

## Quanta Computer (2382.TW/2382 TT)

### 1Q25 EPS beat; AI server sales expansion on GB200 ramp

FTSE4Good TIP Taiwan ESG Index stock

#### Outperform · Maintained

Price as of May 14 (NT\$)	276.5
12M target price (NT\$)	320.0
Previous target price (NT\$)	325.0
Revised down (%)	1.5
Upside (%)	15.7

#### Key message

- 1Q25 EPS was NT\$5.06, up 23% QoQ and 62% YoY, beating consensus and our forecast on better margins and non-operating profit.
- Quanta guides 2Q25F NB shipments will grow 5-10% QoQ and AI server sales will ramp significantly QoQ, boosting sales; but gross & operating margin will be diluted.
- AI server will comprise 70% of overall server sales in 2025F, from 50% in 2024.

#### Trading data

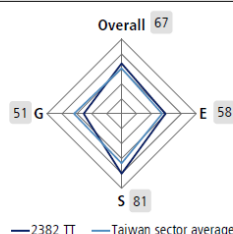
Mkt cap (NT\$bn/US\$mn)	1,068 / 35,168
Outstanding shares (mn)	3,863
Foreign ownership (mn)	808
3M avg. daily trading (mn)	16.94
52-week trading range (NT\$)	178.5 –341.0

Performance	3M	6M	12M
Absolute (%)	6.3	-12.1	-4.2
Relative (%)	12.2	-8	-8

#### Quarterly EPS

NT\$	1Q	2Q	3Q	4Q
2023	1.68A	2.63A	3.32A	2.67A
2024	3.13A	3.92A	4.32A	4.12A
2025	5.06A	4.16F	4.12F	4.40F

#### ESG score card



Source: Refinitiv, KGI

#### Event

1Q25 EPS was NT\$5.06, up 23% QoQ and 62% YoY, beating consensus and our forecast on better margins and non-op profit. Quanta guides 2Q25F sales to rise QoQ on significant AI server ramp-up. The firm has raised 2025F capex on demand and production site diversification needs.

#### Impact

**1Q25 EPS a beat.** 1Q25 EPS was NT\$5.06, beating consensus and our estimate on stronger-than-expected gross margin of 7.9% and operating margin of 5.1% (both up QoQ).

Management said margins benefited mostly from growing server sales, with a better product mix (higher share of Hopper AI (low-ASP) server and general server), while increased sales resulted in a lower opex ratio of 2.9%. On the non-operating side, forex gains were NT\$2.08bn, despite net interest expenses of NT\$1bn for increased working capital and inventory costs. Thus, EPS hit a new high and beat consensus.

**AI server the key driver in coming quarters.** Quanta guides NB shipments in 2Q25F to grow 5-10% QoQ from a better-than-expected 1Q25 level of 10.8mn units (down 3% QoQ but up 3% YoY), with some early pull-in demand due to the US tariff issue. On better GPU supply and an improving assembly yield rate, it guides AI server sales in GB200 (high-ASP) to continue strong YoY and QoQ growth, followed by more than double YoY growth in 1Q25F. AI server contribution was around 60% of server sales in 1Q25 and will approach 70% in 2Q25F on GB200 shipments ramp-up. We thus expect 2Q25F sales to grow around 10% QoQ. With GB200 sales contribution rising, we expect a gross margin decline to 6.7% and operating margin to 4%. We have also factored in some impact from a strong NT dollar, despite most sales and costs being in US dollars, along with a natural hedge and a good record of hedging strategies in the past. 2H25F macro uncertainty is high, but we think AI server sales growth is intact, with strong momentum supporting sales and earnings. To meet AI server demand, the firm's R&D expenses will grow, boosting overall operating expenses (but lower than sales growth) in 2025F. For the tariff impact, it will continue expanding plants outside China in Taiwan, Thailand, the US and Germany to meet demand and mitigate the tariff impact. Thus, it has raised 2025F capex to NT\$20bn, vs. NT\$13bn in 2024, but maintains a dividend payout ratio above 70%, vs. 84% last year. Our revised 2025F EPS is NT\$17.75, up 15% YoY. And with GB300 AI server contribution rising with the firm's competitiveness, and with auto sales rebounding, we see 2026F EPS growth as intact.

#### Valuation & Action

We adjust our target price from NT\$325 to NT\$320, on 18x 2025F EPS, and maintain our Outperform rating on growing AI server sales and EPS in 2025-26F.

#### Risks

Weak NB demand; low AI server margin; weak EV and auto sales.

#### Key financials and valuations

	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
Revenue (NT\$mn)	1,280,429	1,085,611	1,410,756	2,340,818	3,098,818
Gross profit (NT\$mn)	70,915	84,883	110,760	146,036	165,096
Operating profit (NT\$mn)	31,189	43,550	61,622	87,087	97,940
Net profit (NT\$mn)	28,957	39,676	59,702	68,421	76,378
EPS (NT\$)	7.51	10.29	15.49	17.75	19.82
Cash DPS (NT\$)	6.00	9.00	13.00	14.17	15.82
EPS growth (%)	(14.0)	37.0	50.5	14.6	11.6
PE (x)	36.8	26.9	17.9	15.6	14.0
PB (x)	6.3	5.7	4.8	4.5	4.3
EV/EBITDA (x)	27.5	19.4	15.5	10.6	10.2
Net debt to equity (%)	28.0	Net cash	28.9	35.0	69.2
Dividend yield (%)	2.2	3.3	4.7	5.1	5.7
Return on average equity (%)	17.5	22.3	29.2	29.9	31.4

Source: Company data; KGI Research estimates

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

NT\$mnn	1Q25							2Q25F						
	Actual	KGI forecast	Diff. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)	Revision	Previous	Chg. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)
Sales	485,672	438,179	10.8	16.4	87.6	431,411	12.6	534,239	547,723	(2.5)	10.0	72.4	531,381	0.5
Gross profits	38,483	28,482	35.1	23.8	75.3	30,031	28.1	35,794	31,768	12.7	(7.0)	34.5	34,274	4.4
Operating income	24,600	15,336	60.4	62.3	110.3	17,221	42.9	21,370	18,623	14.8	(13.1)	40.5	19,877	7.5
Pretax Income	25,269	16,146	56.5	42.3	73.9	18,992	33.1	20,818	19,432	7.1	(17.6)	6.2	22,070	(5.7)
Net income	19,498	12,406	57.2	22.8	61.6	14,571	33.8	16,050	14,970	7.2	(17.7)	6.1	16,397	(2.1)
EPS (NT\$)	5.06	3.22	57.2	22.8	61.6	3.78	33.8	4.16	3.88	7.2	(17.7)	6.1	4.25	(2.1)
Gross margin (%)	7.9	6.5	1.4 ppts	0.5 ppts	(0.6)ppts	7.0	0.9 ppts	6.7	5.8	0.9 ppts	(1.2)ppts	(1.9)ppts	6.5	0.2 ppts
OP margin (%)	5.1	3.5	1.6 ppts	1.4 ppts	0.5 ppts	4.0	1.1 ppts	4.0	3.4	0.6 ppts	(1.1)ppts	(0.9)ppts	3.7	0.3 ppts
Net margin (%)	4.0	2.8	1.2 ppts	0.2 ppts	(0.6)ppts	3.4	0.6 ppts	3.0	2.7	0.3 ppts	(1.0)ppts	(1.9)ppts	3.1	(0.1)ppts

Source: Bloomberg; KGI Research estimates

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

NT\$mnn	2025F						2026F			
	Revision	Previous	Chg. (%)	YoY (%)	Consensus	Diff. (%)	KGI forecast	YoY (%)	Consensus	Diff. (%)
Sales	2,340,818	2,552,390	(8.3)	65.9	2,249,762	4.0	3,098,818	32.4	2,886,750	7.3
Gross profit	146,036	139,998	4.3	31.8	141,735	3.0	165,096	13.1	167,432	(1.4)
Operating income	87,087	86,935	0.2	41.3	84,479	3.1	97,940	12.5	102,678	(4.6)
Pretax Income	88,680	90,174	(1.7)	21.2	90,664	(2.2)	98,947	11.6	108,435	(8.8)
Net income	68,421	69,586	(1.7)	14.6	70,307	(2.7)	76,378	11.6	84,014	(9.1)
EPS (NT\$)	17.75	18.05	(1.7)	14.6	18.24	(2.7)	19.82	11.6	21.80	(9.1)
Gross margin (%)	6.2	5.5	0.8 ppts	(1.6)ppts	6.3	(0.1)ppts	5.3	(0.9)ppts	5.8	(0.5)ppts
OP margin (%)	3.7	3.4	0.3 ppts	(0.6)ppts	3.8	(0.1)ppts	3.2	(0.6)ppts	3.6	(0.4)ppts
Net margin (%)	2.9	2.7	0.2 ppts	(1.3)ppts	3.1	(0.2)ppts	2.5	(0.5)ppts	2.9	(0.4)ppts

Source: Bloomberg; KGI Research estimates

**Figure 3: Higher server sales weightings in 2025F**

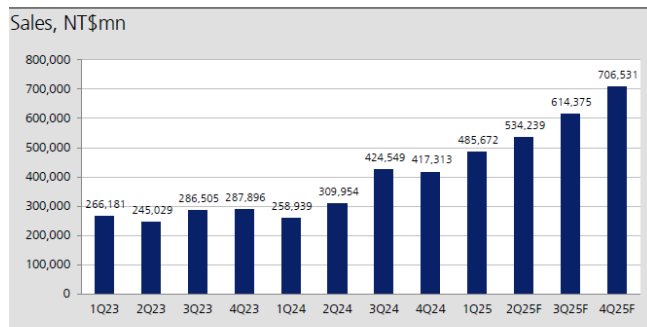
Sales weighting (%)	2019	2020	2021	2022	2023	2024	2025F
NB / Chromebook	43	53	54	48	41	29	18
Cloud server	23	24	26	27	35	60	74
EV	1	2	3	6	8	8	4
Wearable / IoT / Others	32	21	18	19	16	3	4

Source: KGI Research estimates

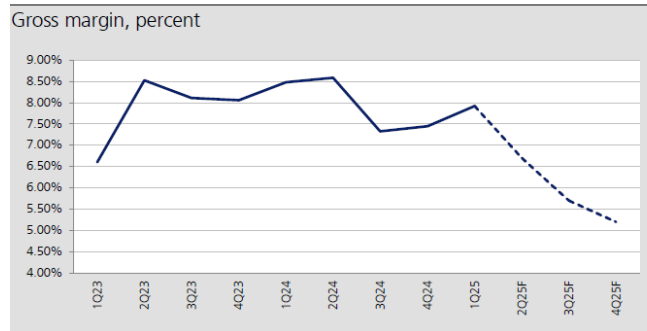
**Figure 4: Company profile**

Established in 1988, Quanta is the world's second largest NB ODM, with shipment volume of 46.9mn units and a global market share of 31% in 2023. Its major customers include the top-six global NB brands including Apple (US), HP (US), Asustek and Acer. Quanta has over 30k employees worldwide. It is currently expanding into other businesses including server, all-in-one (AIO), wearables and AI. The cloud business is expected to be a long-term sales driver. In 2024, non-NB business was 71% of sales, vs 55-60% in 2023.

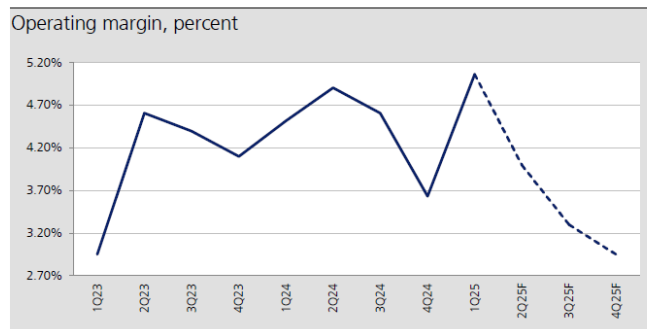
Source: KGI Research

**Figure 6: Sales**


Source: KGI Research

**Figure 8: Gross Margin**


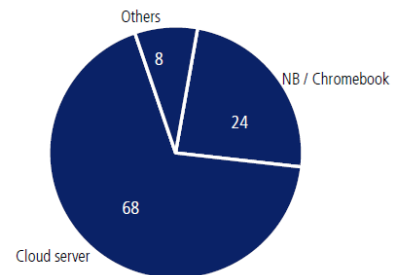
Source: KGI Research

**Figure 10: Operating Margin**


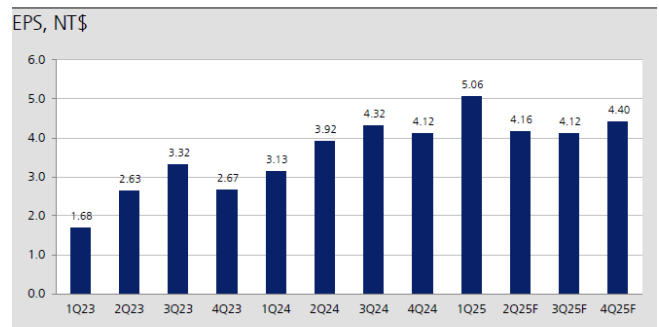
Source: KGI Research

**Figure 5: Sales weighting of NB down to below 25%, server up to 65-70% in 1Q25**

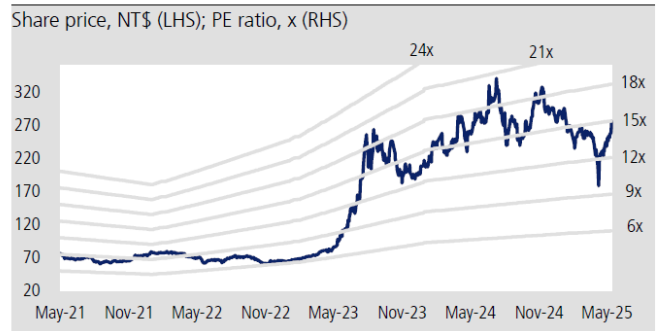
1Q25 sales weighting, percent



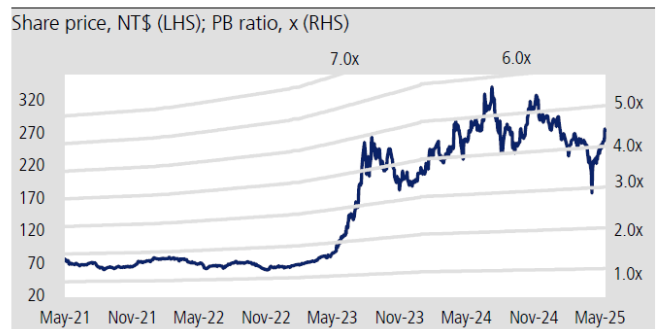
Source: Company data; KGI Research

**Figure 7: EPS**


Source: KGI Research

**Figure 9: 12M forward PE band**


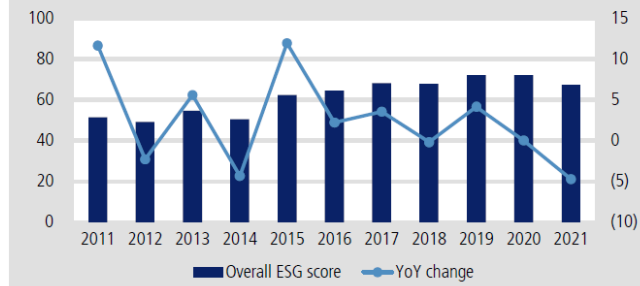
Source: TEJ; KGI Research estimates

**Figure 11: 12M forward PB band**


Source: TEJ; KGI Research estimates

**Figure 12: Overall ESG score**

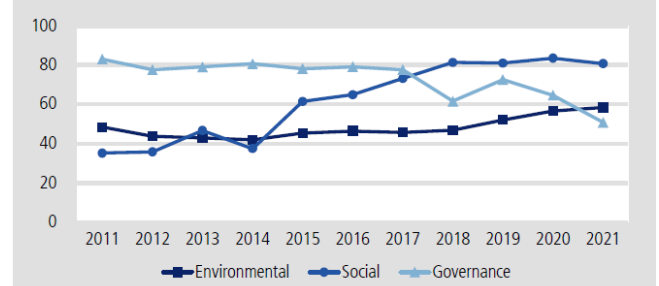
ESG score (LHS); YoY change, point (RHS)



Source: Refinitiv; KGI Research; Company data

**Figure 13: ESG scores**

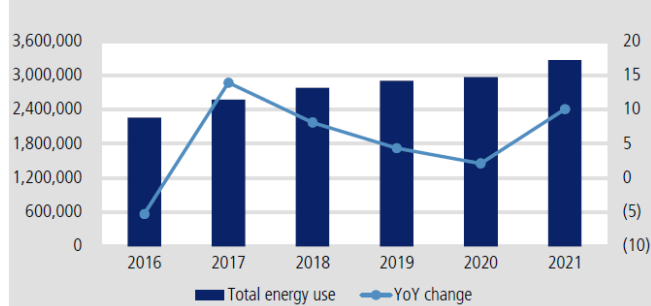
ESG score



Source: Refinitiv; KGI Research; Company data

**Figure 14: Energy Use**

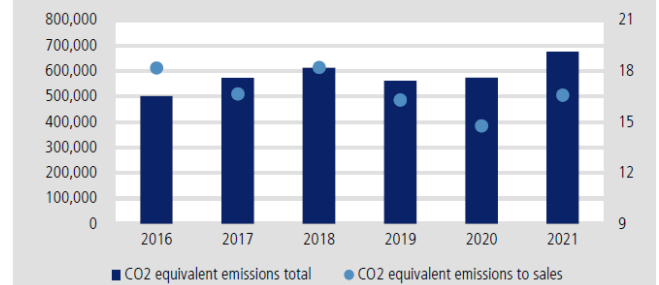
Energy use, gigajoules; YoY growth, percent (RHS)



Source: Refinitiv; KGI Research; Company data

**Figure 15: CO2 equivalent emissions**

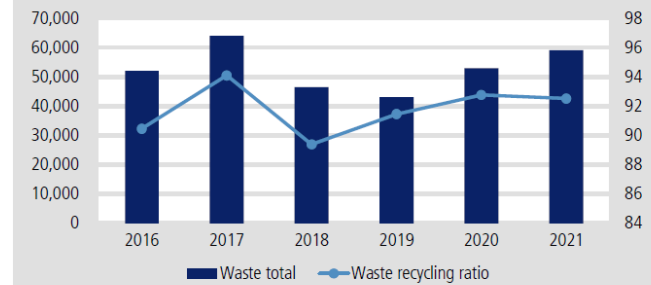
CO2 equivalent emissions, mt (LHS); emissions to revenue, mt per US\$mn (RHS)



Source: Refinitiv; KGI Research; Company data

**Figure 16: Waste total**

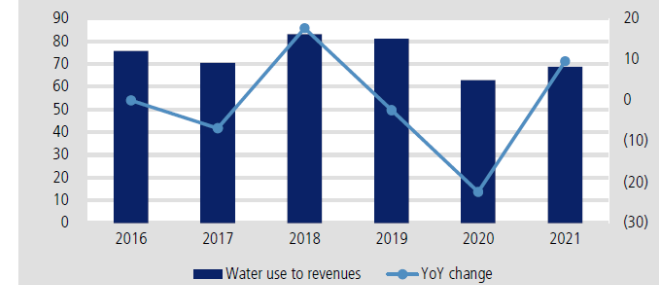
Waste total, metric tons; waste recycling ratio, percent (RHS)



Source: Refinitiv; KGI Research; Company data

**Figure 17: Water use to revenue**

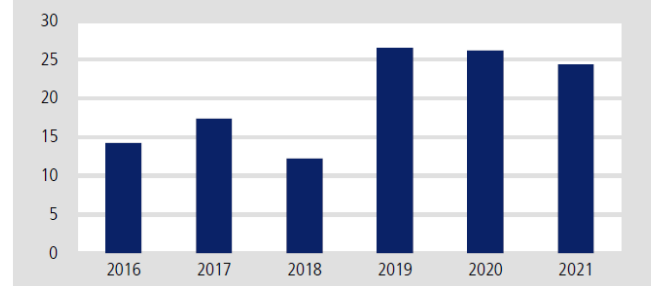
Water use to revenue, cubic meters/ US\$mn; YoY growth (RHS)



Source: Refinitiv; KGI Research; Company data

**Figure 18: Employee training**

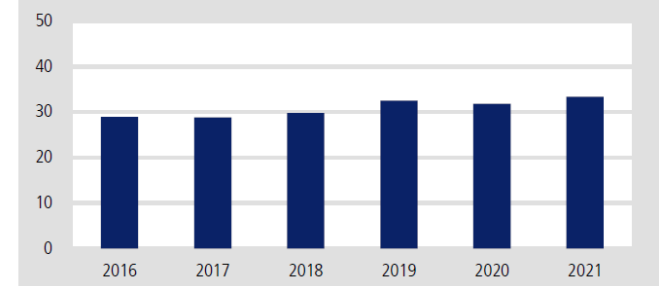
Average annual training hours per employee



Source: Refinitiv; KGI Research; Company data

**Figure 19: Gender diversification**

Weighting of female employees, percent



Source: Refinitiv; KGI Research; Company data

## ESG chart definition

Item	Definition	Remarks
Energy use	<p>Total direct and indirect energy consumption in gigajoules.</p> <ul style="list-style-type: none"> <li>- the total amount of energy that has been consumed within the boundaries of the company's operations</li> <li>- total energy use = total direct energy consumption + indirect energy consumption</li> <li>- purchased energy and produced energy are included in total energy use</li> <li>- for utilities, transmission/ grid loss as part of its business activities is considered as total energy consumed and data does not consider electricity produced to answer energy use (utility company produces to sell)</li> <li>- for utilities, raw materials such as coal, gas or nuclear used in the production of energy are not considered under 'total energy use'</li> </ul>	
Renewable energy purchased	<p>Total primary renewable energy purchased in gigajoules.</p> <ul style="list-style-type: none"> <li>- energy consumed by the company from various sources and among the purchased energy, how much energy is renewable in nature (solar, wind, hydro, biomass, geothermal) are in scope</li> <li>- if there is no evidence that renewable energy is produced by the company, then we consider the reported energy figure as renewable energy purchased</li> </ul>	
Renewable energy use ratio	Renewable energy to total energy used	
CO2 equivalent emissions	<p>Direct CO2 and CO2 equivalent emissions in metric tons.</p> <ul style="list-style-type: none"> <li>- direct emissions from sources that are owned or controlled by the company (scope 1 emissions)</li> <li>- following gases are relevant: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorinated compound (PFCs), sulfur hexafluoride (SF6), nitrogen trifluoride (NF3)</li> </ul>	
CO2 equivalent emissions to sales	<p>Direct CO2 and CO2 equivalent emissions (metric tons) to sales (NT\$mn)</p> <ul style="list-style-type: none"> <li>- direct emissions from sources that are owned or controlled by the company (scope 1 emissions)</li> <li>- following gases are relevant: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorinated compound (PFCs), sulfur hexafluoride (SF6), nitrogen trifluoride (NF3)</li> </ul>	
Waste total	<p>Total amount of waste produced in metric tons.</p> <ul style="list-style-type: none"> <li>- total waste = non-hazardous waste + hazardous waste</li> <li>- only solid waste is taken into consideration, exceptionally if liquid waste is reported in metric tons, then we do the summation to derive total including liquid waste</li> <li>- for sectors like mining, oil &amp; gas, waste generation like tailings, waste rock, coal and fly ash are also considered</li> </ul>	
Waste recycling ratio	<p>The waste recycling ratio as reported by the company.</p> <ul style="list-style-type: none"> <li>- waste recycling ratio = waste recycled/total waste*100</li> <li>- waste to energy or waste incinerated with energy recovery are considered as waste recycled</li> <li>- waste recovered via composting is considered as recycled waste</li> </ul>	
Water withdrawal total	<p>Total water withdrawal in cubic meters.</p> <ul style="list-style-type: none"> <li>- the total volume of water withdrawn from any water source that was either withdrawn directly by the reporting organization or through intermediaries such as water utilities</li> <li>- different sources of water like wells, town/utility/municipal water, river water, and surface water are considered</li> </ul>	
Environmental expenditures	<p>Total amount of environmental expenditures.</p> <ul style="list-style-type: none"> <li>- all environmental investment &amp; expenditures for environmental protection or to prevent, reduce, control environmental aspects, impacts, and hazards. It also includes disposal, treatment, sanitation, and clean-up expenditures</li> </ul>	
Turnover of employees	<p>Percentage of employee turnover.</p> <ul style="list-style-type: none"> <li>- includes employees who left the company for any reason (voluntary or involuntary), such as resignations, retirement, natural departure/death, medical incapacitation, redundancy, layoffs, restructuring, dismissal, retrenchment or end of a fixed-term contract</li> <li>- employees turnover rate = (employees leaving/average number of employees)*100</li> <li>- where the average number of employees = (employees at the end of the current year + employees at the end of the previous year)/2</li> <li>- employees at the end of the current fiscal year = employees at the end of the previous fiscal year + new employees - employees leaving</li> </ul>	
Women managers	<p>Percentage of women managers.</p> <ul style="list-style-type: none"> <li>- percentage of women managers among total managers of the company</li> <li>- if there is a breakdown by category in percentage, such as top, senior, middle, and junior management, then we consider the percentage of middle women managers</li> <li>- percentage of women managers = number of women managers/total number of managers*100</li> </ul>	
Women employees	<p>Percentage of women employees.</p> <ul style="list-style-type: none"> <li>- percentage of women employees to the total number of employees of the company</li> <li>- percentage of women employees = number of women/total number of employees*100</li> </ul>	
Training hours total	<p>Total training hours performed by all employees.</p> <ul style="list-style-type: none"> <li>- consider only employee training hours</li> <li>- includes all types of training given to general employees (such as health &amp; safety, environmental, emergency response, skills &amp; career development training)</li> <li>- if the value is given in days, multiply by 8, assuming that 1 day = 8 hours worked</li> </ul>	
Training hours per employee	Training hours per employee per year	

Source: Refinitiv; KGI Research



## Income statement

	Quarterly								Annually		
	Mar-24A	Jun-24A	Sep-24A	Dec-24A	Mar-25A	Jun-25F	Sep-25F	Dec-25F	Dec-24A	Dec-25F	Dec-26F
<b>Income statement (NT\$mn)</b>											
Revenue	258,939	309,954	424,549	417,313	485,672	534,239	614,375	706,531	1,410,756	2,340,818	3,098,818
Cost of goods sold	(236,990)	(283,345)	(393,424)	(386,236)	(447,189)	(498,445)	(579,356)	(669,792)	(1,299,996)	(2,194,782)	(2,933,722)
Gross profit	21,950	26,609	31,125	31,077	38,483	35,794	35,019	36,740	110,760	146,036	165,096
Operating expenses	(10,252)	(11,401)	(11,567)	(15,918)	(13,882)	(14,424)	(14,745)	(15,897)	(49,138)	(58,949)	(67,156)
Operating profit	11,698	15,208	19,557	15,159	24,600	21,370	20,274	20,843	61,622	87,087	97,940
Depreciation of fixed assets	(2,461)	(2,535)	(2,551)	(2,563)	(2,670)	(5,092)	(5,092)	(7,514)	(10,111)	(20,368)	(22,818)
Amortisation of intangible assets	(399)	(399)	(352)	(417)	(363)	(431)	(431)	(500)	(1,567)	(1,725)	(1,725)
EBITDA	14,558	18,142	22,461	18,139	27,634	26,893	25,798	28,856	73,301	109,180	122,483
Interest income	2,534	3,047	1,740	2,422	1,411	1,453	1,453	1,495	9,743	5,813	6,438
Investment income	-	-	111	99	20	25	20	35	210	100	100
Other non-op income	1,832	375	1,862	2,215	1,664	1,200	1,300	1,836	6,283	6,000	5,000
Non-operating income	4,365	3,422	3,713	4,736	3,095	2,678	2,773	3,366	16,236	11,913	11,538
Interest expense	(1,526)	(1,651)	(1,980)	(2,132)	(2,413)	(2,418)	(2,418)	(2,422)	(7,288)	(9,670)	(10,032)
Investment loss	(7)	(14)	(13)	(6)	(14)	(13)	(13)	(11)	(39)	(50)	(50)
Other non-op expenses	0	2,637	(0)	0	(0)	(800)	-	200	2,637	(600)	(450)
Non-operating expenses	(1,532)	972	(1,994)	(2,138)	(2,426)	(3,230)	(2,430)	(2,234)	(4,691)	(10,320)	(10,532)
Pre-tax profit	14,531	19,602	21,276	17,757	25,269	20,818	20,618	21,975	73,167	88,680	98,947
Current taxation	(2,301)	(4,320)	(4,552)	(1,711)	(5,572)	(4,580)	(4,536)	(4,822)	(12,884)	(19,510)	(21,768)
Minorities	(162)	(155)	(91)	(173)	(199)	(188)	(188)	(176)	(581)	(750)	(800)
Normalised net profit	12,068	15,128	16,633	15,873	19,498	16,050	15,894	16,977	59,702	68,421	76,378
Extraordinary items	(0)	0	0	0	0	-	-	(0)	-	-	-
Net profit	12,068	15,128	16,633	15,873	19,498	16,050	15,894	16,977	59,702	68,421	76,378
EPS (NT\$)	3.13	3.92	4.32	4.12	5.06	4.16	4.12	4.40	15.49	17.75	19.82
<b>Margins (%)</b>											
Gross profit margin	8.5	8.6	7.3	7.4	7.9	6.7	5.7	5.2	7.9	6.2	5.3
Operating margin	4.5	4.9	4.6	3.6	5.1	4.0	3.3	3.0	4.4	3.7	3.2
EBITDA margin	5.6	5.9	5.3	4.3	5.7	5.0	4.2	4.1	5.2	4.7	4.0
Pretax profit margin	5.6	6.3	5.0	4.3	5.2	3.9	3.4	3.1	5.2	3.8	3.2
Net profit margin	4.7	4.9	3.9	3.8	4.0	3.0	2.6	2.4	4.2	2.9	2.5
<b>Sequential growth (%)</b>											
Revenue growth	(10.1)	19.7	37.0	(1.7)	16.4	10.0	15.0	15.0			
Gross profit growth	(5.4)	21.2	17.0	(0.2)	23.8	(7.0)	(2.2)	4.9			
Operating profit growth	(0.9)	30.0	28.6	(22.5)	62.3	(13.1)	(5.1)	2.8			
EBITDA growth	(1.4)	24.6	23.8	(19.2)	52.3	(2.7)	(4.1)	11.9			
Pretax profit growth	14.6	34.9	8.5	(16.5)	42.3	(17.6)	(1.0)	6.6			
Net profit growth	17.4	25.4	9.9	(4.6)	22.8	(17.7)	(1.0)	6.8			
<b>YoY growth (%)</b>											
Revenue growth	(2.7)	26.5	48.2	45.0	87.6	72.4	44.7	69.3	30.0	65.9	32.4
Gross profit growth	25.0	27.4	34.0	33.9	75.3	34.5	12.5	18.2	30.5	31.8	13.1
Operating profit growth	48.9	34.7	55.2	28.4	110.3	40.5	3.7	37.5	41.5	41.3	12.5
EBITDA growth	36.8	28.6	45.1	22.9	89.8	48.2	14.9	59.1	33.3	48.9	12.2
Pretax profit growth	62.5	35.9	35.6	40.0	73.9	6.2	(3.1)	23.8	41.4	21.2	11.6
Net profit growth	86.4	49.4	29.9	54.4	61.6	6.1	(4.4)	7.0	50.5	14.6	11.6

Source: Company data; KGI Research estimates

### Balance sheet

NT\$mn	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
<b>Total assets</b>	<b>816,134</b>	<b>690,120</b>	<b>932,446</b>	<b>1,141,473</b>	<b>1,377,507</b>
<b>Current assets</b>	<b>733,270</b>	<b>610,448</b>	<b>840,694</b>	<b>1,050,068</b>	<b>1,293,931</b>
Cash & ST securities	214,499	218,726	201,099	263,961	251,106
Inventory	225,856	123,764	261,886	330,721	442,068
Accounts receivable	283,992	259,907	371,246	448,924	594,294
Other current assets	8,923	8,051	6,463	6,463	6,463
<b>Non-current assets</b>	<b>82,864</b>	<b>79,672</b>	<b>91,753</b>	<b>91,404</b>	<b>83,576</b>
LT investments	4,353	5,449	7,903	7,922	7,912
Net fixed assets	63,225	60,820	67,061	66,693	58,875
Other assets	15,286	13,404	16,789	16,789	16,789
<b>Total liabilities</b>	<b>639,610</b>	<b>496,228</b>	<b>702,141</b>	<b>896,733</b>	<b>1,116,691</b>
<b>Current liabilities</b>	<b>628,591</b>	<b>483,013</b>	<b>638,699</b>	<b>825,812</b>	<b>1,046,263</b>
Accounts payable	213,514	168,322	282,782	390,852	522,444
Interest bearing ST liabilities	249,525	158,797	179,540	254,061	336,554
Other current liabilities	165,552	155,893	176,377	180,899	187,265
<b>Non-current liabilities</b>	<b>11,019</b>	<b>13,215</b>	<b>63,442</b>	<b>70,921</b>	<b>70,428</b>
Long-term debt	4,525	5,931	50,983	58,461	57,969
Other L-T liabilities	3,732	5,413	9,192	9,192	9,192
<b>Total equity</b>	<b>176,523</b>	<b>193,892</b>	<b>230,306</b>	<b>244,740</b>	<b>260,816</b>
Share capital	38,626	38,626	38,626	38,626	38,626
Retained earnings reserve	71,674	76,586	111,059	124,743	140,019
Minority interests	7,365	7,685	8,020	8,770	9,570
Preferred shareholders funds	-	-	-	-	-

### Key ratios

	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
<b>Growth</b>					
Revenue growth	13.4%	(15.2%)	30.0%	65.9%	32.4%
Operating profit growth	(16.3%)	39.6%	41.5%	41.3%	12.5%
EBITDA growth	(9.5%)	33.2%	33.3%	48.9%	12.2%
Net profit growth	(14.0%)	37.0%	50.5%	14.6%	11.6%
EPS growth	(14.0%)	37.0%	50.5%	14.6%	11.6%
<b>Profitability</b>					
Gross profit margin	5.5%	7.8%	7.9%	6.2%	5.3%
Operating margin	2.4%	4.0%	4.4%	3.7%	3.2%
EBITDA margin	3.2%	5.1%	5.2%	4.7%	4.0%
Net profit margin	2.3%	3.7%	4.2%	2.9%	2.5%
Return on average assets	3.8%	5.3%	7.4%	6.6%	6.1%
Return on average equity	17.5%	22.3%	29.2%	29.9%	31.4%
<b>Stability</b>					
Gross debt to equity	143.9%	85.0%	100.1%	127.7%	151.3%
Net debt to equity	28.0%	Net cash	28.9%	35.0%	69.2%
Interest coverage (x)	10.3	6.8	11.0	10.2	10.9
Interest & ST debt coverage (x)	0.1	0.2	0.3	0.2	0.2
Cash flow interest coverage(x)	2.6	13.9	(4.8)	5.4	(2.4)
Cash flow/int. & ST debt (x)	0.0	0.7	(0.2)	0.2	(0.1)
Current ratio (x)	1.2	1.3	1.3	1.3	1.2
Quick ratio (x)	0.8	1.0	0.9	0.9	0.8
Net debt (NT\$mn)	49,412	(12,506)	66,531	85,669	180,523
<b>Per share data</b>					
EPS (NT\$)	7.51	10.29	15.49	17.75	19.82
CFPS (NT\$)	2.96	32.25	(9.17)	13.50	(6.29)
BVPS (NT\$)	43.79	48.21	57.55	61.09	65.05
Adj BVPS (NT\$)	43.89	48.29	57.67	61.22	65.18
SPS (NT\$)	332.19	281.55	366.00	607.29	803.94
EBITDA/share (NT\$)	10.71	14.26	19.02	28.33	31.78
Cash DPS (NT\$)	6.00	9.00	13.00	14.17	15.82
<b>Activity</b>					
Sales / avg assets	1.67	1.44	1.74	2.26	2.46
Days receivable	81.0	87.4	96.3	70.0	70.0
Days inventory	68.2	45.1	73.7	55.0	55.0
Days payable	64.4	61.4	79.6	65.0	65.0
Cash cycle	84.7	71.1	90.4	60.0	60.0

Source: Company data; KGI Research estimates

### Profit & loss

NT\$mn	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
<b>Revenue</b>	<b>1,280,429</b>	<b>1,085,611</b>	<b>1,410,756</b>	<b>2,340,818</b>	<b>3,098,818</b>
Cost of goods sold	(1,209,514)	(1,000,728)	(1,299,996)	(2,194,782)	(2,933,722)
<b>Gross profit</b>	<b>70,915</b>	<b>84,883</b>	<b>110,760</b>	<b>146,036</b>	<b>165,096</b>
Operating expenses	(39,725)	(41,339)	(49,138)	(58,949)	(67,156)
<b>Operating profit</b>	<b>31,189</b>	<b>43,550</b>	<b>61,622</b>	<b>87,087</b>	<b>97,940</b>
<b>Non-operating income</b>	<b>13,977</b>	<b>16,785</b>	<b>16,236</b>	<b>11,913</b>	<b>11,538</b>
Interest income	5,018	10,620	9,743	5,813	6,438
Investment income	496	33	210	100	100
Other non-op income	8,462	6,131	6,283	6,000	5,000
<b>Non-operating expenses</b>	<b>(4,385)</b>	<b>(8,603)</b>	<b>(4,691)</b>	<b>(10,320)</b>	<b>(10,532)</b>
Interest expense	(4,370)	(8,915)	(7,288)	(9,670)	(10,032)
Investment loss	(15)	(45)	(39)	(50)	(50)
Other non-op expenses	-	356	2,637	(600)	(450)
<b>Pre-tax profit</b>	<b>40,781</b>	<b>51,731</b>	<b>73,167</b>	<b>88,880</b>	<b>98,947</b>
Current taxation	(11,058)	(11,243)	(12,884)	(19,510)	(21,768)
Minorities	(765)	(812)	(581)	(750)	(800)
Extraordinary items	-	0	0	-	-
<b>Net profit</b>	<b>28,957</b>	<b>39,676</b>	<b>59,702</b>	<b>68,421</b>	<b>76,378</b>
<b>EBITDA</b>	<b>41,292</b>	<b>54,986</b>	<b>73,301</b>	<b>109,180</b>	<b>122,483</b>
EPS (NT\$)	7.51	10.29	15.49	17.75	19.82

### Cash flow

NT\$mn	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
<b>Operations cash flow</b>	<b>11,415</b>	<b>124,333</b>	<b>(35,330)</b>	<b>52,021</b>	<b>(24,254)</b>
Net profit	28,957	39,676	59,702	68,421	76,378
Depreciation & amortisation	10,103	11,437	11,678	22,093	24,543
Decrease in working capital	(63,213)	80,499	(130,646)	(38,443)	(125,125)
Other operating cash flow	35,567	(7,279)	23,935	(50)	(50)
<b>Investing cash flow</b>	<b>(14,143)</b>	<b>(37,612)</b>	<b>(12,290)</b>	<b>(21,695)</b>	<b>(16,664)</b>
Sale of ST investment	1,560	(29,080)	681	-	-
New investments	(19)	(30)	91	31	61
Capital expenditure	(16,892)	(8,832)	(13,132)	(20,000)	(15,000)
Others investing cashflow	1,208	330	70	(1,725)	(1,725)
<b>Free cash flow</b>	<b>(48,850)</b>	<b>115,553</b>	<b>(82,896)</b>	<b>29,853</b>	<b>(40,914)</b>
<b>Financing cash flow</b>	<b>31,295</b>	<b>(114,205)</b>	<b>28,917</b>	<b>32,536</b>	<b>28,064</b>
Increase in short term debt	34,188	(47,522)	(3,117)	80,000	80,000
Increase in long term loans	24,293	(41,138)	68,806	2,000	2,000
New ordinary shares issued	-	-	-	-	-
Ordinary dividends paid	(26,009)	(23,765)	(34,691)	(50,214)	(54,736)
Other financing cashflow	(1,177)	(1,780)	(2,081)	750	800
<b>Forex effects</b>	<b>13,813</b>	<b>81</b>	<b>5,462</b>		
<b>Total cash generated</b>	<b>42,380</b>	<b>(27,403)</b>	<b>(13,242)</b>	<b>62,862</b>	<b>(12,855)</b>

### ROIC

	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
1 - COGS/revenue					
- Operating exp./revenue	3.1%	3.8%	3.5%	2.5%	2.2%
<b>= Operating margin</b>	<b>2.4%</b>	<b>4.0%</b>	<b>4.4%</b>	<b>3.7%</b>	<b>3.2%</b>
1 / (Working capital/revenue	0.1	0.1	0.1	0.1	0.1
+ Net PPE/revenue	0.0	0.1	0.0	0.0	0.0
+ Other assets/revenue)	0.0	0.0	0.0	0.0	0.0
<b>= Capital turnover</b>	<b>6.2</b>	<b>8.3</b>	<b>5.6</b>	<b>8.2</b>	<b>7.9</b>
Operating margin	2.4%	4.0%	4.4%	3.7%	3.2%
x Capital turnover	6.2	8.3	5.6	8.2	7.9
x (1 - tax rate)	72.9%	78.3%	82.4%	78.0%	78.0%
<b>= After-tax ROIC</b>	<b>11.1%</b>	<b>26.0%</b>	<b>20.3%</b>	<b>23.9%</b>	<b>19.4%</b>

Source: Company data; KGI Research estimates

## Quanta Computer – Recommendation & target price history



Date	Rating	Target	Price
2025-02-28	Outperform	325.0	250.5
2025-02-12	Outperform	348.0	258.0
2024-11-14	Outperform	400.0	314.5
2024-08-10	Outperform	390.0	250.0
2024-07-08	Outperform	390.0	319.5
2024-05-15	Outperform	320.0	287.0
2024-03-17	Outperform	310.0	257.5
2023-11-11	Outperform	310.0	213.5
2023-08-12	Outperform	310.0	223.5
2023-07-24	Outperform	300.0	248.5

Source: TEJ; KGI Research

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