

Asustek Computer (2357.TW/2357 TT)

Brighter AI server outlook in 2026F

FTSE4Good TIP Taiwan ESG Index stock

Outperform · Maintained

Price as of May 12 (NT\$)	673
12M target price (NT\$)	835
Previous target price (NT\$)	615
Revised up (%)	35.8
Upside (%)	24.1

Key message

- 1Q26 EPS was NT\$13.19, above our forecast on a higher operating margin.
- Thanks to stronger AI server and PC demand, 2Q26F sales guidance is ahead of our forecast.
- Management guides server sales to grow over 100% YoY in 2026F on AI server.

Trading data

Mkt cap (NT\$/bn/US\$mn)	499.9 / 15,931
Outstanding shares (mn)	743
Foreign ownership (mn)	363.7
3M avg. daily trading (mn)	2.65
52-week trading range (NT\$)	496.0 -745

Performance	3M	6M	12M
Absolute (%)	28.7	4	11.6
Relative (%)	4	-45.9	-86.7

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	13.19F	14.34F	13.66F	12.46F

ESG score card



Source: Refinitiv; KGI Securities

Event

1Q26 EPS of NT\$13.19 beat our forecast on a higher operating margin. Management guides stellar server sales growth of over 100% YoY in 2026F, better than expectation.

Impact

1Q26 EPS a strong beat. 1Q26 EPS of NT\$13.19 beat both our forecast and consensus on a higher operating margin. Brand gross margin fell 1ppt QoQ to 13.8%, but brand operating margin grew 1.1ppts QoQ to 5.4%, beating guidance and our forecast thanks to improved margins from gaming PC and graphics card on more high-end model shipments and increased ASP, as well as improvement of server business margins due to increased sales.

Stronger-than-expected 2Q26F sales guidance. Asustek guides server sales to grow 50% QoQ in 2Q26F, ahead of our forecast as some AI server orders are postponed from 1Q26 to 2Q26, though demand remains solid. System (PC) sales are guided to grow 10-15% QoQ, also above our forecast, with shipments up by single digits QoQ and ASP increasing by high single/ double digits QoQ. Components sales may be flat QoQ. Thus, we revise up 2Q26F brand sales to 20% QoQ growth. Management maintains its operating margin target of 4-5% in 2Q26F, also ahead of our forecast. To reflect our sales and margins upward revisions, we raise 2Q26F EPS to NT\$14.34, up 9% QoQ.

More positive server sales outlook in 2026F. Management has revised up 2026F server sales guidance to over 100% YoY growth (versus up 50-100% YoY previously), driven by client gains and solid neo-cloud demand. Asustek has gained VR200 rack orders, while HGX server demand is also growing this year. We revise up server sales growth to 136% YoY in 2026F, to account for 34% of total sales. For PC, the firm expects sales to be lower in 2H26F compared to 1H26 as consumers buy PCs early, though it does guide PC sales to grow this year, which is stronger than our forecast. Management targets PC shipments to be flat YoY, outperforming the industry average of down 10-15% YoY on more high-end models, while PC ASP will also increase. To reflect a better-than-expected server and PC outlook, we revise up 2026F sales, and with a stronger margins outlook, we raise EPS this year to NT\$53.65, down 11% YoY. On rising AI server demand and Asustek's market share gains, we raise 2027F EPS to grow 7% YoY to NT\$57.64.

Valuation & Action

With solid AI server sales growth and demand outlook, we roll over our valuation base to 2027F earnings. To reflect a higher EPS forecast, we revise up our target price to NT\$835, based on 15x 2026-27F EPS (14x 2026F EPS previously). Maintain Outperform rating.

Risks

Weak NB demand; AI GPU shortage; 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	898,053	1,029,326
Gross profit (NT\$mn)	72,394	103,470	111,616	125,773	142,829
Operating profit (NT\$mn)	11,164	29,595	39,656	41,215	45,666
Net profit (NT\$mn)	15,928	31,394	44,558	39,851	42,814
EPS (NT\$)	21.44	42.27	59.99	53.65	57.64
Cash DPS (NT\$)	17.00	34.00	42.00	42.92	46.11
EPS growth (%)	8.4	97.1	41.9	(10.6)	7.4
PE (x)	31.4	15.9	11.2	12.5	11.7
PB (x)	2.1	1.9	1.9	1.8	1.7
EV/EBITDA (x)	15.2	7.3	6.6	6.4	6.3
Net debt to equity (%)	Net cash	Net cash	Net cash	Net cash	Net cash
Dividend yield (%)	2.5	5.1	6.2	6.4	6.9
Return on average equity (%)	7.0	12.3	16.6	14.6	15.2

Source: Company data; KGI Research estimates

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

NT\$m	1Q26							2Q26F						
	Actual	KGI forecast	Diff. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)	Revision	Previous	Chg. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)
Sales	208,370	212,258	(1.8)	2.7	41.1	200,129	4.1	245,876	199,523	23.2	18.0	30.8	202,154	21.6
Gross profits	30,969	30,565	1.3	(4.3)	25.9	27,768	11.5	34,423	28,332	21.5	11.2	32.6	28,184	22.1
Operating income	11,896	8,278	43.7	26.5	(5.4)	8,288	43.5	11,310	7,781	45.4	(4.9)	44.4	8,890	27.2
Pretax Income	13,860	11,273	22.9	6.3	(15.2)	10,806	28.3	14,383	10,977	31.0	3.8	19.5	12,039	19.5
Net income	9,797	8,331	17.6	(14.1)	(23.4)	8,321	17.7	10,650	7,991	33.3	8.7	8.6	8,894	19.7
EPS (NT\$)	13.19	11.22	17.6	(14.1)	(23.4)	11.20	17.7	14.34	10.76	33.3	8.7	8.6	11.97	19.7
Gross margin (%)	14.9	14.4	0.5 ppts	(1.1)ppts	(1.8)ppts	14.9	(0.0)ppts	14.0	14.2	(0.2)ppts	(0.9)ppts	0.2 ppts	13.9	0.1 ppts
OP margin (%)	5.7	3.9	1.8 ppts	1.1 ppts	(2.8)ppts	4.3	1.4 ppts	4.6	3.9	0.7 ppts	(1.1)ppts	0.4 ppts	4.4	0.2 ppts
Net margin (%)	4.7	3.9	0.8 ppts	(0.9)ppts	(4.0)ppts	4.4	0.3 ppts	4.3	4.0	0.3 ppts	(0.4)ppts	(0.9)ppts	4.4	(0.1)ppts

Source: Bloomberg; KGI Research estimates

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

NT\$m	2026F						2027F					
	Revision	Previous	Chg. (%)	YoY (%)	Consensus	Diff. (%)	Revision	Previous	Chg. (%)	YoY (%)	Consensus	Diff. (%)
Sales	898,053	806,597	11.3	21.5	834,245	7.6	1,029,326	883,307	16.5	14.6	894,832	15.0
Gross profit	125,773	114,057	10.3	12.7	116,886	7.6	142,829	126,260	13.1	13.6	121,241	17.8
Operating income	41,215	31,343	31.5	3.9	34,665	18.9	45,666	38,723	17.9	10.8	38,612	18.3
Pretax Income	54,507	45,123	20.8	(0.9)	46,993	16.0	58,536	52,558	11.4	7.4	52,158	12.2
Net income	39,851	32,607	22.2	(10.6)	35,863	11.1	42,814	38,237	12.0	7.4	39,602	8.1
EPS (NT\$)	53.65	43.90	22.2	(10.6)	48.28	11.1	57.64	51.48	12.0	7.4	53.32	8.1
Gross margin (%)	14.0	14.1	(0.1)ppts	(1.1)ppts	14.0	(0.0)ppts	13.9	14.3	(0.4)ppts	(0.1)ppts	13.5	0.3 ppts
OP margin (%)	4.6	3.9	0.7 ppts	(0.8)ppts	4.2	0.4 ppts	4.4	4.4	0.1 ppts	(0.2)ppts	4.3	0.1 ppts
Net margin (%)	4.4	4.0	0.4 ppts	(1.6)ppts	4.3	0.1 ppts	4.2	4.3	(0.2)ppts	(0.3)ppts	4.4	(0.3)ppts

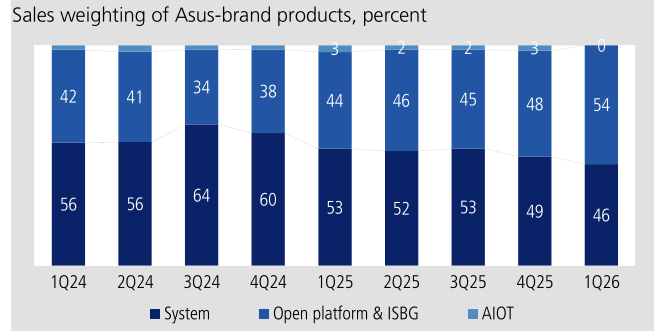
Source: Bloomberg; KGI Research estimates

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%.

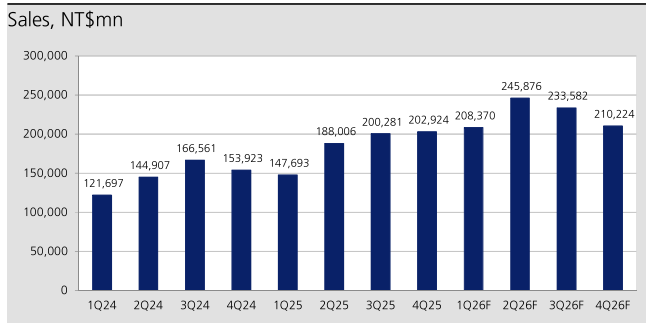
Source: KGI Research

Figure 4: Open platform & ISBG sales weighting rose to 54% in 1Q26 thanks to solid server demand



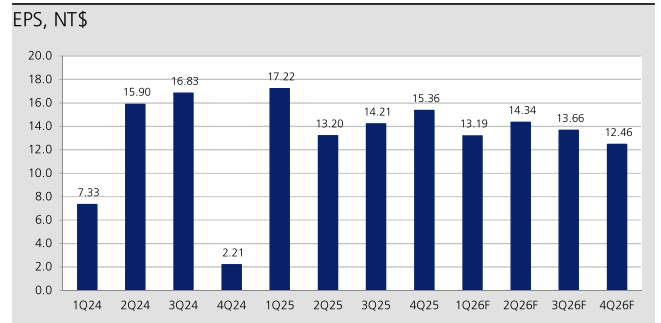
Source: Company data; KGI Research

Figure 5: Sales



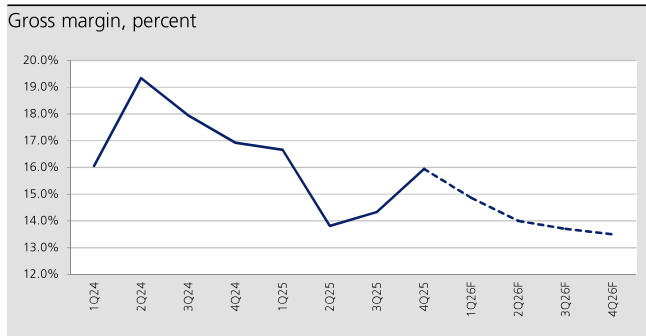
Source: KGI Research

Figure 6: EPS



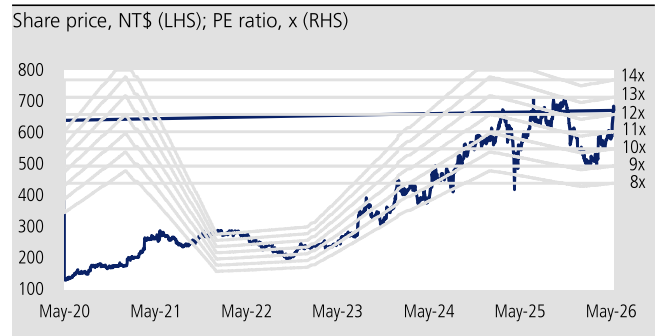
Source: KGI Research

Figure 7: Gross Margin



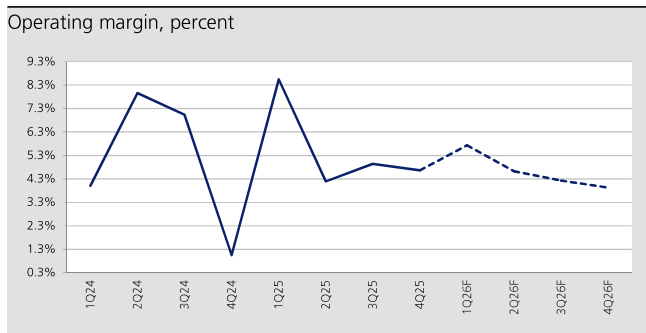
Source: KGI Research

Figure 8: 12M forward PE band



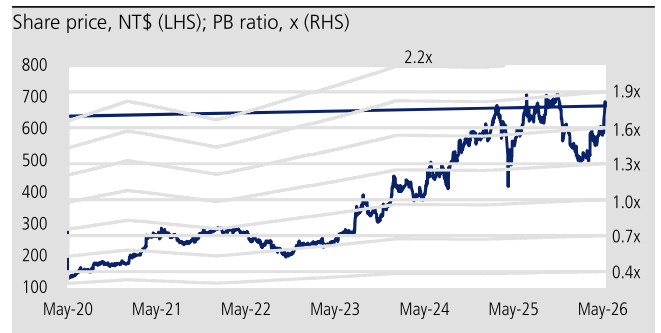
Source: TEJ; KGI Research estimates

Figure 9: Operating Margin



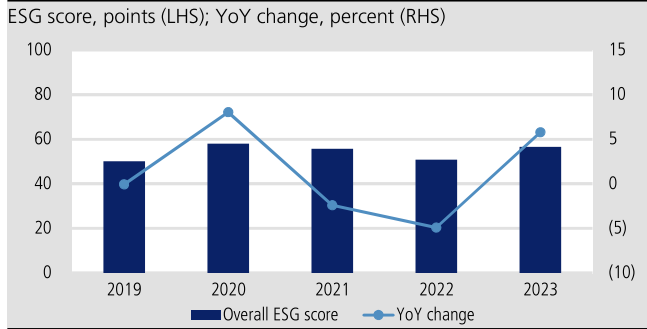
Source: KGI Research

Figure 10: 12M forward PB band



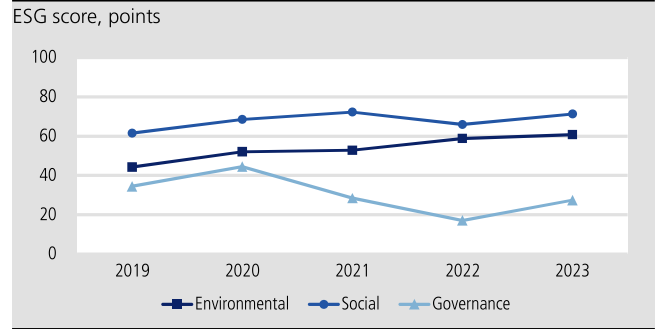
Source: TEJ; KGI Research estimates

Figure 11: Overall ESG score



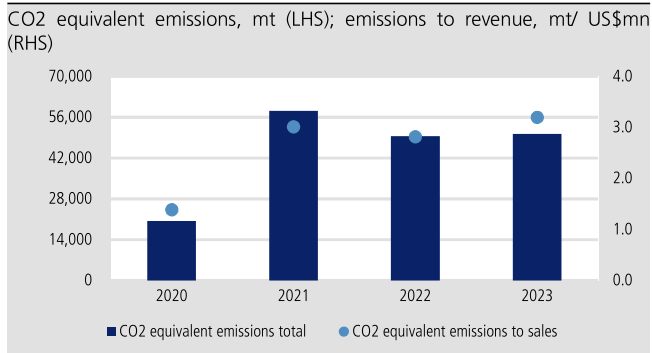
Source: Refinitiv, KGI Research, Company data

Figure 12: ESG scores



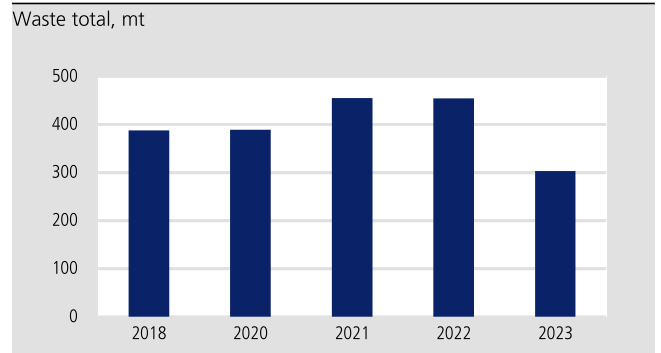
Source: Refinitiv, KGI Research, Company data

Figure 13: CO2 equivalent emissions



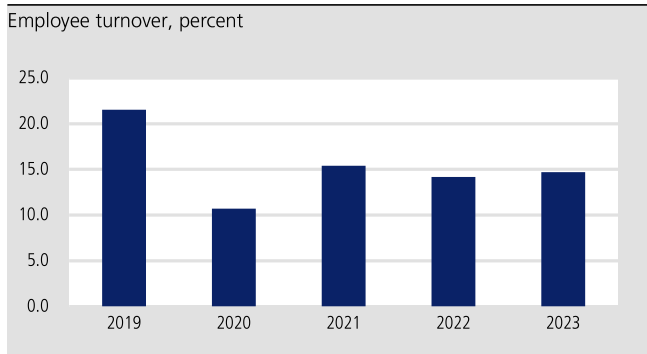
Source: Refinitiv, KGI Research, Company data

Figure 14: Waste total



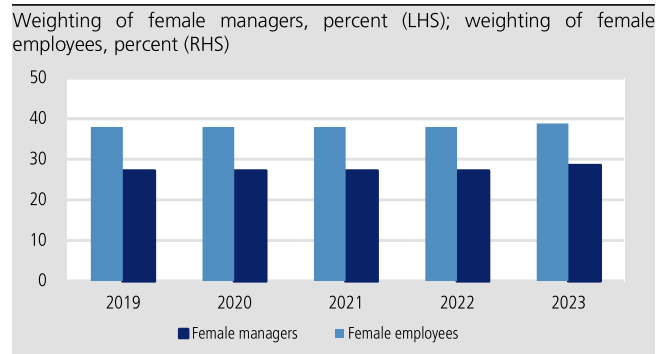
Source: Refinitiv, KGI Research, Company data

Figure 15: Employee turnover



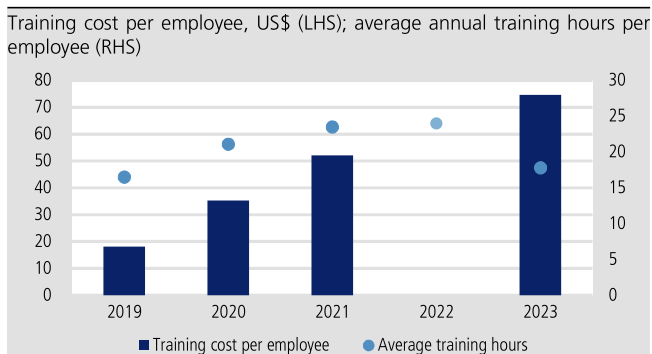
Source: Refinitiv, KGI Research, Company data

Figure 16: Gender diversification



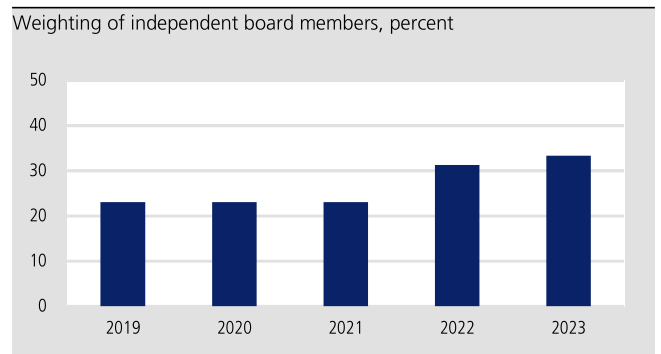
Source: Refinitiv, KGI Research, Company data

Figure 17: Employee training



Source: Refinitiv, KGI Research, Company data

Figure 18: 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	208,370	245,876	233,582	210,224	738,905	898,053	1,029,326
Cost of goods sold	(123,090)	(162,040)	(171,572)	(170,587)	(177,401)	(211,454)	(201,582)	(181,844)	(627,289)	(772,280)	(886,497)
Gross profit	24,603	25,966	28,709	32,337	30,969	34,423	32,001	28,380	111,616	125,773	142,829
Operating expenses	(12,020)	(18,128)	(18,867)	(22,943)	(19,073)	(23,112)	(22,190)	(20,182)	(71,958)	(84,557)	(97,163)
Operating profit	12,580	7,835	9,839	9,403	11,896	11,310	9,810	8,199	39,656	41,215	45,666
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	12,763	12,178	10,678	9,066	42,773	44,686	49,347
Interest income	1,009	1,133	857	873	752	901	901	1,049	3,872	3,602	3,186
Investment income	1,098	892	880	988	1,265	925	925	585	3,859	3,700	3,700
Other non-op income	1,876	2,387	2,312	2,035	229	1,500	2,500	2,771	8,610	7,000	7,000
Non-operating income	3,984	4,413	4,049	3,896	2,246	3,326	4,326	4,405	16,341	14,302	13,886
Interest expense	(219)	(214)	(300)	(256)	(282)	(253)	(253)	(223)	(989)	(1,010)	(1,017)
Investment loss	-	-	-	-	-	-	-	-	-	-	-
Other non-op expenses	-	-	0	(0)	-	-	-	-	0	-	-
Non-operating expenses	(219)	(214)	(300)	(256)	(282)	(253)	(253)	(223)	(989)	(1,010)	(1,017)
Pre-tax profit	16,344	12,034	13,588	13,042	13,860	14,383	13,883	12,381	55,008	54,507	58,536
Current taxation	(2,686)	(1,583)	(1,972)	(551)	(2,703)	(2,733)	(2,638)	(2,283)	(6,791)	(10,356)	(11,122)
Minorities	(868)	(646)	(1,059)	(1,086)	(1,360)	(1,000)	(1,100)	(840)	(3,659)	(4,300)	(4,600)
Normalised net profit	12,791	9,806	10,556	11,405	9,797	10,650	10,146	9,258	44,558	39,851	42,814
Extraordinary items	(0)	(0)	(0)	(0)	-	-	-	-	-	-	-
Net profit	12,791	9,806	10,556	11,405	9,797	10,650	10,146	9,258	44,558	39,851	42,814
EPS (NT\$)	17.22	13.20	14.21	15.36	13.19	14.34	13.66	12.46	59.99	53.65	57.64
Margins (%)											
Gross profit margin	16.7	13.8	14.3	15.9	14.9	14.0	13.7	13.5	15.1	14.0	13.9
Operating margin	8.5	4.2	4.9	4.6	5.7	4.6	4.2	3.9	5.4	4.6	4.4
EBITDA margin	9.0	4.6	5.3	5.1	6.1	5.0	4.6	4.3	5.8	5.0	4.8
Pretax profit margin	11.1	6.4	6.8	6.4	6.7	5.8	5.9	5.9	7.4	6.1	5.7
Net profit margin	8.7	5.2	5.3	5.6	4.7	4.3	4.3	4.4	6.0	4.4	4.2
Sequential growth (%)											
Revenue growth	(4.0)	27.3	6.5	1.3	2.7	18.0	(5.0)	(10.0)			
Gross profit growth	(5.5)	5.5	10.6	12.7	(4.3)	11.2	(7.0)	(11.3)			
Operating profit growth	698.7	(37.7)	25.6	(4.4)	26.5	(4.9)	(13.3)	(16.4)			
EBITDA growth	473.7	(35.7)	23.4	(3.2)	24.5	(4.6)	(12.3)	(15.1)			
Pretax profit growth	386.2	(26.4)	12.9	(4.0)	6.3	3.8	(3.5)	(10.8)			
Net profit growth	680.8	(23.3)	7.7	8.0	(14.1)	8.7	(4.7)	(8.7)			
YoY growth (%)											
Revenue growth	21.4	29.7	20.2	31.8	41.1	30.8	16.6	3.6	25.9	21.5	14.6
Gross profit growth	26.0	(7.3)	(3.9)	24.2	25.9	32.6	11.5	(12.2)	7.9	12.7	13.6
Operating profit growth	159.5	(31.9)	(15.7)	497.0	(5.4)	44.4	(0.3)	(12.8)	34.0	3.9	10.8
EBITDA growth	139.9	(29.8)	(14.3)	340.7	(4.4)	41.8	0.8	(11.6)	31.7	4.5	10.4
Pretax profit growth	124.6	(23.1)	(14.6)	288.0	(15.2)	19.5	2.2	(5.1)	30.4	(0.9)	7.4
Net profit growth	134.8	(16.9)	(15.6)	596.2	(23.4)	8.6	(3.9)	(18.8)	41.9	(10.6)	7.4

Source: Company data; KGI Research estimates

Balance sheet

NT\$m	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Total assets	480,082	556,524	631,657	648,844	683,637
Current assets	307,177	379,243	453,834	463,809	491,341
Cash & ST securities	82,299	103,224	99,260	95,459	71,372
Inventory	122,790	152,620	197,642	203,120	233,161
Accounts receivable	86,817	107,078	139,327	147,625	169,204
Other current assets	15,270	16,321	17,604	17,604	17,604
Non-current assets	172,905	177,281	177,823	185,036	192,295
LT investments	126,932	132,237	113,147	120,673	128,456
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	337,913	358,433
Current liabilities	197,552	231,867	307,347	311,191	331,703
Accounts payable	56,967	73,997	119,584	122,718	140,868
Interest bearing ST liabilities	16,273	25,296	29,755	29,779	29,771
Other current liabilities	124,312	132,574	158,009	158,694	161,064
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	310,931	325,203
Share capital	7,428	7,428	7,428	7,428	7,428
Retained earnings reserve	117,271	134,889	151,079	159,049	167,612
Minority interests	19,166	27,658	29,266	33,566	38,166
Preferred shareholders funds	-	-	-	-	-

Key ratios

	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Growth					
Revenue growth	(10.2%)	21.7%	25.9%	21.5%	14.6%
Operating profit growth	(14.0%)	165.1%	34.0%	3.9%	10.8%
EBITDA growth	(10.7%)	133.1%	31.7%	4.5%	10.4%
Net profit growth	8.4%	97.1%	41.9%	(10.6%)	7.4%
EPS growth	8.4%	97.1%	41.9%	(10.6%)	7.4%
Profitability					
Gross profit margin	15.0%	17.6%	15.1%	14.0%	13.9%
Operating margin	2.3%	5.0%	5.4%	4.6%	4.4%
EBITDA margin	2.9%	5.5%	5.8%	5.0%	4.8%
Net profit margin	3.3%	5.3%	6.0%	4.4%	4.2%
Return on average assets	3.3%	6.1%	7.5%	6.2%	6.4%
Return on average equity	7.0%	12.3%	16.6%	14.6%	15.2%
Stability					
Gross debt to equity	6.3%	8.6%	10.1%	9.7%	9.2%
Net debt to equity	Net cash	Net cash	Net cash	Net cash	Net cash
Interest coverage (x)	32.9	58.1	56.6	55.0	58.6
Interest & ST debt coverage (x)	0.6	0.6	0.6	0.6	0.7
Cash flow interest coverage(x)	75.2	10.9	30.7	25.0	5.3
Cash flow/int. & ST debt (x)	3.1	0.3	1.0	0.8	0.2
Current ratio (x)	1.6	1.6	1.5	1.5	1.5
Quick ratio (x)	0.9	1.0	0.8	0.8	0.8
Net debt (NT\$m)	(62,792)	(68,375)	(60,031)	(56,230)	(32,143)
Per share data					
EPS (NT\$)	21.44	42.27	59.99	53.65	57.64
CFPS (NT\$)	70.13	10.81	40.83	34.07	7.28
BVPS (NT\$)	322.87	362.89	361.22	373.42	386.45
Adj BVPS (NT\$)	322.87	362.89	361.22	373.42	386.44
SPS (NT\$)	649.35	790.41	994.81	1,209.05	1,385.78
EBITDA/share (NT\$)	18.76	43.74	57.59	60.16	66.44
Cash DPS (NT\$)	17.00	34.00	42.00	42.92	46.11
Activity					
Sales / avg assets	1.01	1.13	1.24	1.40	1.54
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\$m	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Revenue	482,314	587,087	738,905	898,053	1,029,326
Cost of goods sold	(409,920)	(483,617)	(627,289)	(772,280)	(886,497)
Gross profit	72,394	103,470	111,616	125,773	142,829
Operating expenses	(61,241)	(73,879)	(71,958)	(84,557)	(97,163)
Operating profit	11,164	29,595	39,656	41,215	45,666
Non-operating income	11,623	13,334	16,341	14,302	13,886
Interest income	2,855	3,461	3,872	3,602	3,186
Investment income	3,979	2,474	3,859	3,700	3,700
Other non-op income	4,788	7,399	8,610	7,000	7,000
Non-operating expenses	(693)	(739)	(989)	(1,010)	(1,017)
Interest expense	(693)	(739)	(989)	(1,010)	(1,017)
Investment loss	-	-	-	-	-
Other non-op expenses	-	-	0	-	-
Pre-tax profit	22,094	42,190	55,008	54,507	58,536
Current taxation	(4,204)	(7,951)	(6,791)	(10,356)	(11,122)
Minorities	(1,962)	(2,845)	(3,659)	(4,300)	(4,600)
Extraordinary items	-	(0)	0	-	-
Net profit	15,928	31,394	44,558	39,851	42,814
EBITDA	13,935	32,489	42,773	44,686	49,347
EPS (NT\$)	21.44	42.27	59.99	53.65	57.64

Cash flow

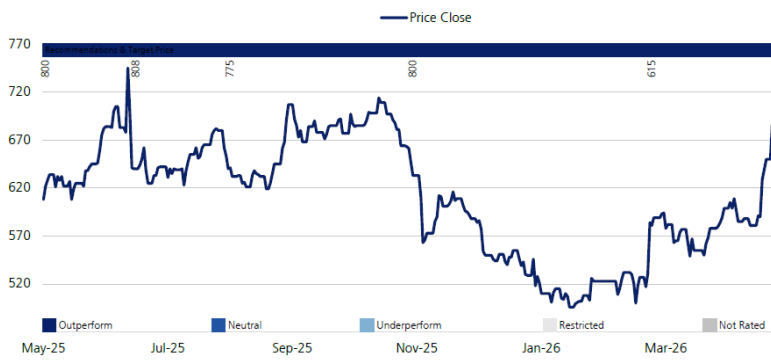
NT\$m	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Operations cash flow	52,087	8,030	30,330	25,303	5,407
Net profit	15,928	31,394	44,558	39,851	42,814
Depreciation & amortisation	2,771	2,894	3,117	3,470	3,680
Decrease in working capital	29,523	(38,333)	(26,385)	(10,641)	(33,470)
Other operating cash flow	3,865	12,076	9,041	(7,377)	(7,617)
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	23,056	4,043
Financing cash flow	(45,240)	4,806	(23,221)	(25,798)	(26,172)
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)	(31,881)
Other financing cashflow	(1,490)	8,364	(2,456)	5,398	5,709
Forex effects	851	5,166	(2,886)		
Total cash generated	9,904	14,811	(3,959)	(3,801)	(24,087)

ROIC

	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
1 - COGS/revenue					
- Operating exp./revenue	12.7%	12.6%	9.7%	9.4%	9.4%
= Operating margin	2.3%	5.0%	5.4%	4.6%	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	8.0	7.2
Operating margin	2.3%	5.0%	5.4%	4.6%	4.4%
x Capital turnover	7.1	6.3	7.2	8.0	7.2
x (1 - tax rate)	81.0%	81.2%	87.7%	81.0%	81.0%
= After-tax ROIC	13.3%	25.8%	33.8%	29.7%	25.9%

Source: Company data; KGI Research estimates

Asustek Computer – Recommendation & target price history



Date	Rating	Target	Price
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
2024-05-14	Outperform	540	512

Source: TEJ; KGI Research

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