GlobalFoundries Inc (GFS)

Riding The Silicon Photonics Super Cycle



Tradingview

Technical Outlook

Pending a breakout. Price is well supported above the EMA20 and is pending for a breakout. Price is expected to test the resistance at USD55.56, followed by USD61.41, while a break below the USD45.45-46.68 support zone would invalidate the setup.

Trading Catalysts

- **Silicon photonics revenue expected to double again.** GFS is capturing the massive AI data centre buildout through its leadership in silicon photonics, with revenue doubling to over USD200m in 2025 and is expected to double again in 2026. Management has also pulled forward its USD1bn revenue run-rate target to the end of 2028 from the original 2030 goal.

- **Serving top three global automotive microcontroller manufacturers.** GFS recently announced a multi-billion-dollar partnership with Renesas, which includes manufacturing automotive applications like advanced driver assistance systems, EV battery management, and secure connectivity for industrial IoT devices. This partnership positions GFS to serve all top three global automotive microcontroller manufacturers.

- **Anticipated margin expansion with strong balance sheet.** Despite a sequential revenue decline guided for 1Q26, GFS maintains a clear trajectory toward a 30% GP margin target in 2026 and a long-term goal of 40%. GFS is also further supported by USD4bn in cash and generated USD1.2bn FCF in 2025.

Peer Comparison

Company Name	Ticker	Price (USD)	Market Cap (USD'bn)	P/E (x)	Forward P/E (x)	ROE (%)	NP Margin (%)	RSI	ST Trend
GLOBALFOUNDRIES	**GFS**	**48.3**	**26.9**	**30.9**	**27.6**	**7.8**	**13.0**	**Positive bias**	**Up**
TAIWAN SEMIC-ADR	TSM	353.9	1835.3	28.5	22.6	35.4	45.1	Negative bias	Down
UNITED MICRO-ADR	UMC	9.8	24.5	18.6	16.8	11.0	17.6	Negative bias	Down
Avg ex-GLOBALFOUNDRIES			**929.9**	**23.6**	**19.7**	**23.2**	**31.3**		

Source: Bloomberg, M+ Research

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GlobalFoundries Inc

Company profile

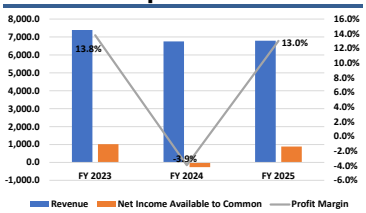
GlobalFoundries Inc is a leading pure-play semiconductor foundry, manufacturing chips designed by clients across automotive, smart mobile devices, IoT, and communications infrastructure markets, with a diversified global footprint spanning the U.S., Europe, and Asia.

Technical Data

Price	48.33
R1	55.56
R2	61.41
S1	46.68
S2	45.45

M+ Research, Bloomberg

Financial Snapshot



M+ Research, Bloomberg

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(a) nil.