

Asustek Computer (2357.TW/2357 TT)

Better-than-expected server sales growth in 2026F

FTSE4Good TIP Taiwan ESG Index stock

Outperform · Maintained

Price as of March 10 (NT\$)	531
12M target price (NT\$)	615
Previous target price (NT\$)	800
Revised down (%)	23.1
Upside (%)	15.8

Key message

- 4Q25 EPS was NT\$15.36, above our forecast on a higher operating margin and lower tax rate.
- Thanks to solid server sales growth, 1Q26F sales guidance is ahead of our forecast.
- Management guides server sales to grow 50-100% YoY in 2026F driven by AI server.

Trading data

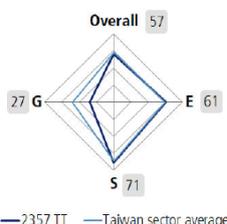
Mkt cap (NT\$/bn/US\$mn)	394.4 / 12,421
Outstanding shares (mn)	743
Foreign ownership (mn)	363.7
3M avg. daily trading (mn)	3.58
52-week trading range (NT\$)	441.0 –745

Performance	3M	6M	12M
Absolute (%)	-10.8	-20.5	-18.8
Relative (%)	-26.2	-50.6	-64.7

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	11.22F	10.76F	11.75F	10.17F

ESG score card



Source: Refinitiv; KGI Securities

Event

4Q25 EPS of NT\$15.36 beat our forecast on a higher operating margin and lower tax rate. Management guides stellar server sales growth of 50-100% YoY in 2026F.

Impact

4Q25 EPS beat. 4Q25 EPS of NT\$15.36 beat both our forecast and consensus on a higher operating margin and lower tax rate. Brand gross margin grew QoQ to 14.8% on more high-end PC and graphics card shipments, while brand operating margin fell slightly QoQ to 4.3%, both ahead of our forecast. Along with a lower tax rate due to deferred tax assets, 4Q25 EPS was a beat. 2025F EPS grew 42% YoY to NT\$59.99, while the cash dividend is NT\$42 per share, implying a 7.9% yield.

Stronger-than-expected 1Q26F sales guidance. Asustek guides server sales to grow 50-100% QoQ in 1Q26F, ahead of our forecast. System (PC) and components sales look to drop 10-15% QoQ on seasonality. With solid server sales growth, we revise up 1Q26F brand sales to grow 4% QoQ. As for the memory price impact, Asustek will raise PC prices and concentrate on high-end models to mitigate PC margins pressure, and will have a MoU with a memory vendor to secure supply. On an unfavorable product mix (higher server sales weighting), we cut our operating margin forecast, but with higher sales, we raise 1Q26F EPS to NT\$11.22, down 27% QoQ.

Stellar server sales growth in 2026F. Server sales accounted for around 22% of brand sales in 2025 (80-90% AI server), with diversified customers in Asia, Europe and the Americas. Management guides server sales to grow 50-100% YoY in 2026F, better than our forecast thanks to solid GB300 demand and client gains. We forecast GB/ VR rack shipments to double this year, while HGX sales will grow strongly by double digits YoY, with shipments and ASP rising. We revise up server sales growth to 70-75% YoY in 2026F, to account for 28-29% of total sales. For PC business, management expects global gaming PC shipments to be flat / down slightly YoY, enterprise PC shipments to fall 10% YoY, and consumer PC to drop 10-15%. If global PC shipments fall 10% this year, Asustek targets PC shipments to be flat/ down slightly YoY, outperforming the overall industry. Though we are more conservative on PC demand and forecast its PC sales to fall 8% YoY, but with higher server sales, we raise overall sales growth to 9% YoY. However, due to an unfavorable product mix, we cut our operating margin forecast and 2026F EPS to NT\$43.9, down 27% YoY. On rising AI server demand, we forecast 2027F EPS to grow 17% YoY to NT\$51.48.

Valuation & Action

We think the shares have priced in weak PC demand; and with a brighter server outlook, we maintain Outperform. But to reflect our lower earnings forecast and target PE on weak PC demand, we cut our target price to NT\$615, on 14x (down from 15x) 2026F EPS.

Risks

Weak NB 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	806,597	883,307
Gross profit (NT\$mn)	72,394	103,470	111,616	114,057	126,260
Operating profit (NT\$mn)	11,164	29,595	39,656	31,343	38,723
Net profit (NT\$mn)	15,928	31,394	44,558	32,607	38,237
EPS (NT\$)	21.44	42.27	59.99	43.90	51.48
Cash DPS (NT\$)	17.00	34.00	42.00	35.12	41.18
EPS growth (%)	8.4	97.1	41.9	(26.8)	17.3
PE (x)	24.8	12.6	8.9	12.1	10.3
PB (x)	1.6	1.5	1.5	1.4	1.4
EV/EBITDA (x)	11.1	5.3	4.9	5.7	4.8
Net debt to equity (%)	Net cash				
Dividend yield (%)	3.2	6.4	7.9	6.6	7.8
Return on average equity (%)	7.0	12.3	16.6	12.0	13.6

Source: Company data; KGI Research estimates

Figure 1: Asustek's 4Q25 brand sales beat our forecast on stronger server sales; 1Q26F sales guidance is ahead of our forecast

Brand sales (NT\$bn)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26F	2022	2023	2024	2025	2026F	2027F
System	64	76	100	85	72	91	101	94	82	337	285	325	357	327	329
Open platform & ISBG	48	56	53	54	59	80	85	91	110	155	162	211	316	403	472
AIOT	2	4	3	3	4	3	4	5	5	1	1	12	16	17	18
Total	114	136	157	141	135	174	190	190	197	493	448	549	689	747	819
Product mix (%)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26F	2022	2023	2024	2025	2026F	2027F
System	56	56	64	60	53	52	53	49	42	68	64	59	52	44	40
Open platform & ISBG	42	41	34	38	44	46	45	48	56	31	36	38	46	54	58
AIOT	2	3	2	2	3	2	2	3	2	0	0	2	2	2	2
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
YoY growth (%)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26F	2022	2023	2024	2025	2026F	2027F
System					12	19	0	10	15		(16)	14	10	(8)	1
Open platform & ISBG					24	43	60	70	85		4	30	50	27	17
AIOT					71	(15)	25	82	19		2	1,118	33	5	5
Total					18	28	21	34	46		(9)	22	26	8	10
QoQ growth (%)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26F	2022	2023	2024	2025	2026F	2027F
System		20	32	(15)	(16)	26	11	(7)	(12)						
Open platform & ISBG		17	(5)	1	11	35	7	7	21						
AIOT		68	(25)	(13)	55	(17)	12	27	1						
Total		19	15	(10)	(4)	29	9	(0)	4						

Note: ISBG is the infrastructure solutions business group, mostly server sales.

Source: Company data; KGI Research estimates

Figure 2: Breakdown of 4Q25 results & 1Q26 forecast revisions vs. consensus (consolidated)

NT\$m	4Q25							1Q26F						
	Actual	KGI forecast	Diff. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)	Revision	Previous	Chg. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)
Sales	202,924	182,256	11.3	1.3	31.8	181,748	11.7	212,258	165,853	28.0	4.6	43.7	169,203	25.4
Gross profits	32,346	26,063	24.1	12.7	24.2	26,261	23.2	30,565	23,717	28.9	(5.5)	24.2	24,340	25.6
Operating income	9,403	8,202	14.6	(4.4)	497.0	7,517	25.1	8,278	6,302	31.3	(12.0)	(34.2)	7,295	13.5
Pretax Income	13,042	10,368	25.8	(4.0)	288.0	9,787	33.3	11,273	9,174	22.9	(13.6)	(31.0)	9,545	18.1
Net income	11,405	6,459	76.6	8.0	596.2	7,114	60.3	8,331	6,468	28.8	(27.0)	(34.9)	7,369	13.1
EPS (NT\$)	15.36	8.70	76.6	8.0	596.2	9.58	60.3	11.22	8.71	28.8	(27.0)	(34.9)	9.92	13.1
Gross margin (%)	15.9	14.3	1.6 ppts	1.6 ppts	(1.0)ppts	14.7	1.3 ppts	14.4	14.3	0.1 ppts	(1.5)ppts	(2.3)ppts	14.4	0.0 ppts
OP margin (%)	4.6	4.5	0.1 ppts	(0.3)ppts	3.6 ppts	4.2	0.5 ppts	3.9	3.8	0.1 ppts	(0.7)ppts	(4.6)ppts	4.3	(0.4)ppts
Net margin (%)	5.6	3.5	2.1 ppts	0.3 ppts	4.6 ppts	3.9	1.7 ppts	3.9	3.9	0.0 ppts	(1.7)ppts	(4.7)ppts	4.4	(0.4)ppts

Source: Bloomberg; KGI Research estimates

Figure 3: Breakdown of 2025 results & 2026-27 forecast revisions vs. consensus (consolidated)

NT\$m	2025						2026F						2027F			
	Actual	KGI forecast	Diff. (%)	YoY (%)	Consensus	Diff. (%)	Revision	Previous	Chg. (%)	YoY (%)	Consensus	Diff. (%)	KGI forecast	YoY (%)	Consensus	Diff. (%)
Sales	738,905	718,237	2.9	25.9	709,396	4.2	806,597	796,891	1.2	9.2	783,565	2.9	883,307	9.5	862,588	2.4
Gross profit	111,614	105,341	6.0	7.9	102,848	8.5	114,057	120,520	(5.4)	2.2	113,225	0.7	126,260	10.7	116,406	8.5
Operating income	39,656	38,465	3.1	34.0	35,514	11.7	31,343	40,494	(22.6)	(21.0)	37,063	(15.4)	38,723	23.5	38,698	0.1
Pretax Income	55,008	52,344	5.1	30.4	50,158	9.7	45,123	53,381	(15.5)	(18.0)	49,052	(8.0)	52,558	16.5	52,015	1.0
Net income	44,558	39,622	12.5	41.9	39,520	12.7	32,607	39,555	(17.6)	(26.8)	38,211	(14.7)	38,237	17.3	41,474	(7.8)
EPS (NT\$)	59.99	53.34	12.5	41.9	53.21	12.7	43.90	53.25	(17.6)	(26.8)	51.44	(14.7)	51.48	17.3	55.84	(7.8)
Gross margin (%)	15.1	14.7	0.4 ppts	(2.5)ppts	14.5	0.6 ppts	14.1	15.1	(1.0)ppts	(1.0)ppts	14.5	(0.3)ppts	14.3	0.2 ppts	13.5	0.8 ppts
OP margin (%)	5.4	5.4	0.0 ppts	0.3 ppts	5.0	0.4 ppts	3.9	5.1	(1.2)ppts	(1.5)ppts	4.7	(0.8)ppts	4.4	0.5 ppts	4.5	(0.1)ppts
Net margin (%)	6.0	5.5	0.5 ppts	0.7 ppts	5.6	0.5 ppts	4.0	5.0	(0.9)ppts	(2.0)ppts	4.9	(0.8)ppts	4.3	0.3 ppts	4.8	(0.5)ppts

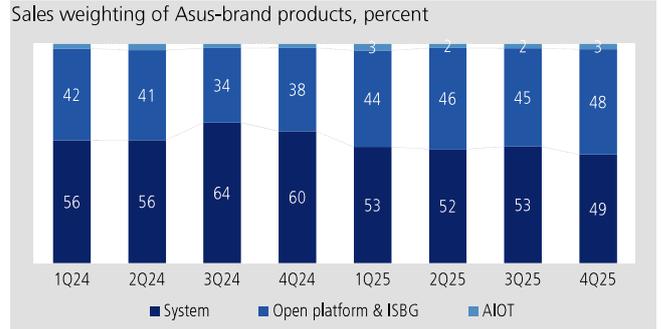
Source: Bloomberg; KGI Research estimates

Figure 4: 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 5: Open platform & ISBG sales weighting rose to 48% in 4Q25 thanks to solid server demand



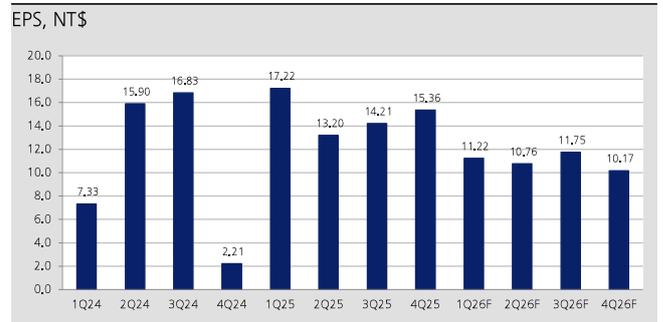
Source: Company data; KGI Research

Figure 6: Sales



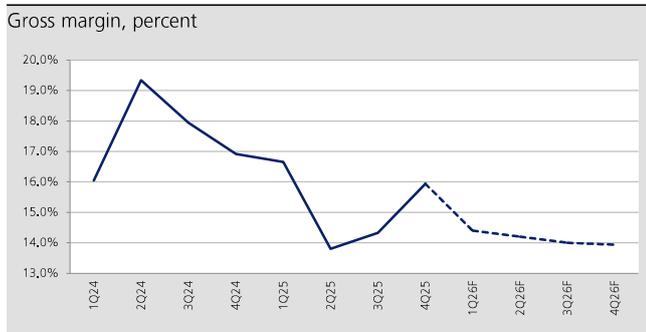
Source: KGI Research

Figure 7: EPS



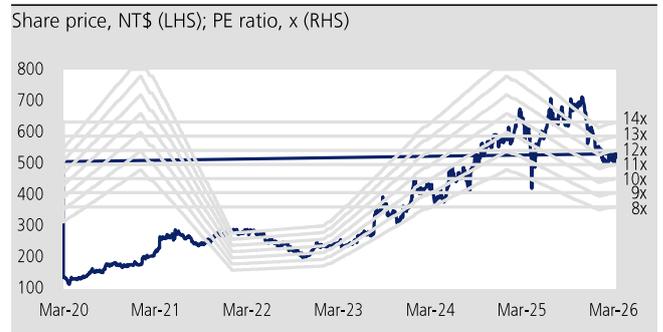
Source: KGI Research

Figure 8: Gross Margin



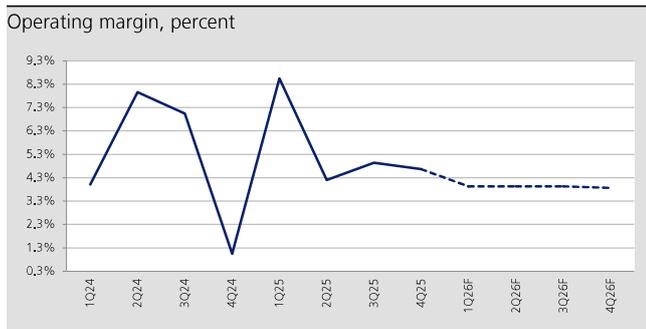
Source: KGI Research

Figure 9: 12M forward PE band



Source: TEI; KGI Research estimates

Figure 10: Operating Margin



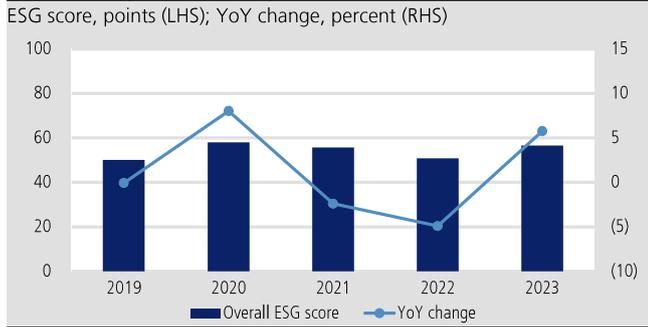
Source: KGI Research

Figure 11: 12M forward PB band



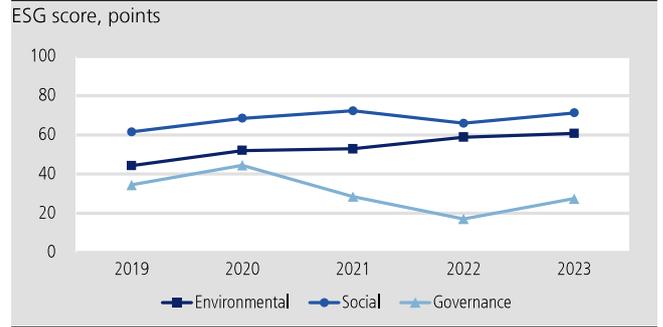
Source: TEI; KGI Research estimates

Figure 12: Overall ESG score



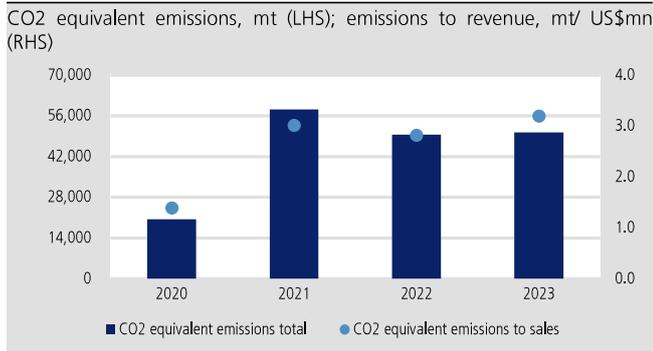
Source: Refinitiv; KGI Research; Company data

Figure 13: ESG scores



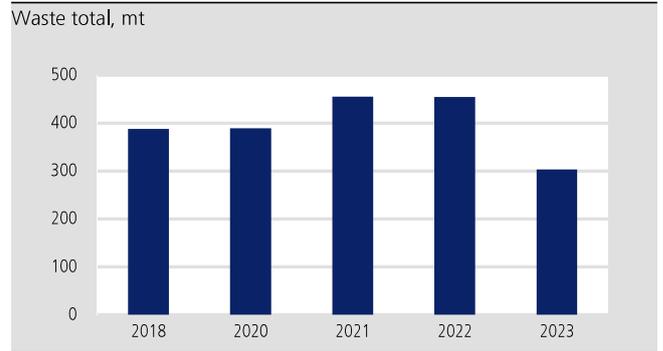
Source: Refinitiv; KGI Research; Company data

Figure 14: CO2 equivalent emissions



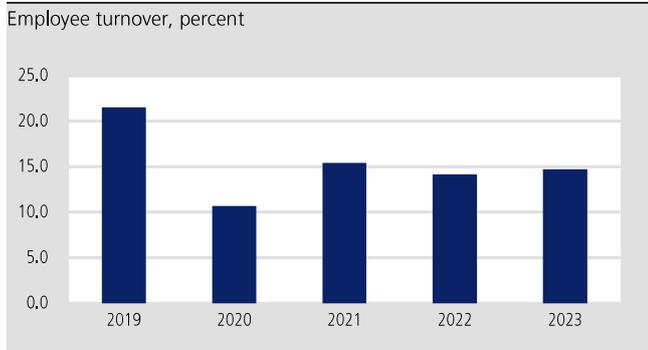
Source: Refinitiv; KGI Research; Company data

Figure 15: Waste total



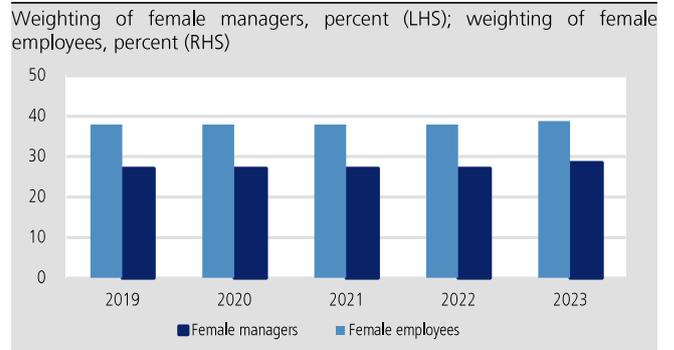
Source: Refinitiv; KGI Research; Company data

Figure 16: Employee turnover



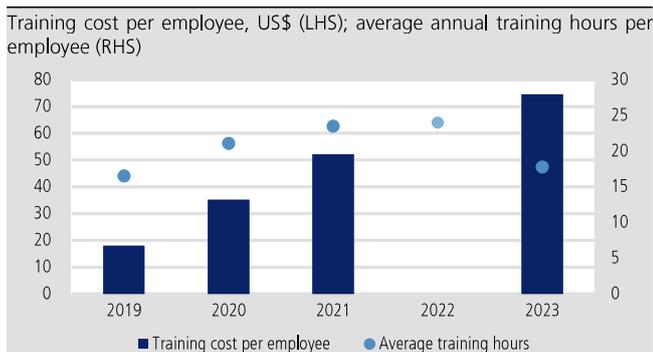
Source: Refinitiv; KGI Research; Company data

Figure 17: Gender diversification



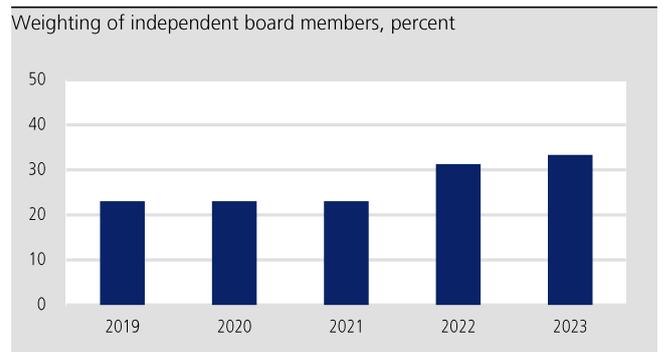
Source: Refinitiv; KGI Research; Company data

Figure 18: Employee training



Source: Refinitiv; KGI Research; Company data

Figure 19: Independent board members



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"> - 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	<p>Total primary renewable energy purchased in gigajoules.</p> <ul style="list-style-type: none"> - 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	<p>Direct CO2 and CO2 equivalent emissions in metric tons.</p> <ul style="list-style-type: none"> - 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	<p>Direct CO2 and CO2 equivalent emissions (metric tons) to sales (NT\$m)</p> <ul style="list-style-type: none"> - 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	<p>Total amount of waste produced in metric tons.</p> <ul style="list-style-type: none"> - 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	<p>The waste recycling ratio as reported by the company.</p> <ul style="list-style-type: none"> - 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	<p>Total water withdrawal in cubic meters.</p> <ul style="list-style-type: none"> - 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	<p>Total amount of environmental expenditures.</p> <ul style="list-style-type: none"> - 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	<p>Percentage of employee turnover.</p> <ul style="list-style-type: none"> - 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	<p>Percentage of women managers.</p> <ul style="list-style-type: none"> - 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	<p>Percentage of women employees.</p> <ul style="list-style-type: none"> - 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	<p>Total training hours performed by all employees.</p> <ul style="list-style-type: none"> - 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-26F	Jun-26F	Sep-26F	Dec-26F	Dec-25A	Dec-26F	Dec-27F
Income statement (NT\$m)											
Revenue	147,693	188,006	200,281	202,924	212,258	199,523	203,513	191,303	738,905	806,597	883,307
Cost of goods sold	(123,090)	(162,040)	(171,572)	(170,587)	(181,693)	(171,191)	(175,022)	(164,635)	(627,289)	(692,540)	(757,047)
Gross profit	24,603	25,966	28,709	32,337	30,565	28,332	28,492	26,668	111,616	114,057	126,260
Operating expenses	(12,020)	(18,128)	(18,867)	(22,943)	(22,287)	(20,551)	(20,555)	(19,322)	(71,958)	(82,714)	(87,537)
Operating profit	12,580	7,835	9,839	9,403	8,278	7,781	7,937	7,346	39,656	31,343	38,723
Depreciation of fixed assets	(583)	(565)	(563)	(600)	(603)	(603)	(603)	(603)	(2,312)	(2,413)	(2,623)
Amortisation of intangible assets	(182)	(186)	(189)	(248)	(264)	(264)	(264)	(264)	(806)	(1,057)	(1,057)
EBITDA	13,345	8,586	10,591	10,251	9,146	8,649	8,805	8,214	42,773	34,813	42,403
Interest income	1,009	1,133	857	873	999	999	999	999	3,872	3,998	4,051
Investment income	1,098	892	880	988	950	950	950	950	3,859	3,800	3,800
Other non-op income	1,876	2,387	2,312	2,035	1,300	1,500	2,500	1,700	8,610	7,000	7,000
Non-operating income	3,984	4,413	4,049	3,896	3,249	3,449	4,449	3,649	16,341	14,798	14,851
Interest expense	(219)	(214)	(300)	(256)	(254)	(254)	(254)	(254)	(989)	(1,017)	(1,017)
Investment loss	-	-	-	-	-	-	-	-	-	-	-
Other non-op expenses	-	-	0	(0)	-	-	-	-	0	-	-
Non-operating expenses	(219)	(214)	(300)	(256)	(254)	(254)	(254)	(254)	(989)	(1,017)	(1,017)
Pre-tax profit	16,344	12,034	13,588	13,042	11,273	10,977	12,132	10,741	55,008	45,123	52,558
Current taxation	(2,686)	(1,583)	(1,972)	(551)	(2,142)	(2,086)	(2,305)	(1,996)	(6,791)	(8,528)	(9,933)
Minorities	(868)	(646)	(1,059)	(1,086)	(800)	(900)	(1,100)	(1,188)	(3,659)	(3,988)	(4,387)
Normalised net profit	12,791	9,806	10,556	11,405	8,331	7,991	8,727	7,557	44,558	32,607	38,237
Extraordinary items	(0)	(0)	(0)	(0)	-	-	-	-	-	-	-
Net profit	12,791	9,806	10,556	11,405	8,331	7,991	8,727	7,557	44,558	32,607	38,237
EPS (NT\$)	17.22	13.20	14.21	15.36	11.22	10.76	11.75	10.17	59.99	43.90	51.48
Margins (%)											
Gross profit margin	16.7	13.8	14.3	15.9	14.4	14.2	14.0	13.9	15.1	14.1	14.3
Operating margin	8.5	4.2	4.9	4.6	3.9	3.9	3.9	3.8	5.4	3.9	4.4
EBITDA margin	9.0	4.6	5.3	5.1	4.3	4.3	4.3	4.3	5.8	4.3	4.8
Pretax profit margin	11.1	6.4	6.8	6.4	5.3	5.5	6.0	5.6	7.4	5.6	6.0
Net profit margin	8.7	5.2	5.3	5.6	3.9	4.0	4.3	4.0	6.0	4.0	4.3
Sequential growth (%)											
Revenue growth	(4.0)	27.3	6.5	1.3	4.6	(6.0)	2.0	(6.0)			
Gross profit growth	(5.5)	5.5	10.6	12.7	(5.5)	(7.3)	0.6	(6.4)			
Operating profit growth	698.7	(37.7)	25.6	(4.4)	(12.0)	(6.0)	2.0	(7.4)			
EBITDA growth	473.7	(35.7)	23.4	(3.2)	(10.8)	(5.4)	1.8	(6.7)			
Pretax profit growth	386.2	(26.4)	12.9	(4.0)	(13.6)	(2.6)	10.5	(11.5)			
Net profit growth	680.8	(23.3)	7.7	8.0	(27.0)	(4.1)	9.2	(13.4)			
YoY growth (%)											
Revenue growth	21.4	29.7	20.2	31.8	43.7	6.1	1.6	(5.7)	25.9	9.2	9.5
Gross profit growth	26.0	(7.3)	(3.9)	24.2	24.2	9.1	(0.8)	(17.5)	7.9	2.2	10.7
Operating profit growth	159.5	(31.9)	(15.7)	497.0	(34.2)	(0.7)	(19.3)	(21.9)	34.0	(21.0)	23.5
EBITDA growth	139.9	(29.8)	(14.3)	340.7	(31.5)	0.7	(16.9)	(19.9)	31.7	(18.6)	21.8
Pretax profit growth	124.6	(23.1)	(14.6)	288.0	(31.0)	(8.8)	(10.7)	(17.6)	30.4	(18.0)	16.5
Net profit growth	134.8	(16.9)	(15.6)	596.2	(34.9)	(18.5)	(17.3)	(33.7)	41.9	(26.8)	17.3

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	628,618	656,516
Current assets	307,177	379,243	453,834	443,480	464,014
Cash & ST securities	82,299	103,224	99,260	111,137	102,094
Inventory	122,790	152,620	197,642	182,148	199,114
Accounts receivable	86,817	107,078	139,327	132,591	145,201
Other current assets	15,270	16,321	17,604	17,604	17,604
Non-current assets	172,905	177,281	177,823	185,137	192,502
LT investments	126,932	132,237	113,147	120,775	128,662
Net fixed assets	20,082	20,838	21,359	21,046	20,523
Other assets	25,891	24,205	43,317	43,317	43,317
Total liabilities	221,100	259,326	334,094	319,447	334,202
Current liabilities	197,552	231,867	307,347	292,725	307,472
Accounts payable	56,967	73,997	119,584	110,048	120,298
Interest bearing ST liabilities	16,273	25,296	29,755	29,779	29,771
Other current liabilities	124,312	132,574	158,009	152,898	157,403
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	309,171	322,314
Share capital	7,428	7,428	7,428	7,428	7,428
Retained earnings reserve	117,271	134,889	151,079	157,600	165,248
Minority interests	19,166	27,658	29,266	33,254	37,641
Preferred shareholders funds	-	-	-	-	-

Key ratios

	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Growth					
Revenue growth	(10.2%)	21.7%	25.9%	9.2%	9.5%
Operating profit growth	(14.0%)	165.1%	34.0%	(21.0%)	23.5%
EBITDA growth	(10.7%)	133.1%	31.7%	(18.6%)	21.8%
Net profit growth	8.4%	97.1%	41.9%	(26.8%)	17.3%
EPS growth	8.4%	97.1%	41.9%	(26.8%)	17.3%
Profitability					
Gross profit margin	15.0%	17.6%	15.1%	14.1%	14.3%
Operating margin	2.3%	5.0%	5.4%	3.9%	4.4%
EBITDA margin	2.9%	5.5%	5.8%	4.3%	4.8%
Net profit margin	3.3%	5.3%	6.0%	4.0%	4.3%
Return on average assets	3.3%	6.1%	7.5%	5.2%	6.0%
Return on average equity	7.0%	12.3%	16.6%	12.0%	13.6%
Stability					
Gross debt to equity	6.3%	8.6%	10.1%	9.7%	9.3%
Net debt to equity	Net cash				
Interest coverage (x)	32.9	58.1	56.6	45.4	52.7
Interest & ST debt coverage (x)	0.6	0.6	0.6	0.6	0.6
Cash flow interest coverage(x)	75.2	10.9	30.7	40.6	14.6
Cash flow/int. & ST debt (x)	3.1	0.3	1.0	1.3	0.5
Current ratio (x)	1.6	1.6	1.5	1.5	1.5
Quick ratio (x)	0.9	1.0	0.8	0.9	0.9
Net debt (NT\$mn)	(62,792)	(68,375)	(60,031)	(71,908)	(62,865)
Per share data					
EPS (NT\$)	21.44	42.27	59.99	43.90	51.48
CFPS (NT\$)	70.13	10.81	40.83	55.59	20.02
BVPS (NT\$)	322.87	362.89	361.22	371.47	383.26
Adj BVPS (NT\$)	322.87	362.89	361.22	371.47	383.26
SPS (NT\$)	649.35	790.41	994.81	1,085.92	1,189.20
EBITDA/share (NT\$)	18.76	43.74	57.59	46.87	57.09
Cash DPS (NT\$)	17.00	34.00	42.00	35.12	41.18
Activity					
Sales / avg assets	1.01	1.13	1.24	1.28	1.37
Days receivable	65.7	66.8	68.8	60.0	60.0
Days inventory	109.3	115.5	115.0	96.0	96.0
Days payable	50.7	56.0	69.6	58.0	58.0
Cash cycle	124.3	126.3	114.2	98.0	98.0

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	806,597	883,307
Cost of goods sold	(409,920)	(483,617)	(627,289)	(692,540)	(757,047)
Gross profit	72,394	103,470	111,616	114,057	126,260
Operating expenses	(61,241)	(73,879)	(71,958)	(82,714)	(87,537)
Operating profit	11,164	29,595	39,656	31,343	38,723
Non-operating income	11,623	13,334	16,341	14,798	14,851
Interest income	2,855	3,461	3,872	3,998	4,051
Investment income	3,979	2,474	3,859	3,800	3,800
Other non-op income	4,788	7,399	8,610	7,000	7,000
Non-operating expenses	(693)	(739)	(989)	(1,017)	(1,017)
Interest expense	(693)	(739)	(989)	(1,017)	(1,017)
Investment loss	-	-	-	-	-
Other non-op expenses	-	-	0	-	-
Pre-tax profit	22,094	42,190	55,008	45,123	52,558
Current taxation	(4,204)	(7,951)	(6,791)	(8,528)	(9,933)
Minorities	(1,962)	(2,845)	(3,659)	(3,988)	(4,387)
Extraordinary items	-	(0)	0	-	-
Net profit	15,928	31,394	44,558	32,607	38,237
EBITDA	13,935	32,489	42,773	34,813	42,403
EPS (NT\$)	21.44	42.27	59.99	43.90	51.48

Cash flow

NT\$mn	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Operations cash flow	52,087	8,030	30,330	41,293	14,870
Net profit	15,928	31,394	44,558	32,607	38,237
Depreciation & amortisation	2,771	2,894	3,117	3,470	3,680
Decrease in working capital	29,523	(38,333)	(26,385)	12,694	(19,326)
Other operating cash flow	3,865	12,076	9,041	(7,478)	(7,722)
Investing cash flow	2,206	(3,190)	(8,183)	(3,306)	(3,322)
Sale of ST investment	(940)	(2,889)	1,862	-	-
New investments	(14)	(117)	(181)	(149)	(165)
Capital expenditure	(1,688)	(2,068)	(2,245)	(2,100)	(2,100)
Others investing cashflow	4,849	1,883	(7,618)	(1,057)	(1,057)
Free cash flow	39,125	(14,107)	8,442	38,426	12,602
Financing cash flow	(45,240)	4,806	(23,221)	(26,110)	(20,590)
Increase in short term debt	(32,649)	8,802	4,584	-	-
Increase in long term loans	40	267	(96)	-	-
New ordinary shares issued	-	-	-	-	-
Ordinary dividends paid	(11,141)	(12,627)	(25,254)	(31,196)	(26,086)
Other financing cashflow	(1,490)	8,364	(2,456)	5,086	5,496
Forex effects	851	5,166	(2,886)		
Total cash generated	9,904	14,811	(3,959)	11,877	(9,042)

ROIC

	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
1 - COGS/revenue					
- Operating exp./revenue	12.7%	12.6%	9.7%	10.3%	9.9%
= Operating margin	2.3%	5.0%	5.4%	3.9%	4.4%
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	8.5	8.1
Operating margin	2.3%	5.0%	5.4%	3.9%	4.4%
x Capital turnover	7.1	6.3	7.2	8.5	8.1
x (1 - tax rate)	81.0%	81.2%	87.7%	81.1%	81.1%
= After-tax ROIC	13.3%	25.8%	33.8%	26.8%	28.8%

Source: Company data; KGI Research estimates

Asustek Computer – Recommendation & target price history



Date	Rating	Target	Price
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
2024-05-14	Outperform	540	512
2024-03-17	Neutral	438	429

Source: TEJ; KGI Research

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