

Asia Tech: Navigating The Noise Conference Call Series

Vanguard (5347 TT) 8-inch foundry for PMIC & DDIC

Speaker: Ms. Janey Liu, Investor Relations

Key Findings:

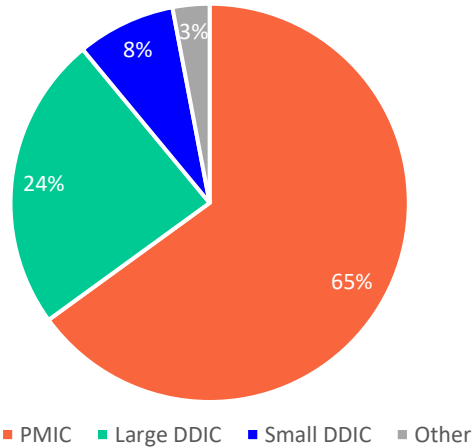
- Overall recovery remains muted / **low utilization driving pricing pressure, especially in display**
- 4Q 24 down 10-12% q/q as CE pulled forward demand, auto & industrial flattish, **SP PMIC share gains**
- PMIC 65% of sales and increasing / higher ASP & GM
- DDIC 30% sales / **share losses to Nexchip (688249 CH)** & other Chinese in large panels
- Geopolitics: customers continue moving wafers for **SP & Server PMIC** to Taiwan, from China
- China auto seeing rush orders given promotional activity

Next Events: [Inventec \(2356 TT\)](#) Nov 14th, [Pegatron \(4938 TT\)](#) Nov 19th, [Tech Tour: Taiwan, Korea, Japan Dec 2-12](#)

Source: Bloomberg and NSR estimates and analysis.

Vanguard (5347 TT, 94 TWD) EV 4.8 US\$bn Yield 4.4% ADTV 28 US\$m

Sales Mix



Company Overview

Application Mix

- 50% Auto & Industrial / 50% 3C's

PMIC

- Share gains as customers shift wafers to Taiwan vs. China
- Japan & European IDM's increasing outsourcing to Vanguard

DDIC

- 20% share globally, down from 28%
- China suppliers Nexchip & Chipone gaining share

Strategic initiatives

- 12-inch Singapore fab breaks ground before year end
- SiC partnership with Episil (3707 TT)

Competition

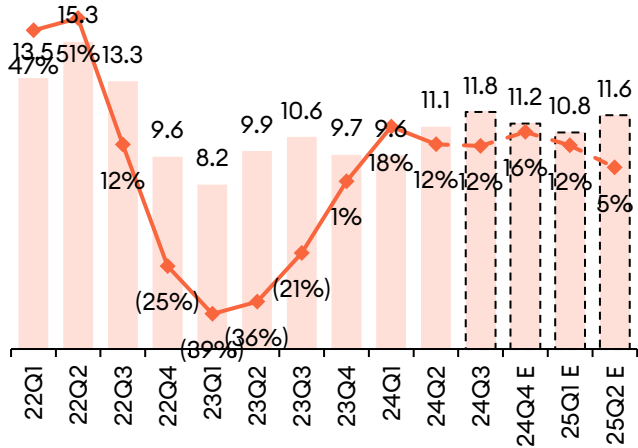
- UMC (2303 TT)
- SMIC (688981 CH)
- Nexchip (688249 CH)
- Chipone (Private)
- GlobalFoundries (GF US)
- Powerchip (6770 TT)

Key Topics

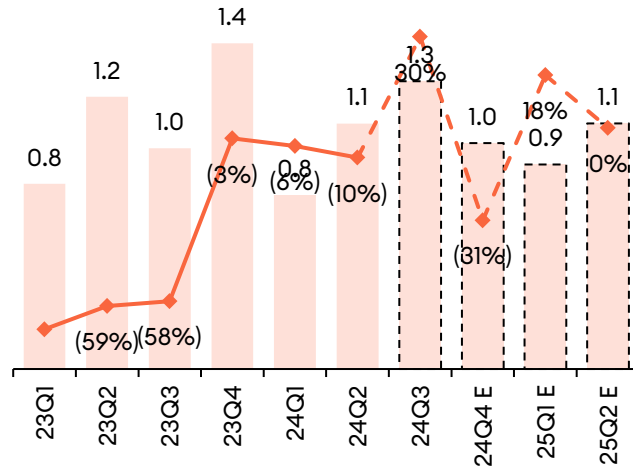
- Customers remain cautious: 4Q 24 down 10% q/q due to prior CE pull ins, auto & industrial flat, SP PMIC share gains
- Demand is 'event' driven. TV pulled in for Olympics but no follow through
- PC saw rush orders in 2Q/3Q 24 but customers cautious into 4Q 24
- '25 flat to up LSD digits driven by PMIC & AI
- Auto & Industrial may pick up in '25, but customers unlikely to load wafers until early 1Q 25
- UTR declines to 65% in 4Q 24
- Electricity & chemical costs increasing pressuring margins.
- Inventory down from peak but will remain higher vs. pre-pandemic as customers desire buffer stock

Vanguard (5347 TT)

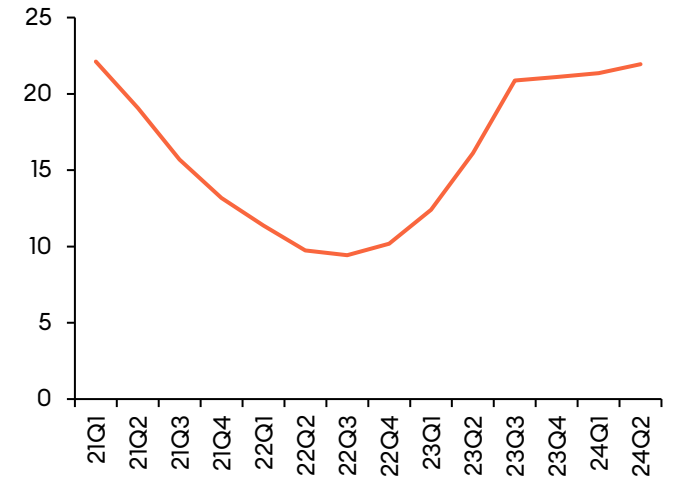
Revenue (TWD\$bn)



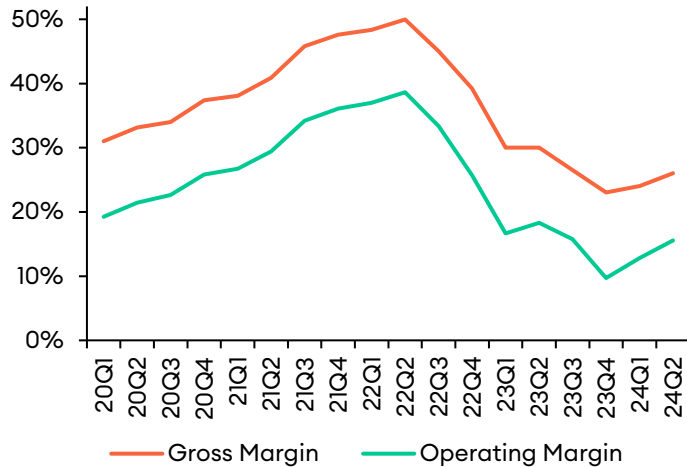
EPS (TWD)



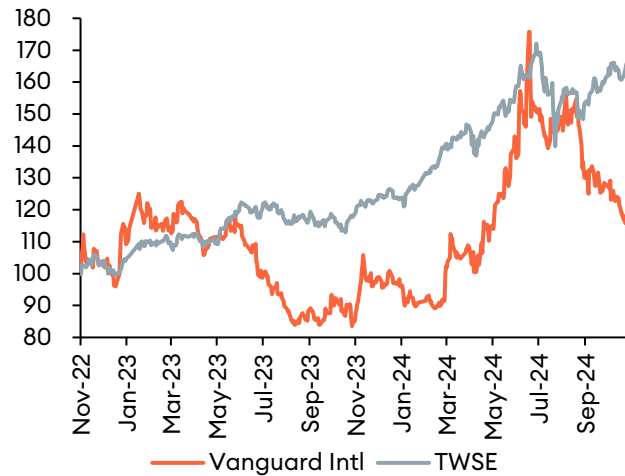
P/E



Margins (%)



Relative Performance (last 2 years)



DIO (days)

