

Auras Technology (3324.TW/3324 TT)

Solid sales & gross margin on liquid-cooling sales growth

Outperform · Maintained

Price as of May 7 (NT\$)	510
12M target price (NT\$)	640
Previous target price (NT\$)	800
Revised down (%)	20.0
Upside (%)	25.5

Key message

1. 1Q25 EPS will be announced on May 9 and is expected to beat our estimate and consensus.
2. 2Q25F sales to grow 15-20% QoQ, with rising liquid-cooling and RTX-50 graphics card sales growth. NT-dollar appreciation may offset product mix improvement impact on gross margin.
3. Liquid-cooling sales to comprise 40-50% of total in 2025F, and be the main sales and EPS growth driver.

Trading data

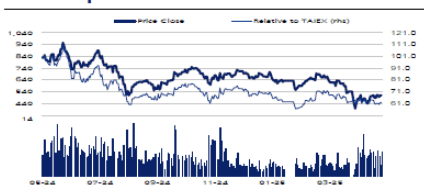
Mkt cap (NT\$bn/US\$mn)	46.81 / 1,557
Outstanding shares (mn)	91.77
Foreign ownership (mn)	11.98
3M avg. daily trading (mn)	2.64
52-week trading range (NT\$)	397.0 –955

Performance	3M	6M	12M
Absolute (%)	-13.7	-21.5	-38.6
Relative (%)	-1.2	-9.3	-38.1

Quarterly EPS

NT\$	1Q	2Q	3Q	4Q
2023	3.22A	2.78A	5.71A	2.59A
2024	4.51A	7.24A	4.43A	5.18A
2025	5.47F	5.43F	9.68F	12.98F

Share price chart



Source: TEJ

Event

Auras Technology will report 1Q25 earnings results on May 9, and we expect gross margin and EPS to beat consensus. With strong April sales, we forecast 2Q25 sales will grow 17% QoQ, with the liquid-cooling sales uptrend intact.

Impact

1Q25F EPS to beat consensus. We raise our 1Q25 EPS forecast due to higher gross and operating margins, as well as forex gains. Given product mix improvement, with server sales weighting rising to 44% in 1Q25 from 39% in 4Q24, liquid-cooling sales weighting increasing to around 17% from below 10% in 4Q24, 16% in 3Q24, and 20% in 2Q24, and new RTX-50 GPU launch to boost graphics card thermal ASP, we estimate 1Q25 gross margin of 27%. Coupled with forex gains (less than NT\$100mn), we raise 1Q25F EPS to NT\$5.47, up 6% QoQ and 21% YoY, above our previous estimate and consensus.

Liquid-cooling sales growth to fuel sales & gross margin expansion. It posted April sales of NT\$2.02bn, up 16% MoM and 66% YoY, thanks to rising AI server and graphics card thermal sales expansion. We forecast 2Q25 sales will grow 17% QoQ, versus guidance of 15-20% QoQ. Liquid-cooling sales weighting surged in April to 25% due to rising cold plate sales to main client Super Micro Computer (US) and manifold sales to Oracle (US) and HP (US). With GB200-related liquid-cooling sales to rise in the coming months, we estimate liquid-cooling sales weighting will increase to 25-30% in 2Q25, driving up gross margin. However, the magnitude of growth may be offset by NT-dollar appreciation against the US dollar. We forecast stable gross margin, but operating margin expansion in 2Q25.

2025F liquid-cooling sales weighting guidance remains unchanged at 40-50%. As GB300 compute board will continue to utilize the Bianca design, the same as the GB200, Auras guides cold plate, manifold, and quick disconnect (QD) sales growth will be deferred. However, it remains positive on rising liquid-cooling penetration in 2H25, and maintains guidance of 40-50% in 2025. Management also guides near-term tariff headwinds will not impact gross margin as clients will be responsible for the cost increase if any. However, it states NT-dollar appreciation against the US dollar will impact gross margin and result in forex losses in 2Q25. Based on sales in US dollars accounting for 90-100% and costs in US dollar making up less than 50%, 10% NT-dollar appreciation may dilute gross margin by 1.5-2.0ppts. However, product mix improvement may offset this negative. To reflect this, we lower 2025F EPS to NT\$33.56, up 58% YoY, but the firm will benefit from rising liquid-cooling sales in 2H25-2026.

Valuation & Action

We maintain Outperform on solid EPS growth and a liquid-cooling sales uptrend, but cut our target price from NT\$800 to NT\$640, based on 20x 2025F fully diluted EPS.

Risks

Material price hikes; weak NB, graphics card, or server demand.

Key financials and valuations

	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
Revenue (NT\$mn)	13,857	12,713	15,779	23,337	30,355
Gross profit (NT\$mn)	2,722	3,005	4,026	6,514	8,513
Operating profit (NT\$mn)	1,173	1,376	1,911	3,901	5,568
Net profit (NT\$mn)	1,264	1,232	1,893	3,025	4,456
EPS (NT\$)	14.68	14.28	21.23	33.56	49.44
Cash DPS (NT\$)	6.50	6.50	10.00	15.76	23.22
EPS growth (%)	11.9	(2.7)	48.7	58.1	47.3
PE (x)	34.7	35.7	24.0	15.2	10.3
PB (x)	8.1	6.8	5.2	4.4	3.6
EV/EBITDA (x)	26.4	23.8	18.4	10.1	7.2
Net debt to equity (%)	4.6	Net cash	Net cash	0.2	Net cash
Dividend yield (%)	1.3	1.3	2.0	3.1	4.6
Return on average equity (%)	24.5	20.2	24.3	31.0	38.1

Source: Company data; KGI Research estimates

Figure 1: Breakdown of 1Q25 & 2Q25 forecast revisions vs. consensus

NT\$m	1Q25F							2Q25F						
	Revision	Previous	Chg. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)	Revision	Previous	Chg. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)
Sales	4,414	4,414	0.0	7.0	40.1	4,379	0.8	5,165	5,076	1.7	17.0	20.6	5,045	2.4
Gross profits	1,192	1,148	3.9	28.4	54.5	1,115	6.9	1,394	1,421	(1.9)	17.0	14.7	1,362	2.4
Operating income	574	556	3.2	63.2	74.3	552	4.0	749	761	(1.6)	30.5	9.0	757	(1.1)
Pretax income	608	587	3.6	6.1	22.5	589	3.2	603	792	(23.9)	(0.8)	(23.1)	778	(22.5)
Net income	493	476	3.6	5.7	24.7	474	4.1	489	644	(24.1)	(0.8)	(22.6)	616	(20.6)
EPS (NT\$)	5.47	5.28	3.6	5.7	21.4	5.26	4.1	5.43	7.15	(24.1)	(0.8)	(25.0)	6.83	(20.6)
Gross margin (%)	27.0	26.0	1.0 ppts	4.5 ppts	2.5 ppts	25.5	1.5 ppts	27.0	28.0	(1.0)ppts	0.0 ppts	(1.4)ppts	27.0	0.0 ppts
OP margin (%)	13.0	12.6	0.4 ppts	4.5 ppts	2.6 ppts	12.6	0.4 ppts	14.5	15.0	(0.5)ppts	1.5 ppts	(1.5)ppts	15.0	(0.5)ppts
Net margin (%)	11.2	10.8	0.4 ppts	(0.1)ppts	(1.4)ppts	10.8	0.4 ppts	9.5	12.7	(3.2)ppts	(1.7)ppts	(5.3)ppts	12.2	(2.7)ppts

Source: Bloomberg; KGI Research estimates

Figure 2: Breakdown of 2025-26 forecast revisions vs. consensus

NT\$m	2025F						2026F			
	Revision	Previous	Chg. (%)	YoY (%)	Consensus	Diff. (%)	KGI forecast	YoY (%)	Consensus	Diff. (%)
Sales	23,337	23,677	(1.4)	47.9	22,235	5.0	30,355	30.1	27,078	12.1
Gross profit	6,514	6,783	(4.0)	61.8	6,137	6.1	8,513	30.7	7,446	14.3
Operating income	3,901	4,202	(7.2)	104.2	3,604	8.2	5,568	42.7	4,661	19.5
Pretax income	3,806	4,325	(12.0)	60.9	3,749	1.5	5,596	47.0	4,747	17.9
Net income	3,025	3,440	(12.1)	59.8	2,982	1.4	4,456	47.3	3,779	17.9
EPS (NT\$)	33.56	38.17	(12.1)	58.1	33.09	1.4	49.44	47.3	41.93	17.9
Gross margin (%)	27.9	28.6	(0.7)ppts	2.4 ppts	27.6	0.3 ppts	28.0	0.1 ppts	27.5	0.5 ppts
OP margin (%)	16.7	17.7	(1.0)ppts	4.6 ppts	16.2	0.5 ppts	18.3	1.6 ppts	17.2	1.1 ppts
Net margin (%)	13.0	14.5	(1.6)ppts	1.0 ppts	13.4	(0.4)ppts	14.7	1.7 ppts	14.0	0.7 ppts

Source: Bloomberg; KGI Research estimates

Figure 3: Server sales weighting continues to expand

Sales weighting (%)	2021	2022	2023	2024	2025F	2025F guidance	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25
NB & DT	41	42	46	39	26	25	41	50	48	45	44	34	39	40	35
Gaming PC & VGA & MB	35	29	26	17	13	13	33	21	23	27	24	15	14	16	17
Server	16	22	23	39	58	60	23	23	25	21	25	46	42	39	44
Smartphone	4	4	3	3	1	1	2	4	3	4	4	3	2	2	2
Auto/others	4	3	2	3	2	1	1	2	1	3	3	2	3	3	2
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Sales (NT\$m)															
NB & DT	5,836	5,844	5,848	6,138	6,115	5,917	1,345	1,298	1,676	1,505	1,387	1,456	1,646	1,650	1,545
Gaming PC & VGA & MB	5,045	4,036	3,305	2,650	3,100	3,077	1,082	545	803	903	756	642	591	660	750
Server	2,305	3,042	2,924	6,139	13,506	14,201	754	597	873	702	788	1,970	1,772	1,609	1,942
Smartphone	499	504	381	421	211	237	66	104	105	134	126	128	84	83	88
Auto/others	573	431	254	431	406	237	33	52	35	100	95	86	127	124	88
Total	14,258	13,857	12,713	15,779	23,337	23,668	3,280	2,596	3,492	3,344	3,152	4,283	4,219	4,125	4,414
Sales YoY (%)															
NB & DT	26	0	0	5	(0)	(4)	(11)	(11)	16	(64)	3	12	(2)	10	11
Gaming PC & VGA & MB	25	(20)	(18)	(20)	17	16	(16)	(43)	(4)	(73)	(30)	18	(26)	(27)	(1)
Server	18	32	(4)	110	120	131	17	(10)	5	(51)	4	230	103	129	146
Smartphone	(55)	1	(24)	11	(50)	(44)	(65)	5	5	(68)	92	24	(19)	(38)	(30)
Others	17	(25)	(41)	69	(6)	(45)	(78)	(61)	(71)	(67)	188	65	262	23	(7)
Total	17	(3)	(8)	24	48	50	(13)	(22)	5	(69)	(4)	65	21	23	40
Sales QoQ (%)															
NB & DT							(68)	(3)	29	(10)	(8)	5	13	0	(6)
Gaming PC & graphics cards							(68)	(50)	47	12	(16)	(15)	(8)	12	14
Server							(47)	(21)	46	(20)	12	150	(10)	(9)	21
Smartphone							(84)	58	1	28	(6)	2	(34)	(2)	7
Auto/others							(89)	58	(33)	187	(6)	(9)	48	(2)	(29)
Total							(69)	(21)	35	(4)	(6)	36	(1)	(2)	7

Source: Company data; KGI Research estimates

Figure 4: Peer comparison – Valuations

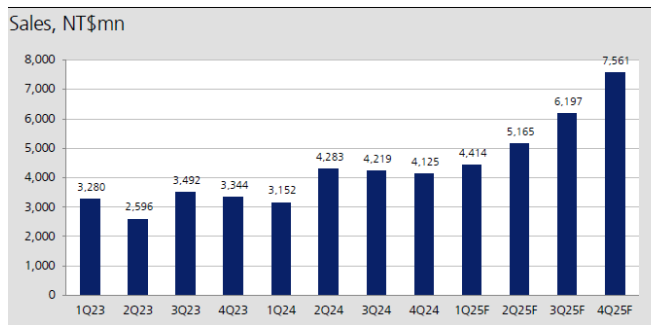
Sector	Company	Ticker	Market cap. (US\$mn)	Share price (LCY)	Rating	Target Price (LCY)	EPS (LCY)			EPS YoY (%)			PE (x)			PB (x)			ROE (%)			Cash yield (%)	
							2023	2024	2025F	2023	2024	2025F	2023	2024	2025F	2023	2024	2025F	2023	2024	2025F	2023	2024
Cooling fan	Sunonwealth	2421 TT	802	88.8	Outperform	118.0	5.16	5.46	6.96	18.9	5.7	27.6	17.2	16.3	12.8	3.4	3.1	2.9	21.5	20.0	23.9	3.9	4.2
	Nidec Corp*	6594 JP	21,817	2,621.5	Not rated	N.A.	32.13	145.95	158.28	(72.3)	354.2	8.4	81.6	18.0	16.6	2.2	1.7	1.7	2.8	10.1	10.8	1.3	1.5
	Sun Max Tech*	6591 TT	60	48.0	Not rated	N.A.	3.40	3.21	N.M.	(50.7)	(5.6)	N.A.	14.1	14.9	N.A.	1.0	0.9	N.A.	6.8	N.M.	N.M.	5.7	5.0
	Minebea Mitsumi*	6479 JP	6,375	2,139.0	Not rated	N.A.	178.23	133.05	141.43	4.8	(25.3)	6.3	12.0	16.1	15.1	1.4	1.1	1.2	12.5	7.7	8.1	1.9	1.9
Thermal module /cooling fan	AVC	3017 TT	6,618	517.0	Outperform	675.0	14.11	21.21	33.75	19.7	50.4	59.1	36.7	24.4	15.3	9.0	7.0	5.6	28.3	32.1	40.5	1.4	1.9
	Delta Elec	2308 TT	31,177	363.5	Outperform	428.0	12.86	13.56	17.03	2.2	5.5	25.6	28.3	26.8	21.3	4.7	4.1	3.6	17.3	16.4	18.0	1.8	1.9
	Vertiv	VRT US	35,626	93.5	Not rated	N.A.	1.21	1.32	3.56	505.0	9.1	170.0	77.3	70.8	26.2	17.7	13.4	10.9	26.6	47.8	45.0	0.0	0.1
	Dover Corporation	DOV US	23,405	170.7	Not rated	N.A.	7.56	19.58	9.33	1.2	159.0	(52.3)	22.6	8.7	18.3	4.7	3.3	3.2	22.5	22.9	17.0	1.2	1.2
Thermal module	Nidec CCI*	6230 TT	381	133.5	Not rated	N.A.	7.02	1.48	N.M.	(1.1)	(78.9)	N.A.	19.0	90.2	N.A.	2.0	1.9	N.A.	10.9	N.M.	N.M.	0.8	0.2
	Auras	3324 TT	1,545	510.0	Outperform	640.0	14.28	21.23	33.56	(2.7)	48.7	58.1	35.7	24.0	15.2	9.5	5.2	4.4	20.2	24.3	31.0	1.3	2.0
	Foxconn Tech*	2354 TT	2,784	59.6	Not rated	N.A.	3.01	2.53	3.43	(0.3)	(15.9)	35.6	19.8	23.6	17.4	0.8	0.8	0.5	4.1	3.8	4.4	2.5	2.3
	Fujikura Ltd*	5803 JP	11,719	5,676.0	Not rated	N.A.	148.27	184.96	283.77	4.5	24.7	53.4	38.3	30.7	20.0	5.8	4.0	4.0	16.7	15.8	21.1	0.5	1.0
	Furukawa Elect*	5801 JP	2,213	4,488.0	Not rated	N.A.	254.45	92.40	407.39	77.4	(63.7)	340.9	17.6	48.6	11.0	1.0	1.0	0.9	6.2	0.6	8.8	1.8	1.3

Source: KGI Research; *Bloomberg consensus

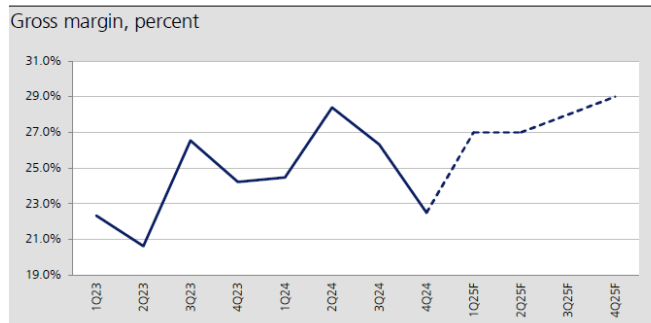
Figure 5: Company profile

Established in 1998, Auras Technology is a top-three thermal solution maker in Taiwan, serving the NB/DT, graphics card, gaming PC, server, and smartphone industries. Top clients include MSI (2377 TT, NT\$140, Outperform), Dell (US), HP (US), Asustek (2357 TT, NT\$594, Outperform), and Apple (US). 2024 application sales mix was NB (30%), DT (9%), graphics cards/ gaming PCs (17%), server (39%), smartphone (3%), and others (3%). 2024-25F sales growth will be driven by server sales.

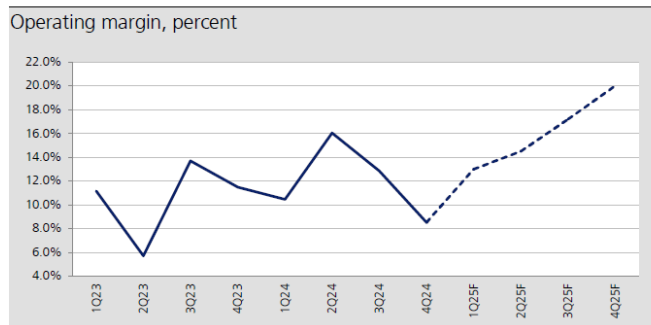
Source: KGI Research

Figure 7: Sales


Source: KGI Research

Figure 9: Gross Margin


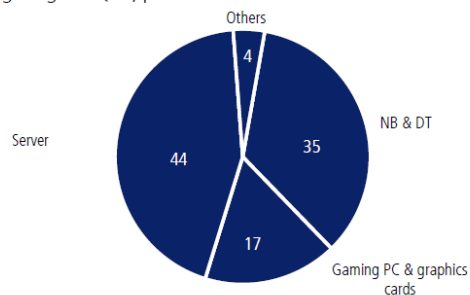
Source: KGI Research

Figure 11: Operating Margin


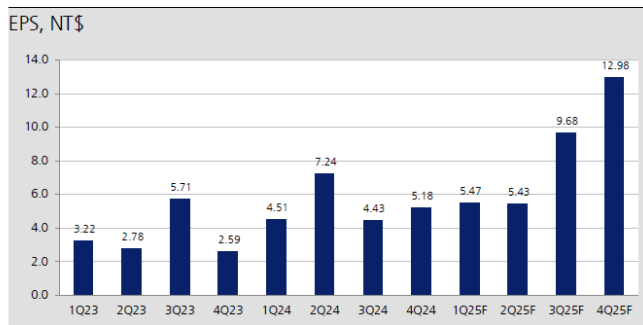
Source: KGI Research

Figure 6: Server sales weighting rose to 44% in 1Q25

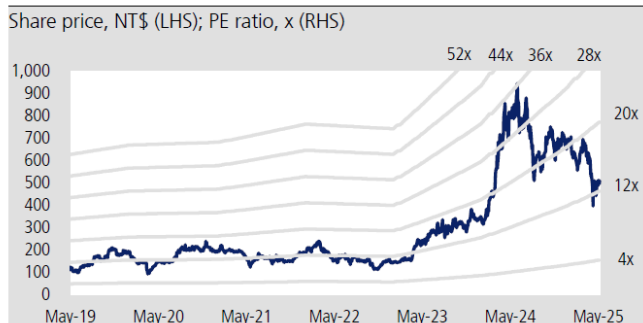
Sales weighting in 1Q25, percent



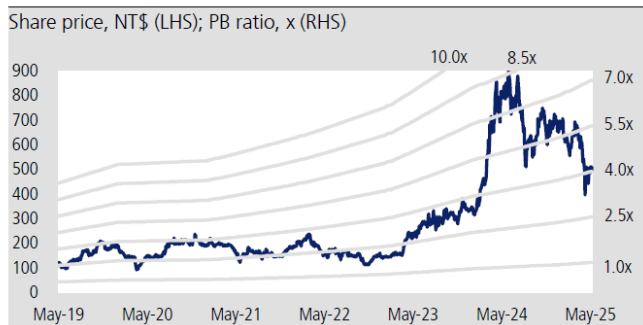
Source: Company data; KGI Research

Figure 8: EPS


Source: KGI Research

Figure 10: 12M forward PE band


Source: TEJ; KGI Research estimates

Figure 12: 12M forward PB band


Source: TEJ; KGI Research estimates

Income statement

	Quarterly								Annually		
	Mar-24A	Jun-24A	Sep-24A	Dec-24A	Mar-25F	Jun-25F	Sep-25F	Dec-25F	Dec-24A	Dec-25F	Dec-26F
Income statement (NT\$mn)											
Revenue	3,152	4,283	4,219	4,125	4,414	5,165	6,197	7,561	15,779	23,337	30,355
Cost of goods sold	(2,380)	(3,067)	(3,108)	(3,197)	(3,222)	(3,770)	(4,462)	(5,368)	(11,753)	(16,823)	(21,841)
Gross profit	771	1,216	1,111	928	1,192	1,394	1,735	2,193	4,026	6,514	8,513
Operating expenses	(442)	(529)	(568)	(576)	(618)	(646)	(669)	(680)	(2,115)	(2,613)	(2,945)
Operating profit	329	687	543	352	574	749	1,066	1,512	1,911	3,901	5,568
Depreciation of fixed assets	(106)	(112)	(122)	(132)	(137)	(137)	(137)	(137)	(471)	(549)	(641)
Amortisation of intangible assets	(8)	(9)	(10)	(11)	(9)	(9)	(9)	(9)	(38)	(38)	(38)
EBITDA	443	808	675	494	721	896	1,213	1,659	2,420	4,487	6,247
Interest income	7	10	8	15	11	11	11	11	40	44	38
Investment income	3	-	-	-	3	3	3	3	3	10	10
Other non-op income	163	95	54	220	85	-	10	15	533	110	100
Non-operating income	173	105	62	235	99	14	24	29	576	164	148
Interest expense	(6)	(7)	(9)	(8)	(8)	(8)	(8)	(8)	(31)	(34)	(35)
Investment loss	-	(1)	(3)	(6)	(1)	(1)	(1)	(1)	(10)	(5)	(5)
Other non-op expenses	-	0	(79)	-	(55)	(150)	(10)	(5)	(79)	(220)	(80)
Non-operating expenses	(6)	(8)	(91)	(14)	(65)	(160)	(20)	(15)	(120)	(259)	(120)
Pre-tax profit	496	783	514	573	608	603	1,070	1,526	2,366	3,806	5,596
Current taxation	(92)	(149)	(103)	(90)	(109)	(108)	(193)	(351)	(434)	(761)	(1,119)
Minorities	(8)	(2)	(13)	(15)	(5)	(5)	(5)	(5)	(39)	(20)	(20)
Normalised net profit	396	632	398	467	493	489	872	1,170	1,893	3,025	4,456
Extraordinary items	(0)	0	0	0	-	-	-	-	-	-	-
Net profit	396	632	398	467	493	489	872	1,170	1,893	3,025	4,456
EPS (NT\$)	4.51	7.24	4.43	5.18	5.47	5.43	9.68	12.98	21.23	33.56	49.44
Margins (%)											
Gross profit margin	24.5	28.4	26.3	22.5	27.0	27.0	28.0	29.0	25.5	27.9	28.0
Operating margin	10.4	16.0	12.9	8.5	13.0	14.5	17.2	20.0	12.1	16.7	18.3
EBITDA margin	14.1	18.9	16.0	12.0	16.3	17.3	19.6	21.9	15.3	19.2	20.6
Pretax profit margin	15.7	18.3	12.2	13.9	13.8	11.7	17.3	20.2	15.0	16.3	18.4
Net profit margin	12.6	14.8	9.4	11.3	11.2	9.5	14.1	15.5	12.0	13.0	14.7
Sequential growth (%)											
Revenue growth	(5.8)	35.9	(1.5)	(2.2)	7.0	17.0	20.0	22.0			
Gross profit growth	(4.8)	57.6	(8.6)	(16.5)	28.4	17.0	24.4	26.4			
Operating profit growth	(14.3)	108.6	(20.9)	(35.3)	63.2	30.5	42.3	41.9			
EBITDA growth	(11.0)	82.3	(16.5)	(26.8)	45.8	24.3	35.4	36.8			
Pretax profit growth	56.6	57.9	(34.4)	11.5	6.1	(0.8)	77.5	42.6			
Net profit growth	77.0	59.7	(37.0)	17.2	5.7	(0.8)	78.3	34.2			
YoY growth (%)											
Revenue growth	(3.9)	65.0	20.8	23.3	40.1	20.6	46.9	83.3	24.1	47.9	30.1
Gross profit growth	5.3	127.0	19.9	14.5	54.5	14.7	56.1	136.3	34.0	61.8	30.7
Operating profit growth	(9.9)	361.8	13.6	(8.5)	74.3	9.0	96.3	330.2	38.8	104.2	42.7
EBITDA growth	(9.0)	201.9	13.7	(0.8)	62.6	10.9	79.7	235.7	31.1	85.4	39.2
Pretax profit growth	40.7	161.5	(14.2)	80.7	22.5	(23.1)	108.3	166.5	50.9	60.9	47.0
Net profit growth	42.7	164.1	(19.0)	108.8	24.7	(22.6)	119.0	150.6	53.6	59.8	47.3

Source: Company data; KGI Research estimates

Balance sheet

NT\$m	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
Total assets	11,743	12,612	16,926	21,443	27,231
Current assets	8,420	8,653	11,680	15,579	20,862
Cash & ST securities	1,492	1,450	2,933	2,988	4,646
Inventory	2,072	2,307	2,810	4,032	5,235
Accounts receivable	4,490	4,419	5,429	8,051	10,472
Other current assets	365	477	508	508	508
Non-current assets	3,323	3,959	5,246	5,864	6,369
LT investments	128	215	393	459	506
Net fixed assets	2,715	3,126	4,083	4,634	5,093
Other assets	480	618	770	770	770
Total liabilities	5,933	5,745	7,638	10,553	13,989
Current liabilities	5,620	4,787	5,902	8,359	10,811
Accounts payable	2,848	3,157	3,775	5,418	7,034
Interest bearing ST liabilities	1,498	232	475	750	902
Other current liabilities	1,273	1,398	1,651	2,191	2,874
Non-current liabilities	313	959	1,736	2,193	3,179
Long-term debt	255	916	1,675	2,132	3,117
Other L-T liabilities	-	(0)	17	17	17
Total equity	5,810	6,866	9,288	10,891	13,242
Share capital	884	884	915	915	915
Retained earnings reserve	3,304	3,926	5,121	6,703	9,034
Minority interests	244	231	327	347	367
Preferred shareholders funds	-	-	-	-	-

Key ratios

	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
Growth					
Revenue growth	(2.8%)	(8.3%)	24.1%	47.9%	30.1%
Operating profit growth	(14.9%)	17.3%	38.8%	104.2%	42.7%
EBITDA growth	(10.0%)	8.0%	31.1%	85.4%	39.2%
Net profit growth	11.6%	(2.5%)	53.6%	59.8%	47.3%
EPS growth	11.9%	(2.7%)	48.7%	58.1%	47.3%
Profitability					
Gross profit margin	19.6%	23.6%	25.5%	27.9%	28.0%
Operating margin	8.5%	10.8%	12.1%	16.7%	18.3%
EBITDA margin	12.3%	14.5%	15.3%	19.2%	20.6%
Net profit margin	9.1%	9.7%	12.0%	13.0%	14.7%
Return on average assets	10.7%	10.1%	12.8%	15.8%	18.3%
Return on average equity	24.5%	20.2%	24.3%	31.0%	38.1%
Stability					
Gross debt to equity	30.2%	16.7%	23.1%	26.5%	30.4%
Net debt to equity	4.6%	Net cash	Net cash	0.2%	Net cash
Interest coverage (x)	43.4	57.2	77.1	113.0	158.7
Interest & ST debt coverage (x)	0.5	0.9	0.8	0.8	0.9
Cash flow interest coverage(x)	32.3	70.6	52.8	41.3	88.0
Cash flow/int. & ST debt (x)	0.8	7.6	3.2	1.8	3.3
Current ratio (x)	1.5	1.8	2.0	1.9	1.9
Quick ratio (x)	1.1	1.3	1.5	1.4	1.4
Net debt (NT\$m)	269	(218)	(659)	18	(502)
Per share data					
EPS (NT\$)	14.68	14.28	21.23	33.56	49.44
CFPS (NT\$)	14.41	22.85	18.43	15.58	34.65
BVPS (NT\$)	62.97	75.04	97.91	115.20	140.67
Adj BVPS (NT\$)	64.67	76.92	100.51	116.98	142.84
SPS (NT\$)	160.99	147.37	176.99	258.92	336.78
EBITDA/share (NT\$)	19.86	21.41	27.14	49.79	69.31
Cash DPS (NT\$)	6.50	6.50	10.00	15.76	23.22
Activity					
Sales / avg assets	1.17	1.04	1.07	1.22	1.25
Days receivable	118.3	126.9	125.9	125.9	125.9
Days inventory	67.9	86.7	87.5	87.5	87.5
Days payable	93.4	118.7	117.6	117.6	117.6
Cash cycle	92.8	94.9	95.9	95.9	95.9

Source: Company data; KGI Research estimates

Profit & loss

NT\$m	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
Revenue	13,857	12,713	15,779	23,337	30,355
Cost of goods sold	(11,135)	(9,708)	(11,753)	(16,823)	(21,841)
Gross profit	2,722	3,005	4,026	6,514	8,513
Operating expenses	(1,549)	(1,629)	(2,115)	(2,613)	(2,945)
Operating profit	1,173	1,376	1,911	3,901	5,568
Non-operating income	550	368	576	164	148
Interest income	10	23	40	44	38
Investment income	10	0	3	10	10
Other non-op income	529	345	533	110	100
Non-operating expenses	(95)	(177)	(120)	(259)	(120)
Interest expense	(38)	(28)	(31)	(34)	(35)
Investment loss	(1)	(2)	(10)	(5)	(5)
Other non-op expenses	(55)	(146)	(79)	(220)	(80)
Pre-tax profit	1,628	1,568	2,366	3,806	5,596
Current taxation	(341)	(329)	(434)	(761)	(1,119)
Minorities	(23)	(7)	(39)	(20)	(20)
Extraordinary items	(0)	(0)	0	-	-
Net profit	1,264	1,232	1,893	3,025	4,456
EBITDA	1,709	1,847	2,420	4,487	6,247
EPS (NT\$)	14.68	14.28	21.23	33.56	49.44

Cash flow

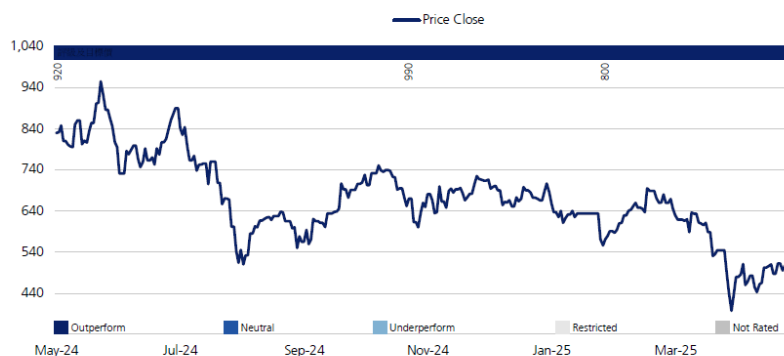
NT\$m	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
Operations cash flow	1,241	1,971	1,643	1,404	3,123
Net profit	1,264	1,232	1,893	3,025	4,456
Depreciation & amortisation	536	470	509	587	679
Decrease in working capital	(758)	151	(825)	(2,202)	(2,008)
Other operating cash flow	199	117	67	(5)	(5)
Investing cash flow	(633)	(1,053)	(1,567)	(1,199)	(1,179)
Sale of ST investment	-	(89)	(44)	-	-
New investments	-	(100)	(22)	(61)	(41)
Capital expenditure	(615)	(835)	(1,436)	(1,100)	(1,100)
Others investing cashflow	(18)	(30)	(65)	(38)	(38)
Free cash flow	61	843	(230)	367	1,988
Financing cash flow	(629)	(1,007)	1,364	(151)	(285)
Increase in short term debt	(71)	(305)	65	-	-
Increase in long term loans	10	(81)	1,544	731	1,138
New ordinary shares issued	-	-	-	-	-
Ordinary dividends paid	(517)	(577)	(571)	(903)	(1,443)
Other financing cashflow	(52)	(43)	160	20	20
Forex effects	12	(29)	3		
Total cash generated	(10)	(118)	1,443	54	1,659

ROIC

	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
1 - COGS/revenue					
- Operating exp./revenue	11.2%	12.8%	13.4%	11.2%	9.7%
= Operating margin	8.5%	10.8%	12.1%	16.7%	18.3%
1 / (Working capital/revenue	0.2	0.2	0.2	0.2	0.2
+ Net PPE/revenue	0.2	0.2	0.3	0.2	0.2
+ Other assets/revenue)	0.0	0.0	0.0	0.0	0.0
= Capital turnover	2.5	2.1	2.0	2.3	2.6
Operating margin	8.5%	10.8%	12.1%	16.7%	18.3%
x Capital turnover	2.5	2.1	2.0	2.3	2.6
x (1 - tax rate)	79.0%	79.0%	81.6%	80.0%	80.0%
= After-tax ROIC	16.5%	18.2%	20.1%	31.3%	37.9%

Source: Company data; KGI Research estimates

Auras – Recommendation & target price history



Date	Rating	Target	Price
2025-02-25	Outperform	800	637
2025-02-04	Outperform	800	556
2025-02-04	Outperform	800	556
2024-11-14	Outperform	990	700
2024-10-29	Outperform	990	652
2024-07-30	Outperform	920	671
2024-04-30	Outperform	920	800
2024-03-09	Outperform	660	571
2023-11-16	Outperform	445	348
2023-10-25	Outperform	405	314

Source: TEJ; KGI Research

All the above named KGI analyst(s) is SFC licensed person accredited to KGI Asia Ltd to carry on the relevant regulated activities. Each of them and/or his/her associate(s) does not have any financial interest in the respectively covered stock, issuer and/or new listing applicant.

Disclaimer

All the information contained in this report is not intended for use by persons or entities located in or residing in jurisdictions which restrict the distribution of this information by KGI Asia Limited ("KGI") or an affiliate of KGI. Such information shall not constitute investment advice, or an offer to sell, or an invitation, solicitation or recommendation to subscribe for or invest in any securities or investment products or services nor a distribution of information for any such purpose in any jurisdiction. In particular, the information herein is not for distribution and does not constitute an offer to sell or the solicitation of any offer to buy any securities in the United States of America, or to or for the benefit of United States persons (being residents of the United States of America or partnerships or corporations organised under the laws of the United States of America or any state, territory or possession thereof). All the information contained in this report is for general information and reference purpose only without taking into account of any particular investor's objectives, financial situation or needs. Such information is not intended to provide professional advice and should not be relied upon in that regard.

Some of KGI equity research and earnings estimates are available electronically on www.kgi.com.hk. Please contact your KGI representative for information. The information and opinions in this report are those of KGI internal research activity. KGI does not make any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information and opinions contained in this report. The information and opinions contained in this report are subject to change without any notice. No person accepts any liability whatsoever for any loss however arising from any use of this report or its contents. This report is not to be construed as an invitation or offer to buy or sell securities and/or to participate in any investment activity. This report is being supplied solely for informational purposes and may not be redistributed, reproduced or published (in whole or in part) by any means for any purpose without the prior written consent of KGI. Members of the KGI group and their affiliates may provide services to any companies and affiliates of such companies mentioned herein. Members of the KGI group, their affiliates and their directors, officers and employees may from time to time have a position in any securities mentioned herein.