CRESTVIEW CAPITAL MANAGEMENT

Long Pitch | Q3 2026

Nexus Semiconductor Corp.

NXSC | Meridex | Semiconductors

Investment Thesis

Cyclical Recovery at Inflection

NAND/DRAM capex bottomed in H1 2026; Nexus holds 34% share in etch-deposition tools exposed to the 3nm transition. Revenue trough confirmed at $1.9B TTM.

Proprietary Technology Moat

17 years of process IP in high-aspect-ratio etching. Only two qualified vendors

KEY METRICS

$42.50
Current Price

71%
Upside to Target

7.2×
EV/EBITDA (ex-Services)

Company Overview & Key Financials

Business Description

Nexus Semiconductor Corp. designs and manufactures plasma-etch and chemical-vapor-deposition tools for leading-edge logic and memory fabs. Headquartered in Boise, ID. 4,800 employees across 7 facilities in the US, Taiwan, and Singapore.

Revenue Mix (TTM)

Snapshot

Ticker / Exchange	NXSC | Meridex
Share Price	$42.50
52-Week Range	$31.20 — $48.75
Market Capitalization	$8.2B
Enterprise Value	$9.1B
TTM Revenue	$1,903M
TTM EBITDA	$527M
TTM Gross Margin	44.2%
Net Debt / EBITDA	1.7×
Dividend Yield	1.8%
Short Interest (% FF)	8.4%

$2,340M	$672M	28.7%	14.2×
FY2027E Revenue	FY2027E EBITDA	EBITDA Margin	Fwd EV/EBITDA

Catalyst Roadmap

N3 Tool Qualification

Oct 2026

TSMC Arizona fab — first PO expected $180M

3nm HVM Ramp

Q1 2027

Volume shipments begin; 4 tools per month cadence

Hansol P3 Award

Mar 2027

Competitive win vs. Lam Research — $240M TAM

Margin Inflection

Revenue Cadence Bridge

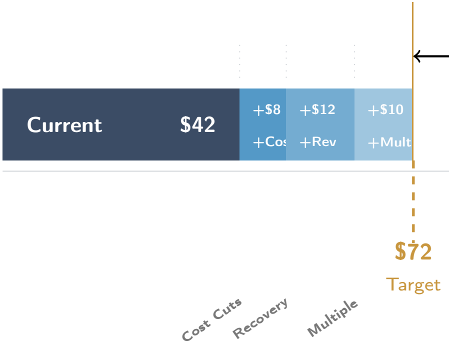
FY2026E	$1,910M	(flat)
FY2027E	$2,340M	+23%
FY2028E	$2,810M	+20%

Key Inflection Point

TSMC N3 represents the largest node transition since 7nm in 2018. Nexus is sole-sourced on 4 of 7 critical etch steps.

⚠ Risk: Texas Instruments pulled in-sourcing timeline

Valuation Waterfall



Methodology

DCF (8.5% WACC)	5-year explicit, 2.5% terminal	**$74**
EV/EBITDA Comps	16.0× FY2027E (peer median)	**$70**
SOTP — Services	5.5× recurring rev at 42% margin	**$31**
SOTP — Equipment	10.0× FY2027E EBITDA	**$38**
Probability-Weighted	**40% Base / 35% Bull / 25% Bear**	**$72**

Scenario Analysis

	Bear	Base	Bull
Price Target	$28	$65	$95

Risk Matrix & Position Management

Risk	Severity	Prob.	Mitigation
Delayed 3nm customer qualification	High	25%	Hedge with sector puts; monitor TSMC capex guidance monthly.
Memory cycle downturn extends beyond Q4 2026	High	15%	Service revenue ($620M ARR) provides floor; 1.8% dividend yield cushions.
Competitor (Lam Research) wins N3 process steps	Med	20%	Switching costs exceed $400M; Nexus holds 17-year process qualification history.
Geopolitical — Taiwan Strait escalation	High	10%	Arizona fab (online late-2026) de-risks single-point exposure to Hsinchu.
Customer consolidation (SK Hynix + Hansol merger)	Low	5%	Nexus diversified across 14 customers; top-3 = 48% of revenue.

Position Sizing Framework

Entry Zone	$40 — $44
Max Position	6.5% NAV

Key Monitor Items

- ☑ TSMC monthly revenue (10th of each month)
- ☑ SEMI book-to-bill ratio

Summary & Recommendation

- Cyclical trough with 3 visible catalysts over 12 months
- Technology moat validated by TSMC sole-source at N3
- 490 bps of margin expansion embedded in base case
- SOTP implies equipment business at 10-year trough multiple
- 2.6:1 reward/risk with defined stop-loss discipline

RECOMMENDATION

BUY

NXSC — Long Only

Target: $72.00

Upside: +71%

Horizon: 12–18 months

Portfolio Fit

Cyclical value with hard catalyst path.