Company update | Notebook pc brand · Taiwan

Asustek Computer

(2357.TW/2357 TT)

FTSE4Good TIP Taiwan ESG Index stock

Outperform · Maintained

Price as of August 12 (NT$)	852
12M target price (NT$)	1,100
Previous target price (NT$)	835
Revised up (%)	31.7
Upside (%)	29.1

Key message

1. 2Q26 EPS was NT$25.64, above our forecast on stellar operating margin.
2. 3Q26F sales guidance is ahead of our forecast, driven by all-segment sales growth.
3. Management revises up server sales growth to more than 150% YoY for 2026F, and is positive on 2027F sales growth on new client wins.

Trading data

Mkt cap (NT$bn/US$mn)	633 / 19,634
Outstanding shares (mn)	743
Foreign ownership (mn)	364
3M avg. daily trading (mn)	3.71
52-week trading range (NT$)	496.0 –931

Performance	3M	6M	12M
Absolute (%)	26.6	62.9	30.5
Relative (%)	18	27.5	-57.9

Quarterly EPS

NT$	1Q	2Q	3Q	4Q
2024	7.33A	15.90A	16.83A	2.21A
2025	17.22A	13.20A	14.21A	15.36A
2026	13.19A	25.64A	18.44F	16.00F

ESG score card

Source: Refinitiv; KGI Research

Stellar margins; strong 2026-27F AI server sales guidance

Event

2Q26 EPS of NT$25.64 beat our forecast on higher operating margin. Management revises up server sales growth guidance to more than 150% YoY for 2026F.

Impact

2Q26 EPS a strong beat. 2Q26 EPS of NT$25.64 beat both our forecast and consensus by 79%, thanks to higher operating margin. Brand sales grew 24% QoQ to NT$241bn, above our forecast by 4% thanks to rising AI server sales. Blackwell rack sales accounted for 30% of total server sales. Brand gross and operating margin both grew 2.7ppts QoQ to 16.5% and 8.1% respectively, beating our forecast by 3.5ppts thanks to increasing PC system ASP, a favourable product mix with more high-end models, and improved AI server margins due to higher sales.

Stronger-than-expected 3Q26F sales guidance. Asustek Computer guides server sales to grow by 10-15% QoQ in 3Q26F, driven by the AI server segment. PC sales are guided to grow by 15-20% QoQ, with shipments and ASP both up by 5-10% QoQ, above our forecast. Component sales are guided to grow by 5-10% QoQ, also above our forecast. We think the optimistic guidance is due to Asustek's market share lead and focus on high-end models. As such, we revise up 3Q26F brand sales growth to 14% QoQ. Management guides operating margin to reach or exceed the high-end of the 4-5% target. To reflect stronger sales and margins guidance, we raise 3Q26F EPS to NT$18.44, down 28% QoQ.

2026F server sales guidance revised up. Management has revised up 2026F server sales growth guidance to more than 150% YoY, up from 100% YoY growth. Management is positive on 2027F server sales growth, backed by higher order visibility and greater client exposure. We revise up server sales growth to 174% YoY in 2026F and 45% YoY in 2027F. To fulfill working capital to meet solid client demand, the firm plans to issue convertible bonds of up to US$1.5bn, and issue exchangeable bonds of up to US$1bn, backed by shares held in Advantech (2395 TT, NT$686, OP). Asustek expects 2H26 PC shipments to be flat HoH. However, due to higher ASP, we revise up PC sales growth to 27% in 2026F. The firm will launch new RTX Spark laptops and GR1X desktops in 4Q26F, to boost PC sales growth in 2027F. On better-than-expected sales and operating margin guidance, we revise up 2026F EPS to NT$73.28, up 22% YoY, and 2027F EPS to NT$73.31, flat YoY.

Valuation & Action

To reflect our higher EPS forecasts, we revise up our target price to NT$1,100, based on 15x 2026-27F EPS. Maintain Outperform.

Risks

Weak notebook demand; AI GPU shortages; currency fluctuations.

Key financials and valuations

	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Revenue (NT$mn)	482,314	587,087	738,905	1,019,452	1,207,468
Gross profit (NT$mn)	72,394	103,470	111,616	153,004	169,667
Operating profit (NT$mn)	11,164	29,595	39,656	60,335	60,268
Net profit (NT$mn)	15,928	31,394	44,558	54,428	54,457
EPS (NT$)	21.44	42.27	59.99	73.28	73.31
Cash DPS (NT$)	17.00	34.00	42.00	58.62	58.65
EPS growth (%)	8.4	97.1	41.9	22.1	0.1
PE (x)	39.7	20.2	14.2	11.6	11.6
PB (x)	2.6	2.3	2.4	2.3	2.2
EV/EBITDA (x)	20.5	9.8	8.8	6.2	6.7
Net debt to equity (%)	Net cash	Net cash	Net cash	Net cash	Net cash
Dividend yield (%)	2.0	4.0	4.9	6.9	6.9
Return on average equity (%)	7.0	12.3	16.6	19.8	19.0

Source: Company data; KGI Research estimates

Figure 1: Breakdown of 2Q26 results & 3Q26 forecast revisions vs. consensus (consolidated)

	2Q26							3Q26F						
NT$mn	Actual	KGI forecast	Diff. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)	Revision	Previous	Chg. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)
Sales	257,732	245,876	4.8	23.7	37.1	240,393	7.2	291,237	233,582	24.7	13.0	45.4	233,904	24.5
Gross profits	44,243	34,423	28.5	42.9	70.4	32,787	34.9	41,356	32,001	29.2	(6.5)	44.1	31,734	30.3
Operating income	20,974	11,310	85.4	76.3	167.7	11,246	86.5	15,144	9,810	54.4	(27.8)	53.9	10,799	40.2
Pretax Income	26,257	14,383	82.6	89.5	118.2	14,246	84.3	18,452	13,883	32.9	(29.7)	35.8	13,830	33.4
Net income	19,048	10,650	78.9	94.4	94.3	10,854	75.5	13,696	10,146	35.0	(28.1)	29.7	10,862	26.1
EPS (NT$)	25.64	14.34	78.9	94.4	94.3	14.61	75.5	18.44	13.66	35.0	(28.1)	29.7	14.62	26.1
Gross margin (%)	17.2	14.0	3.2 ppts	2.3 ppts	3.4 ppts	14.7	2.4 ppts	14.2	13.7	0.5 ppts	(3.0)ppts	(0.1)ppts	13.6	0.6 ppts
OP margin (%)	8.1	4.6	3.5 ppts	2.4 ppts	4.0 ppts	5.1	3.1 ppts	5.2	4.2	1.0 ppts	(2.9)ppts	0.3 ppts	4.6	0.6 ppts
Net margin (%)	7.4	4.3	3.1 ppts	2.7 ppts	2.2 ppts	5.0	2.4 ppts	4.7	4.3	0.4 ppts	(2.7)ppts	(0.6)ppts	4.6	0.1 ppts

Source: Bloomberg; KGI Research estimates

Figure 2: Breakdown of 2026-27 forecast revisions vs. consensus (consolidated)

	2026F						2027F					
NT$mn	Revision	Previous	Chg. (%)	YoY (%)	Consensus	Diff. (%)	Revision	Previous	Chg. (%)	YoY (%)	Consensus	Diff. (%)
Sales	1,019,452	898,053	13.5	38.0	895,988	13.8	1,207,468	1,029,326	17.3	18.4	1,011,770	19.3
Gross profit	153,004	125,773	21.7	37.1	123,700	23.7	169,667	142,829	18.8	10.9	134,343	26.3
Operating income	60,335	41,215	46.4	52.1	43,229	39.6	60,268	45,666	32.0	(0.1)	46,250	30.3
Pretax Income	73,368	54,507	34.6	33.4	53,224	37.8	73,527	58,536	25.6	0.2	57,365	28.2
Net income	54,428	39,851	36.6	22.2	40,687	33.8	54,457	42,814	27.2	0.1	45,183	20.5
EPS (NT$)	73.28	53.65	36.6	22.1	54.78	33.8	73.31	57.64	27.2	0.1	60.83	20.5
Gross margin (%)	15.0	14.0	1.0 ppts	(0.1)ppts	13.8	1.2 ppts	14.1	13.9	0.2 ppts	(1.0)ppts	13.3	0.8 ppts
OP margin (%)	5.9	4.6	1.3 ppts	0.6 ppts	4.8	1.1 ppts	5.0	4.4	0.6 ppts	(0.9)ppts	4.6	0.4 ppts
Net margin (%)	5.3	4.4	0.9 ppts	(0.7)ppts	4.5	0.8 ppts	4.5	4.2	0.4 ppts	(0.8)ppts	4.5	0.0 ppts

Source: Bloomberg; KGI Research estimates

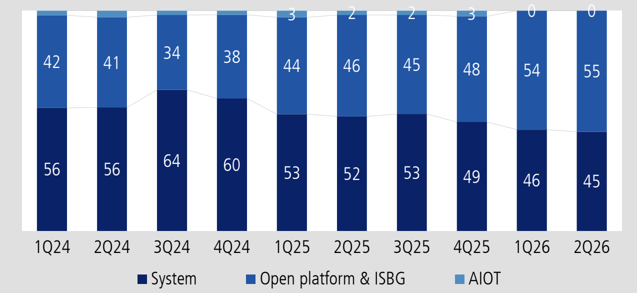
Figure 3: Company profile

In 2024, Asustek was the world's fifth largest PC maker, with shipments of 17.4mn units (up 1% YoY), and global market share of 7.1%. The company launched the first ZenFone model in 2013, with shipments growth of 135% YoY to 20mn units for the series in 2015. Asustek's smartphone shipments shrank further in 2023 from 0.8mn units in 2021 and 0.6mn units in 2022. In 2025, system sales (NB, desktop and smartphone) were 49% of brand sales, open platform (motherboards and graphics cards) 28%, server 22% and AIoT 3%.

Source: KGI Research

Figure 4: The open platform & ISBG sales weighting rose to 55% in 2Q26, thanks to solid server demand

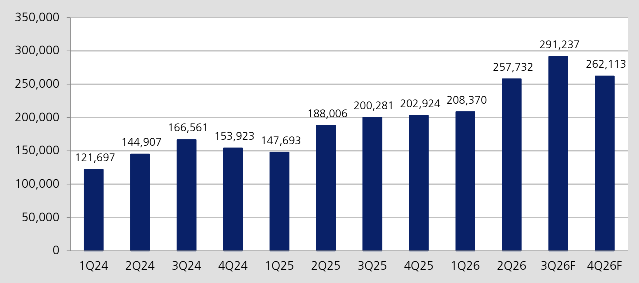
Sales weighting of Asus-brand products, percent



Source: Company data; KGI Research

Figure 5: Sales

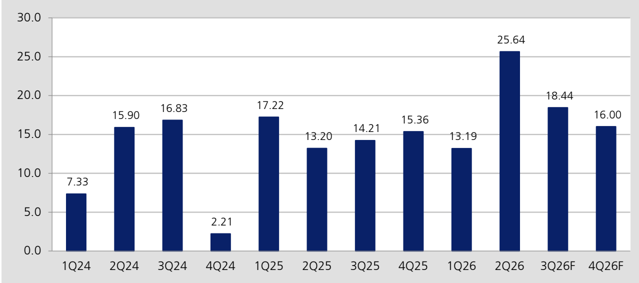
Sales, NT$mn



Source: KGI Research

Figure 6: EPS

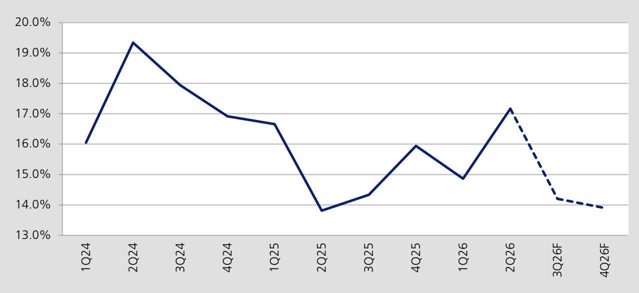
EPS, NT$



Source: KGI Research

Figure 7: Gross Margin

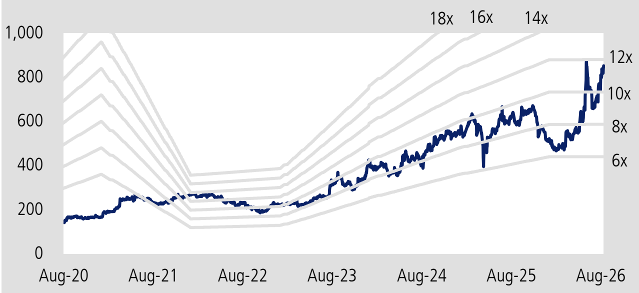
Gross margin, percent



Source: KGI Research

Figure 8: 12M forward PE band

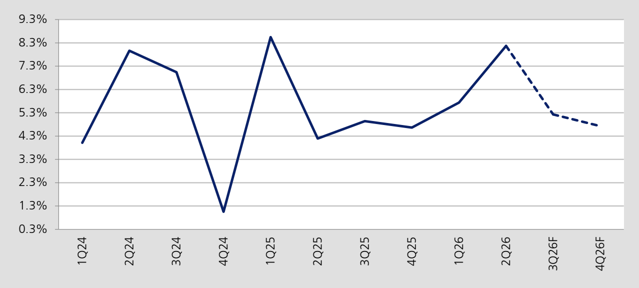
Share price, NT$ (LHS); PE ratio, x (RHS)



Source: TEJ; KGI Research estimates

Figure 9: Operating Margin

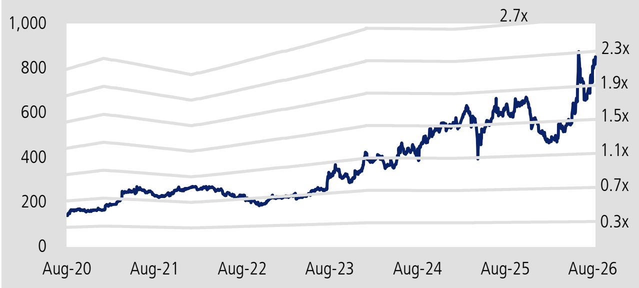
Operating margin, percent



Source: KGI Research

Figure 10: 12M forward PB band

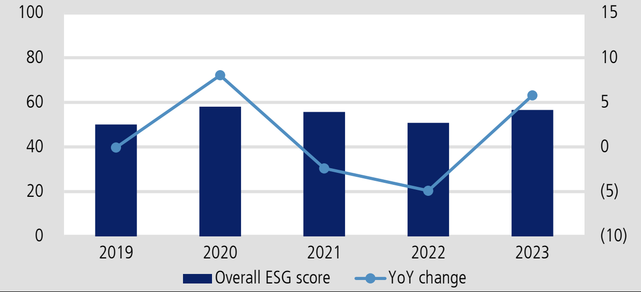
Share price, NT$ (LHS); PB ratio, x (RHS)



Source: TEJ; KGI Research estimates

Figure 11: Overall ESG score

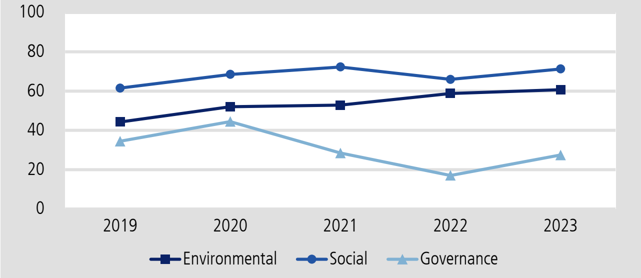
ESG score, points (LHS); YoY change, percent (RHS)



Source: Refinitiv; KGI Research; Company data

Figure 12: ESG scores

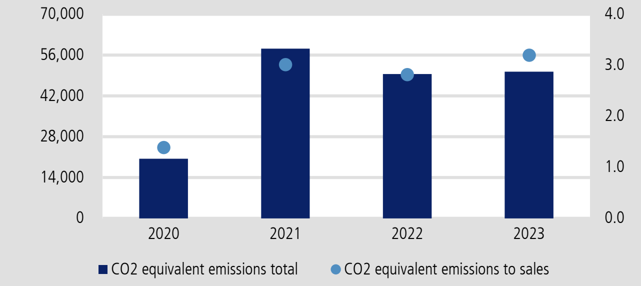
ESG score, points



Source: Refinitiv; KGI Research; Company data

Figure 13: CO2 equivalent emissions

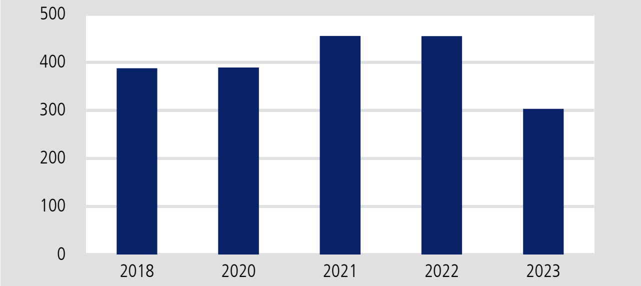
CO2 equivalent emissions, mt (LHS); emissions to revenue, mt/ US$mn (RHS)



Source: Refinitiv, KGI Research, Company data

Figure 14: Waste total

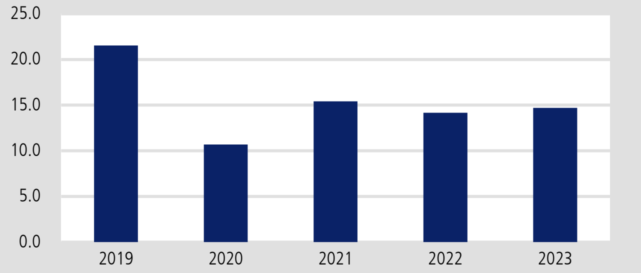
Waste total, mt



Source: Refinitiv, KGI Research, Company data

Figure 15: Employee turnover

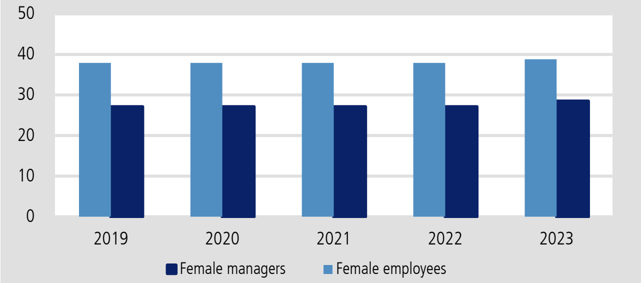
Employee turnover, percent



Source: Refinitiv; KGI Research; Company data

Figure 16: Gender diversification

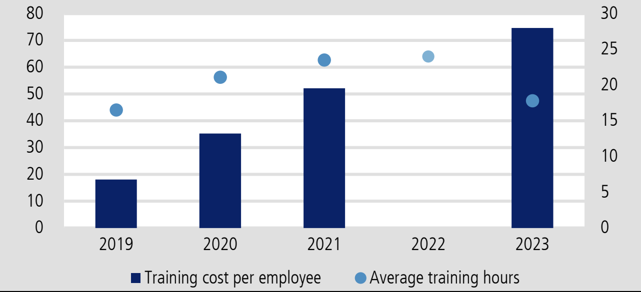
Weighting of female managers, percent (LHS); weighting of female employees, percent (RHS)



Source: Refinitiv; KGI Research; Company data

Figure 17: Employee training

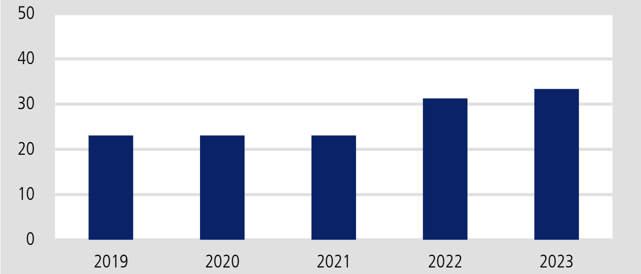
Training cost per employee, US$ (LHS); average annual training hours per employee (RHS)



Source: Refinitiv; KGI Research; Company data

Figure 18: Independent board members

Weighting of independent board members, percent



Source: Refinitiv; KGI Research; Company data

ESG chart definition

Item	Definition	Remarks
Energy use	Total direct and indirect energy consumption in gigajoules. - the total amount of energy that has been consumed within the boundaries of the company's operations - total energy use = total direct energy consumption + indirect energy consumption - purchased energy and produced energy are included in total energy use - 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) - for utilities, raw materials such as coal, gas or nuclear used in the production of energy are not considered under 'total energy use'	
Renewable energy purchased	Total primary renewable energy purchased in gigajoules. - 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 - if there is no evidence that renewable energy is produced by the company, then we consider the reported energy figure as renewable energy purchased	
Renewable energy use ratio	Renewable energy to total energy used	
CO2 equivalent emissions	Direct CO2 and CO2 equivalent emissions in metric tons. - direct emissions from sources that are owned or controlled by the company (scope 1 emissions) - following gases are relevant: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCS), perfluorinated compound (PFCS), sulfur hexafluoride (SF6), nitrogen trifluoride (NF3)	
CO2 equivalent emissions to sales	Direct CO2 and CO2 equivalent emissions (metric tons) to sales (NT$mn) - direct emissions from sources that are owned or controlled by the company (scope 1 emissions) - following gases are relevant: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCS), perfluorinated compound (PFCS), sulfur hexafluoride (SF6), nitrogen trifluoride (NF3)	
Waste total	Total amount of waste produced in metric tons. - total waste = non-hazardous waste + hazardous waste - 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 - for sectors like mining, oil & gas, waste generation like tailings, waste rock, coal and fly ash are also considered	
Waste recycling ratio	The waste recycling ratio as reported by the company. - waste recycling ratio = waste recycled/total waste*100 - waste to energy or waste incinerated with energy recovery are considered as waste recycled - waste recovered via composting is considered as recycled waste	
Water withdrawal total	Total water withdrawal in cubic meters. - 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 - different sources of water like wells, town/utility/municipal water, river water, and surface water are considered	
Environmental expenditures	Total amount of environmental expenditures. - all environmental investment & expenditures for environmental protection or to prevent, reduce, control environmental aspects, impacts, and hazards. It also includes disposal, treatment, sanitation, and clean-up expenditures	
Turnover of employees	Percentage of employee turnover. - 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 - employees turnover rate = (employees leaving/average number of employees)*100 - where the average number of employees = (employees at the end of the current year + employees at the end of the previous year)/2 - employees at the end of the current fiscal year = employees at the end of the previous fiscal year + new employees - employees leaving	
Women managers	Percentage of women managers. - percentage of women managers among total managers of the company - 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 - percentage of women managers = number of women managers/total number of managers*100	
Women employees	Percentage of women employees. - percentage of women employees to the total number of employees of the company - percentage of women employees = number of women/total number of employees*100	
Training hours total	Total training hours performed by all employees. - consider only employee training hours - includes all types of training given to general employees (such as health & safety, environmental, emergency response, skills & career development training) - if the value is given in days, multiply by 8, assuming that 1 day = 8 hours worked	
Training hours per employee	Training hours per employee per year	

Source: Refinitiv; KGI Research

Income statement

	Quarterly								Annually		
	Mar-25A	**Jun-25A**	**Sep-25A**	**Dec-25A**	**Mar-26A**	**Jun-26A**	**Sep-26F**	**Dec-26F**	**Dec-25A**	**Dec-26F**	**Dec-27F**
Income statement (NT$mn)											
Revenue	**147,693**	**188,006**	**200,281**	**202,924**	**208,370**	**257,732**	**291,237**	**262,113**	**738,905**	**1,019,452**	**1,207,468**
Cost of goods sold	(123,090)	(162,040)	(171,572)	(170,587)	(177,399)	(213,488)	(249,881)	(225,680)	(627,289)	(866,449)	(1,037,802)
Gross profit	**24,603**	**25,966**	**28,709**	**32,337**	**30,971**	**44,244**	**41,356**	**36,434**	**111,616**	**153,004**	**169,667**
Operating expenses	(12,020)	(18,128)	(18,867)	(22,943)	(19,073)	(23,269)	(26,211)	(24,114)	(71,958)	(92,668)	(109,399)
Operating profit	**12,580**	**7,835**	**9,839**	**9,403**	**11,896**	**20,974**	**15,144**	**12,319**	**39,656**	**60,335**	**60,268**
Depreciation of fixed assets	(583)	(565)	(563)	(600)	(598)	(599)	(606)	(620)	(2,312)	(2,423)	(2,653)
Amortisation of intangible assets	(182)	(186)	(189)	(248)	(257)	(324)	(264)	(212)	(806)	(1,057)	(1,057)
EBITDA	**13,345**	**8,586**	**10,591**	**10,251**	**12,751**	**21,897**	**16,014**	**13,151**	**42,773**	**63,816**	**63,978**
Interest income	1,009	1,133	857	873	752	908	976	1,269	3,872	3,906	3,627
Investment income	1,098	892	880	988	1,276	1,661	800	263	3,859	4,000	4,000
Other non-op income	1,876	2,387	2,312	2,035	218	3,188	2,000	1,594	8,610	7,000	8,000
Non-operating income	**3,984**	**4,413**	**4,049**	**3,896**	**2,246**	**5,757**	**3,776**	**3,126**	**16,341**	**14,906**	**15,627**
Interest expense	(219)	(214)	(300)	(256)	(282)	(474)	(468)	(649)	(989)	(1,873)	(2,368)
Investment loss	-	-	-	-	-	-	-	-	-	-	-
Other non-op expenses	-	-	0	(0)	-	-	-	-	0	-	-
Non-operating expenses	**(219)**	**(214)**	**(300)**	**(256)**	**(282)**	**(474)**	**(468)**	**(649)**	**(989)**	**(1,873)**	**(2,368)**
Pre-tax profit	**16,344**	**12,034**	**13,588**	**13,042**	**13,860**	**26,257**	**18,452**	**14,796**	**55,008**	**73,368**	**73,527**
Current taxation	(2,686)	(1,583)	(1,972)	(551)	(2,703)	(5,920)	(3,506)	(1,811)	(6,791)	(13,940)	(13,970)
Minorities	(868)	(646)	(1,059)	(1,086)	(1,360)	(1,290)	(1,250)	(1,101)	(3,659)	(5,000)	(5,100)
Normalised net profit	**12,791**	**9,806**	**10,556**	**11,405**	**9,797**	**19,048**	**13,696**	**11,884**	**44,558**	**54,428**	**54,457**
Extraordinary items	(0)	(0)	(0)	(0)	(0)	0	-	(0)	-	-	-
Net profit	**12,791**	**9,806**	**10,556**	**11,405**	**9,797**	**19,048**	**13,696**	**11,884**	**44,558**	**54,428**	**54,457**
EPS (NT$)	17.22	13.20	14.21	15.36	13.19	25.64	18.44	16.00	59.99	73.28	73.31
Margins (%)											
Gross profit margin	16.7	13.8	14.3	15.9	14.9	17.2	14.2	13.9	15.1	15.0	14.1
Operating margin	8.5	4.2	4.9	4.6	5.7	8.1	5.2	4.7	5.4	5.9	5.0
EBITDA margin	9.0	4.6	5.3	5.1	6.1	8.5	5.5	5.0	5.8	6.3	5.3
Pretax profit margin	11.1	6.4	6.8	6.4	6.7	10.2	6.3	5.6	7.4	7.2	6.1
Net profit margin	8.7	5.2	5.3	5.6	4.7	7.4	4.7	4.5	6.0	5.3	4.5
Sequential growth (%)											
Revenue growth	(4.0)	27.3	6.5	1.3	2.7	23.7	13.0	(10.0)			
Gross profit growth	(5.5)	5.5	10.6	12.7	(4.3)	42.9	(6.5)	(11.9)			
Operating profit growth	698.7	(37.7)	25.6	(4.4)	26.5	76.3	(27.8)	(18.7)			
EBITDA growth	473.7	(35.7)	23.4	(3.2)	24.4	71.7	(26.9)	(17.9)			
Pretax profit growth	386.2	(26.4)	12.9	(4.0)	6.3	89.5	(29.7)	(19.8)			
Net profit growth	680.8	(23.3)	7.7	8.0	(14.1)	94.4	(28.1)	(13.2)			
YoY growth (%)											
Revenue growth	21.4	29.7	20.2	31.8	41.1	37.1	45.4	29.2	25.9	38.0	18.4
Gross profit growth	26.0	(7.3)	(3.9)	24.2	25.9	70.4	44.0	12.7	7.9	37.1	10.9
Operating profit growth	159.5	(31.9)	(15.7)	497.0	(5.4)	167.7	53.9	31.0	34.0	52.1	(0.1)
EBITDA growth	139.9	(29.8)	(14.3)	340.7	(4.5)	155.0	51.2	28.3	31.7	49.2	0.3
Pretax profit growth	124.6	(23.1)	(14.6)	288.0	(15.2)	118.2	35.8	13.4	30.4	33.4	0.2
Net profit growth	134.8	(16.9)	(15.6)	596.2	(23.4)	94.3	29.7	4.2	41.9	22.2	0.1

Source: Company data; KGI Research estimates

Balance sheet

NT$mn	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Total assets	**480,082**	**556,524**	**631,657**	**738,580**	**759,124**
Current assets	**307,177**	**379,243**	**453,834**	**553,050**	**565,849**
Cash & ST securities	82,299	103,224	99,260	130,481	76,801
Inventory	122,790	152,620	197,642	237,383	272,956
Accounts receivable	86,817	107,078	139,327	167,581	198,488
Other current assets	15,270	16,321	17,604	17,604	17,604
Non-current assets	**172,905**	**177,281**	**177,823**	**185,530**	**193,274**
LT investments	126,932	132,237	113,147	120,978	129,075
Net fixed assets	20,082	20,838	21,359	21,236	20,883
Other assets	25,891	24,205	43,317	43,317	43,317
Total liabilities	**221,100**	**259,326**	**334,094**	**424,034**	**427,477**
Current liabilities	**197,552**	**231,867**	**307,347**	**397,312**	**400,747**
Accounts payable	56,967	73,997	119,584	147,178	170,598
Interest bearing ST liabilities	16,273	25,296	29,755	79,779	59,771
Other current liabilities	124,312	132,574	158,009	170,355	170,378
Non-current liabilities	**23,547**	**27,459**	**26,747**	**26,722**	**26,730**
Long-term debt	162	366	293	268	277
Other L-T liabilities	22,401	25,800	25,237	25,237	25,237
Total equity	**258,982**	**297,198**	**297,563**	**314,547**	**331,647**
Share capital	7,428	7,428	7,428	7,428	7,428
Retained earnings reserve	117,271	134,889	151,079	161,965	172,856
Minority interests	19,166	27,658	29,266	34,266	39,366
Preferred shareholders funds	-	-	-	-	-

Key ratios

	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Growth					
Revenue growth	(10.2%)	21.7%	25.9%	38.0%	18.4%
Operating profit growth	(14.0%)	165.1%	34.0%	52.1%	(0.1%)
EBITDA growth	(10.7%)	133.1%	31.7%	49.2%	0.3%
Net profit growth	8.4%	97.1%	41.9%	22.2%	0.1%
EPS growth	8.4%	97.1%	41.9%	22.1%	0.1%
Profitability					
Gross profit margin	15.0%	17.6%	15.1%	15.0%	14.1%
Operating margin	2.3%	5.0%	5.4%	5.9%	5.0%
EBITDA margin	2.9%	5.5%	5.8%	6.3%	5.3%
Net profit margin	3.3%	5.3%	6.0%	5.3%	4.5%
Return on average assets	3.3%	6.1%	7.5%	7.9%	7.3%
Return on average equity	7.0%	12.3%	16.6%	19.8%	19.0%
Stability					
Gross debt to equity	6.3%	8.6%	10.1%	25.4%	18.1%
Net debt to equity	Net cash	Net cash	Net cash	Net cash	Net cash
Interest coverage (x)	32.9	58.1	56.6	40.2	32.0
Interest & ST debt coverage (x)	0.6	0.6	0.6	0.5	0.5
Cash flow interest coverage(x)	75.2	10.9	30.7	5.2	3.0
Cash flow/int. & ST debt (x)	3.1	0.3	1.0	0.1	0.1
Current ratio (x)	1.6	1.6	1.5	1.4	1.4
Quick ratio (x)	0.9	1.0	0.8	0.8	0.7
Net debt (NT$mn)	(62,792)	(68,375)	(60,031)	(41,252)	(7,572)
Per share data					
EPS (NT$)	21.44	42.27	59.99	73.28	73.31
CFPS (NT$)	70.13	10.81	40.83	13.23	9.66
BVPS (NT$)	322.87	362.89	361.22	377.35	393.51
Adj BVPS (NT$)	322.87	362.89	361.22	377.34	393.49
SPS (NT$)	649.35	790.41	994.81	1,372.47	1,625.59
EBITDA/share (NT$)	18.76	43.74	57.59	85.91	86.13
Cash DPS (NT$)	17.00	34.00	42.00	58.62	58.65
Activity					
Sales / avg assets	1.01	1.13	1.24	1.49	1.61
Days receivable	65.7	66.8	68.8	60.0	60.0
Days inventory	109.3	115.5	115.0	100.0	96.0
Days payable	50.7	56.0	69.6	62.0	60.0
Cash cycle	124.3	126.3	114.2	98.0	96.0

Source: Company data; KGI Research estimates

Profit & loss

NT$mn	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Revenue	**482,314**	**587,087**	**738,905**	**1,019,452**	**1,207,468**
Cost of goods sold	(409,920)	(483,617)	(627,289)	(866,449)	(1,037,802)
Gross profit	**72,394**	**103,470**	**111,616**	**153,004**	**169,667**
Operating expenses	(61,241)	(73,879)	(71,958)	(92,668)	(109,399)
Operating profit	**11,164**	**29,595**	**39,656**	**60,335**	**60,268**
Non-operating income	**11,623**	**13,334**	**16,341**	**14,906**	**15,627**
Interest income	2,855	3,461	3,872	3,906	3,627
Investment income	3,979	2,474	3,859	4,000	4,000
Other non-op income	4,788	7,399	8,610	7,000	8,000
Non-operating expenses	**(693)**	**(739)**	**(989)**	**(1,873)**	**(2,368)**
Interest expense	(693)	(739)	(989)	(1,873)	(2,368)
Investment loss	-	-	-	-	-
Other non-op expenses	-	-	0	-	-
Pre-tax profit	**22,094**	**42,190**	**55,008**	**73,368**	**73,527**
Current taxation	(4,204)	(7,951)	(6,791)	(13,940)	(13,970)
Minorities	(1,962)	(2,845)	(3,659)	(5,000)	(5,100)
Extraordinary items	-	(0)	0	-	-
Net profit	**15,928**	**31,394**	**44,558**	**54,428**	**54,457**
EBITDA	**13,935**	**32,489**	**42,773**	**63,816**	**63,978**
EPS (NT$)	21.44	42.27	59.99	73.28	73.31

Cash flow

NT$mn	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Operations cash flow	**52,087**	**8,030**	**30,330**	**9,825**	**7,175**
Net profit	15,928	31,394	44,558	54,428	54,457
Depreciation & amortisation	2,771	2,894	3,117	3,480	3,710
Decrease in working capital	29,523	(38,333)	(26,385)	(40,401)	(43,060)
Other operating cash flow	3,865	12,076	9,041	(7,682)	(7,932)
Investing cash flow	**2,206**	**(3,190)**	**(8,183)**	**(3,506)**	**(3,522)**
Sale of ST investment	(940)	(2,889)	1,862	-	-
New investments	(14)	(117)	(181)	(149)	(165)
Capital expenditure	(1,688)	(2,068)	(2,245)	(2,300)	(2,300)
Others investing cashflow	4,849	1,883	(7,618)	(1,057)	(1,057)
Free cash flow	**39,125**	**(14,107)**	**8,442**	**8,594**	**6,110**
Financing cash flow	**(45,240)**	**4,806**	**(23,221)**	**24,902**	**(57,333)**
Increase in short term debt	(32,649)	8,802	4,584	50,000	(20,000)
Increase in long term loans	40	267	(96)	-	-
New ordinary shares issued	-	-	-		
Ordinary dividends paid	(11,141)	(12,627)	(25,254)	(31,196)	(43,542)
Other financing cashflow	(1,490)	8,364	(2,456)	6,098	6,209
Forex effects	**851**	**5,166**	**(2,886)**		
Total cash generated	**9,904**	**14,811**	**(3,959)**	**31,221**	**(53,680)**

ROIC

	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
1 - COGS/revenue					
- Operating exp./revenue	12.7%	12.6%	9.7%	9.1%	9.1%
= Operating margin	**2.3%**	**5.0%**	**5.4%**	**5.9%**	**5.0%**
1 / (Working capital/revenue	0.1	0.1	0.1	0.1	0.1
+ Net PPE/revenue	0.0	0.0	0.0	0.0	0.0
+ Other assets/revenue)	0.0	0.0	0.0	0.0	0.0
= Capital turnover	**7.1**	**6.3**	**7.2**	**7.8**	**7.0**
Operating margin	2.3%	5.0%	5.4%	5.9%	5.0%
x Capital turnover	7.1	6.3	7.2	7.8	7.0
x (1 - tax rate)	81.0%	81.2%	87.7%	81.0%	81.0%
= After-tax ROIC	**13.3%**	**25.8%**	**33.8%**	**37.4%**	**28.1%**

Source: Company data; KGI Research estimates

Asustek Computer – Recommendation & target price history

Date	Rating	Target	Price
2026-05-13	Outperform	835	663
2026-03-11	Outperform	615	584
2025-11-12	Outperform	800	647
2025-08-13	Outperform	775	640
2025-06-27	Outperform	808	640
2025-05-13	Outperform	800	608
2025-03-12	Outperform	800	600
2024-11-09	Outperform	810	621
2024-08-30	Outperform	665	537
2024-08-08	Outperform	640	502

Source: TEJ; KGI Research

KGI Locations

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