INDUSTRY REPORT Taiwan

IT Hardware

Key message

1. Global smartphone shipments fell by 8%, both YoY and QoQ, to 270 mn units in 2Q26, in line with our forecast. Increased memory pricing has hindered smartphone demand. Brands with higher premium model shipment weightings were impacted less. Apple (US) shipments outperformed those of peers, as the firm hasn't raised iPhone prices.
2. Apple will launch the iPhone 18 Pro, iPhone 18 Pro Max, and iPhone Fold on September 9 (September 10, 1 AM Taipei time), while the debut of the base iPhone 18 model will be postponed to 1Q27. Key upgrades for the iPhone 18 Pro series include AP chips, front camera resolution, 5G modem chips, and battery capacity. The iPhone 18 Pro and Pro Max may be priced US$100-200 higher than previous versions, while the iPhone Fold may be priced at US$2,000-2,500. We forecast iPhone shipments to fall by 1% YoY in 2026, outperforming peers.
3. We estimate global smartphone shipments will decline by 12% YoY in 2026 and 2% YoY in 2027, due to rising component costs. Shipments of foldable smartphones will be in the spotlight, with estimated 24% YoY growth in 2026 and 26% in 2027, on the launch of the iPhone Fold.

Global smartphone demand to decline in 2026-27F; spotlight on foldable phones

Event

Global smartphone shipments fell 8%, both YoY and QoQ, to 270mn units in 2Q26, in line with our forecast. We estimate global smartphone shipments will drop a respective 12% and 2% YoY in 2026-27F, but those of foldable smartphones will grow by 20-30% YoY in 2026-27F.

Impact

2Q26 smartphone shipments arrived in line. According to Gartner, global smartphone shipments fell by 8% YoY and QoQ to 270mn units in 2Q26 (Figure 1), in line with our forecast. As memory accounted for 30-40% of smartphone BOM costs in 1H26, versus close to 10% in 2025, brands have increased smartphone pricing this year, hindering global demand in 1H26. The memory shortage and associated rising costs have hurt basic (US$120-300) and utility model (under US$120) demand the most, with shipments down more than 20% YoY (Figure 2), while shipments of premium models (above US$300) have risen 8% YoY, with their weighting up QoQ and YoY to 56% in 2Q26 (Figure 3). Demand from the US (up 4% YoY) and Japan (down 1% YoY) outperformed other regions in 2Q26, with higher shipment weightings for premium models (over 80%), while demand from other regions dropped YoY, especially EMEA and APAC, down 11-12% YoY (Figures 4-5). Among brands, Apple (US) shipments grew 17% YoY in 2Q26 (Figure 6), outperforming peers as the firm targets the premium market and hasn't raised iPhone prices. Oppo (CN), Xiaomi (CN), and Vivo's (CN) shipments shrank significantly due to higher shipment weightings of basic and utility models (Figure 7). In 1H26, global smartphone shipments fell 6% YoY, but Apple and Huawei (CN) outperformed, with respective 12% and 6% YoY growth. Foldable smartphone shipments grew 21% YoY to 20.6mn units, to a penetration rate of 3.7%.

Apple iPhone 18 series coming soon. Apple will hold a "Surprise and Shine" event on September 9 (September 10, 1 AM Taipei time), and will launch the iPhone 18 Pro, iPhone 18 Pro Max, and iPhone Fold (foldable iPhone, or 'iPhone Ultra'), with the debut of the iPhone 18 base model postponed to 1Q27. Anticipated spec upgrades for Pro-series models (Figure 13) include: (1) all three premium models' processors will be upgraded to the A20 Pro chip, which is manufactured via TSMC's (2330 TT, NT$2,410, OP) 2nm process; (2) iPhone 18 Pro and 18 Pro Max models will have upgraded 24MP front cameras, up from 18MP in the iPhone 17 Pro series, while the iPhone Fold will utilize dual 18MP and 24MP main cameras; (3) 5G modems will be upgraded from Qualcomm (US) chips to in-house-designed C2 chips; and (4) iPhone 18 Pro Max battery capacity is expected to rise by 9-10% from the previous generation, but that of the iPhone 18 Pro will remain the same. Due to rising memory costs, consensus is for iPhone 18 Pro and 18 Pro Max pricing rise by US$200, while the iPhone Fold may retail for US$2,000-2,500. Based on our supply chain checks, suppliers are preparing for iPhone 18 Pro and 18 Pro Max shipments of 50-60mn units in 2026. Hon Hai Precision (2317 TT, NT$252, OP) will be the primary assembler for iPhone 18 Pro, and Luxshare (CN) will be the secondary. For iPhone 18 Pro Max, Hon Hai Precision and Luxshare have similar order share. Tata (IN) will be a third supplier for both models with a limited (single digit) order share. We forecast iPhone Fold shipments of 6.0mn units, in 2026, with potential upside on yield rates. Hon Hai Precision will be the sole supplier for the first batch of procurement. In addition to a potential price hikes for iPhone 18 models, Apple may also raise prices for iPhone 17 models. We forecast iPhone shipments will fall 1% YoY to 234mn units in 2026, outperforming the industry average of a 12% YoY decline, with a drop of 4% YoY to 226mn units in 2027 (Figure 15).

Weak global demand in 2026-27F; spotlight on foldable smartphones. On rising memory costs driving up smartphone prices, we maintain our global smartphone shipment forecast of 1,099mn units, down 12% YoY in 2026, with Chinese brands suffering the most, but Apple and Samsung (KR) demand being the most resilient. We expect the shipment downtrend to continue in 2027F, and revise down our global smartphone shipment forecast to 1,077mn units, down 2% YoY (Figure 14). However, foldable smartphones will be in the spotlight, with several new models set to debut. Samsung launched its Galaxy Z Fold 8 (inward folding) and Galaxy Z Flip 8 in July, and Xiaomi will launch its Xiaomi 18 Fold (inward folding) in September. In addition, Huawei will debut the Huawei Mate XT2 (tri-fold) in September and the Mate X8 (inward folding) in 4Q26F, which will boost key hinge supplier Fositek's (6805 TT, NT$2,225, OP) smartphone application sales growth in 4Q26F. Meanwhile, we expect the iPhone Fold to be the key driver of global foldable smartphone shipment growth in 2026-27F. We forecast iPhone Fold shipments of 6.0mn units in 2026 and 14mn units in 2027, with the firm becoming the second-largest vendor in 2027 with market share of 24% (Figure 21). The foldable iPhone supply chain will benefit from increased sales, especially for hinge suppliers. Shin Zu Shing (SZS; 3376 TT, NT$210, OP) is one of two hinge suppliers, while Hon Hai is the major assembler. We forecast global foldable smartphone shipments will grow by 24% YoY to 47.3mn units in 2026F, and 26% YoY to 59.4mn units in 2027F (Figure 20).

Stocks for Action

The major iPhone 18 Pro model upgrades will be to the AP and camera lens, with Hon Hai remaining the key assembler. We think the key beneficiaries for new iPhone launches include TSMC, Hon Hai, Largan Precision (3008 TT, NT$6,915, OP), Genius Electronic Optical (3406 TT, NT$834, NR), and Asia Vital Components (3017 TT, NT$3,340, OP). Foldable iPhone beneficiaries include the above companies, and Shin Zu Shing.

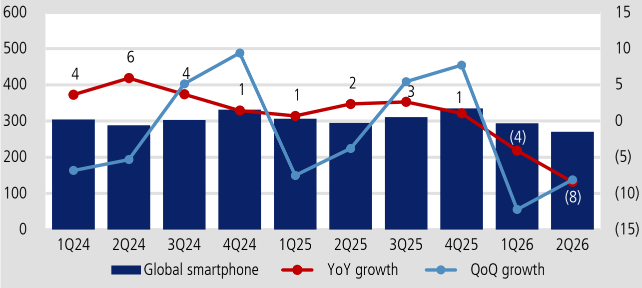
Risks

Weak consumer demand; rising component prices; tariff issues.

Quarterly data

Figure 1: 2Q26 global smartphone shipments fell 8% YoY

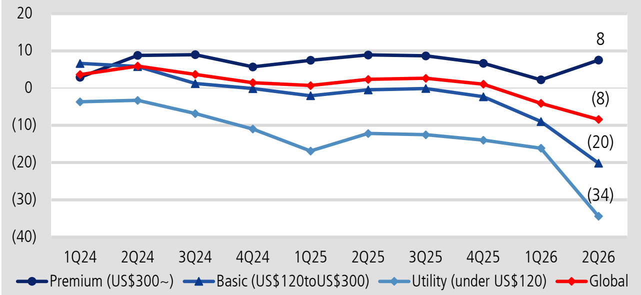
Global smartphone shipments, mn units (LHS); YoY (QoQ), percent (RHS)



Source: Gartner; KGI Research

Figure 2: Premium model demand was resilient in 2Q26, as customers were less price sensitive

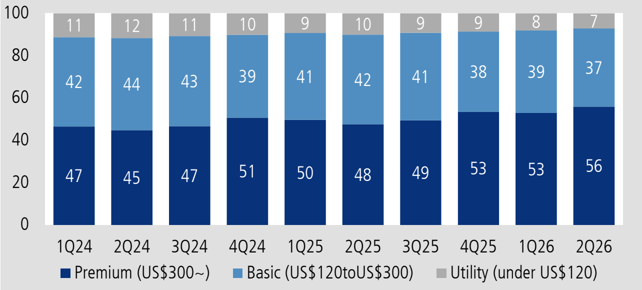
Smartphone shipment YoY growth, percent



Source: Gartner; KGI Research

Figure 3: Premium model shipment weightings rose to 56% in 2Q26

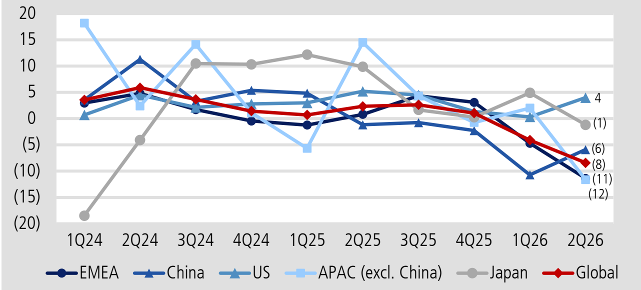
Global smartphone shipment weighting by price band, percent



Source: Gartner; KGI Research

Figure 4: US & Japan smartphone shipments outstripped other regions in 2Q26 on higher premium model weightings

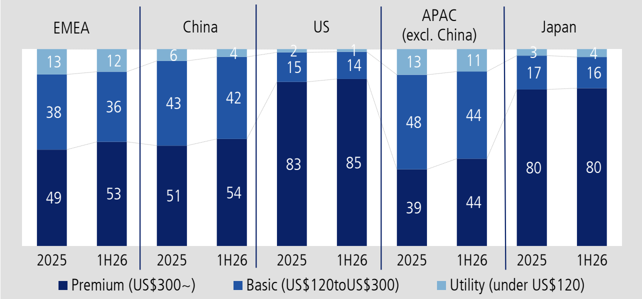
Global smartphone shipment growth YoY by region, percent



Source: Gartner; KGI Research

Figure 5: Basic & utility smartphone shipment weightings fell in 1H26 in most regions due to rising memory costs

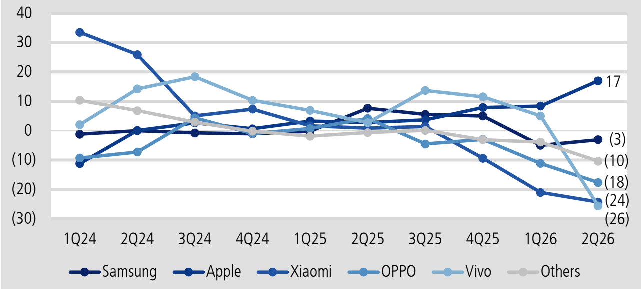
Smartphone shipment weightings by price band, percent



Source: Gartner; KGI Research

Figure 6: Apple shipments grew by 17% YoY in 2Q26, outperforming peers

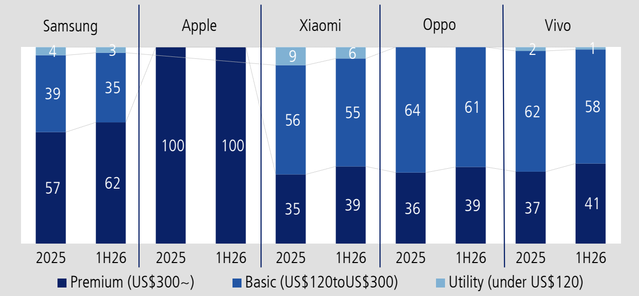
Global smartphone shipment growth YoY by brand, percent



Source: Gartner; KGI Research

Figure 7: Apple & Samsung shipment YoY growth outperformed peers' on higher premium model weightings

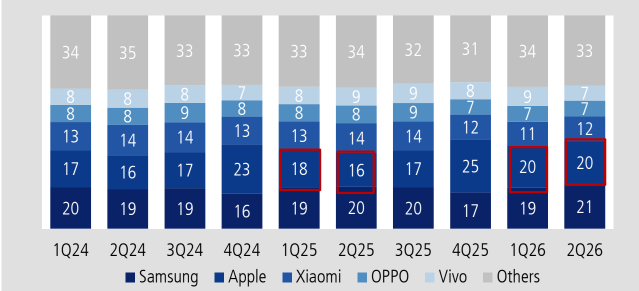
Smartphone shipment weightings by price band, percent



Source: Gartner; KGI Research

Figure 8: Apple gained market share in 1H26, as the firm did not raise prices

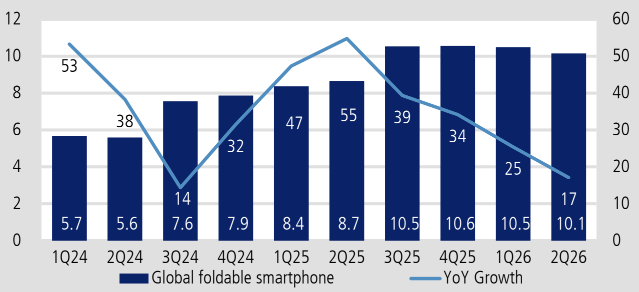
Smartphone brand market share, percent



Source: Gartner; KGI Research

Figure 9: Foldable smartphone shipments grew by 17% YoY to 10.1mn units in 2Q26

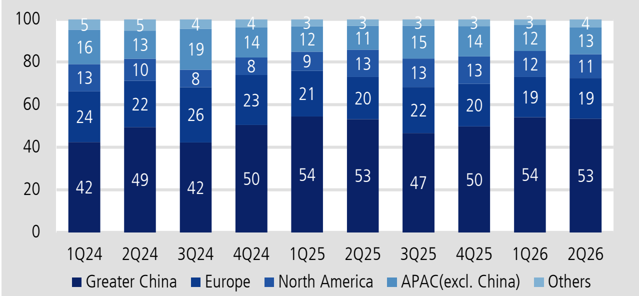
Global foldable smartphone shipments, mn units (LHS); YoY, percent (RHS)



Source: Gartner; KGI Research

Figure 10: Greater China & Europe are major foldable smartphone markets

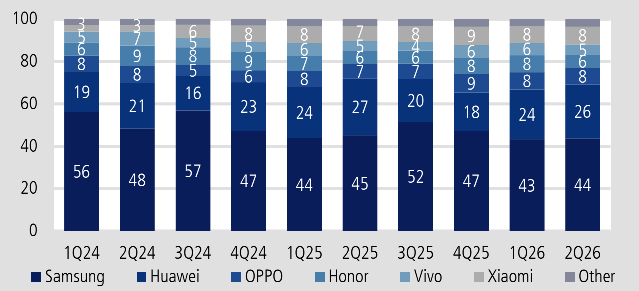
Global foldable smartphone market share by region, percent



Source: Gartner; KGI Research

Figure 11: Samsung maintains lead, despite competitors gaining ground in the foldable smartphone market in 1H26

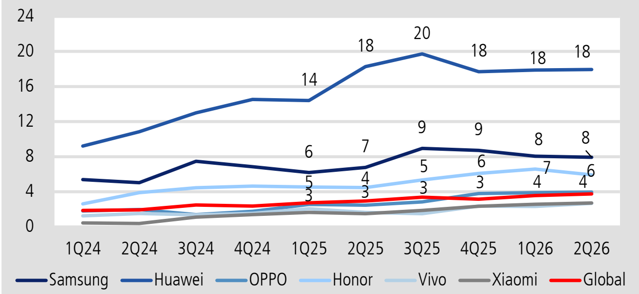
Foldable smartphone market share by brand, percent



Source: Gartner; KGI Research

Figure 12: Huawei & Samsung have the highest foldable smartphone shipment weightings

Shipment weighting for foldable smartphones by brand, percent



Source: Gartner; KGI Research

Smartphone forecasts

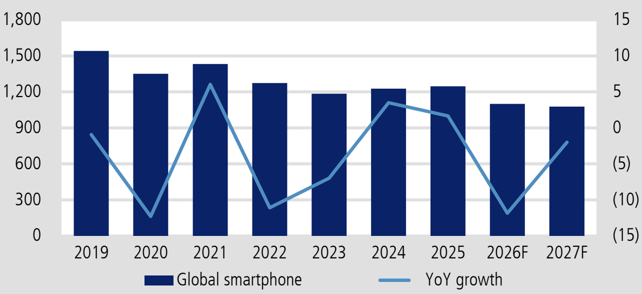
Figure 13: Apple iPhone 18 series includes upgrades to optical lenses, processors, & battery density

	iPhone 18 Pro	iPhone 18 Pro Max	iPhone Fold	iPhone 17 Pro	iPhone 17 Pro Max
Processor	A20 Pro (2nm)	A20 Pro (2nm)	A20 Pro (2nm)	A19 Pro (3nm)	A19 Pro (3nm)
Display	6.3"LTPO + OLED (Super Retina XDR) 120Hz refresh rate (ProMotion)	6.9"LTPO + OLED (Super Retina XDR) 120Hz refresh rate (ProMotion)	7.8" Foldable OLED (Inner) 5.5" OLED (Outer) 120Hz refresh rate (ProMotion)	6.3"OLED (Super Retina XDR) Always-On display Dynamic island 120Hz refresh rate (ProMotion)	6.9"OLED (Super Retina XDR) Always-On display Dynamic island 120Hz refresh rate (ProMotion)
Display pixels	2622 x 1206 pixels	2868 x 1320 pixels	2713 x 1920 pixels (Inner)/ 2088 x 1422 pixels (Outer)	2622 x 1206 pixels	2868 x 1320 pixels
ppi		460ppi	460ppi	460ppi	460ppi
Camera	48MP Main (variable aperture) 48MP Ultra Wide 48MP Telephoto	48MP Main (variable aperture) 48MP Ultra Wide 48MP Telephoto	48MP Main 48MP Ultra Wide	48MP Fusion Main 48MP Fusion Ultra Wide 48MP Fusion Telephoto ToF	48MP Fusion Main 48MP Fusion Ultra Wide 48MP Fusion Telephoto ToF
Front camera	24MP (Center stage)	24MP (Center stage)	Dual 18/24MP (Center stage)	18MP (Center Stage)	18MP (Center Stage)
LiDAR	V	V	V	V	V
Emergency SOS via satellite	V	V	V	V	V
Connectivity	5G mmWave + sub-6 GHz Wi-Fi 7 Apple C2 wireless networking	5G mmWave + sub-6 GHz Wi-Fi 7 Apple C2 wireless networking	5G mmWave + sub-6 GHz Wi-Fi 7 Apple C2 wireless networking	5G mmWave + sub-6 GHz Wi-Fi 7 Apple N1 Wireless Networking	5G mmWave + sub-6 GHz Wi-Fi 7 Apple N1 Wireless Networking
Storage	256GB / 512GB / 1TB	256GB / 512GB / 1TB/2TB	512GB / 1TB	256/512GB/1TB	256/512GB/1TB/2TB
Memory (RAM)	12GB LPDDR5X	12GB LPDDR5X	12GB LPDDR5X	12GB LPDDR5X	12GB LPDDR5X
Color	Black Sliver Light blue Dark Cherry	Black Sliver Light blue Dark Cherry	Black White	Silver, Deep Blue, Cosmic Orange	Silver, Deep Blue, Cosmic Orange
Connector	USB-C	USB-C	USB-C	USB-C	USB-C
Battery Capacity	4,288 mAh	5,567 mAh	4,800-5,000 mAh	4,252mAh	5,088mAh
Mechanical parts	Aluminum	Aluminum	Titanium Aluminum frame	Aluminum unibody Ceramic shield 2 front & back	Aluminum unibody Ceramic shield 2 front & back
Starting price	US$1,199-1,399	US$1,399+	US$2,000+	US$1,099/$1,299/$1,499 (256/512GB/1TB)	US$1,199/$1,399/$1,599/$1,999 (256/512GB/1TB/2TB)
Available date	3Q26	3Q26	3Q26	3Q25	3Q25
Dimension	149.6x71.5x8.25mm	163x77.6x8.25mm	150x72x11mm (Folded) 150x140x5.2mm (Unfolded)	150x71.9x8.75mm	163.4x78x8.75mm
Weight	199g	227g	245g	206g	233g

** Red text indicates spec upgrades from previous versions*
Source: Apple; KGI Research estimates

Figure 14: Global smartphone shipments to decline by 12% YoY in 2026F & 2% YoY in 2027F

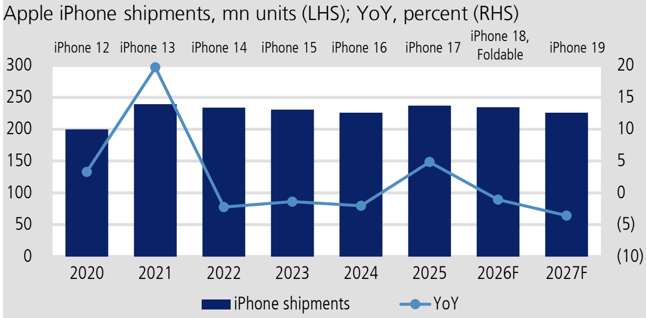
Global smartphone shipments, mn units (LHS); YoY, percent (RHS)



Source: Gartner; KGI Research estimates

Figure 15: Apple iPhone shipments to fall 1% YoY in 2026F, outperforming peers

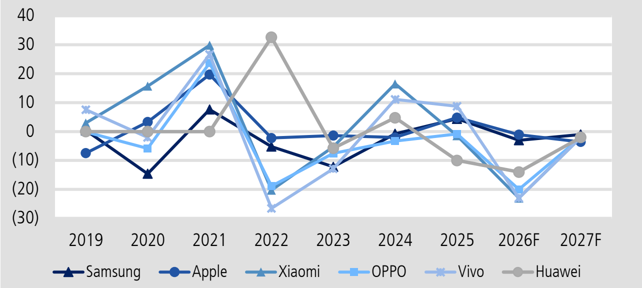
Apple iPhone shipments, mn units (LHS); YoY, percent (RHS)



Source: Gartner; KGI Research estimates

Figure 16: Apple & Samsung shipment growth YoY to outperform peers' in 2026F

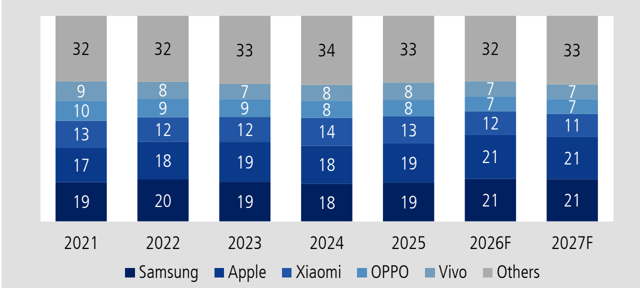
Smartphone shipment growth YoY, percent



Source: Gartner; KGI Research estimates

Figure 17: Apple & Samsung to gain market share in 2026F

Shipment weighting, percent



Source: Gartner; KGI Research estimates

Foldable smartphone forecasts

Figure 18: Brands launch fewer foldable clamshell smartphones in 2026F

Product	Samsung Galaxy Z Flip 7	Samsung Galaxy Z Flip 7 FE	Samsung Galaxy Z Flip 8	Huawei Nova Flip	Huawei pura X	Motorola Razr 70 Ultra	Oppo Find N3 Flip	VIVO X Flip
								
Launch Date	2025/7/9	2025/7/9	2026/7/22	2024/8/10	2025/3/20	2026/4/29	2023/8/29	2023/4/20
Launch Price	US$1,099	US$899	US$1,199	Rmb 5,288	Rmb 7,499	US$1,499	Rmb 6,799	Rmb 5,999
Hinge Type	Clamshell	Clamshell	Clamshell	Clamshell	Clamshell	Clamshell	Clamshell	Clamshell
Hinge Supplier	Huanli, KH-Vatec	Huanli, KH-Vatec	KH-Vatec, S-Connect	Fositek, Jarllytec	Fositek, Jarllytec	Fositek, ????	Amphenol	Amphenol
CPU	Exynos 2500	Exynos 2400	Snapdragon 8 Gen 5	Kirin 8000	Kirin 9020	Snapdragon 8 Elite	MediaTek Dimensity 9200	Snapdragon 8+ Gen1
Battery	4,300mAh	4,000mAh	4,300mAh	4,400mAh	4,720mAh	5,000mAh	4,300mAh	4,400mAh
Connectivity	5G	5G	5G	5G	5G	5G	5G	5G
Main Display Dimension	6.9 inch	6.7 inch	6.9 inch	6.9 inch	6.3 inch	6.9 inch	6.8 inch	6.74 inch
Cover Display Dimension	4.1 inch	3.4 inch	4.1 inch	2.1inch	3.5inch	4.0 inch	3.26 inch	3 inch
Folded Size	85.5 x 75.2 mm	85.1 x 71.9 mm	85.7 x 75.4 mm	87.8 x 75.4 mm	143.2 x 91.7 mm	88.1 x 74 mm	85.5 x 75.8 mm	86.4 x 75.25 mm
Unfolded Size	166.7 x 75.2 mm	165.1 x 71.9 mm	166.9 x 75.4 mm	169.8 x 75.4 mm	91.7 x 74.43mm	171.5 x 74 mm	166.4 x 75.8 mm	166.42 x 75.25 mm
System	Android	Android	Android	HarmonyOS	HarmonyOS	Android	ColorOS 13.2	OriginOS 3
Cover screen resolution	1048 x 948	720 x 748	1048 x 948	480 x 480	980 x 980	1272x1080	720 x 382	682 x 422
Full screen resolution	2520 x 1080	2640 x 1080	2640 x 1080	2690 x 1136	2120 x 1320	1224 x 2992	2520 x 1080	2520 x 1080

Source: Company data; KGI Research

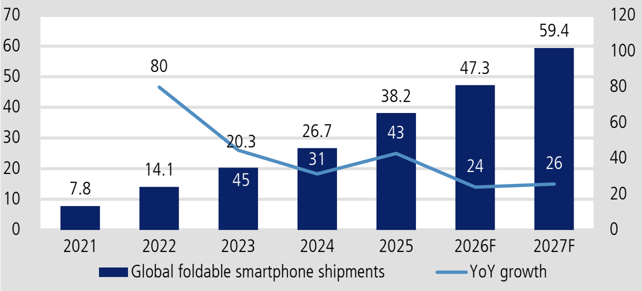
Figure 19: Several new inward-folding smartphone models are set to launch in 2H26

Product	iPhone Fold	Galaxy Z Fold8	Huawei XT2	Huawei Pura X max	Pixel 11 Pro Fold	Oppo Find N6	Vivo X Fold6	Honor Magic V6
								
Launch date	Sep-26	2026/7/22	Sep-26	2026/4/20	2026/8/20	2026/3/17	2026/6/26	2026/3/10
Launch price	US$2,500-3,000	US$1,900	US$1,800-2,500	Rmb10,999	US$1,900	Rmb9,999	Rmb7,999	Rmb8,999
Hinge type	Inward	Inward	Tri-fold	Inward	Inward	Inward	Inward	Inward
Hinge supplier	SZS, Amphenol	KH-Vatec, Fine M-tec	Fositek	Future High-Tech, Jarllytec	Amphenol	Amphenol	Amphenol	Amphenol
CPU	A20 or A20 Pro	Snapdragon 8 Elite Gen 5 for Galaxy	Kirin 9030 Pro or 9050	Kirin 9030 Pro	Google Tensor G6	Snapdragon 8 Gen 5	MTk Dimensity 9500	Snapdragon 8 Elite Gen 5
Battery	5,000mAh	4,800mAh	6,000mAh	5,300mAh	4,806 mAh	6,000mAh	7,000mAh	6,660mAh
Connectivity	5G	5G	5G	5G	5G	5G	5G	5G
Main display dimension	7.8 inch	7.6 inch	10.2 inch	7.7 inch	8.0 inch	8.1inch	8.0inch	8.0 inch
Cover display dimension	5.5 inch	5.5 inch	6.4 inch	5.5 inch	6.5 inch	6.6 inch	6.5 inch	6.5 inch
Folded size	120.6 x 85.6mm	123.9 x 81.9 mm	156.7 x 73.5 mm	120 x 85 mm	155.2 x 76mm	156.7 x 73.1 mm	157.2 x 74.3 mm	156.7 x 74.5 mm
Unfolded size	120.6 x 167.6 mm	123.9 x 161.4 mm	156.7 x 219 mm	166.5 x 120 mm	155.2 x 150.4 mm	156.7 x 224 mm	157.2 x 145.7 mm	156.7 x 145.6mm
System	iOS	Android	HarmonyOS	HarmonyOS 6.1	Android	Android	Android	Android
Cover screen resolution	2088 x 1422	1264 x 1972	2232 x 1008	1264 x 1848	2342 x 1080	2616 x 1140	2528 x 1120	2420 x 1080
Full screen resolution	2713 x 1920	1828 x 2448	2232 x 3184	1828 x 2584	2076 x 2152	2480 x 2248	2312 x 2504	2172 x 2352

Source: Company data; KGI Research

Figure 20: Foldable smartphone shipments to grow rapidly in 2025-27F, outperforming the industry

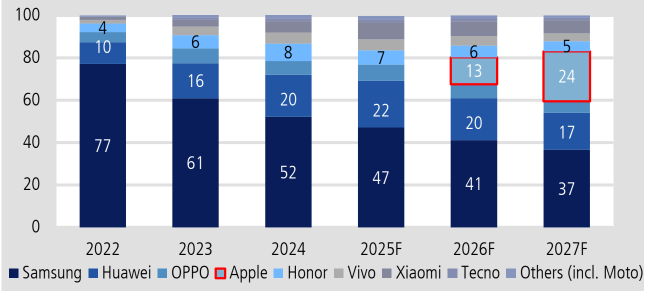
Global foldable smartphone shipments, mn units (LHS); growth YoY, percent (RHS)



Source: Gartner; KGI Research estimates

Figure 21: Apple will become the second largest foldable smartphone vendor in 2027F, with market share of 24%

Shipment weighting by brand, percent



Source: Gartner; KGI Research estimates

Figure 22: Global smartphone shipments by brand

Vendor	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	2021	2022	2023	2024	2025	1H26
	Global smartphone shipments (mn units)																			
Samsung	60	53.6	58.0	55.0	59.4	53.6	57.5	54.4	59.3	57.8	60.7	57.1	56.3	56.0	272.3	258.2	226.7	225.0	234.9	112.3
Apple	58.7	45.6	49.9	76.3	52.2	45.7	51.3	76.8	53.9	46.9	53.2	82.9	58.4	54.9	239.2	233.9	230.6	225.9	236.9	113.4
Xiaomi	30.4	32.5	40.0	40.1	40.6	41.0	42.1	43.0	41.3	41.3	42.7	39.0	32.6	31.3	189.3	151.0	143.0	166.6	164.2	63.9
OPPO	27.0	25.0	26.6	25.1	24.5	23.2	27.8	24.9	24.7	24.2	26.5	24.2	21.9	19.9	138.2	112.2	103.8	100.4	99.5	41.8
Vivo	22.8	21.4	21.1	21.8	23.2	24.5	24.9	24.1	24.8	25.1	28.4	26.9	26.1	18.7	136.0	99.9	87.1	96.7	105.2	44.8
Lenovo	10.6	10.1	11.7	13.3	12.7	12.8	14.2	14.9	13.3	14.0	14.4	16.5	13.1	12.5	51.1	44.3	45.7	54.5	58.2	25.6
Honor	12.5	12.3	13.8	14.8	13.5	13.7	14.0	14.8	12.9	12.0	12.2	13.3	12.8	10.6	42.8	56.7	53.4	56.0	50.4	23.4
Huawei	4.3	6.1	7.3	10.5	11.6	11.1	9.5	12.4	14.1	12.7	10.8	10.9	13.8	14.4	43.3	17.8	28.2	44.6	48.4	28.3
Other	67.2	65.2	63.7	69.6	66.6	62.6	61.5	65.9	62.2	60.8	61.9	64.1	58.7	51.7	320.4	294.6	265.7	256.7	249.0	110.5
Top-8	226.4	206.7	228.4	257.0	237.7	225.4	241.3	265.4	244.2	234.0	248.9	270.7	235.1	218.3	1,112.3	974.0	918.5	969.8	997.8	453.4
Total	293.6	271.9	292.1	326.6	304.3	288.0	302.8	331.3	306.4	294.8	310.8	334.8	293.9	270.0	1,432.7	1,268.5	1,184.2	1,226.5	1,246.8	563.9
	YoY (%)																			
Samsung	(20.1)	(13.0)	(10.6)	(2.6)	(1.2)	0.0	(0.8)	(1.0)	(0.2)	7.7	5.6	5.0	(5.0)	(3.1)	7.6	(5.2)	(12.2)	(0.8)	4.4	(4.0)
Apple	(3.8)	(6.7)	(1.9)	4.6	(11.2)	0.1	2.7	0.7	3.3	2.8	3.7	7.9	8.4	17.0	19.7	(2.2)	(1.4)	(2.0)	4.9	12.4
Xiaomi	(24.9)	(14.0)	1.8	20.3	33.5	25.9	5.0	7.4	1.7	0.9	1.4	(9.4)	(21.0)	(24.3)	29.8	(20.2)	(5.3)	16.5	(1.4)	(22.7)
OPPO	(12.1)	(7.1)	3.3	(12.6)	(9.3)	(7.2)	4.4	(1.0)	0.7	4.2	(4.5)	(2.9)	(11.1)	(17.6)	23.7	(18.8)	(7.5)	(3.3)	(0.8)	(14.3)
Vivo	(8.8)	(17.2)	(13.7)	(11.5)	2.0	14.2	18.4	10.3	6.9	2.7	13.7	11.5	5.1	(25.6)	26.7	(26.6)	(12.8)	11.1	8.8	(10.3)
Lenovo	(9.8)	(12.5)	9.4	28.8	20.3	25.8	20.9	12.2	4.7	9.8	1.9	10.5	(1.2)	(11.0)	50.5	(13.3)	3.1	19.3	6.8	(6.2)
Honor	(12.7)	(14.9)	1.6	3.3	7.8	11.0	2.0	(0.4)	(4.6)	(12.4)	(12.9)	(9.9)	(0.8)	(11.7)	N.A.	32.6	(5.8)	4.8	(10.0)	(6.1)
Huawei	(15.2)	63.0	63.5	131.4	170.4	82.7	30.7	17.8	21.5	14.2	13.5	(12.4)	(1.7)	13.9	(76.3)	(59.0)	58.4	58.3	8.6	5.7
Other	(13.7)	(9.4)	(10.4)	(5.4)	(0.9)	(4.0)	(3.4)	(5.2)	(6.6)	(2.8)	0.6	(2.8)	(5.5)	(15.0)	1.1	(8.1)	(9.8)	(3.4)	(3.0)	(10.2)
Top-8	(14.1)	(10.5)	(2.4)	4.7	5.0	9.0	5.7	3.2	2.8	3.8	3.2	2.0	(3.7)	(6.7)	7.5	(12.4)	(5.7)	5.6	2.9	(5.2)
Total	(14.0)	(10.2)	(4.3)	2.4	3.6	5.9	3.7	1.4	0.7	2.3	2.6	1.1	(4.1)	(8.4)	6.0	(11.5)	(6.6)	3.6	1.7	(6.2)
	QoQ (%)																			
Samsung	6.4	(10.7)	8.1	(5.2)	8.0	(9.7)	7.3	(5.4)	8.9	(2.6)	5.2	(5.9)	(1.4)	(0.6)						
Apple	(19.5)	(22.3)	9.5	52.8	(31.6)	(12.5)	12.3	49.8	(29.8)	(12.9)	13.3	55.8	(29.5)	(6.0)						
Xiaomi	(8.8)	7.0	23.1	0.0	1.3	0.9	2.7	2.2	(4.1)	0.2	3.2	(8.7)	(16.4)	(4.0)						
OPPO	(6.1)	(7.5)	6.5	(5.5)	(2.5)	(5.4)	19.8	(10.3)	(0.8)	(2.2)	9.8	(8.8)	(9.2)	(9.3)						
Vivo	(7.7)	(6.0)	(1.6)	3.6	6.4	5.3	2.0	(3.4)	3.1	1.1	12.9	(5.2)	(2.9)	(28.3)						
Lenovo	2.1	(3.9)	15.4	13.7	(4.6)	0.4	10.9	5.5	(10.9)	5.3	3.0	14.3	(20.4)	(5.1)						
Honor	(12.7)	(1.8)	11.7	7.9	(8.9)	1.2	2.7	5.3	(12.8)	(7.1)	2.1	8.9	(4.0)	(17.4)						
Huawei	(5.9)	41.7	20.2	44.5	9.9	(4.3)	(14.1)	30.3	13.4	(10.0)	(14.6)	0.6	27.1	4.4						
Other	(8.6)	(3.0)	(2.4)	9.3	(4.3)	(6.0)	(1.7)	7.2	(5.7)	(2.1)	1.7	3.5	(8.3)	(11.9)						
Top-8	(7.8)	(8.7)	10.5	12.5	(7.5)	(5.2)	7.0	10.0	(8.0)	(4.2)	6.4	8.8	(13.1)	(7.2)						
Total	(8.0)	(7.4)	7.4	11.8	(6.8)	(5.3)	5.1	9.4	(7.5)	(3.8)	5.4	7.7	(12.2)	(8.1)						
	Global market share (%)																			
Samsung	20.5	19.7	19.9	16.8	19.5	18.6	19.0	16.4	19.3	19.6	19.5	17.1	19.2	20.7	19.0	20.4	19.1	18.3	18.8	19.9
Apple	20.0	16.8	17.1	23.4	17.1	15.9	16.9	23.2	17.6	15.9	17.1	24.8	19.9	20.3	16.7	18.4	19.5	18.4	19.0	20.1
Xiaomi	10.4	12.0	13.7	12.3	13.3	14.2	13.9	13.0	13.5	14.0	13.7	11.6	11.1	11.6	13.2	11.9	12.1	13.6	13.2	11.3
OPPO	9.2	9.2	9.1	7.7	8.1	8.0	9.2	7.5	8.1	8.2	8.5	7.2	7.5	7.4	9.6	8.8	8.8	8.2	8.0	7.4
Vivo	7.8	7.9	7.2	6.7	7.6	8.5	8.2	7.3	8.1	8.5	9.1	8.0	8.9	6.9	9.5	7.9	7.4	7.9	8.4	7.9
Lenovo	3.6	3.7	4.0	4.1	4.2	4.4	4.7	4.5	4.3	4.8	4.6	4.9	4.5	4.6	3.6	3.5	3.9	4.4	4.7	4.5
Honor	4.3	4.5	4.7	4.5	4.4	4.7	4.6	4.5	4.2	4.1	3.9	4.0	4.4	3.9	3.0	4.5	4.5	4.6	4.0	4.1
Huawei	1.5	2.2	2.5	3.2	3.8	3.8	3.1	3.7	4.6	4.3	3.5	3.2	4.7	5.3	3.0	1.4	2.4	3.6	3.9	5.0
Other	22.9	24.0	21.8	21.3	21.9	21.7	20.3	19.9	20.3	20.6	19.9	19.1	20.0	19.2	22.4	23.2	22.4	20.9	20.0	19.6
Top-8	77.1	76.0	78.2	78.7	78.1	78.3	79.7	80.1	79.7	79.4	80.1	80.9	80.0	80.8	77.6	76.8	77.6	79.1	80.0	80.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Gartner; KGI Research

Figure 23: Global foldable smartphone shipments by brand

Vendor	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	2021	2022	2023	2024	2025	1H26
Global foldable smartphone shipments																				
Samsung	2.4	2.2	4.4	3.4	3.2	2.7	4.3	3.7	3.7	3.91	5.4	5.0	4.5	4.4	6.9	9.9	12.4	13.9	18.0	9.0
Huawei	0.5	0.8	0.8	1.2	1.1	1.2	1.2	1.8	2.0	2.31	2.1	1.9	2.5	2.6	0.6	1.3	3.4	5.3	8.4	5.1
OPPO	0.3	0.3	0.4	0.4	0.4	0.5	0.4	0.4	0.6	0.60	0.8	0.9	0.9	0.8	0.0	0.6	1.4	1.7	2.9	1.6
Honor	0.2	0.3	0.4	0.4	0.4	0.5	0.6	0.7	0.6	0.54	0.7	0.8	0.8	0.6	0.0	0.5	1.3	2.2	2.6	1.5
Vivo	0.1	0.2	0.2	0.2	0.3	0.4	0.3	0.4	0.5	0.41	0.4	0.6	0.6	0.5	0.0	0.2	0.8	1.4	2.0	1.1
Xiaomi	0.1	0.1	0.2	0.2	0.2	0.2	0.5	0.6	0.7	0.62	0.8	0.9	0.8	0.9	0.1	0.2	0.6	1.4	3.0	1.7
Lenovo	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.13	0.1	0.2	0.1	0.2	0.2	0.1	0.3	0.4	0.6	0.3
Google	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.13	0.2	0.2	0.2	0.2	0.0	0.0	0.2	0.3	0.6	0.3
Tecno Telecom	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.01	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	3.7	4.0	6.6	6.0	5.7	5.6	7.6	7.9	8.4	8.7	10.5	10.6	10.5	10.1	7.8	12.9	20.3	26.7	38.1	20.6
YoY (%)																				
Samsung	7.4	3.4	36.0	45.8	32.4	22.1	(2.5)	11.2	14.8	44.6	26.2	33.6	23.8	13.3	N.A.	43.8	24.8	12.4	29.2	18.4
Huawei	399.1	432.4	58.5	124.4	106.6	57.9	47.2	46.5	89.7	92.4	72.2	6.8	21.9	11.9	N.A.	129.7	152.7	58.6	58.1	16.6
OPPO	192.3	154.3	127.2	100.7	62.3	41.9	(7.3)	2.5	43.3	29.7	95.4	108.8	34.9	32.2	N.A.	2,825.7	133.5	19.8	68.0	33.6
Honor	189.8	122.4	151.1	141.9	67.3	79.3	67.8	76.5	66.0	1.0	4.4	18.2	43.8	16.8	N.A.	N.A.	146.3	73.1	17.8	30.9
Vivo	N.A.	1,026.6	164.6	131.4	112.2	75.4	39.4	54.7	76.4	11.0	24.6	69.9	19.4	20.3	N.A.	N.A.	286.9	64.8	44.0	19.8
Xiaomi	510.6	1,042.0	123.0	101.2	36.2	13.0	173.4	251.4	281.0	285.1	71.8	51.7	22.9	38.1	N.A.	44.1	214.5	128.9	114.1	30.1
Lenovo	20.8	192.7	277.8	317.4	275.2	119.5	32.1	24.4	41.4	42.0	27.3	38.5	10.5	19.8	N.A.	(55.6)	209.9	67.6	37.1	15.2
Google	N.A.	N.A.	N.A.	N.A.	N.A.	23.1	26.9	57.5	128.6	101.2	133.5	76.5	44.1	31.2	N.A.	N.A.	N.A.	N.A.	N.A.	37.6
Tecno Telecom	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	324.2	73.2	(4.3)	2.9	(4.4)	171.6	134.9	218.7	N.A.	N.A.	N.A.	N.A.	N.A.	177.5
Total	44.8	56.1	53.7	74.2	53.3	38.3	14.4	31.5	47.4	54.8	39.4	34.2	25.4	17.1	N.A.	64.7	57.9	31.2	42.8	21.2
QoQ (%)																				
Samsung	5.0	(8.2)	99.1	(24.1)	(4.6)	(15.3)	58.9	(13.4)	(1.5)	6.7	38.7	(8.3)	(8.8)	(2.4)						
Huawei	(5.7)	47.4	10.4	46.2	(13.2)	12.6	2.9	45.5	12.4	14.2	(7.9)	(9.8)	28.4	4.8						
OPPO	27.3	18.9	28.5	3.1	2.9	4.0	(16.0)	14.0	43.9	(5.9)	26.5	21.8	(7.0)	(7.8)						
Honor	31.3	40.4	26.0	4.2	(9.2)	50.5	17.8	9.6	(14.7)	(8.4)	21.9	24.1	3.8	(25.6)						
Vivo	30.6	56.4	15.6	(2.1)	19.8	29.3	(8.1)	8.7	36.6	(18.7)	3.1	48.3	(4.0)	(18.0)						
Xiaomi	54.1	7.9	20.0	0.8	4.3	(10.5)	190.4	29.6	13.1	(9.6)	29.6	14.4	(8.3)	1.6						
Lenovo	(0.1)	73.3	89.8	26.9	(10.2)	1.4	14.2	19.5	2.1	1.9	2.4	30.0	(18.6)	10.5						
Google	N.A.	N.A.	21.4	3.0	(16.0)	17.3	25.2	27.7	21.9	3.3	45.3	(3.5)	(0.5)	(6.0)						
Tecno Telecom	N.A.	N.A.	N.A.	156.6	70.6	(3.7)	0.7	4.8	(5.7)	3.5	(6.5)	197.7	(18.5)	40.5						
Total	7.9	9.2	63.2	(9.4)	(5.1)	(1.5)	35.0	4.2	6.4	3.5	21.5	0.3	(0.6)	(3.3)						
Global market share (%)																				
Samsung	65.1	54.8	66.8	56.0	56.3	48.3	56.9	47.3	43.8	45.2	51.6	47.2	43.3	43.7	88.3	77.1	60.9	52.2	47.2	43.5
Huawei	14.0	18.8	12.7	20.6	18.8	21.5	16.4	22.9	24.2	26.7	20.3	18.2	23.5	25.5	7.4	10.3	16.5	19.9	22.0	24.5
OPPO	7.3	8.0	6.3	7.2	7.8	8.2	5.1	5.6	7.6	6.9	7.2	8.7	8.1	7.8	0.3	4.8	7.1	6.5	7.6	8.0
Honor	5.7	7.3	5.7	6.5	6.2	9.5	8.3	8.7	7.0	6.2	6.2	7.7	8.0	6.2	0.0	4.0	6.2	8.2	6.8	7.1
Vivo	3.7	5.3	3.7	4.0	5.1	6.7	4.5	4.7	6.1	4.8	4.1	6.0	5.8	4.9	0.0	1.7	4.1	5.2	5.2	5.4
Xiaomi	3.5	3.5	2.6	2.9	3.1	2.9	6.2	7.7	8.1	7.1	7.6	8.7	8.0	8.4	1.7	1.5	3.0	5.3	7.9	8.2
Lenovo	0.7	1.1	1.2	1.7	1.6	1.7	1.4	1.6	1.6	1.5	1.3	1.7	1.4	1.6	2.3	0.6	1.2	1.6	1.5	1.5
Google	0.0	1.3	1.0	1.1	1.0	1.1	1.1	1.3	1.5	1.5	1.8	1.7	1.7	1.7	0.0	0.0	0.9	1.1	1.6	1.7
Tecno Telecom	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.2	0.0	0.0	0.0	0.1	0.1	0.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Gartner; KGI Research

Figure 24: Comparison – Smartphone sector

Company	Ticker	Related business	Market cap. (US$mn)	Share price (LCY)	Rating	Target Price (LCY)	EPS (LCY)		EPS YoY (%)		PE (x)		PB (x)		ROE (%)		Cash yield (%)	
							2026F	2027F	2026F	2027F	2026F	2027F	2026F	2027F	2026F	2027F	2025	2026F
Hon Hai	2317 TT	ODM	112,190	252.0	Outperform	330.0	18.67	22.64	37.2	21.3	13.5	11.1	1.9	1.7	14.2	16.1	2.9	3.9
Pegatron	4938 TT	ODM	7,609	89.4	Outperform	100.0	5.39	7.43	0.0	37.7	16.6	12.0	1.1	1.1	6.9	9.2	4.5	3.9
Foxconn Tech*	2354 TT	Casing	2,891	64.4	Not rated	N.A.	N.M.	N.M.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.M.	N.M.	2.3	N.A.
Merry Elec*	2439 TT	Acoustic	630	78.3	Not rated	N.A.	4.98	6.20	(7.1)	24.4	15.7	12.6	1.1	1.1	6.7	8.1	5.1	5.1
Fositek	6805 TT	Hinge	4,841	2,225.0	Outperform	2,385.0	59.69	91.75	92.5	53.7	37.3	24.3	16.2	11.8	49.2	56.3	0.6	1.2
SZS	3376 TT	Hinge	1,305	210.0	Outperform	272.0	6.42	13.58	66.0	15.4	15.4	15.4	15.4	15.4	7.3	15.0	0.6	2.4
Largan Precision	3008 TT	Lens	28,703	6,915.0	Not rated	N.A.	187.80	206.56	17.8	10.0	36.8	33.5	4.5	4.2	12.7	12.9	1.2	1.4
Genius Elec*	3406 TT	Lens	2,984	834.0	Not rated	N.A.	37.26	41.51	13.4	11.4	22.4	20.1	3.2	2.9	15.0	15.8	2.0	2.2
Auras	3324 TT	Thermal	3,131	1,060.0	Outperform	1,410.0	55.69	81.55	97.1	46.4	19.0	13.0	7.0	5.4	41.2	46.9	1.1	2.3
Asia Vital	3017 TT	Thermal	41,607	3,340.0	Outperform	4,000.0	103.17	160.03	109.8	55.1	32.4	20.9	19.7	12.9	72.0	73.3	0.6	1.3
Mediatek	2454 TT	IC design	196,727	3,865.0	Outperform	6,600.0	71.34	123.26	7.8	72.8	54.2	31.4	15.9	13.6	28.7	46.3	1.4	1.7
Win Semi*	3105 TT	PA	5,994	445.5	Not rated	N.A.	7.25	10.20	81.3	40.6	61.4	43.7	4.5	4.2	7.5	10.0	0.4	0.7
VPEC*	2455 TT	PA	2,541	433.0	Not rated	N.A.	5.15	N.A.	59.4	N.A.	84.1	N.A.	21.1	N.A.	26.7	N.A.	0.6	1.0
ASWC*	8086 TT	PA	736	118.0	Not rated	N.A.	5.17	5.92	53.9	14.4	22.8	19.9	2.6	2.4	12.4	13.0	1.4	2.1
Compeq	2313 TT	PCB	9,554	244.0	Outperform	360.0	7.72	15.02	40.1	94.5	31.6	16.2	5.7	4.5	18.6	30.9	1.1	1.6
EMC	2383 TT	CCL	62,542	5,500.0	Outperform	7,625.0	108.84	190.64	161.2	75.2	50.5	28.9	26.9	16.7	63.1	71.4	0.5	1.2
Kinsus	3189 TT	Substrate	15,283	914.0	Outperform	935.0	10.92	25.93	211.5	137.5	83.7	35.2	10.1	8.4	15.6	30.0	0.2	0.6
Unimicron	3037 TT	Substrate	59,499	1,180.0	Outperform	1,175.0	16.10	32.71	267.5	103.1	73.3	36.1	14.4	10.9	22.6	35.8	0.2	0.6
ZDT	4958 TT	FPCB	16,913	477.0	Outperform	685.0	15.61	26.33	126.0	68.6	30.5	18.1	3.1	2.8	12.1	17.0	0.7	1.6
Luxshare*	002475 CH	EMS	65,072	57.2	Not rated	N.A.	2.86	3.83	24.8	34.0	20.0	14.9	3.8	3.1	20.4	22.1	N.A.	0.6
Apple	AAPL US	Brand	4,574,546	313.5	Outperform	317.0	8.80	9.56	17.5	8.6	35.6	32.8	42.4	30.6	143.6	164.6	0.3	0.3
Tecno*	688036 CH	Brand	9,795	57.7	Not rated	N.A.	2.79	3.81	23.4	36.6	20.7	15.2	3.0	2.7	16.2	17.4	2.9	2.6
Xiaomi*	1810 HK	Brand	90,170	27.4	Not rated	N.A.	1.00	1.32	(38.0)	31.9	27.3	20.7	2.5	2.2	8.8	10.4	0.0	0.0

** Bloomberg consensus*
Note: Data as of August 27, 2026
Source: Bloomberg; KGI Research estimates

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KGI Ratings

Rating	Definition
Outperform (OP)	We take a positive view on the stock. The stock is expected to outperform the expected total return* of the KGI coverage universe in the related market over a 12-month investment horizon.
Neutral (N)	We take a neutral view on the stock. The stock is expected to perform in line with the expected total return* of the KGI coverage universe in the related market over a 12-month investment horizon.
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Not Rated (NR)	The stock is not rated by KGI Securities.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances.
	Total return = (12M target price - current price) / current price