



TBC CAPITAL

GLOBAL INDUSTRY OVERVIEW

SEMICONDUCTORS

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Industry Snapshot

INDUSTRY KEY PARAMETERS (WEIGHTED AVERAGE)

1.80
Beta (vs SPY)

1.17%
Dividend Yield

16.38
Price To Book

0.85
Correlation (with SPY)

83.18
Price To Earnings

12.56
Price To Sales

0.45
Debt To Equity

30.64
EV To EBITDA

5.28
PEG Ratio

INDUSTRY RATIONALE

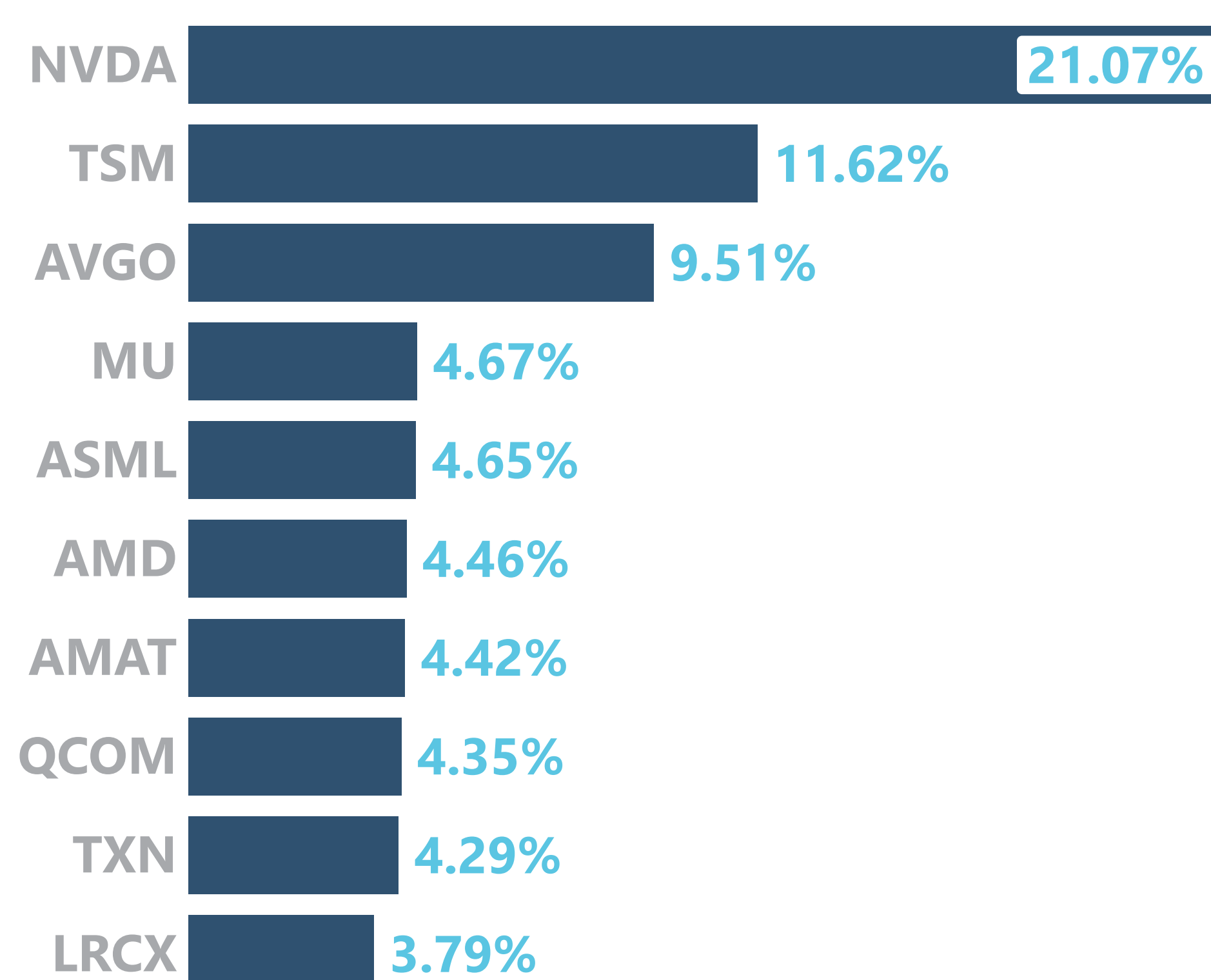
The semiconductor industry is shaped by a small group of leaders: TSMC, Samsung and Intel dominate chip fabrication, while Nvidia, AMD, Qualcomm and Broadcom drive design innovation. TSMC's foundry network powers the most advanced nodes globally, Samsung remains a formidable rival in both logic and memory, and Intel has refocused on regaining process leadership in x86 CPUs. On the design side, Nvidia's GPUs define AI acceleration, AMD's CPUs and FPGAs (via Xilinx) expand high-performance compute, and Qualcomm and Broadcom furnish critical connectivity and custom ASICs.

Robust tailwinds are boosting growth. Explosive demand for AI and cloud computing is pushing investments into leading-edge nodes and high-bandwidth memory. Simultaneously, continued 5G deployments, electric and autonomous vehicles, IoT expansion and on-device intelligence are opening multibillion-dollar markets for RF front-ends, automotive SoCs and edge-AI processors.

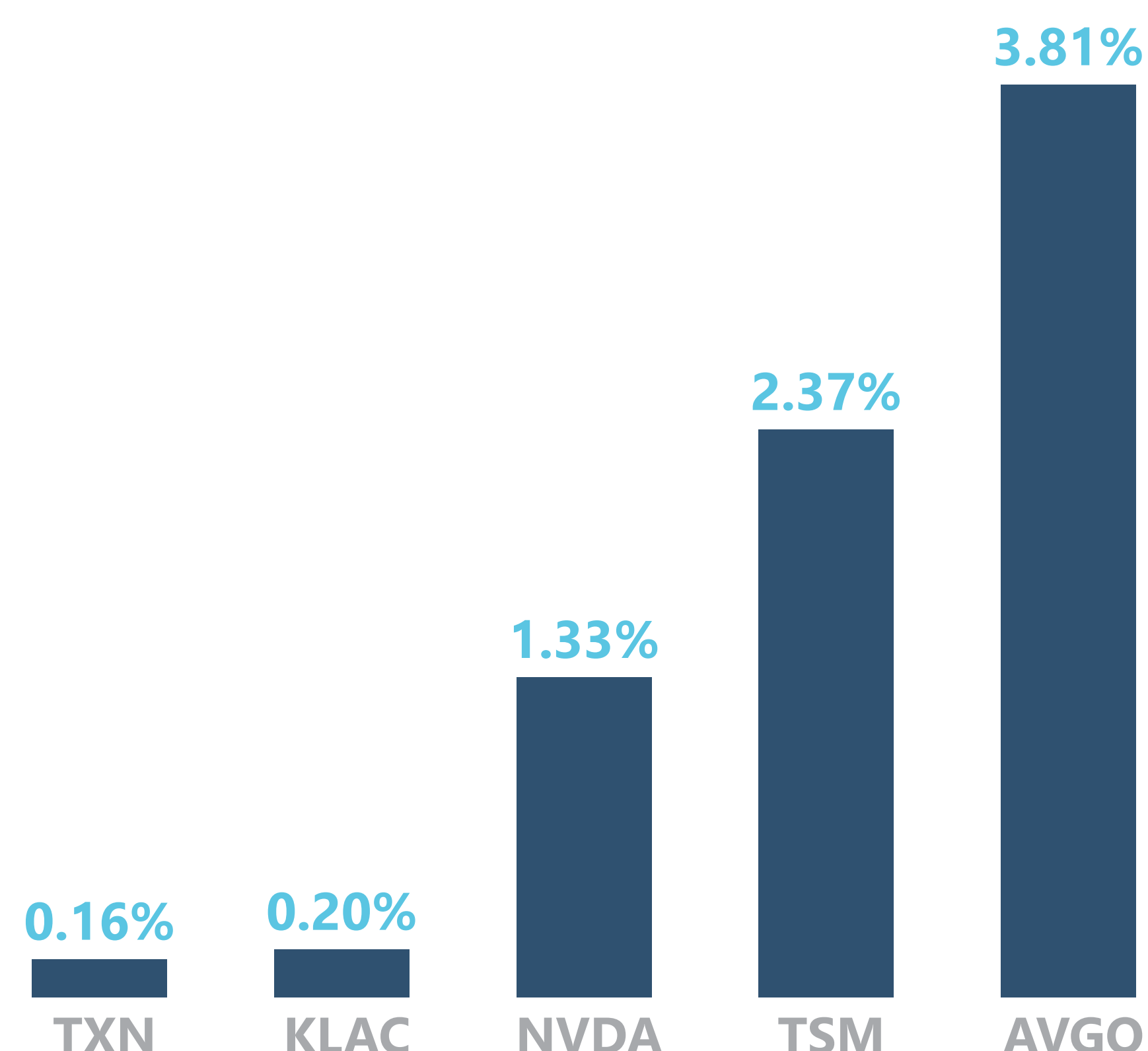
Yet headwinds remain significant. Macroeconomic uncertainty—from higher interest rates to softening consumer electronics demand and inventory corrections—clouds near-term revenue prospects. Geopolitical tensions among the U.S., China and Taiwan have spurred export controls and encouraged supply-chain reshoring under CHIPS and EU subsidy programs.

Looking ahead, global capex on new fabs and equipment is set to climb toward \$400 billion by 2027, led by China, South Korea and Taiwan. Industry success will depend on balancing investment in next-generation nodes (2nm, EUV) with agility in legacy markets, all while navigating a complex geopolitical and regulatory landscape.

INDUSTRY ETF'S TOP 10 HOLDINGS

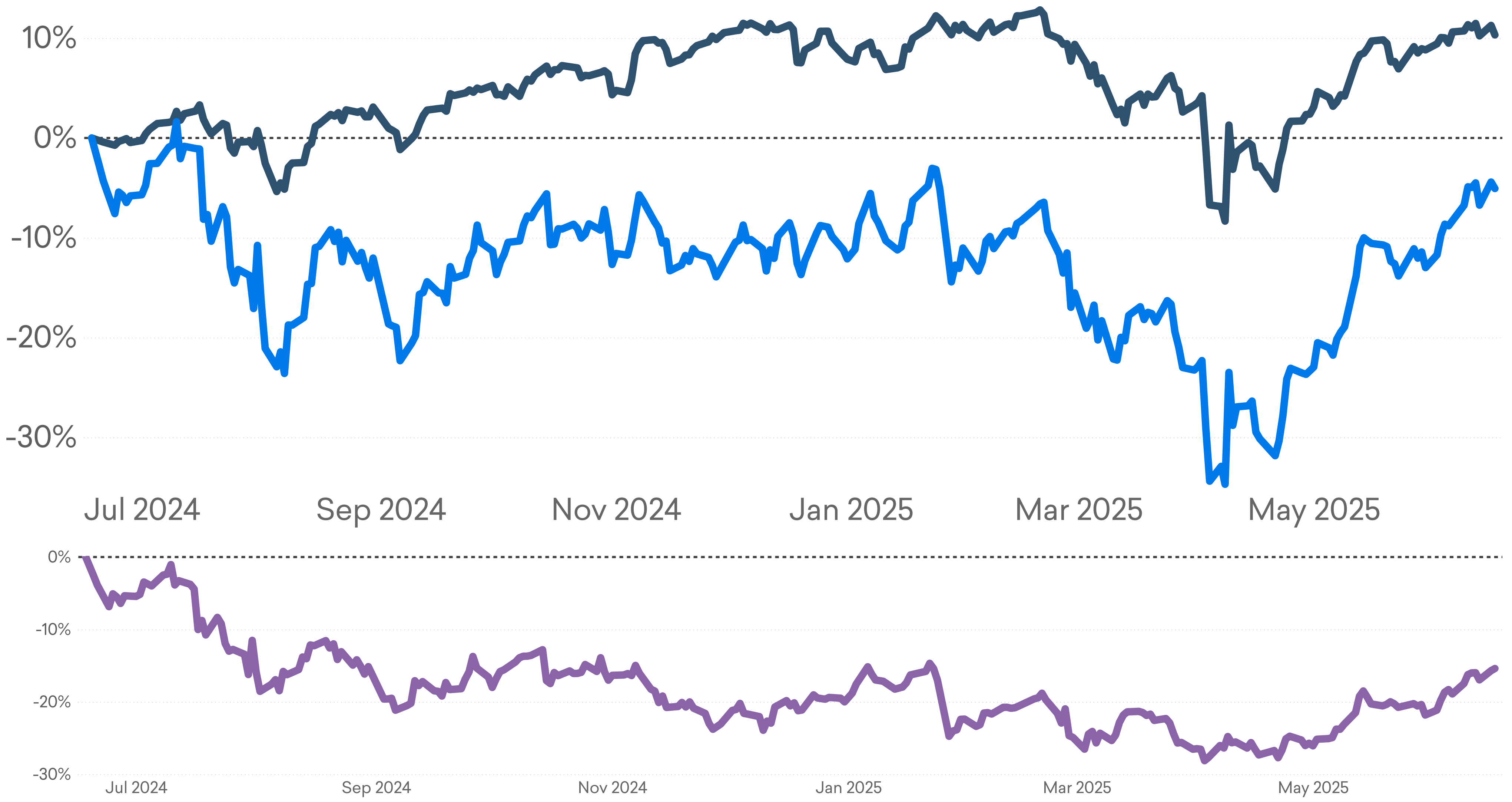


TOP 5 GROWTH CONTRIBUTORS



INDUSTRY KEY PARAMETERS (WEIGHTED AVERAGE)

— S&P 500 (SPY) — VanEck Semiconductor ETF



INDUSTRY ETF's COUNTRY WEIGHTINGS

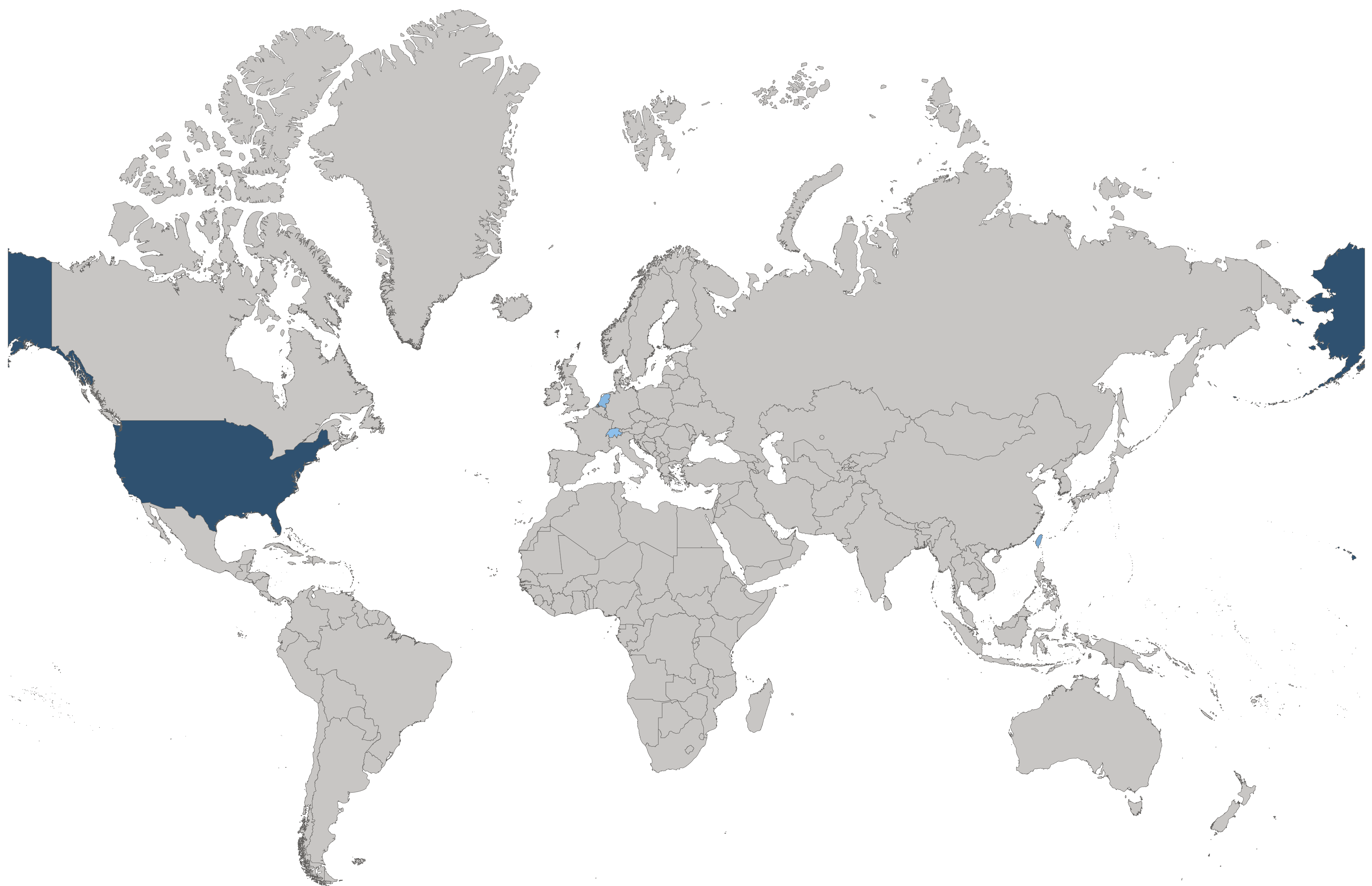
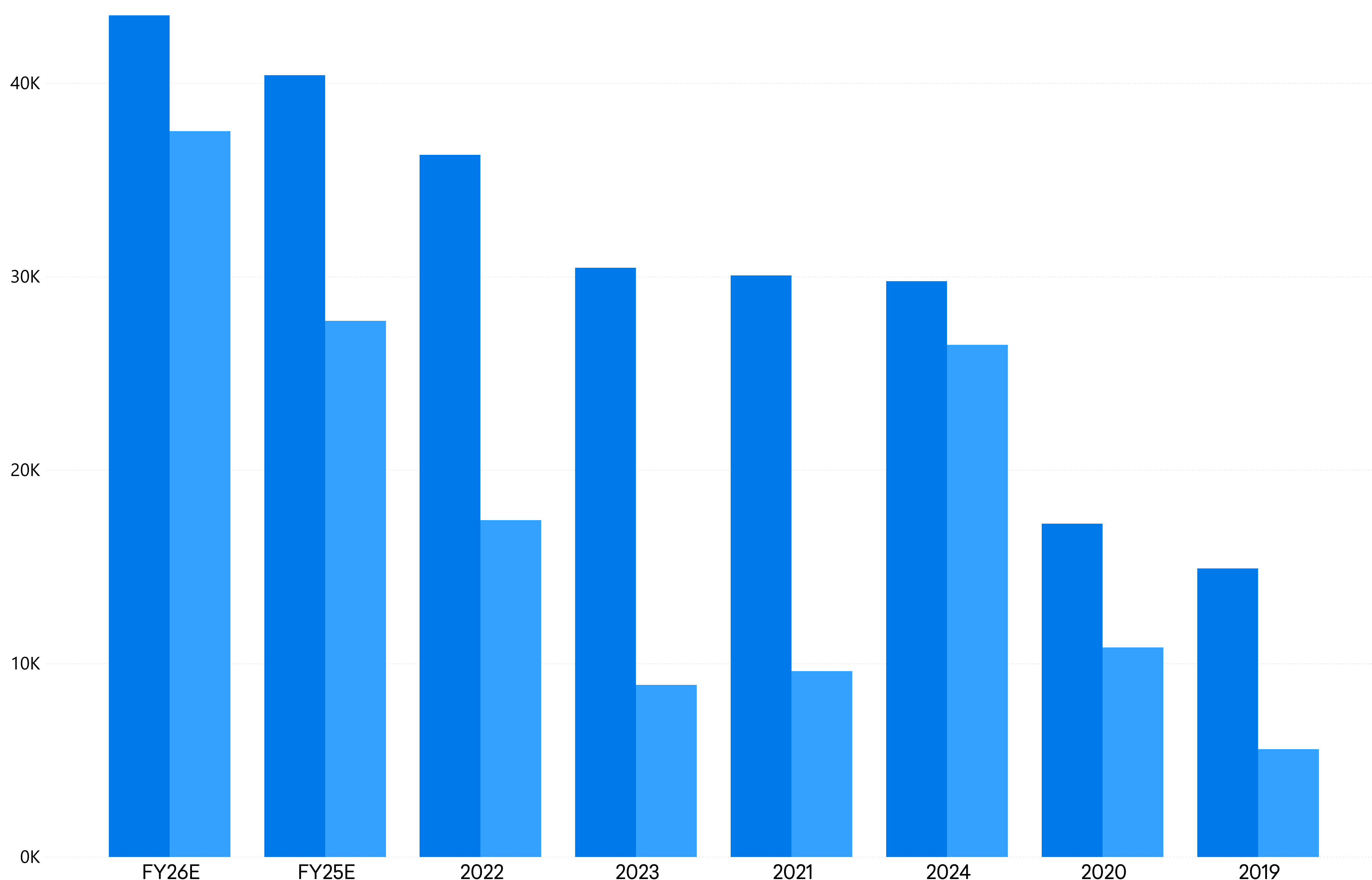


Chart of the Industry

TSMC CAPEX AND SPENDING PLANS STRENGTHEN ITS POSITIONS

● CAPEX ● FCF



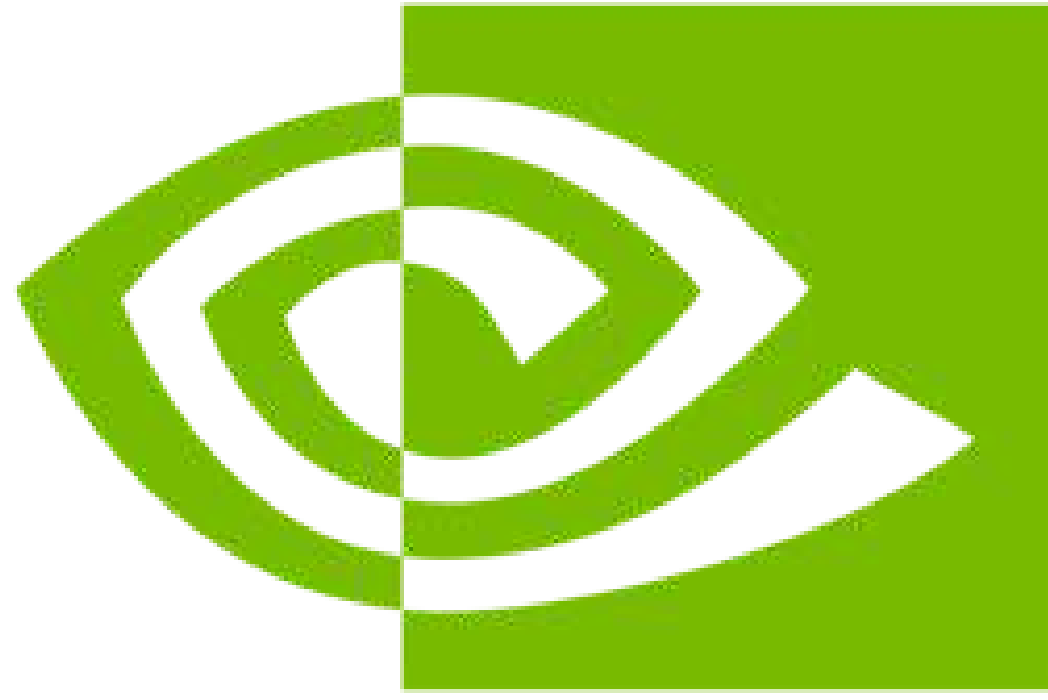
The growing capital-spending plan of Asia technology majors, including TSMC, SK Hynix, Hon Hai, Xiaomi and Lenovo, might strengthen their respective market positions, meet with an AI tailwind and reduce tariff risks. The collective capex, reaching \$67 billion in 2025 and \$71 billion in 2026, is unlikely to pressure their high-grade credit ratings given an ample financial buffer to navigate potential cost increases and the elevated capex plan.

With TSMC's plan to boost capital spending in the US to \$165 billion, its capex plan might rise to \$42 billion in 2025 and \$46 billion in 2026. Higher capex should be supported by a solid net cash position of \$44 billion and strong cash flow. TSMC's US investment plan might help offset some geopolitical risk and improve its supply chain, as production will be closer to key customers like Apple and Nvidia. Yet increasing scale might lengthen the break-even time, and margins could be diluted more than the current guidance of 2-3%.

Amid expectations of a chip-tariff hit by late June, TSMC's \$165 billion capex plan might increase its chance of a US exemption. TSMC's US plan would provide a major boost to onshore chip production, potentially covering 40-50% of US needs for cutting-edge chips.

Stocks To Watch - Part 1

NVIDIA CORPORATION - (NVDA)



\$144.12

Current Price

\$86.62 - 153.13

52 Week Range

▲10.23%

52 Week Change

\$3,516,528,000,000

Market Capitalization

2.12

Beta

38.60

EV To EBITDA

45.88

Price To Earnings

0.12

Debt To Equity

COMPANY OVERVIEW

NVIDIA Corporation, headquartered in Santa Clara, California, provides graphics, computing, and networking solutions globally. Its Graphics segment includes GeForce GPUs for gaming and PCs, the GeForce NOW streaming service, RTX GPUs for enterprise use, vGPU software for virtual computing, and automotive infotainment platforms. It also offers Omniverse software for 3D design and virtual environments. The Compute & Networking segment covers AI and HPC data center platforms, Mellanox networking, Jetson for robotics, autonomous driving solutions, and NVIDIA AI Enterprise software. NVIDIA serves markets including gaming, professional visualization, data centers, and automotive, and sells to OEMs, cloud providers, automakers, and developers.

POTENTIAL CATALYSTS/RATIONALE

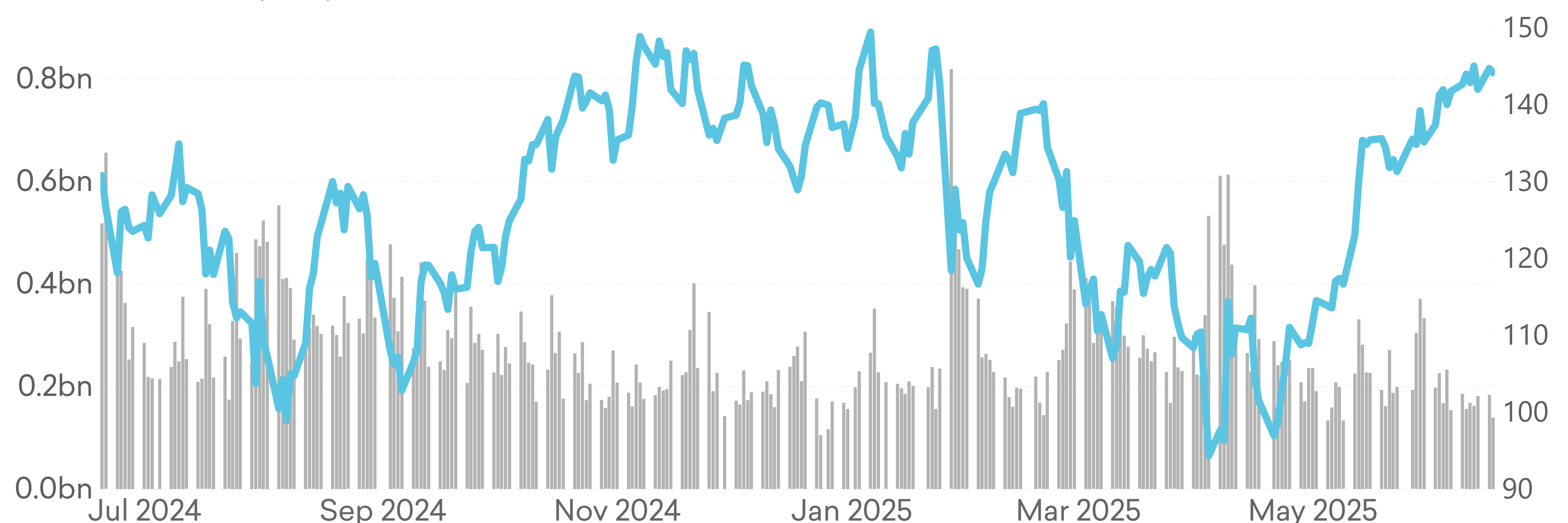
NVIDIA continues to lead the AI boom, supported by strong demand for its GPUs and the upcoming Blackwell platform. Its recent contracts to deliver over 3,000 exaflops of computing power across Europe reinforce its leadership in high-performance computing. The company's move to expand production in Arizona and Texas reduces reliance on China and signals long-term strategic resilience.

POTENTIAL RISKS

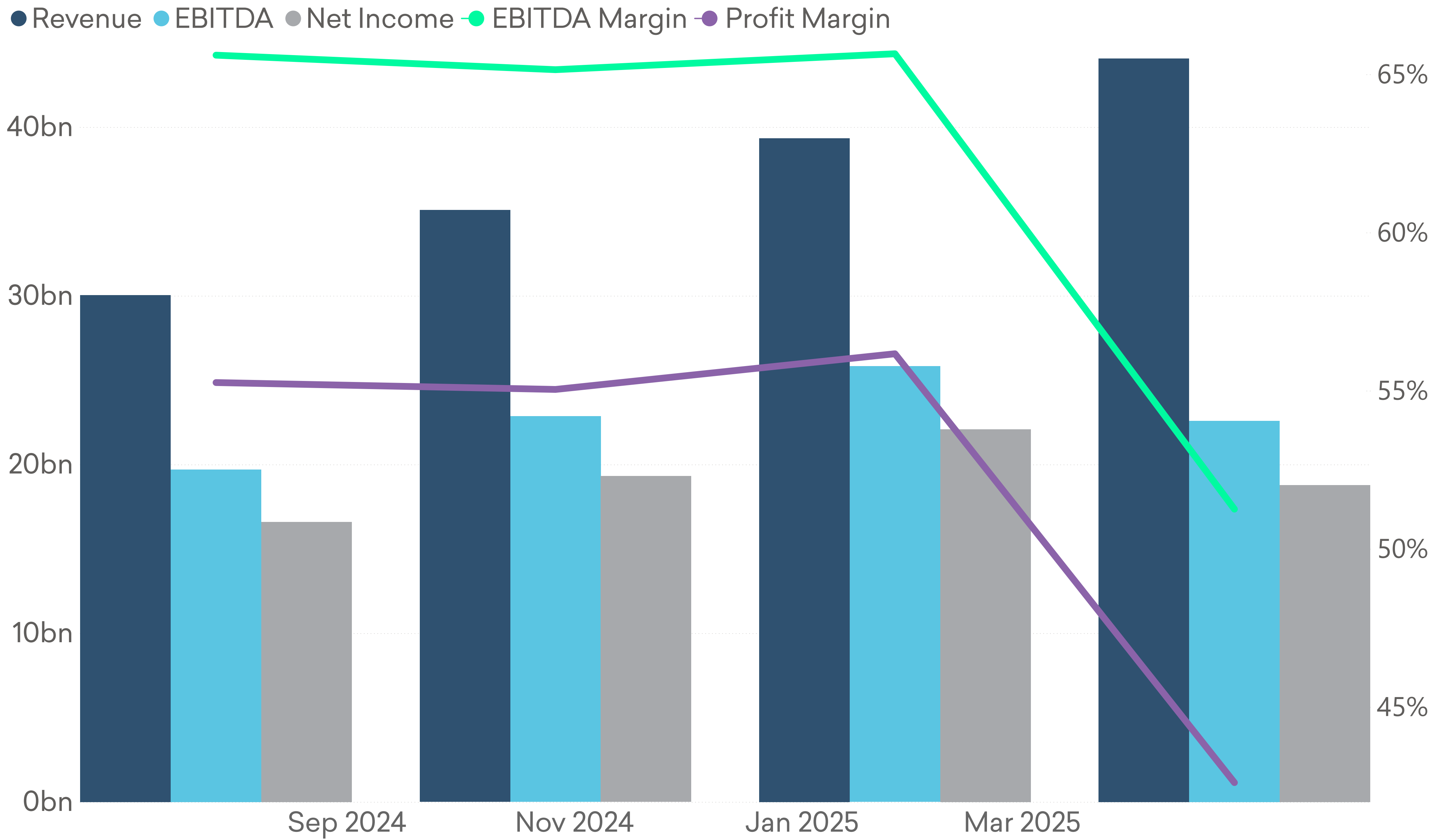
NVIDIA faces pressure from tightening U.S. export controls on advanced chips to China, leading to delivery delays and potential revenue hits. Geopolitical risks, especially involving Taiwan, threaten supply chains and investor sentiment. Regulatory scrutiny, extended delivery cycles, and stretched valuations also pose downside risks.

ONE YEAR PRICE PERFORMANCE AND VOLUME

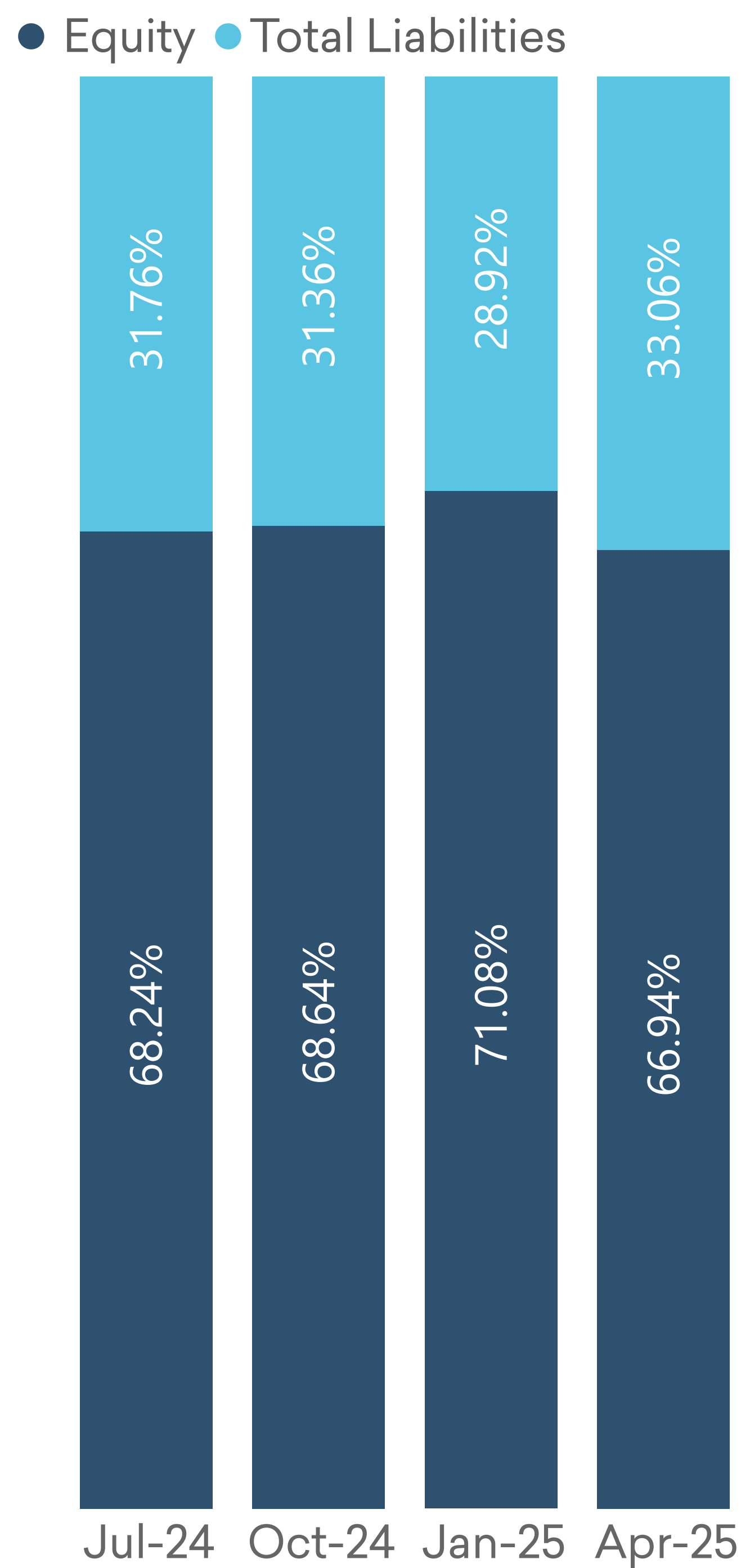
● Volume — Price (RHS)



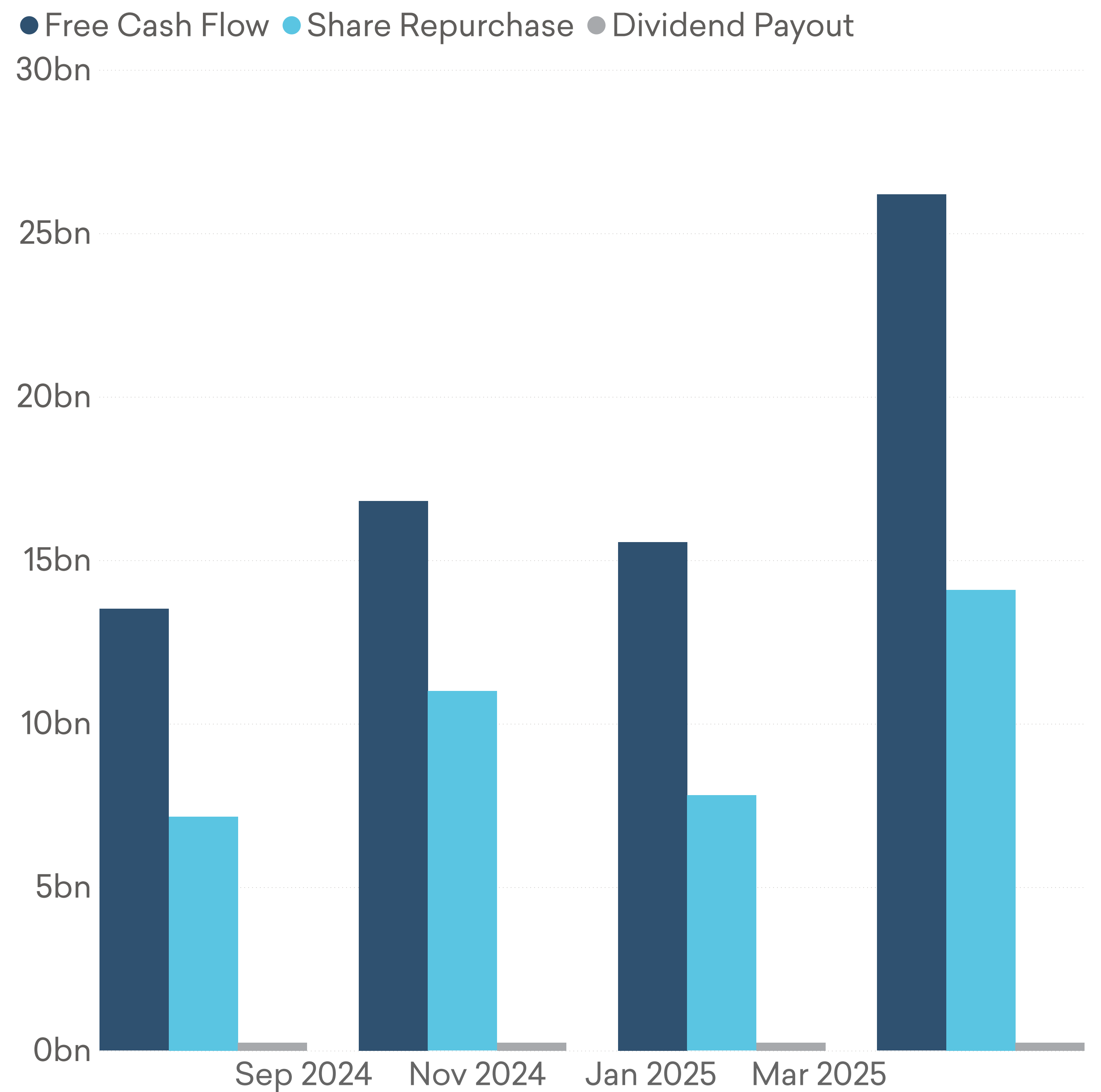
PROFITABILITY



CAPITAL STRUCTURE

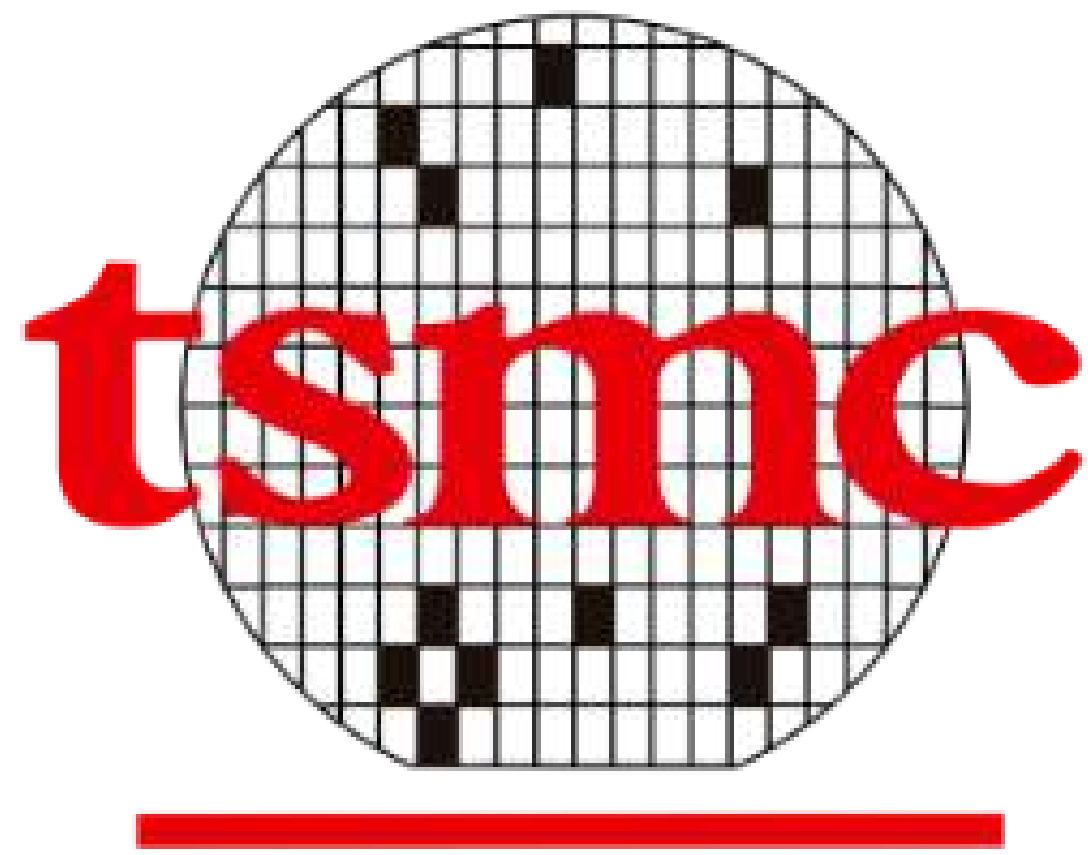


CASH FLOWS



Stocks To Watch - Part 2

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED - (TSM)



\$213.9

Current Price

\$133.57 - 226.4

52 Week Range

▲ 23.34%

52 Week Change

\$27,355,465,305,000

Market Capitalization

1.34

Beta

11.68

EV To EBITDA

20.90

Price To Earnings

0.21

Debt To Equity

COMPANY OVERVIEW

Taiwan Semiconductor Manufacturing Company Limited (TSMC) manufactures, packages, tests, and sells integrated circuits and semiconductor devices globally, including in Taiwan, China, the U.S., Europe, and Japan. It offers a wide range of wafer fabrication processes such as CMOS logic, RF, mixed-signal, embedded memory, and others. TSMC also provides customer and engineering support, produces photomasks and color filters, invests in tech start-ups, and offers investment services. Its chips are widely used in high-performance computing, smartphones, IoT, automotive, and consumer electronics. Founded in 1987, the company is headquartered in Hsinchu City, Taiwan.

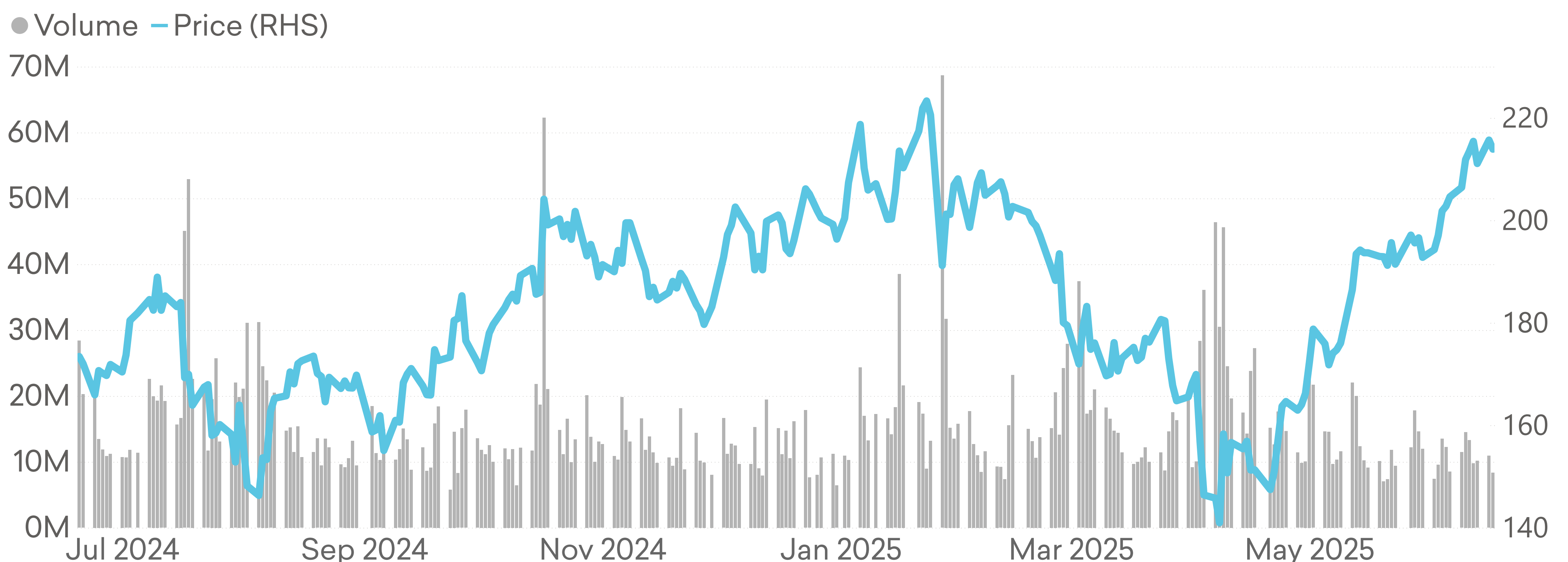
POTENTIAL CATALYSTS/RATIONALE

TSMC is capitalizing on global expansion, investing over US\$165 billion in fabs across the U.S., Japan, Germany, and the UAE, now supplying major clients like Apple and NVIDIA. As the world's top foundry for AI and high-performance chips, TSMC stands to gain from surging global demand. Its exemption from recent tariffs further supports growth stability.

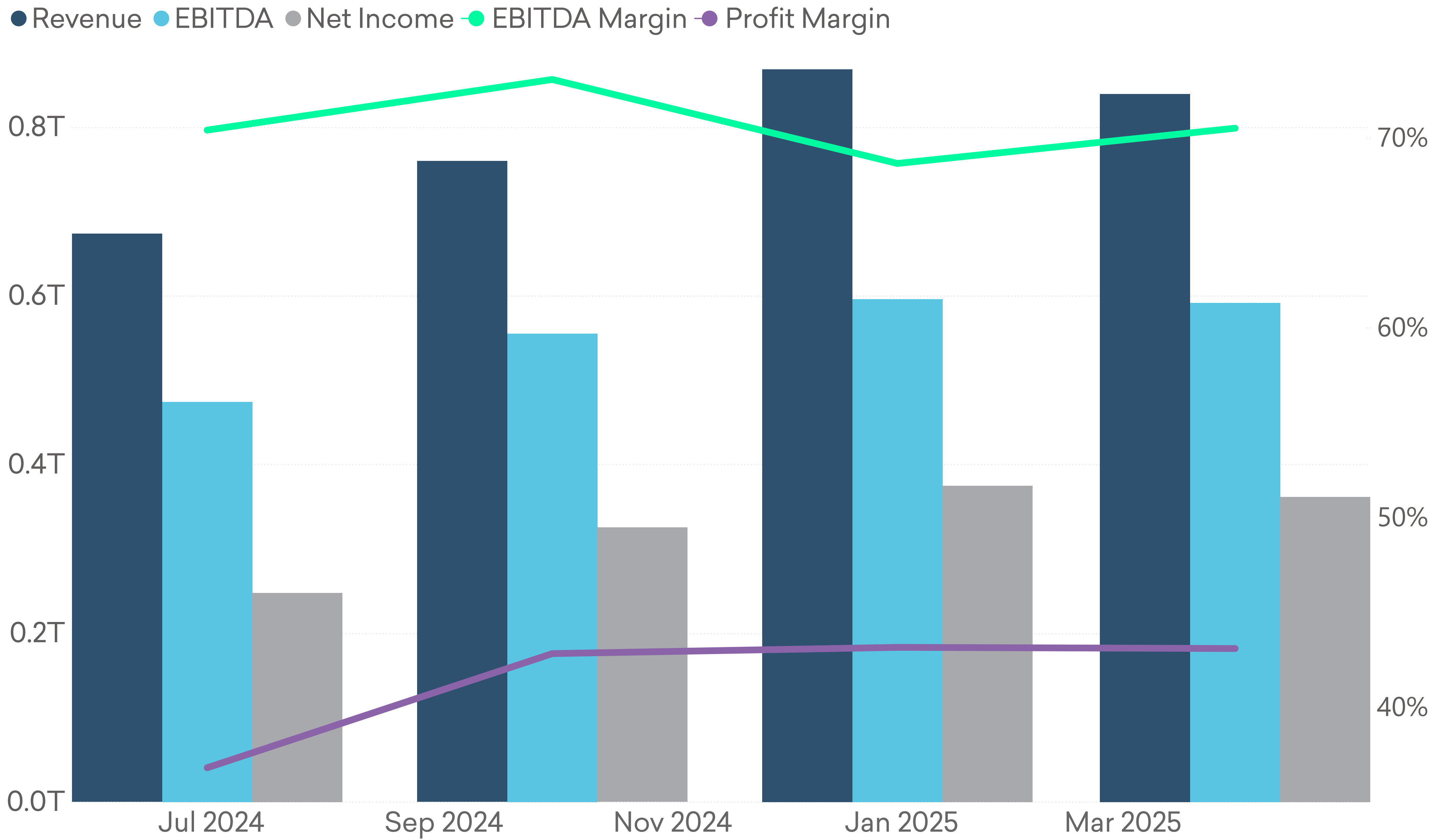
POTENTIAL RISKS

The company remains exposed to geopolitical instability in the Taiwan Strait, where any escalation could severely impact operations. U.S. expansion efforts face delays, staffing shortages, and higher costs. TSMC also grapples with cybersecurity threats and environmental pressures on its energy- and water-intensive production.

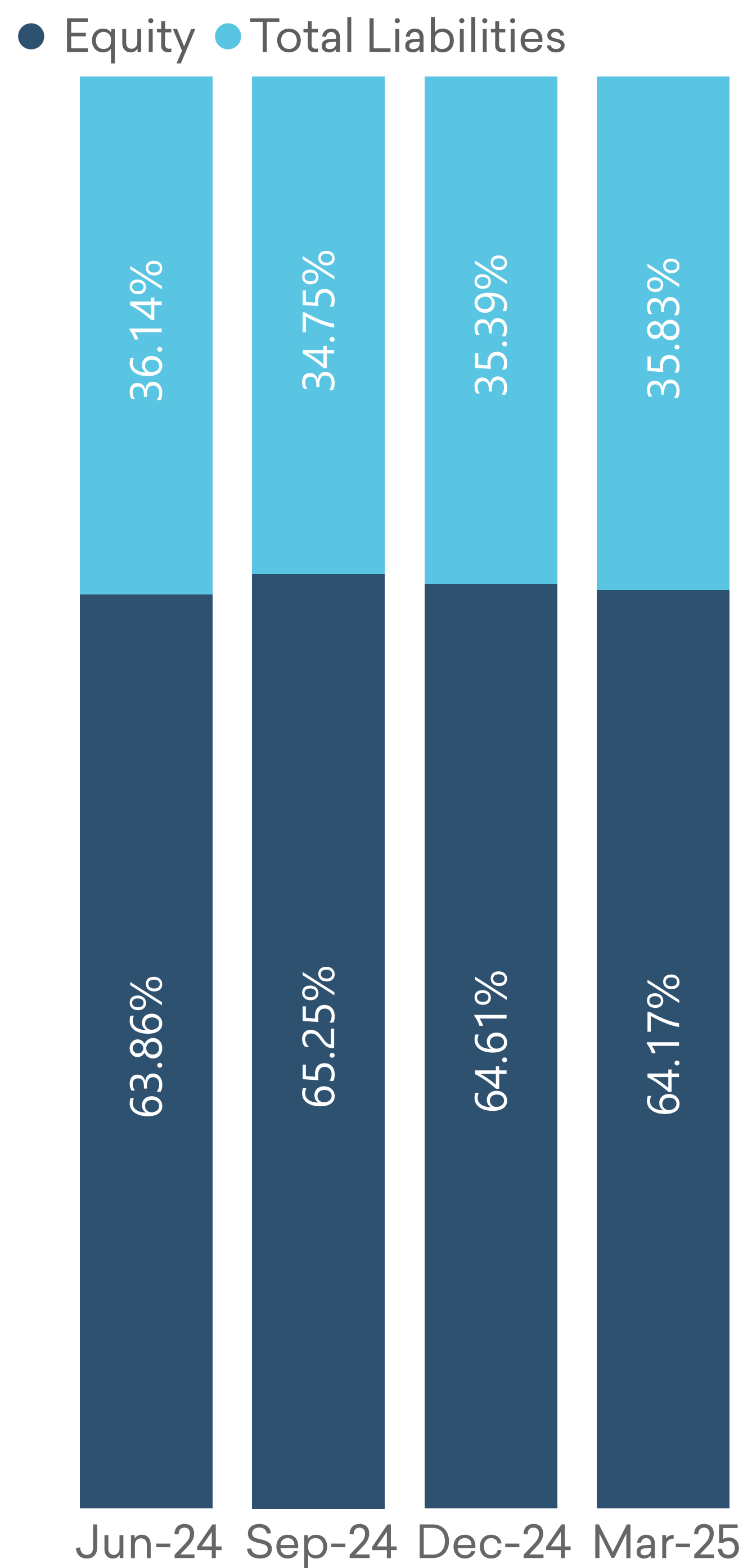
ONE YEAR PRICE PERFORMANCE AND VOLUME



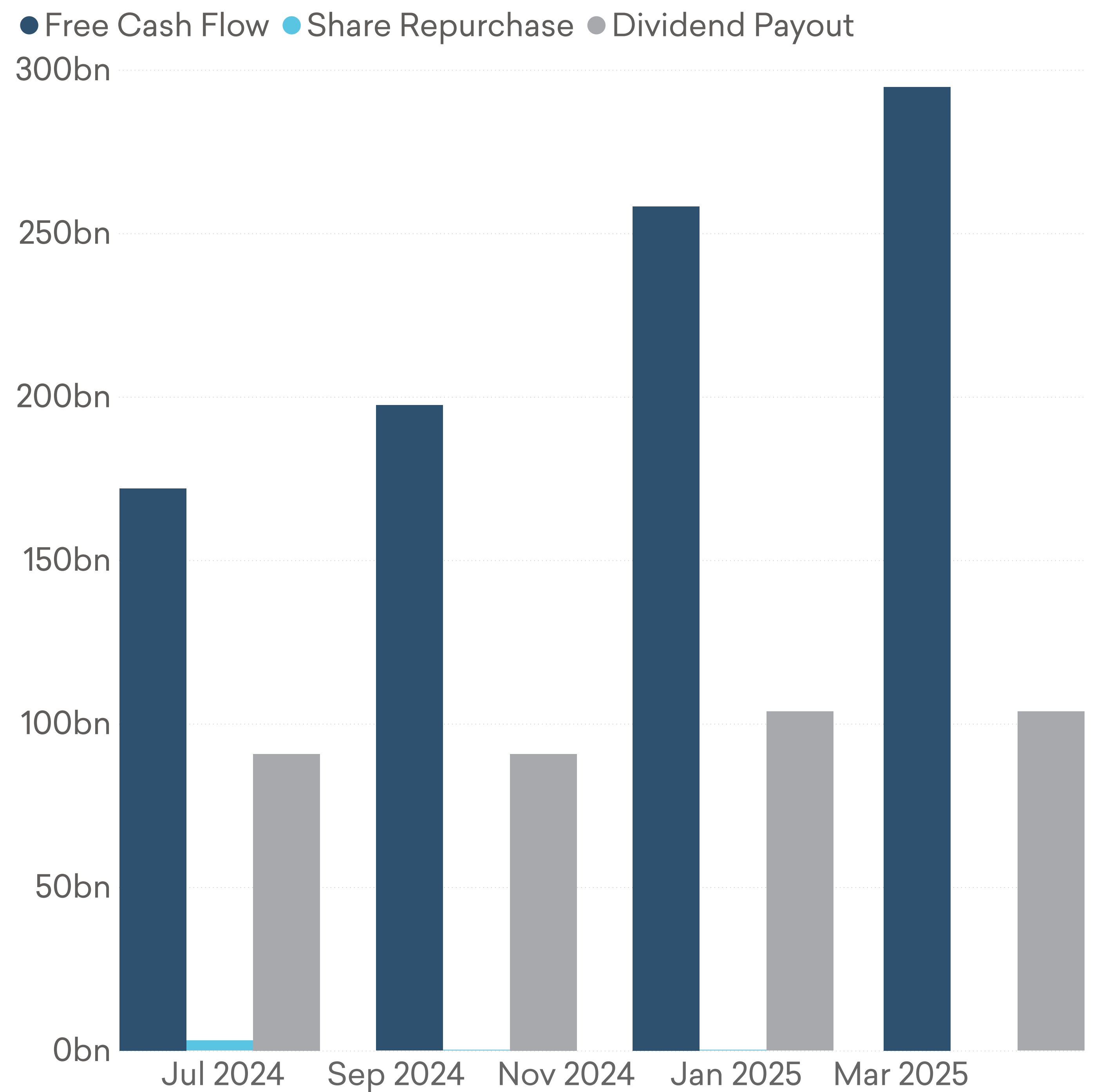
PROFITABILITY



CAPITAL STRUCTURE



CASH FLOWS



Stocks To Watch - Part 3

BROADCOM INC. - (AVGO)



\$249.37

Current Price

\$128.5 - 265.43

52 Week Range

▲ 45.52%

52 Week Change

\$1,172,904,313,900

Market Capitalization

1.12

Beta

40.91

EV To EBITDA

90.87

Price To Earnings

0.97

Debt To Equity

COMPANY OVERVIEW

Broadcom Inc., headquartered in San Jose, California, designs and supplies a wide range of semiconductor devices and infrastructure software worldwide. Its Semiconductor Solutions segment includes chips for networking, broadband, wireless connectivity, storage, and industrial applications, such as SoCs, RF modules, Ethernet chips, and optical components. The Infrastructure Software segment offers enterprise software for cybersecurity, storage, and IT operations. Broadcom's products are used across data centers, telecom, smartphones, home connectivity, industrial automation, and power systems. The company was incorporated in 2018.

POTENTIAL CATALYSTS/RATIONALE

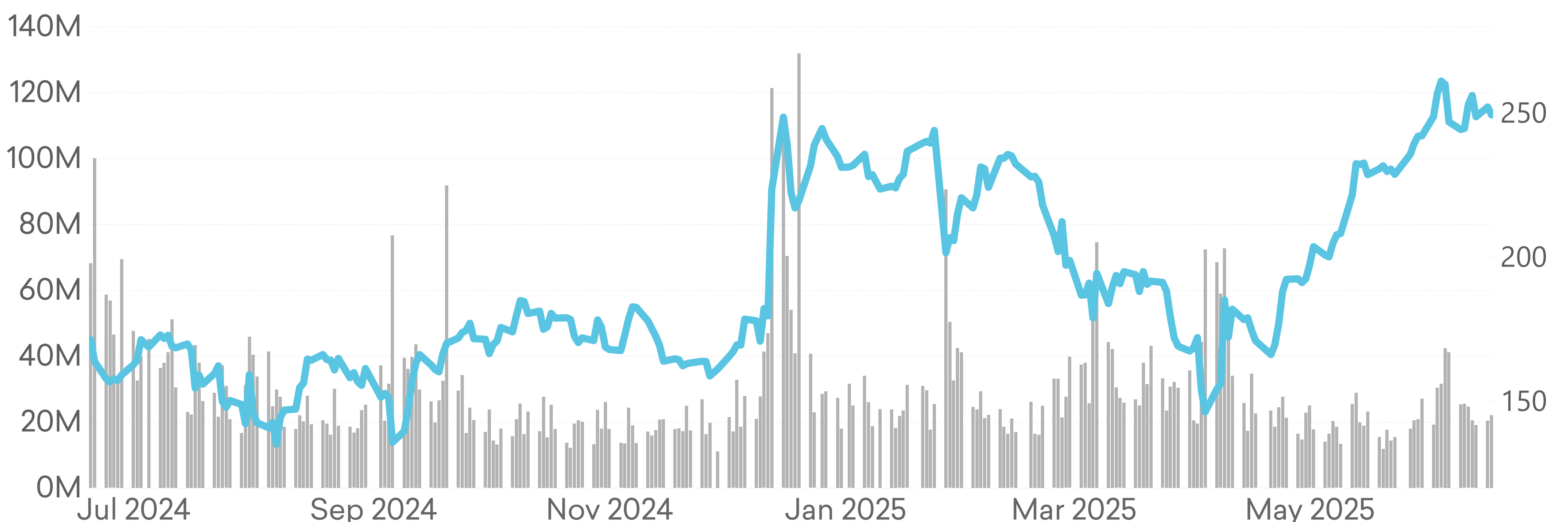
Broadcom is growing rapidly in the AI chip space through custom ASICs used by major hyperscalers and strong product lines like Tomahawk 6. Its VMware acquisition adds stable software revenues, complementing its hardware business. With robust free cash flow, Broadcom can sustain buybacks and dividends, while AI-related revenue is projected to rise sharply in coming years.

POTENTIAL RISKS

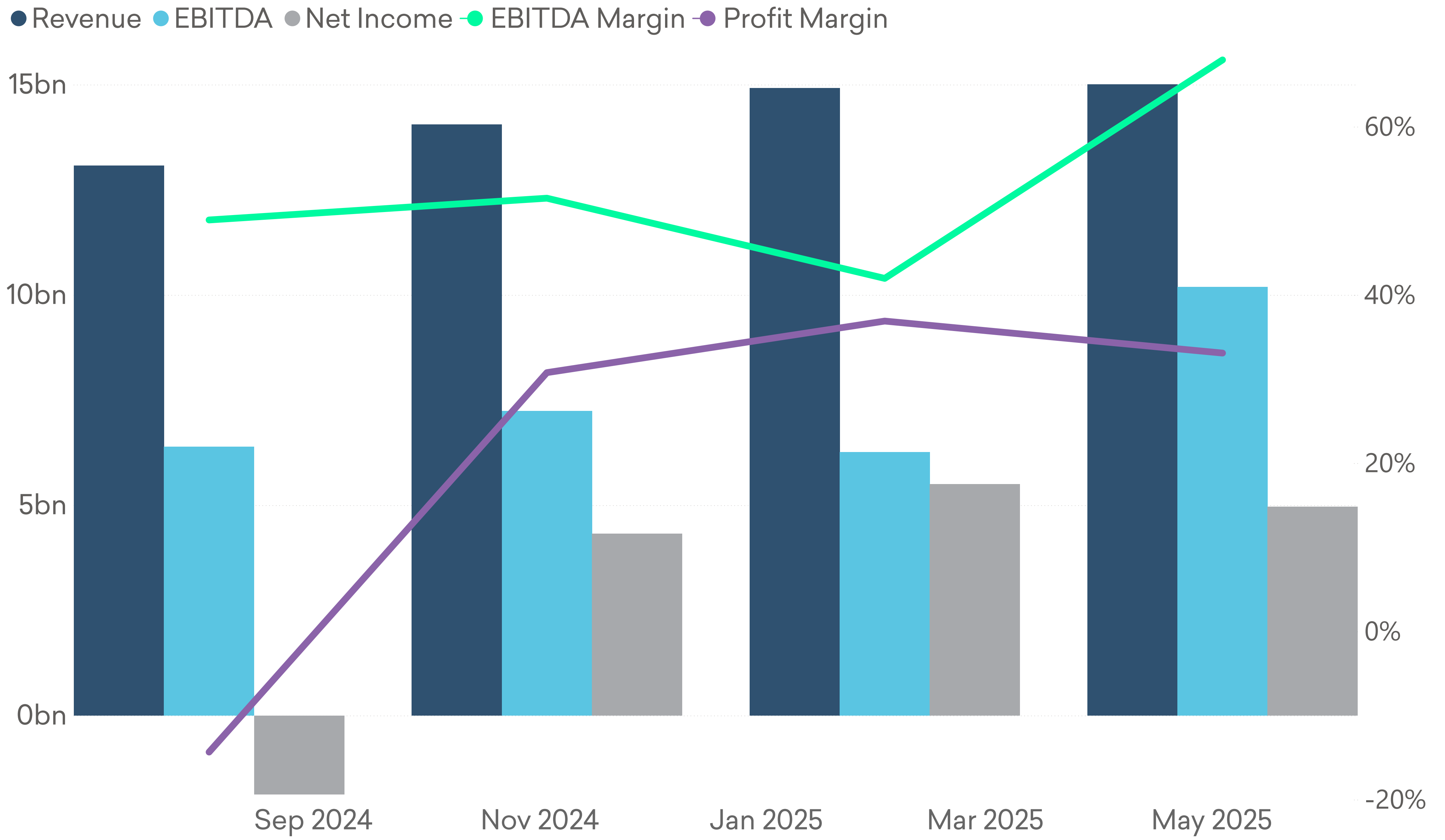
High valuation levels may limit future upside, especially if growth slows. The VMware deal adds significant debt, increasing vulnerability to rising rates or economic downturns. Broadcom's exposure to China also creates risk amid ongoing trade tensions, alongside broader regulatory and supply chain uncertainties.

ONE YEAR PRICE PERFORMANCE AND VOLUME

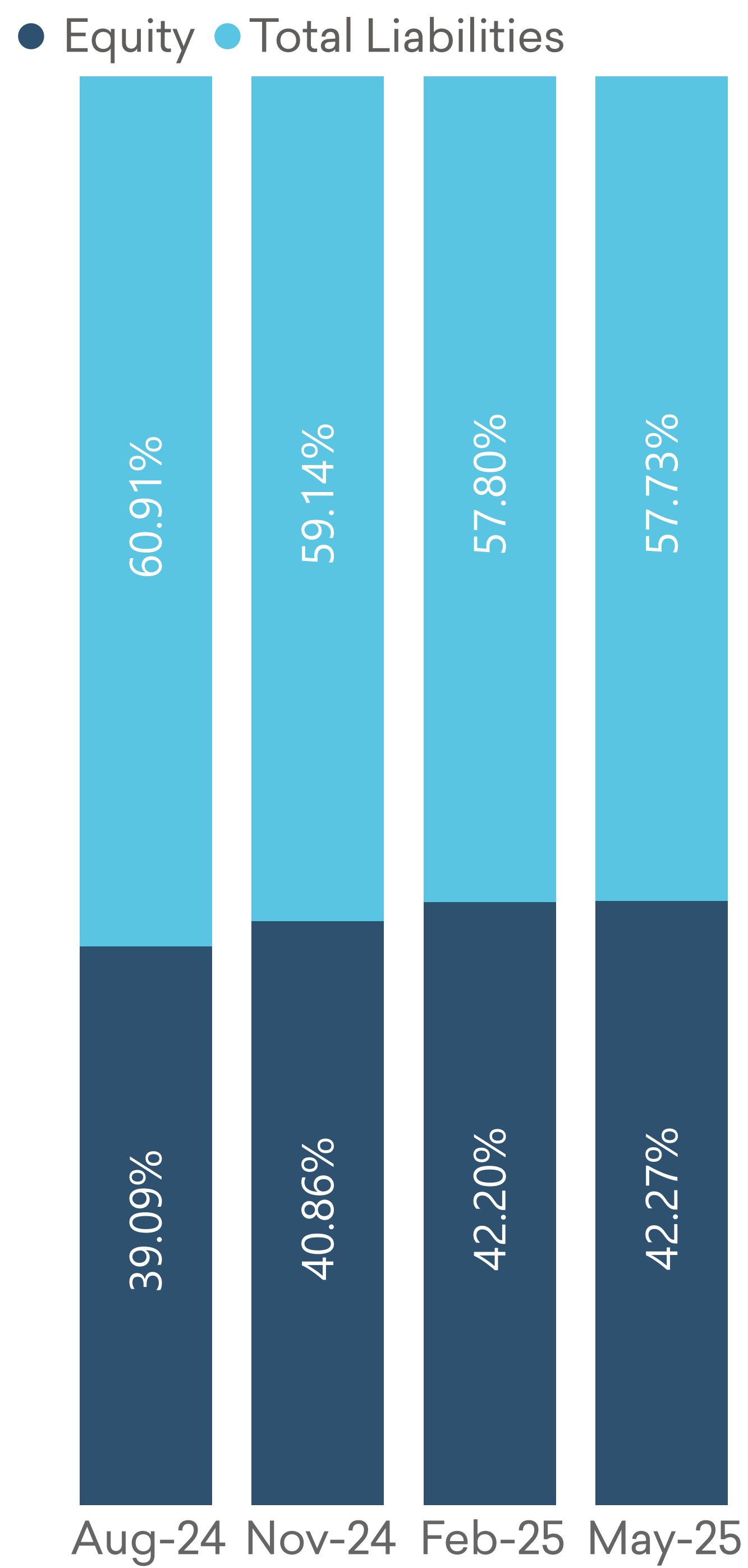
● Volume — Price (RHS)



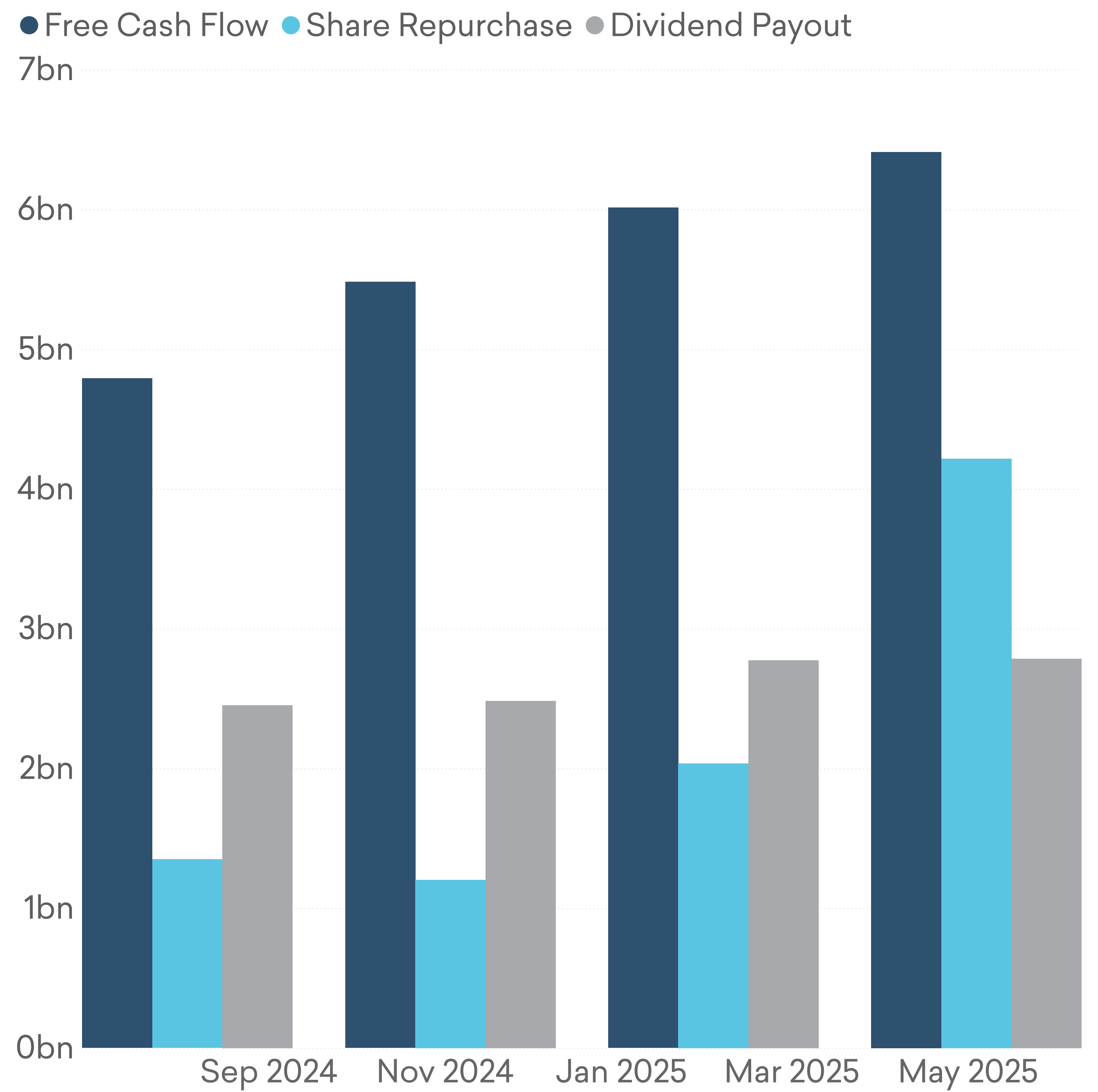
PROFITABILITY



CAPITAL STRUCTURE



CASH FLOWS



Stocks To Watch - Part 4

QUALCOMM INCORPORATED - (QCOM)



\$154.46

Current Price

\$120.8 - 225.9

52 Week Range

▼ -26.74%

52 Week Change

\$169,597,080,000

Market Capitalization

1.26

Beta

13.33

EV To EBITDA

15.44

Price To Earnings

0.53

Debt To Equity

COMPANY OVERVIEW

QUALCOMM Incorporated, headquartered in San Diego, develops and commercializes wireless technologies globally. It operates through three segments: QCT, which supplies chips and software for 3G/4G/5G, networking, GPS, and multimedia; QTL, which licenses its extensive patent portfolio for wireless standards like CDMA, LTE, and 5G; and QSI, which invests in early-stage companies across 5G, AI, automotive, IoT, and more. QUALCOMM also supports U.S. government projects. The company was founded in 1985.

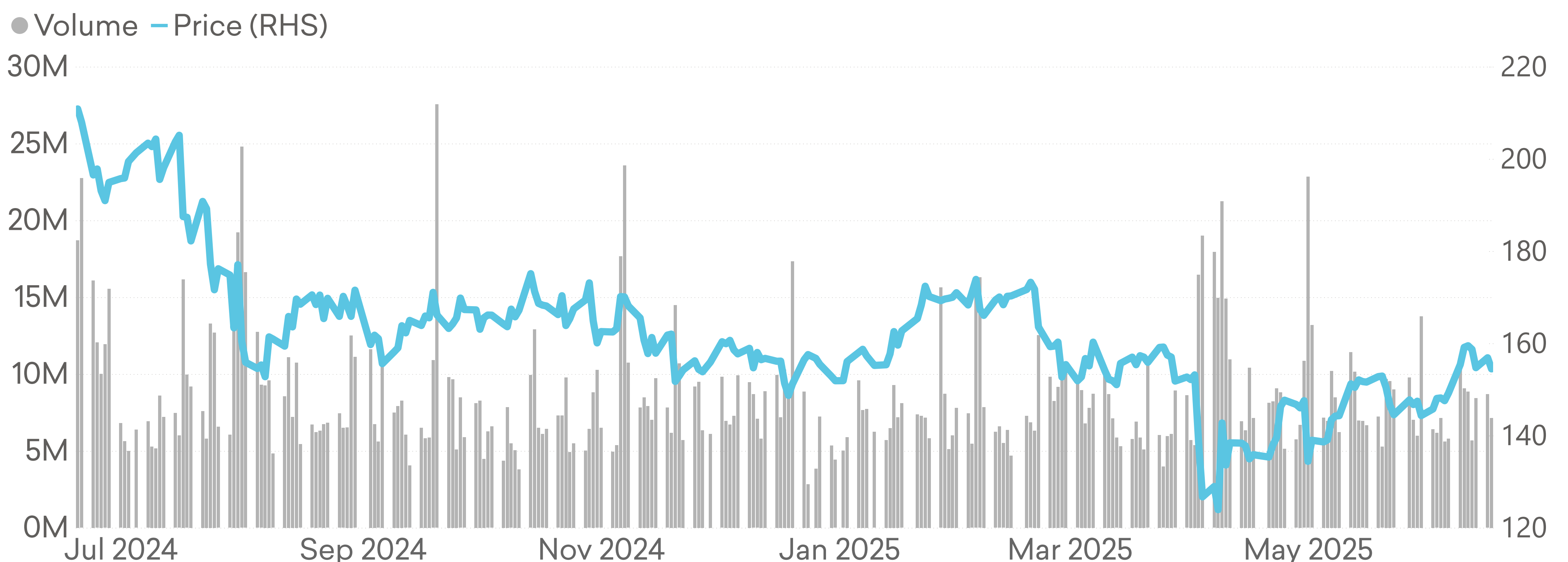
POTENTIAL CATALYSTS/RATIONALE

Qualcomm is expanding beyond smartphones into 5G infrastructure, automotive tech, AI PCs, and edge computing. Its Snapdragon chips and strategic acquisitions like Alphasense enhance its positioning in automotive and data-center markets. Strong cash reserves and solid free cash flow provide resilience against near-term macro volatility.

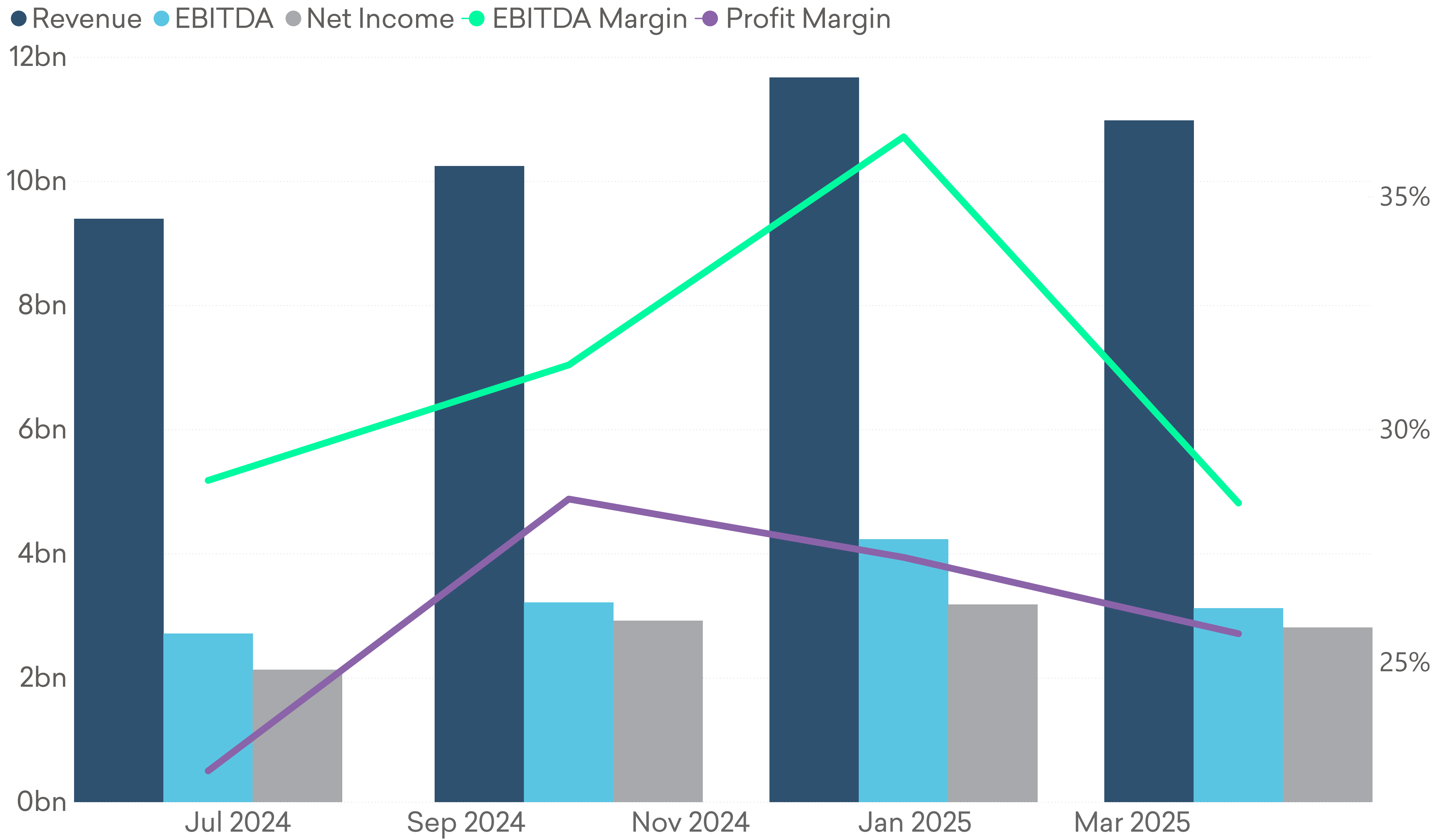
POTENTIAL RISKS

Heavy reliance on China, along with declining licensing revenue—especially from Apple’s transition to in-house modems—poses significant threats. Weakness in smartphone and tablet markets adds to cyclical exposure. Competitive pressure from MediaTek and others could also erode margins in key segments.

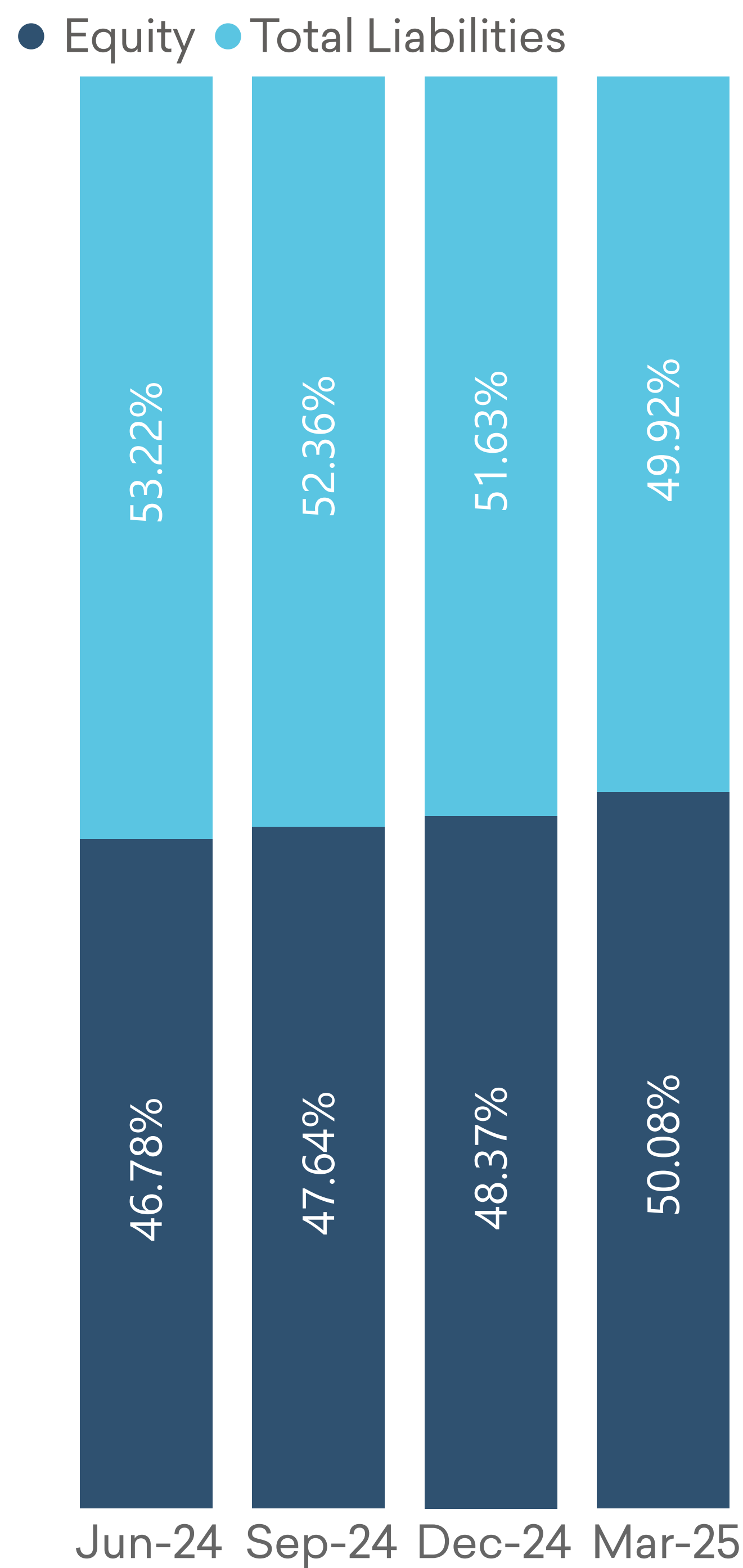
ONE YEAR PRICE PERFORMANCE AND VOLUME



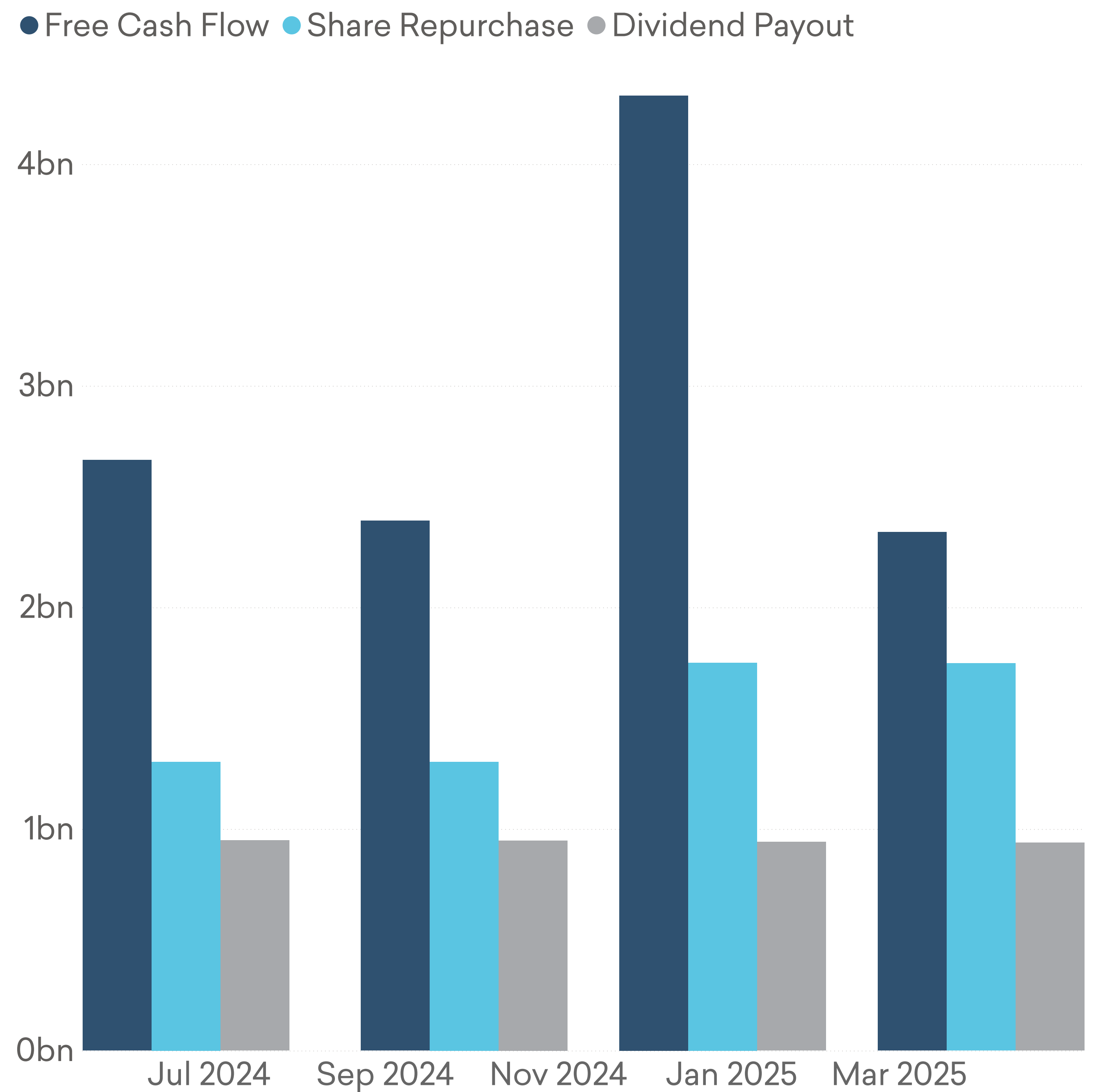
PROFITABILITY



CAPITAL STRUCTURE



CASH FLOWS



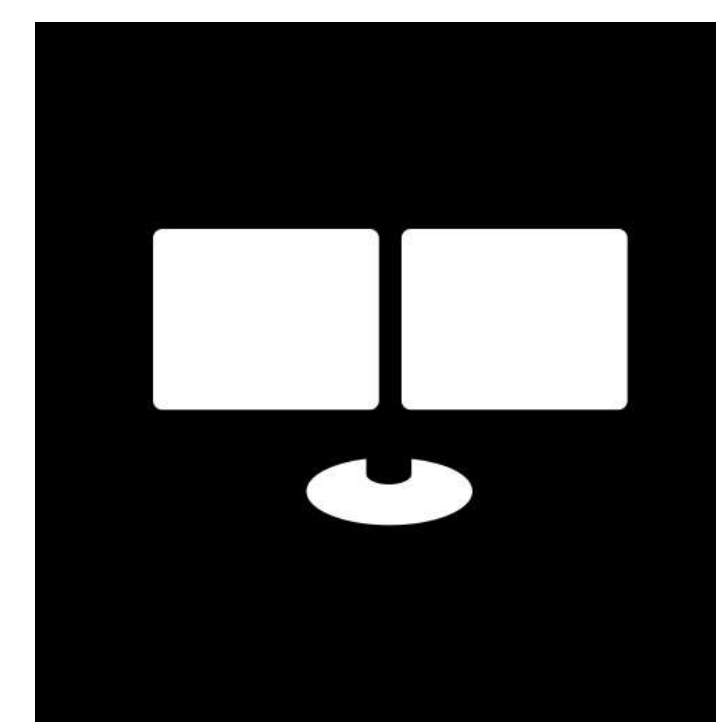
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