. **What we are focused on for earnings:**

1.) AI-related revenue: Data center within Comms continues to gain momentum, with strength across both optical and power. ADI's AI-related revenue consists of ~ $800mn from ATE within Industrial, plus power/optical exposure within Comms, where power and optical represent ~2/3 of the segment. Combined, AI-related revenue is running at a >$2bn run-rate, or ~20% of total revenue, grew ~50% in FY25, and continued to accelerate in Q1 FY26. Mgmt guided Communications up +HSD q/q in AprQ, or ~60% y/y, driven by AI data center demand and a wireless infrastructure recovery. We view AI momentum as still in the early innings for ADI as both power and optical are seeing significant tailwinds in the supply chain from shortages linked to demand. The former is supported by ADI's vertical power delivery solution, while the latter remains an underappreciated asset given strong optical momentum in DC. We expect DC revenue to double in 2026, driven by both areas.

2.) Industrial strength: Industrial remains a key recovery lever for ADI, with near-term strength led by ATE and A&D, which together comprise ~1/3 of the segment and are reaching new highs. ATE is expected to grow >30% q/q in AprQ, while the broader Industrial business outside ATE/A&D remains below prior peaks, leaving room for further cyclical recovery. Mgmt guided Industrial up ~20% q/q and ~50% y/y in AprQ, with positive book-to-bill across all submarkets and geographies. We expect Industrial to reach new highs over time as continued ATE momentum is complemented by a broader recovery across the rest of the segment, supporting both revenue upside and mix-driven GM expansion.

Preview to earnings

Focus KPI	Focus KPI Surprise	Likely impact to consensus EPS*
Analog Devices Inc. ADI.O		
JulQ Guide	↑ Likely upside surprise	↑ Modest revision higher
NVIDIA Corp. NVDA.O		
JulQ Guide	↑ Very likely upside surprise	↑ Meaningful revision higher

*Likely impact to consensus EPS is for the next 12 months
Source: Company data, Morgan Stanley Research

NVIDIA Corp Earnings Preview

The company is scheduled to report after the market close on Wednesday, May 20th.

NVDA (OW, reporting after market close on Wednesday, May 20th): Expecting continued upside to numbers and a bullish tone on key debates (market share vs ASIC, gross margin, rubin readiness). We elevated Nvidia to our top-pick in March (Moving NVIDIA back to top pick in semis) on the view that a below market multiple created an attractive entry in the primary generative AI winner. It has taken time for investor enthusiasm to return to the story as secondary and tertiary AI beneficiaries continue to outperform. But we think the quarter will be a positive step towards a stock rerating, that said Nvidia can only do so much on a Q1 earnings call to ease concerns on longer term debates. We think the typical beat and raise pattern (beat by $3bn, guide $4bn above) is a likley outcome. **What we are focused on for earnings:**

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Exhibit 1: NVDA: MS vs Consensus

NVDA: MS vs. Consensus *Figures in $ MMs*	F1Q27E		F2Q27E		2027E		2028E	
	MS	Cons.	MS	Cons.	MS	Cons.	MS	Cons.
Revenue	79,264	78,821	87,880	87,025	380,591	369,735	587,450	491,746
Q/Q Change	*16.3%*	*15.7%*	*10.9%*	*10.4%*				
Gross margin	75.1%	75.0%	75.1%	74.6%	74.5%	73.9%	72.7%	73.8%
EPS	$1.72	$1.75	$2.01	$1.95	$8.61	$8.32	$13.11	$11.29

Source: Factset, Morgan Stanley

Risk Reward – NVIDIA Corp. (NVDA.O) Top Pick

OW as large language model enthusiasm is transforming cloud capex

PRICE TARGET $285.00

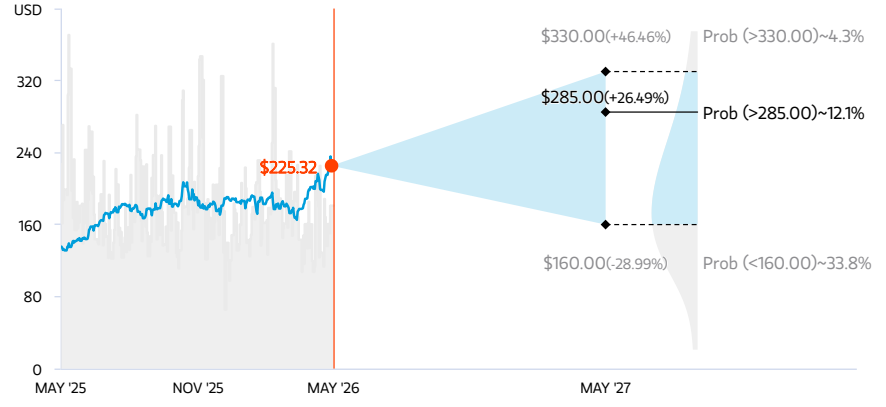
~22 our MW CY27 EPS estimate of $12.99, in-line with large cap AI peer AVGO, in-line with the broader market and a discount to compute semis peers (AMD/AVGO/INTC) as high marketshare and gross margins leave create limited levers for multiple expansion in the near term.

Consensus Price Target Distribution $138.00 $268.03 MS PT $432.78

Source: Refinitiv, Morgan Stanley Research

◆ Mean ◆ Morgan Stanley Estimates

RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)



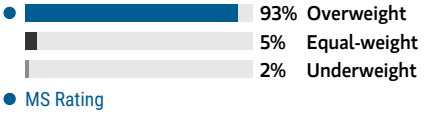
Key: — Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research, Morgan Stanley Institutional Equities Division. The probabilities of our Bull, Base, and Bear case scenarios playing out were estimated with implied volatility data from the options market as of 15 May 2026. All figures are approximate risk-neutral probabilities of the stock reaching beyond the scenario price in either three-months' or one-years' time. View explanation of Options Probabilities methodology here

OVERWEIGHT THESIS

- Blackwell remains the premiere solution for gen-AI workloads, where compute demand continues to outstrip supply
- We see continued upward pressure to estimates as demand strength continues, with Rubin expected to maintain Nvidia's performance leadership position

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

New Data Era:	*Positive*
Pricing Power:	*Positive*
Secular Growth:	*Positive*

View descriptions of Risk Rewards Themes here

BULL CASE $330.00

~30x bull case MW CY27 EPS of $11

Bull case has DC revenues continuing to grow through 2027. Upside from networking, GB300 based systems, networking, and software create potential for a full stack AI computing company worthy of an even greater valuation premium

- Higher margin data center and AI-focused software and services growth accelerates
- GPU based AI PC gains traction, widely increasing the client TAM
- Automotive opportunity takes off, allowing the company to earn recurring, per-car licensing revenue

BASE CASE $285.00

~22x our MW CY27 EPS of $12.99

~22x PE in-line with the broader market and a discount to compute semis peers (AMD/AVGO/INTC) as high marketshare and gross margins leave create limited levers for multiple expansion in the near term..

- Revenue grows by 76.3% in 2026 and 54.4% in 2027

BEAR CASE $160.00

~18x bear case MW CY27 EPS of $9

Two key debates both go the wrong direction, causing investors to question future prospects for growth

- Growth in DC slows substantially as supply catches up to demand faster than anticipated
- AI development costs come down materially, a strong competitor enters the market to take market share, or customers begin insourcing custom hardware solutions
- Greater than expected impact from tariff headwinds and export controls

Risk Reward – NVIDIA Corp. (NVDA.O)

KEY EARNINGS INPUTS

Drivers	2026	2027e	2028e	2029e
GAAP Revenue ($, mm)	215,938	380,591	587,450	781,342
MW Gross Margin (%)	71.3	74.5	72.7	72.3
MW EPS ($)	4.61	8.60	12.99	17.84
Inventory ($, mm)	21,403	36,899	52,985	65,640
DOI	123.3	136.3	118.7	68.5

INVESTMENT DRIVERS

- Growth in AI capex from customers
- Next gen GPUs continue to outpace the competition
- Systems approach allows for higher monetization over time
- New drivers emerge for Nvidia such as AI PCs, autonomous vehicles, robotics, and software

GLOBAL REVENUE EXPOSURE



- 0-10% APAC, ex Japan, Mainland China and India
- 0-10% India
- 0-10% MEA
- 0-10% Mainland China
- 20-30% Europe ex UK
- 50-60% North America

Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies here

MS ALPHA MODELS

5/5 **BEST**	24 Month Horizon	4/5 **MOST**	3 Month Horizon

Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

RISKS TO PT/RATING

RISKS TO UPSIDE

- Growth in training and inference propel data center revenue
- Gaming sales accelerate as GPU based AI PCs gain traction
- Nvidia can recapture lost revenue in China

RISKS TO DOWNSIDE

- AI end markets don't materialize as expected, customers sharply reduce GPU purchases
- AMD reemerges as a viable GPU competitor
- Cloud customers outside of Google are able to develop competitive custom hardware

OWNERSHIP POSITIONING

Inst. Owners, % Active	51.7%
HF Sector Long/Short Ratio	2x
HF Sector Net Exposure	25.3%

Refinitiv; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure – Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Dec 2027e

Sales / Revenue ($, mm)
◆ 380,591
Note: There are not sufficient brokers supplying consensus data for this metric

EBITDA ($, mm)
◆ 257,305
Note: There are not sufficient brokers supplying consensus data for this metric

Net income ($, mm)
◆ 208,155
Note: There are not sufficient brokers supplying consensus data for this metric

EPS ($)
◆ 8.61
Note: There are not sufficient brokers supplying consensus data for this metric

◆ Mean ◆ Morgan Stanley Estimates

Source: Refinitiv, Morgan Stanley Research

ADI Earnings Preview

The company is scheduled to report before the market open on Wednesday, May 20th.

The base case is a beat and raise, and while the bar has moved higher throughout analog earnings, we believe ADI can still surprise to the upside, particularly as the stock has lagged the broader analog rally. We view the relative underperformance as largely driven by perceived lower torque, given both MSe and Street already model ADI surpassing prior peak revenue levels this year - a distinction shared only with NXP in our analog coverage. We think this misses the setup, as ADI has accelerating AI-linked revenue, large Industrial exposure (~50% of revenue), and GM% near prior peaks, creating a cleaner path for upside if Industrial recovery broadens and AI momentum continues. **What we are focused on for earnings:**

1.) AI-related revenue: Data center within Comms continues to gain momentum, with strength across both optical and power. ADI's AI-related revenue consists of ~$800mn from ATE within Industrial, plus power/optical exposure within Comms, where power and optical represent ~2/3 of the segment. Combined, AI-related revenue is running at a >$2bn run-rate, or ~20% of total revenue, grew ~50% in FY25, and continued to accelerate in Q1 FY26. Mgmt guided Communications up +HSD q/q in AprQ, or ~60% y/y, driven by AI data center demand and a wireless infrastructure recovery. We view AI momentum as still in the early innings for ADI as both power and optical are seeing significant tailwinds in the supply chain from shortages linked to demand. The former is supported by ADI's vertical power delivery solution, while the latter remains an underappreciated asset given strong optical momentum in DC. We expect DC revenue to double in 2026, driven by both areas.

2.) Industrial strength: Industrial remains a key recovery lever for ADI, with near-term strength led by ATE and A&D, which together comprise ~1/3 of the segment and are reaching new highs. ATE is expected to grow >30% q/q in AprQ, while the broader Industrial business outside ATE/A&D remains below prior peaks, leaving room for further cyclical recovery. Mgmt guided Industrial up ~20% q/q and ~50% y/y in AprQ, with positive book-to-bill across all submarkets and geographies. We expect Industrial to reach new highs over time as continued ATE momentum is complemented by a broader recovery across the rest of the segment, supporting both revenue upside and mix-driven GM expansion.

Details on the April quarter: We model revenue of $3.504bn (up 10.9% q/q and 32.8% y/y), broadly in-line with the Street at $3.513bn. We model Industrial revenue of $1,802mn (up 21.0% q/q and 56.5% y/y), Automotive revenue of $802mn (up 1.0% q/q and down 5.5% y/y), Consumer revenue of $380mn (down 5.0% q/q and up 20.3% y/y), and Communications revenue of $520mn (up 9.0% q/q and up 60.9% y/y). Our gross margin and EPS estimates of 72.2%/$2.89 are in-line with the Street at 71.8%/$2.89.

July quarter outlook: We model revenue o0f $3.618bn (up 3.3% q/q and 25.7% y/y), in-line with the Street at $3.611bn. We model Industrial revenue of $1,837mn (up 2.0% q/q and 44.0% y/y), Automotive revenue of $802mn (down 0.1% q/q and down 5.8% y/y), Consumer revenue of $433mn (up 14.0% q/q and up 16.4% y/y), and Communications revenue of $546mn (up 5.0% q/q and up 43.6% y/y). Our gross margin estimate of 71.7% is in-line with the Street, while our EPS estimate of $2.98 is essentially in-line with the

Street at $2.99.

Exhibit 2: ADI: MS vs. Cons

MS vs. Consensus

Figures in $ MMs

	F2Q26E		F3Q26E		2026E		2027E	
	MS	Cons.	MS	Cons.	MS	Cons.	MS	Cons.
Revs.	3,503.6	3,513.1	3,618.4	3,610.8	13,941.8	14,029.5	15,178.5	15,480.5
Q/Q Change	*10.9%*	*11.2%*	*3.3%*	*2.8%*				
GMs - FS	*72.2%*	*71.8%*	*71.7%*	*71.7%*	*71.7%*	*71.5%*	*71.9%*	*72.2%*
EPS	$2.89	$2.89	$2.98	$2.99	$11.35	$11.47	$12.88	$13.23

Source: FactSet, Morgan Stanley Research estimates

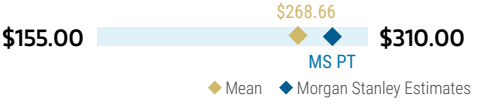
Risk Reward – Analog Devices Inc. (ADI.O)

Downcycle management excels, here comes the upcycle

PRICE TARGET $288.00

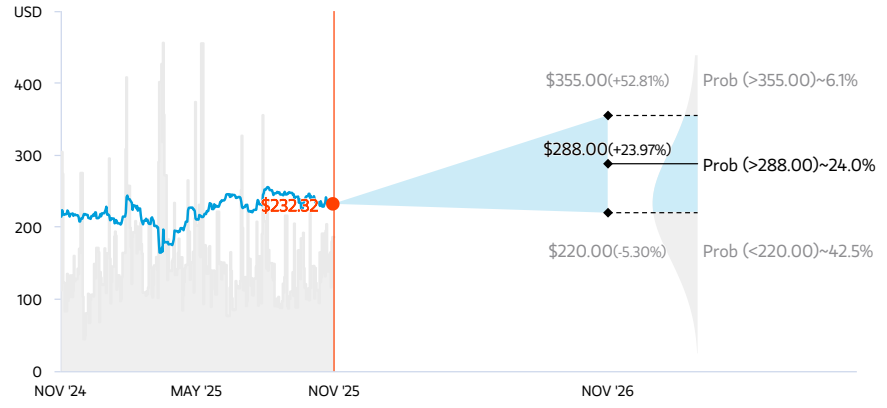
We value ADI at 31x CY26e EPS of $9.28, a premium to its analog peers

Consensus Price Target Distribution



Source: Refinitiv, Morgan Stanley Research

RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)



Key: Historical Stock Performance ● Current Stock Price ◆ Price Target

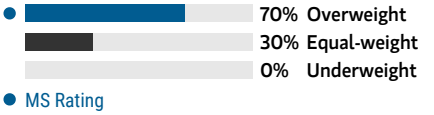
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OVERWEIGHT THESIS

■ We are OW ADI on the back of 3 reasons: 1) ADI has managed the downcycle well, only seeing 1 quarter of OPM% below 40%, 2) the company's revenue outlook looks strong with high industrial exposure, and 3) the company has relatively higher ASP products which should limit direct competition with emerging Chinese capacity.

■ ADI is a core holding in the analog space long term as the company has exposure to the right end markets as well as superior margins and FCF generation, a result of developing a comprehensive analog portfolio via successful integration of Linear Tech and Maxim.

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Electric Vehicles:	*Positive*
Pricing Power:	*Positive*

View descriptions of Risk Rewards Themes here

BULL CASE $355.00

32x CY26e Bull case EPS of $11.08

- 18.4% revenue growth in CY26

- GM improves to 71.7% and EPS grows to $11.08 in CY26

BASE CASE $288.00

31x CY26e EPS of $9.28

- 22.8% revenue growth in CY25 and 7.7% revenue growth in CY26

- GM grows to 69.7% in CY25 and to 70.2% in CY26

- CY25 EPS of $8.28 and CY26 EPS of $9.28

BEAR CASE $220.00

28x CY26e Bear case EPS of $7.85

- -1% revenue growth in CY26

- GM improves to 68.7% and EPS to $7.85 in CY26

Risk Reward – Analog Devices Inc. (ADI.O)

KEY EARNINGS INPUTS

Drivers	2024	2025e	2026e	2027e
GAAP Revenue ($, mm)	9,427	10,955	12,166	13,108
MW Gross Margin (%)	67.9	69.4	70.1	70.6
MW EPS ($)	6.38	7.76	9.07	10.26
Inventory ($, mm)	1,448	1,628	1,583	1,579
DOI	130.6	140.8	129.7	123.5

CATALYST CALENDAR

Source: Refinitiv, Morgan Stanley

Date	Event
12 Mar 2026 - 16 Mar 2026	Analog Devices Inc Annual Shareholders Meeting

INVESTMENT DRIVERS

- Ongoing strength in automotive and industrial end markets as well as share gains in EV, FA & healthcare leads to outsized growth
- Emphasis on shareholder returns drive multiple expansion

GLOBAL REVENUE EXPOSURE



- 0-10% Latin America
- 10-20% APAC, ex Japan, Mainland China and India
- 10-20% Japan
- 10-20% Mainland China
- 20-30% Europe ex UK
- 30-40% North America

Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies here

MS ALPHA MODELS

4/5 **BEST**	24 Month Horizon	3/5 **MOST**	3 Month Horizon

Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

RISKS TO PT/RATING

RISKS TO UPSIDE

- Further margin improvement
- Semi content growth in EVs & share gain
- Industrial recovery stronger than anticipated

RISKS TO DOWNSIDE

- Market share loss in Automotive and Industrial
- Increasing competition in auto semi
- Weakness in consumer exposed end-markets

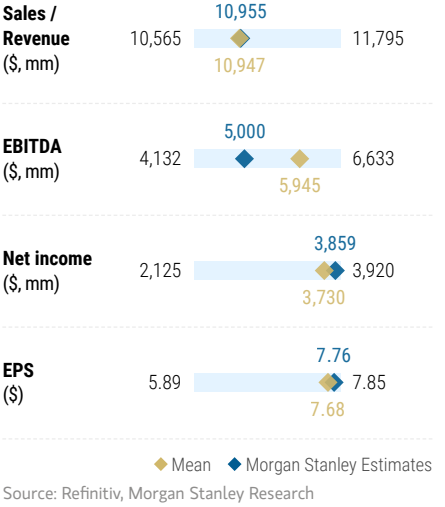
OWNERSHIP POSITIONING

Inst. Owners, % Active	54.5%
HF Sector Long/Short Ratio	2x
HF Sector Net Exposure	26.3%

Refinitiv; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure – Short Exposure).

MS ESTIMATES VS. CONSENSUS

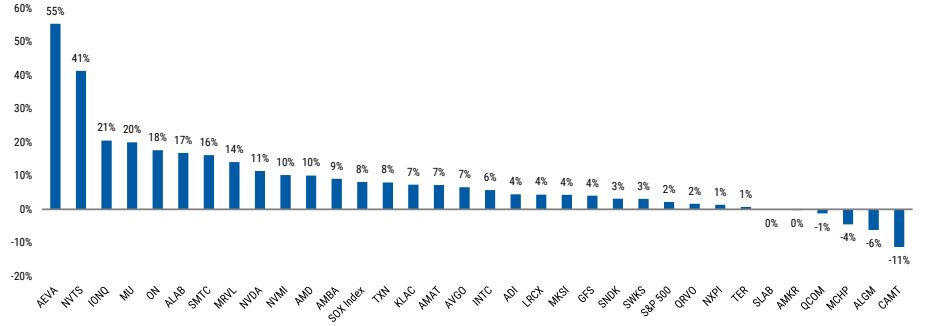
FY Oct 2025e



Source: Refinitiv, Morgan Stanley Research

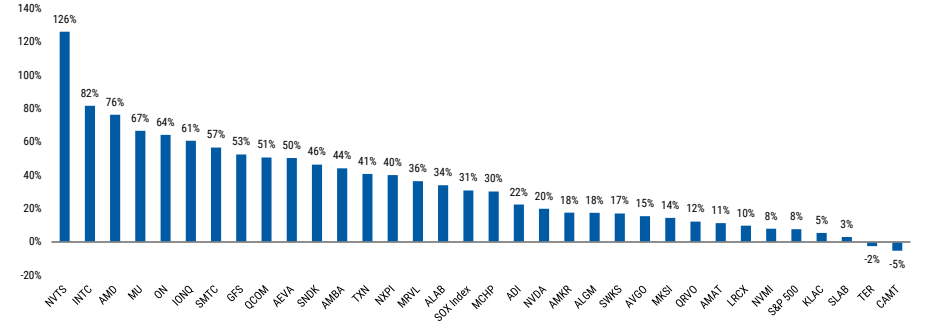
Semiconductor Coverage – Valuation / Stock Performance

Exhibit 3: Weekly stock performance



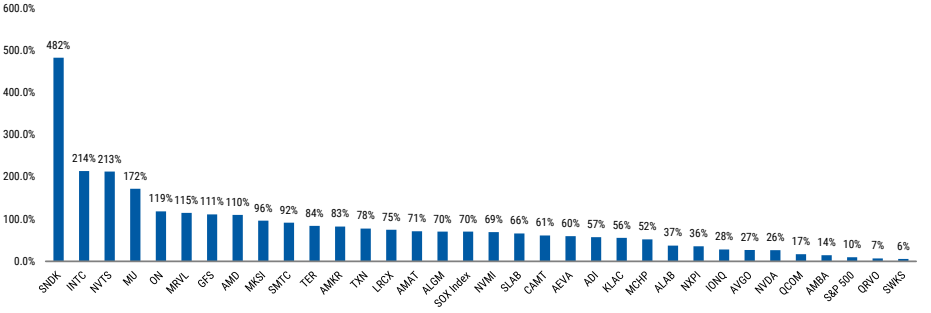
Source: FactSet, Morgan Stanley Research

Exhibit 4: Monthly stock performance



Source: FactSet, Morgan Stanley Research

Exhibit 5: YTD stock performance



Source: FactSet, Morgan Stanley Research

Semis Week Ahead

Exhibit 6: May 18th - May 22nd, 2026

Monday, May 18th
JPM TMT Conference
MKSI - 8:25am ET

Tuesday, May 19th
JPM TMT Conference
KLAC - 9:25am ET
ALAB - 10:05am ET
NVTS - TBD
GFS - 2:55pm ET

Wednesday, May 20th
JPM TMT Conference
AMAT - 8:00am ET
MU - 8:40am ET
NXP - 9:20am ET
ADI Earnings
10:00am ET
NVDA Earnings
5:00pm ET

Thursday, May 21st
AMKR Investor Day

Friday, May 22nd

LOOKING AHEAD
Tuesday, May 26th
SMTC Earnings
4:30pm ET

Wednesday, May 27th
TD Cowen Conference
NXP - 9:05am ET
ALAB - 10:15am ET
ALGM - 1:15pm ET
MRVL Earnings
4:45pm ET

Thursday, May 28th
Bernstein Conference
AMAT - 9:00am ET
TXN - 11:00am ET
AMBA Earnings
4:30pm ET

Sunday, May 31st
GTC Taipei Jensen Huang Keynote - https://www.nvidia.com/en-tw/gtc/taipei/keynote/?regcode=no-ncid&ncid=no-ncid
11:00pm - 1:00am ET

Monday, June 1st
Financial Analyst Q&A Lunch - 11:00pm - 12:00am ET

Tuesday, June 2nd
Financial Analyst Q&A with Jensen Huang - 12:00am - 1:30am ET
BofA Conference
AMAT - 11:40am ET
LRCX - 12:20pm ET
AMD - 2:20pm ET

Wednesday, June 3rd
BofA Conference
KLAC - 12:20pm ET
AVGO Earnings
5:00pm ET

June 2nd-5th
Computex - https://www.computextaipei.com.tw/en/index.html

Wednesday, June 24th
QCOM Investor Day

Thursday, June 25th
Renesas Capital Markets Day

Thursday, July 23rd
AMD Advancing AI
https://www.youtube.com/@AMD/streams

Wednesday, September 16th
ON Financial Analyst Day
2:00pm ET

Source: Bloomberg, Refinitiv, Morgan Stanley Research

Semiconductor Coverage

Exhibit 7: Semiconductors - Risk Reward

Ticker	Rating	Price	Risk-Reward Bear	Risk-Reward Base	Risk-Reward Bull	% Upside / Downside Base
Computing						
AMD	EW	$449.7	$210	$410	$570	-9%
INTC	EW	$115.9	$43	$73	$110	-37%
NVDA	OW	$235.7	$160	$285	$330	21%
Memory						
MU	OW	$776.0	$240	$520	$700	-33%
SNDK	OW	$1,382.7	$600	$1,100	$1,500	-20%
Capital Equipment						
AMAT	OW	$440.6	$311	$454	$609	3%
CAMT	EW	$171.4	$118	$163	$214	-5%
KLAC	OW	$1,892.9	$1,367	$1,900	$2,334	0%
LRCX	EW	$299.2	$213	$293	$381	-2%
MKSI	OW	$313.8	$220	$354	$479	13%
NVMI	EW	$556.1	$366	$494	$643	-11%
TER	EW	$356.6	$267	$387	$512	9%
Comm-IC / Multi-Market						
ALAB	OW	$228.6	$121	$240	$332	5%
AMBA	OW	$81.0	$34	$96	$136	18%
AVGO	OW	$439.8	$298	$470	$619	7%
MRVL	EW	$182.6	$52	$103	$169	-44%
QCOM	UW	$200.1	$94	$146	$199	-27%
QRVO	EW	$90.5	$40	$84	$110	-7%
SMTC	EW	$141.2	$45	$89	$132	-37%
SWKS	EW	$67.1	$43	$76	$105	13%
Analog / MCUs						
ADI	OW	$426.8	$297	$373	$471	-13%
ALGM	OW	$45.0	$43	$51	$70	13%
MCHP	EW	$97.0	$69	$94	$118	-3%
NVTS	UW	$22.3	$4.9	$13.7	$22.7	-39%
NXPI	OW	$294.2	$268	$335	$400	14%
ON	EW	$118.4	$62	$87	$115	-27%
SLAB	EW	$217.3	$83	$231	$265	6%
TXN	UW	$308.2	$184	$221	$263	-28%
Components						
AEVA	EW	$21.2	$4.5	$18.5	$52.0	-13%
Foundry						
GFS	EW	$73.8	$34	$58	$96	-21%
AMKR	EW	$72.1	$49	$69	$88	-4%
Quantum Computing						
IONQ	EW	$57.5	$6	$49	$110	-16%

Source: FactSet, Morgan Stanley Research estimates

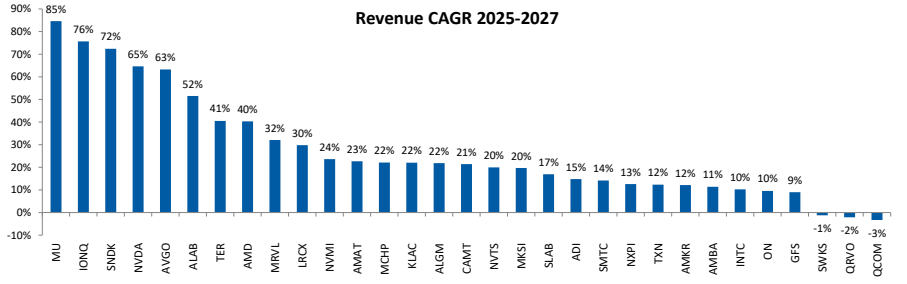
Exhibit 8: MS vs. Street

		CY2026e EPS				CY2026e Revenue		
		MS	Consensus	% Diff		MS	Consensus	% Diff
OW	ADI	$11.84	$11.77	(4%)	ADI	$14,399	$14,272	(3%)
	ALAB	$2.88	$2.95	(8%)	ALAB	$1,532	$1,531	(1%)
	ALGM	$0.93	$0.87	10%	ALGM	$1,048	$1,017	2%
	AMAT	$12.63	$11.69	(0%)	AMAT	$34,727	$32,757	(0%)
	AMBA	$0.68	$0.77	3%	AMBA	$444	$439	0%
	AVGO	$13.53	$12.47	(3%)	AVGO	$124,402	$113,265	0%
	KLAC	$43.86	$43.67	(1%)	KLAC	$15,335	$15,310	(0%)
	MKSI	$11.64	$11.65	4%	MKSI	$4,776	$4,793	1%
	MU	$78.17	$71.92	45%	MU	$139,276	$130,475	18%
	NVDA	$4.77	$8.01	6%	NVDA	$215,938	$356,491	5%
	NXPI	$14.96	$14.65	4%	NXPI	$14,138	$14,009	1%
	SNDK	$143.41	$119.02	43%	SNDK	$34,733	$30,793	7%
EW	AEVA	-$1.80	-$1.68	2%	AEVA	$33	$33	(19%)
	AMD	$7.22	$7.37	1%	AMD	$48,807	$49,490	(5%)
	AMKR	$2.07	$2.09	(8%)	AMKR	$7,570	$7,621	(4%)
	CAMT	$3.56	$3.50	10%	CAMT	$577	$571	5%
	GFS	$1.94	$1.89	(4%)	GFS	$7,250	$7,238	(1%)
	INTC	$1.12	$1.07	21%	INTC	$58,131	$58,316	0%
	IONQ	-$0.54	-$0.34	(109%)	IONQ	$266	$263	3%
	LRCX	$6.98	$6.82	2%	LRCX	$27,005	$26,875	3%
	MCHP	$2.71	$2.78	(1%)	MCHP	$5,769	$5,811	2%
	MRVL	$3.82	$3.74	3%	MRVL	$10,870	$10,628	2%
	NVMI	$10.12	$10.33	1%	NVMI	$1,057	$1,033	4%
	ON	$3.12	$3.06	8%	ON	$6,472	$6,453	(0%)
	QRVO	$6.31	$6.91	(3%)	QRVO	$3,346	$3,512	(7%)
	SLAB	$3.00	$2.75	9%	SLAB	$934	$922	1%
	SMTC	$2.10	$2.17	(2%)	SMTC	$1,218	$1,222	0%
	SWKS	$4.68	$5.03	(4%)	SWKS	$3,750	$3,933	(3%)
	TER	$8.03	$7.31	0%	TER	$4,748	$4,501	2%
UW	NVTS	-$0.17	-$0.17	13%	NVTS	$43	$42	15%
	QCOM	$9.39	$10.72	(100%)	QCOM	$40,152	$42,700	(100%)
	TXN	$7.82	$7.60	(1%)	TXN	$21,035	$20,925	(1%)

Source: FactSet, Morgan Stanley Research estimates

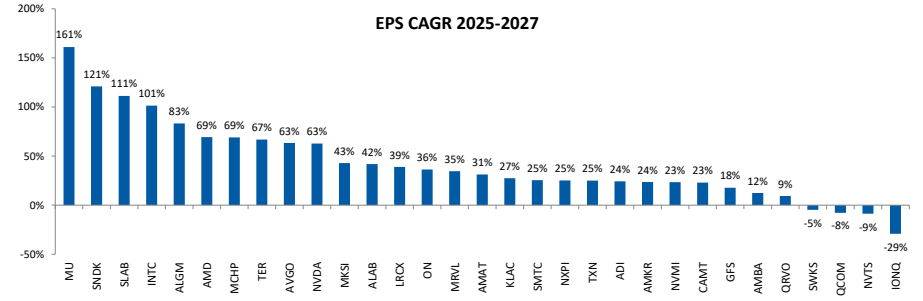
Revenue and EPS Growth

Exhibit 9: 2025-27e Revenue CAGR



Source: FactSet, Morgan Stanley estimates

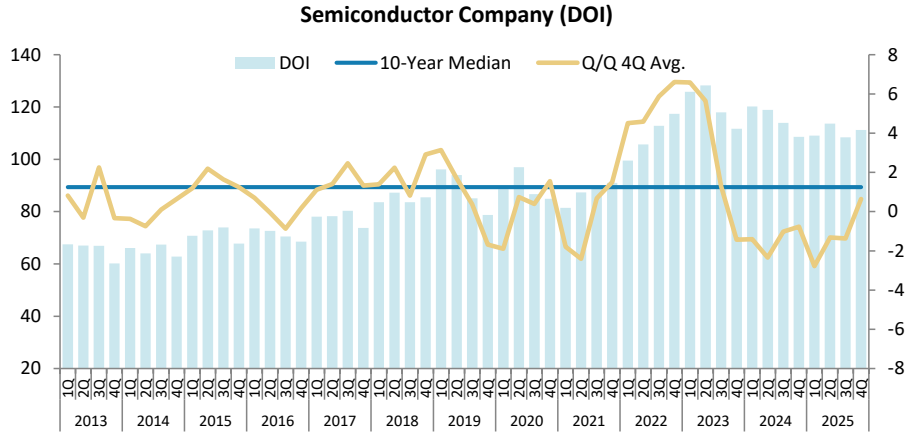
Exhibit 10: 2025-27e EPS CAGR



Source: FactSet, Morgan Stanley estimates

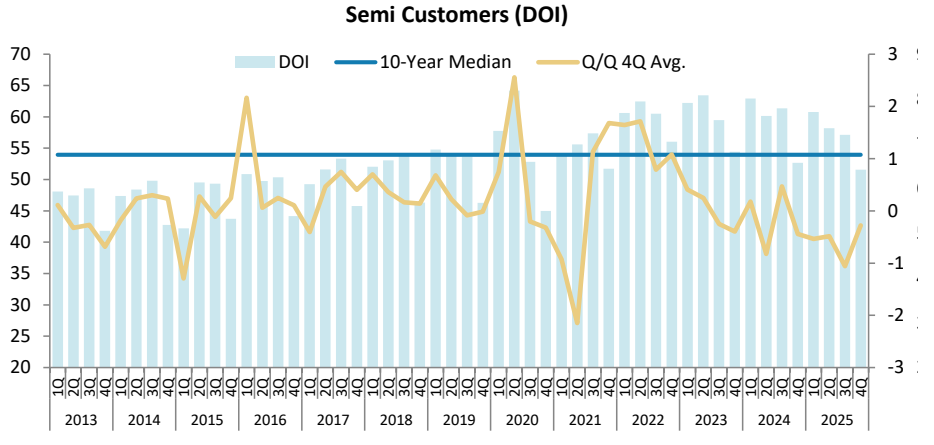
Inventory

Exhibit 11: Semiconductor Company inventory is at 111 days, up 3 days q/q which is 4 days behind of the seasonal decrease of 1 days. DOI is 22 days above the historical median and trailing 4-quarters slightly increased..



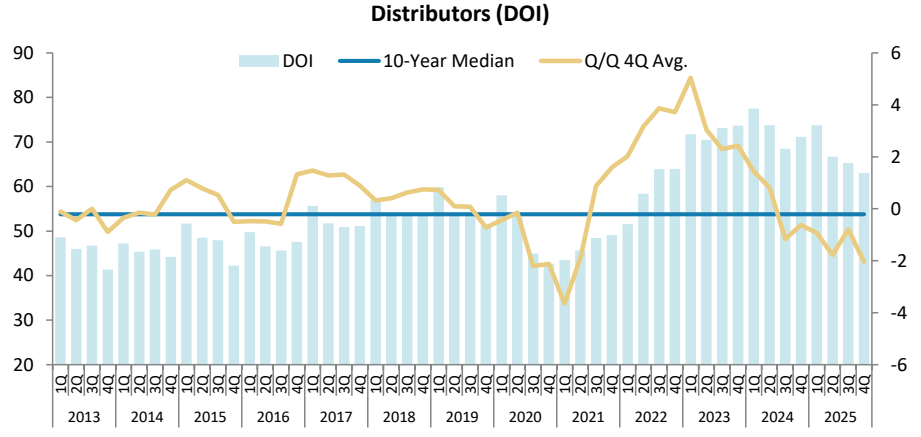
Source: FactSet, Morgan Stanley Research

Exhibit 12: Semi Customer DOI decreased 6 days sequentially to 52 days, below the seasonal decrease of 3 days. DOI is below the historical median and trailing 4 quarters increased from last quarter.



Source: FactSet, Morgan Stanley Research

Exhibit 13: Distributor inventory is at 63 days, down 2 days q/q, below the seasonal decline of 0 days. DOI is 9 days above the historical median while trailing 4-quarters decreased sequentially.



Source: FactSet, Morgan Stanley Research

Short Interest

Exhibit 14: Short Interest as % of Float

	14/May/25	12/Feb/26	14/Mar/26	14/Apr/26	14/May/26
ADI	1.6%	1.8%	1.7%	2.0%	2.2%
AEVA	5.0%	16.2%	15.0%	13.3%	12.7%
ALAB	6.3%	6.2%	6.3%	9.0%	7.7%
ALGM	8.9%	6.7%	5.5%	6.4%	5.9%
AMAT	2.1%	1.7%	1.7%	1.6%	2.0%
AMBA	3.1%	5.2%	4.5%	4.8%	6.0%
AMD	2.5%	2.1%	2.1%	2.2%	2.2%
AMKR	2.8%	3.4%	3.4%	3.5%	3.0%
AVGO	1.0%	1.1%	1.0%	1.1%	1.1%
CAMT	7.9%	7.4%	6.8%	7.6%	6.6%
GFS	1.6%	2.1%	1.9%	3.1%	1.8%
INTC	2.4%	2.2%	2.4%	2.4%	2.8%
IONQ	11.8%	21.2%	23.0%	21.7%	22.4%
KLAC	1.9%	2.0%	2.3%	2.4%	2.4%
LRCX	1.9%	2.4%	2.1%	2.2%	2.3%
MCHP	6.1%	4.8%	4.0%	5.1%	5.5%
MKSI	6.1%	4.4%	5.7%	5.5%	5.3%
MRVL	3.2%	3.9%	3.7%	3.2%	3.2%
MU	2.6%	2.7%	2.6%	2.8%	3.3%
NVDA	1.0%	1.1%	1.0%	1.2%	1.2%
NVMI	5.1%	4.0%	4.2%	5.2%	4.8%
NVTS	10.5%	17.3%	18.8%	18.6%	17.9%
NXPI	2.3%	3.3%	3.6%	3.2%	2.6%
ON	6.9%	8.7%	8.2%	7.8%	7.4%
QCOM	1.7%	3.2%	3.6%	4.1%	4.7%
QRVO	7.0%	5.1%	7.6%	7.1%	6.7%
SLAB	5.4%	5.8%	5.1%	4.6%	5.7%
SMTC	7.1%	5.6%	5.0%	5.8%	6.7%
SNDK	4.6%	5.0%	5.8%	5.4%	7.3%
SWKS	12.0%	12.3%	14.3%	13.3%	15.1%
TER	4.6%	2.9%	2.9%	3.1%	3.5%
TXN	2.2%	2.5%	2.1%	2.0%	1.7%
AVERAGE	4.8%	5.5%	5.6%	5.7%	5.8%
MEDIAN	4.6%	4.0%	4.0%	4.6%	4.8%

Source: FactSet, Morgan Stanley Research

Risk Reward Reference links

1. View explanation of Options Probabilities methodology - Options_Probabilities_Exhibit_Link.pdf

2. View descriptions of Risk Rewards Themes - RR_Themes_Exhibit_Link.pdf

3. View explanation of regional hierarchies - GEG_Exhibit_Link.pdf

4. View explanation of Theme/Exposure methodology - ESG_Sustainable_Solutions_External_Link.pdf

5. View explanation of HERS methodology - ESG_HERS_External_Link.pdf

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(as of April 30, 2026)

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	Coverage Universe		Investment Banking Clients (IBC)			Other Material Investment Services Clients (MISC)	
Stock Rating Category	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1546	42%	467	51%	30%	709	44%
Equal-weight/Hold	1568	43%	358	39%	23%	715	44%
Not-Rated/Hold	4	0%	0	0%	0%	1	0%
Underweight/Sell	555	15%	84	9%	15%	202	12%
Total	3,673		909			1627	

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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Overweight (O). The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Equal-weight (E). The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Not-Rated (NR). Currently the analyst does not have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Underweight (U). The stock's total return is expected to be below the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Unless otherwise specified, the time frame for price targets included in Morgan Stanley Research is 12 to 18 months.

Analyst Industry Views

Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.

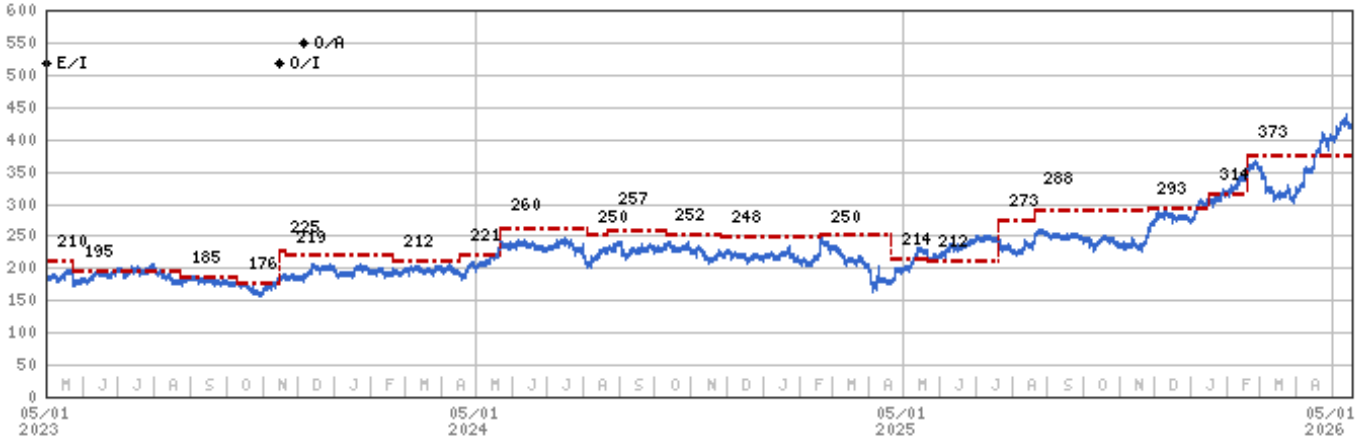
In-Line (I): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be in line with the relevant broad market benchmark, as indicated below.

Cautious (C): The analyst views the performance of his or her industry coverage universe over the next 12-18 months with caution vs. the relevant broad market benchmark, as indicated below.

Benchmarks for each region are as follows: North America - S&P 500; Latin America - relevant MSCI country index or MSCI Latin America Index; Europe - MSCI Europe; Japan - TOPIX; Asia - relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.

Stock Price, Price Target and Rating History (See Rating Definitions)

Analog Devices Inc. (ADI.O) - As of 05/18/26 GMT in USD
Industry : Semiconductors



Stock Rating History: 5/1/21 : NA/I; 9/13/21 : E/I; 11/16/23 : O/I; 12/7/23 : O/A

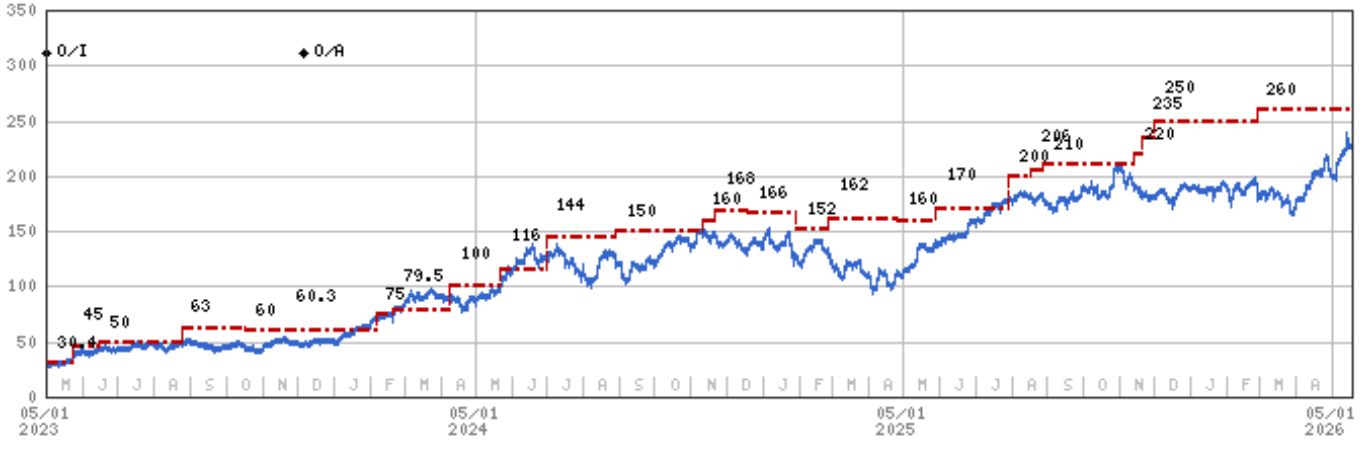
Price Target History: 10/9/20 : NA; 9/13/21 : 179; 11/23/21 : 194; 2/16/22 : 196; 5/15/22 : 178; 5/18/22 : 186; 6/9/22 : 173; 11/22/22 : 177; 2/15/23 : 210; 5/24/23 : 195; 8/23/23 : 185; 10/10/23 : 176; 11/16/23 : 225; 11/21/23 : 219; 2/21/24 : 212; 4/17/24 : 221; 5/22/24 : 260; 8/5/24 : 250; 8/21/24 : 257; 10/10/24 : 252; 11/26/24 : 248; 2/19/25 : 250; 4/20/25 : 214; 5/22/25 : 212; 7/21/25 : 273; 8/20/25 : 288; 11/25/25 : 293; 1/16/26 : 314; 2/18/26 : 373

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) Stock Price (Covered by Current Analyst)
Stock and Industry Ratings (abbreviations below) appear as ◆ Stock Rating/Industry View
Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

Effective January 13, 2014, the stocks covered by Morgan Stanley Asia Pacific will be rated relative to the analyst's industry (or industry team's) coverage.

Effective January 13, 2014, the industry view benchmarks for Morgan Stanley Asia Pacific are as follows: relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.

NVIDIA Corp. (NVDA.O) - As of 05/18/26 GMT in USD
Industry : Semiconductors



Stock Rating History: 5/1/21 : NA/I; 5/3/22 : E/I; 3/16/23 : O/I; 12/7/23 : O/A

Price Target History: 9/13/20 : NA; 5/3/22 : 21.7; 5/25/22 : 18.2; 11/17/22 : 17.5; 2/21/23 : 24.6; 2/22/23 : 25.5; 3/16/23 : 30.4; 5/24/23 : 45; 6/15/23 : 50; 8/24/23 : 63; 10/17/23 : 60; 11/21/23 : 60.3; 2/6/24 : 75; 2/21/24 : 79.5; 4/9/24 : 100; 5/22/24 : 116; 6/30/24 : 144; 8/29/24 : 150; 11/10/24 : 160; 11/21/24 : 168; 12/19/24 : 166; 1/29/25 : 152; 2/26/25 : 162; 4/25/25 : 160; 5/29/25 : 170; 7/29/25 : 200; 8/18/25 : 206; 8/28/25 : 210; 11/14/25 : 220; 11/20/25 : 235; 12/1/25 : 250; 2/26/26 : 260

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) Stock Price (Covered by Current Analyst)
Stock and Industry Ratings (abbreviations below) appear as ◆ Stock Rating/Industry View
Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

Effective January 13, 2014, the stocks covered by Morgan Stanley Asia Pacific will be rated relative to the analyst's industry (or industry team's) coverage.

Effective January 13, 2014, the industry view benchmarks for Morgan Stanley Asia Pacific are as follows: relevant MSCI country index or MSCI sub-regional index or MSCI AC Asia Pacific ex Japan Index.

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INDUSTRY COVERAGE: Semiconductors

COMPANY (TICKER)	RATING (AS OF)	PRICE* (05/15/2026)
Joseph Moore		
Advanced Micro Devices (AMD.O)	E (06/09/2024)	$424.10

Aeva Technologies Inc (AEVA.O)	E (07/19/2021)	$20.48
Allegro Microsystems Inc (ALGM.O)	O (02/13/2026)	$43.10
Ambarella Inc (AMBA.O)	O (03/29/2016)	$81.16
Amkor Technology Inc (AMKR.O)	E (11/08/2023)	$70.35
Analog Devices Inc. (ADI.O)	O (11/16/2023)	$417.49
Astera Labs Inc (ALAB.O)	O (05/11/2025)	$232.68
Broadcom Inc. (AVGO.O)	O (06/09/2024)	$425.19
GlobalFoundries Inc (GFS.O)	E (10/28/2024)	$71.03
Intel Corporation (INTC.O)	E (02/22/2023)	$108.77
IonQ Inc (IONQ.N)	E (04/25/2023)	$51.95
Marvell Technology Group Ltd (MRVL.O)	E (09/14/2015)	$176.89
Microchip Technology Inc. (MCHP.O)	E (07/10/2024)	$93.85
Micron Technology Inc. (MU.O)	O (10/06/2025)	$724.66
Navitas Semiconductor Corp (NVTS.O)	U (04/06/2025)	$21.32
NVIDIA Corp. (NVDA.O)	O (03/16/2023)	$225.32
NXP Semiconductor NV (NXPI.O)	O (02/11/2025)	$291.50
ON Semiconductor Corp. (ON.O)	E (05/11/2025)	$113.11
Qorvo Inc (QRVO.O)	E (10/28/2025)	$92.25
Qualcomm Inc. (QCOM.O)	U (02/10/2026)	$201.49
SanDisk Corporation. (SNDK.O)	O (03/03/2025)	$1,407.61
Semtech Corp. (SMTC.O)	E (04/06/2025)	$137.64
Silicon Laboratories Inc. (SLAB.O)	E (01/19/2021)	$216.59
Skyworks Solutions Inc (SWKS.O)	E (11/28/2018)	$68.53
Texas Instruments (TXN.O)	U (04/13/2020)	$302.73
Wolfspeed, INC (WOLF.N)	NR (04/06/2025)	$62.13
Lee Simpson		
Arm Holdings plc (ARM.O)	E (04/07/2026)	$209.16
Cadence Design Systems Inc (CDNS.O)	O (02/14/2024)	$347.24
Synopsys Inc. (SNPS.O)	E (02/27/2026)	$502.42

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