Company update | Thermal · Taiwan

KGI

Auras Technology

(3324.TW/3324 TT)

2Q26 EPS missed; 3Q26F sales & EPS to rebound significantly

Outperform • Maintained

Price as of August 7 (NT$)	1,015
12M target price (NT$)	1,410
Previous target price (NT$)	1,450
Revised down (%)	2.8
Upside (%)	38.9

Key message

1. 2Q26 EPS arrived at NT$10.41, just shy of our estimate on weaker-than-expected sales and margins due to sales delays and a lower utilization rate for non-server business.
2. The firm maintains its 2026 sales growth target of over 70% YoY, versus 83% YoY in the first seven months. The liquid-cooling sales weighting is expected to rise from 55% in 1H26 to around 60% in 2026.
3. Thailand and China capacity expansion will support liquid-cooling sales growth in 2026-27F.

Trading data

Mkt cap (NT$bn/US$mn)	94.47 / 2,927		
Outstanding shares (mn)	93.08		
Foreign ownership (mn)	20		
3M avg. daily trading (mn)	1.94		
52-week trading range (NT$)	643 –1,280		
Performance	**3M**	**6M**	**12M**
Absolute (%)	-5.2	-1.5	44.2
Relative (%)	-10.7	-40.6	-40

Quarterly EPS

NT$	1Q	2Q	3Q	4Q
2024	4.51A	7.24A	4.43A	5.18A
2025	5.66A	1.75A	10.66A	10.21A
2026	12.61A	10.41A	14.83F	17.83F

Share price chart

Source: TEJ

Event

Auras Technology reported 2Q26 EPS of NT$10.41, down 17.4% QoQ, but up 495% YoY, just shy of our estimate on lower-than-expected sales and margins. Due to some sales being deferred to 3Q26, the firm guides 3Q26 sales to grow by 15-20% QoQ, and 4Q26 sales to be the annual peak.

Impact

2Q26 EPS missed. Auras posted 1.7% QoQ sales growth in 2Q26, below guidance and our forecast due to around NT$300mn of sales being deferred to July. 2Q26 gross margin slid QoQ to 28.4% and operating margin declined to 16% on lower capacity utilization for non-server business, including graphics cards and gaming NB, which was unable to be offset by product mix improvement, with server sales weighting rising to 78% from 76% in 1Q26. Given the margin miss, 2Q26 EPS arrived at NT$10.41, below our forecast. 1H26 EPS came in at NT$23.02, up 211% YoY, with sales growth of 77% YoY.

Positive 3Q26 outlook. July sales arrived at NT$3.77bn, up 39% MoM and 117% YoY, including around NT$300mn of sales deferred from June. On growing AI server demand, management guides 3Q26 sales will rise 15-20% QoQ. With server and liquid-cooling sales growing in 3Q26, we expect gross margin to rebound QoQ to 29% in 3Q26. Auras has gained several HGX AI server projects with liquid-cooling designs in the Blackwell and Rubin generations, and will continue to ship GB300 cold plate and manifold products to enterprise and CSP clients. Therefore, we estimate 2H26 sales growth of 20-30% HoH. Based on January-July sales growth of 83% YoY, the firm maintains its 2026 sales growth target of over 70% YoY, with liquid-cooling sales accounting for nearly 60% of total sales, versus 55% in 1H26. This implies liquid-cooling sales growth of 190-200% YoY, amid server sales growth of 110-120% YoY in 2026F. Strong liquid-cooling sales includes GB300 cold plates, HGX DIMM and PCIe cold plates, ASIC liquid-cooling sales to three major clients (one entering mass production in 3Q26F and two in 4Q26F), inner/rack manifolds, and coolant distribution units (CDU) for CSPs. The firm will expand cold plate capacity to 300k units per month in Thailand and China, and raise DIMM cold plate capacity to 30k units per month to support future demand. With the liquid-cooling sales weighting expected to rise to 60% in 2026 and 70-75% in 2027, we forecast gross margin to expand to 30.1% in 2027 from 29.2% in 2026, and operating margin to grow from 17.8% to 20.1% over the same period. We revise 2026F EPS to NT$55.69, up 97% YoY, and 2027 EPS to NT$81.55, up 46% YoY.

Valuation & Action

We maintain Outperform on rising liquid-cooling sales boosting margins and EPS growth, but we lower our target price from NT$1,450 to NT$1,410 (22x average 2026-27F fully diluted EPS) to reflect our EPS revisions.

Risks

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

Key financials and valuations

	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Revenue (NT$mn)	12,713	15,779	23,276	39,016	50,486
Gross profit (NT$mn)	3,005	4,026	6,372	11,378	15,212
Operating profit (NT$mn)	1,376	1,911	3,259	6,942	10,160
Net profit (NT$mn)	1,232	1,893	2,572	5,173	7,590
EPS (NT$)	14.28	21.23	28.26	55.69	81.55
Cash DPS (NT$)	6.50	10.00	12.00	24.02	35.24
EPS growth (%)	(2.7)	48.7	33.1	97.1	46.4
PE (x)	71.1	47.8	35.9	18.2	12.4
PB (x)	13.5	10.4	8.5	6.7	5.1
EV/EBITDA (x)	47.4	36.9	23.6	12.5	8.9
Net debt to equity (%)	Net cash	Net cash	28.4	36.0	24.2
Dividend yield (%)	0.6	1.0	1.2	2.4	3.5
Return on average equity (%)	20.2	24.3	25.7	41.2	46.9

Source: Company data; KGI Research estimates

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

NT$mn	2Q26							3Q26F						
	Actual	KGI forecast	Diff (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)	Revision	Previous	Chg. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)
Sales	8,700	8,979	(3.1)	1.7	64.0	8,815	(1.3)	10,266	9,877	3.9	18.0	72.3	9,450	8.6
Gross profits	2,472	2,694	(8.2)	(2.5)	78.3	2,586	(4.4)	2,977	2,993	(0.5)	20.4	67.9	2,842	4.7
Operating income	1,390	1,706	(18.5)	(8.5)	119.4	1,588	(12.4)	1,848	1,956	(5.5)	32.9	86.2	1,774	4.2
Pretax income	1,317	1,689	(22.0)	(16.1)	524.9	1,609	(18.1)	1,851	1,938	(4.5)	40.5	53.6	1,799	2.9
Net income	969	1,237	(21.7)	(16.8)	512.8	1,232	(21.4)	1,381	1,451	(4.8)	42.5	41.8	1,388	(0.5)
EPS (NT$)	10.41	13.29	(21.7)	(17.4)	494.9	13.24	(21.4)	14.83	15.59	(4.8)	42.5	39.1	14.91	(0.5)
Gross margin (%)	28.4	30.0	(1.6)ppts	(1.2)ppts	2.3 ppts	29.3	(0.9)ppts	29.0	30.3	(1.3)ppts	0.6 ppts	(0.8)ppts	30.1	(1.1)ppts
OP margin (%)	16.0	19.0	(3.0)ppts	(1.8)ppts	4.0 ppts	18.0	(2.0)ppts	18.0	19.8	(1.8)ppts	2.0 ppts	1.3 ppts	18.8	(0.8)ppts
Net margin (%)	11.1	13.8	(2.6)ppts	(2.5)ppts	8.2 ppts	14.0	(2.8)ppts	13.4	14.7	(1.2)ppts	2.3 ppts	(2.9)ppts	14.7	(1.2)ppts

Source: Bloomberg; KGI Research estimates

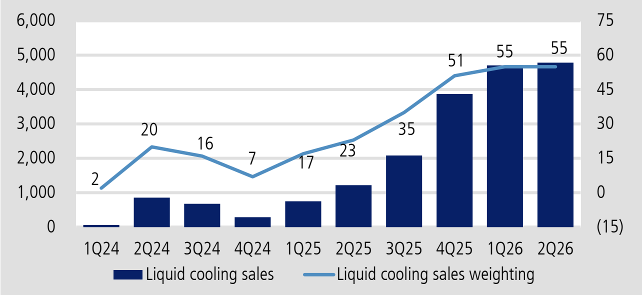
Figure 2: Breakdown of 2026-27 forecast revisions vs. consensus

NT$mn	2026F						2027F					
	Revision	Previous	Chg. (%)	YoY (%)	Consensus	Diff. (%)	Revision	Previous	Chg. (%)	YoY (%)	Consensus	Diff. (%)
Sales	39,016	38,273	1.9	67.6	37,022	5.4	50,486	50,208	0.6	29.4	45,807	10.2
Gross profit	11,378	11,537	(1.4)	78.6	11,124	2.3	15,212	15,290	(0.5)	33.7	14,091	8.0
Operating income	6,942	7,376	(5.9)	113.0	6,818	1.8	10,160	10,226	(0.6)	46.3	8,876	14.5
Pretax income	6,904	7,382	(6.5)	110.7	6,910	(0.1)	10,050	10,150	(1.0)	45.6	8,938	12.4
Net income	5,173	5,506	(6.0)	101.1	5,312	(2.6)	7,590	7,620	(0.4)	46.7	6,929	9.5
EPS (NT$)	55.69	59.27	(6.0)	97.1	57.19	(2.6)	81.55	81.87	(0.4)	46.4	74.45	9.5
Gross margin (%)	29.2	30.1	(1.0)ppts	1.8 ppts	30.0	(0.9)ppts	30.1	30.5	(0.3)ppts	1.0 ppts	30.8	(0.6)ppts
OP margin (%)	17.8	19.3	(1.5)ppts	3.8 ppts	18.4	(0.6)ppts	20.1	20.4	(0.2)ppts	2.3 ppts	19.4	0.7 ppts
Net margin (%)	13.3	14.4	(1.1)ppts	2.2 ppts	14.3	(1.1)ppts	15.0	15.2	(0.1)ppts	1.8 ppts	15.1	(0.1)ppts

Source: Bloomberg; KGI Research estimates

Figure 3: Liquid-cooling sales continue to rise

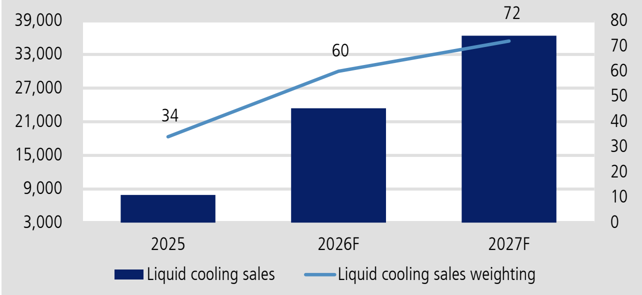
Liquid-cooling sales, NT$mn (LHS); sales weighting, percent (RHS)



Source: Auras; KGI Research estimates

Figure 4: Liquid-cooling sales weighting to reach 60% in 2026F

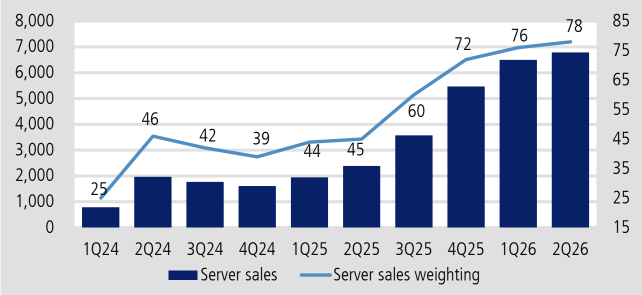
Liquid cooling sales, NT$mn (LHS); sales weighting, percent (RHS)



Source: Auras; KGI Research estimates

Figure 5: Server sales weighting continues to grow

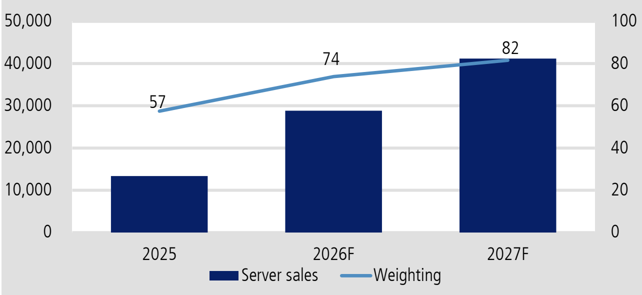
Server sales, NT$mn (LHS); sales weighting, percent (RHS)



Source: Auras; KGI Research estimates

Figure 6: Server sales growth to be driven by liquid-cooling sales growth in 2025-27F

Server sales, NT$mn (LHS); sales weighting, percent (RHS)



Source: Auras; KGI Research estimates

Figure 7: Server sales weighting continues to grow

Sales weighting (%)	2022	2023	2024	2025	2026F	2027F	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26
NB & DT	42	46	39	27	15	11	44	34	39	40	35	31	27	19	17	17
Graphics cards & Motherboards	24	26	17	14	8	6	24	15	14	16	17	21	11	9	6	4
Server	21	23	39	57	74	82	25	46	42	39	44	45	60	72	76	78
Auto/others	13	5	5	2	3	1	7	5	5	5	4	3	2	1	1	1
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Sales (NT$mn)																
NB & DT	5,844	5,848	6,138	6,242	5,930	5,634	1,387	1,456	1,646	1,650	1,545	1,645	1,609	1,444	1,454	1,479
Graphics cards & Motherboards	3,305	3,305	2,650	3,176	3,080	3,019	756	642	591	660	751	1,114	655	655	513	348
Server	2,924	2,924	6,139	13,375	28,823	41,189	788	1,970	1,772	1,609	1,943	2,388	3,575	5,470	6,499	6,786
Auto/others	1,784	636	852	483	1,182	645	221	214	211	206	177	159	119	76	86	87
Total	13,857	12,713	15,779	23,276	39,016	50,486	3,152	4,283	4,219	4,125	4,415	5,306	5,958	7,597	8,552	8,700
Sales YoY (%)																
NB & DT	0	0	5	2	(5)	(5)	3	12	(2)	10	11	13	(2)	(13)	(6)	(10)
Graphics cards & Motherboards	(34)	0	(20)	20	(3)	(2)	(30)	18	(26)	(27)	(1)	73	11	(1)	(32)	(69)
Server	27	0	110	118	116	43	4	230	103	129	147	21	102	240	235	184
Others	66	(64)	34	(43)	145	(45)	124	37	51	(12)	(20)	(26)	(44)	(63)	(52)	(45)
Total	(3)	(8)	24	48	68	29	(4)	65	21	23	40	24	41	84	94	64
Sales QoQ (%)																
NB & DT							(8)	5	13	0	(6)	6	(2)	(10)	1	2
Graphics cards & Motherboards							(16)	(15)	(8)	12	14	48	(41)	0	(22)	(32)
Server							12	150	(10)	(9)	21	23	50	53	19	4
Auto/others							(6)	(3)	(1)	(2)	(14)	(10)	(25)	(36)	13	2
Total							(6)	36	(1)	(2)	7	20	12	28	13	2

Source: Company data; KGI Research estimates

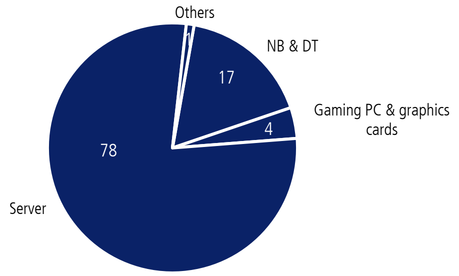
Figure 8: Company profile

Established in 1998, Auras Technology is a top-three thermal solution maker in Taiwan, serving the PC, graphics card, gaming PC, server, and smartphone industries. Top clients include MSI (2377 TT, NT$153, OP), Dell (US), HP (US), Asustek (2357 TT, NT$817, OP), and Apple (US). The 2025 sales mix by application was PC (27%), graphics cards/gaming PCs (14%), servers (57%), and others (2%). 2026-27F sales growth will be driven by server sales.

Source: KGI Research

Figure 9: Server sales weighting rose to 78% in 2Q26

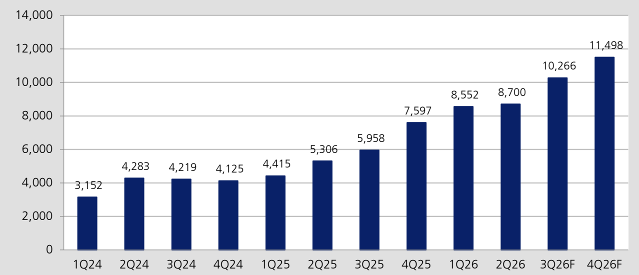
Sales weighting in 2Q26, percent



Source: Company data; KGI Research

Figure 10: Sales

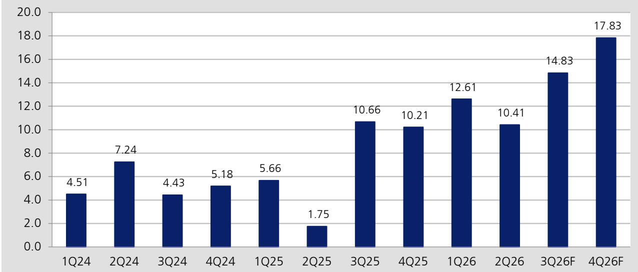
Sales, NT$mn



Source: KGI Research

Figure 11: EPS

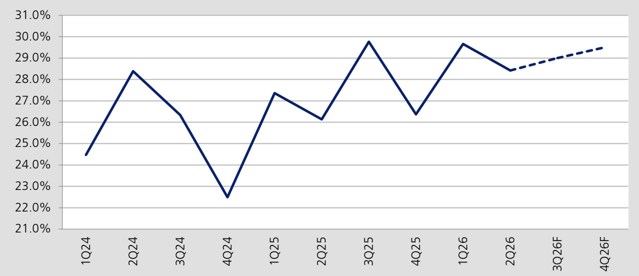
EPS, NT$



Source: KGI Research

Figure 12: Gross Margin

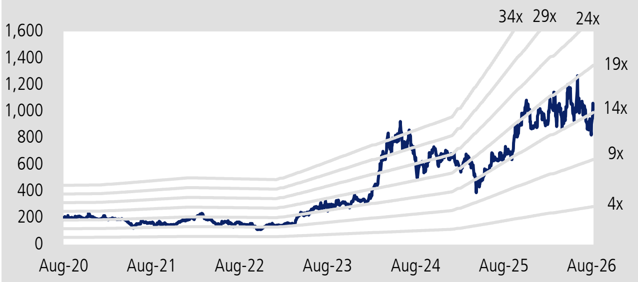
Gross margin, percent



Source: KGI Research

Figure 13: 12M forward PE band

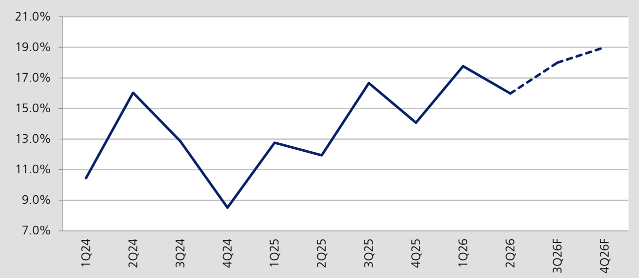
Share price, NT$ (LHS); PE ratio, x (RHS)



Source: TEJ; KGI Research estimates

Figure 14: Operating Margin

Operating margin, percent



Source: KGI Research

Figure 15: 12M forward PB band

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

Source: TEJ; KGI Research estimates

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	**4,415**	**5,306**	**5,958**	**7,597**	**8,552**	**8,700**	**10,266**	**11,498**	**23,276**	**39,016**	**50,486**
Cost of goods sold	(3,207)	(3,920)	(4,184)	(5,594)	(6,015)	(6,228)	(7,289)	(8,106)	(16,904)	(27,638)	(35,275)
Gross profit	**1,208**	**1,387**	**1,773**	**2,004**	**2,537**	**2,472**	**2,977**	**3,392**	**6,372**	**11,378**	**15,212**
Operating expenses	(645)	(753)	(781)	(934)	(1,017)	(1,082)	(1,129)	(1,207)	(3,113)	(4,436)	(5,052)
Operating profit	**563**	**634**	**992**	**1,069**	**1,520**	**1,390**	**1,848**	**2,185**	**3,259**	**6,942**	**10,160**
Depreciation of fixed assets	(142)	(147)	(159)	(176)	(208)	(236)	(254)	(317)	(624)	(1,014)	(1,161)
Amortisation of intangible assets	(11)	(12)	(12)	(13)	(13)	(14)	(11)	(6)	(48)	(44)	(44)
EBITDA	**717**	**792**	**1,164**	**1,258**	**1,741**	**1,640**	**2,112**	**2,507**	**3,931**	**8,000**	**11,365**
Interest income	8	13	6	8	9	25	16	14	36	65	41
Investment income	-	-	12	-	-	0	3	7	-	10	10
Other non-op income	110	69	216	143	136	94	40	29	243	300	150
Non-operating income	**118**	**83**	**234**	**152**	**146**	**119**	**59**	**51**	**279**	**375**	**201**
Interest expense	(12)	(14)	(17)	(27)	(33)	(49)	(45)	(52)	(70)	(178)	(186)
Investment loss	(4)	(4)	(4)	1	(2)	-	(1)	(2)	(11)	(5)	(5)
Other non-op expenses	-	(487)	(0)	(0)	(60)	(144)	(10)	(16)	(179)	(230)	(120)
Non-operating expenses	**(15)**	**(506)**	**(21)**	**(26)**	**(95)**	**(192)**	**(56)**	**(70)**	**(260)**	**(413)**	**(311)**
Pre-tax profit	**666**	**211**	**1,205**	**1,196**	**1,570**	**1,317**	**1,851**	**2,166**	**3,277**	**6,904**	**10,050**
Current taxation	(137)	(47)	(175)	(221)	(305)	(278)	(370)	(428)	(580)	(1,381)	(2,010)
Minorities	(18)	(6)	(56)	(46)	(101)	(70)	(100)	(79)	(126)	(350)	(450)
Normalised net profit	**511**	**158**	**974**	**929**	**1,164**	**969**	**1,381**	**1,660**	**2,572**	**5,173**	**7,590**
Extraordinary items	0	0	0	0	(0)	(0)	-	0	-	-	-
Net profit	**511**	**158**	**974**	**929**	**1,164**	**969**	**1,381**	**1,660**	**2,572**	**5,173**	**7,590**
EPS (NT$)	5.66	1.75	10.66	10.21	12.61	10.41	14.83	17.83	28.26	55.69	81.55
Margins (%)											
Gross profit margin	27.4	26.1	29.8	26.4	29.7	28.4	29.0	29.5	27.4	29.2	30.1
Operating margin	12.8	11.9	16.7	14.1	17.8	16.0	18.0	19.0	14.0	17.8	20.1
EBITDA margin	16.2	14.9	19.5	16.6	20.4	18.8	20.6	21.8	16.9	20.5	22.5
Pretax profit margin	15.1	4.0	20.2	15.7	18.4	15.1	18.0	18.8	14.1	17.7	19.9
Net profit margin	11.6	3.0	16.3	12.2	13.6	11.1	13.4	14.4	11.1	13.3	15.0
Sequential growth (%)											
Revenue growth	7.0	20.2	12.3	27.5	12.6	1.7	18.0	12.0			
Gross profit growth	30.2	14.8	27.9	13.0	26.6	(2.5)	20.4	13.9			
Operating profit growth	60.3	12.5	56.6	7.7	42.1	(8.5)	32.9	18.2			
EBITDA growth	45.1	10.4	47.0	8.1	38.4	(5.8)	28.8	18.7			
Pretax profit growth	16.4	(68.4)	471.5	(0.8)	31.3	(16.1)	40.5	17.0			
Net profit growth	9.5	(69.1)	515.9	(4.6)	25.3	(16.8)	42.5	20.2			
YoY growth (%)											
Revenue growth	40.1	23.9	41.2	84.2	93.7	64.0	72.3	51.3	47.5	67.6	29.4
Gross profit growth	56.6	14.1	59.6	115.9	109.9	78.3	67.9	69.3	58.3	78.6	33.7
Operating profit growth	71.1	(7.7)	82.7	204.2	169.7	119.4	86.2	104.3	70.6	113.0	46.3
EBITDA growth	61.8	(2.0)	72.5	154.6	142.8	107.0	81.5	99.3	62.4	103.5	42.1
Pretax profit growth	34.3	(73.1)	134.6	108.8	135.6	524.9	53.6	81.2	38.5	110.7	45.6
Net profit growth	29.2	(75.0)	144.5	99.0	127.7	512.8	41.8	78.6	35.9	101.1	46.7

Source: Company data; KGI Research estimates

Balance sheet

NT$mn	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Total assets	**12,612**	**16,926**	**26,125**	**37,235**	**47,884**
Current assets	**8,653**	**11,680**	**18,587**	**27,696**	**36,995**
Cash & ST securities	1,450	2,933	1,560	1,674	3,749
Inventory	2,307	2,810	6,057	9,086	11,597
Accounts receivable	4,419	5,429	10,068	16,034	20,748
Other current assets	477	508	901	901	901
Non-current assets	**3,959**	**5,246**	**7,537**	**9,539**	**10,889**
LT investments	215	393	730	746	757
Net fixed assets	3,126	4,083	6,150	8,135	9,475
Other assets	618	770	657	657	657
Total liabilities	**5,745**	**7,638**	**14,630**	**22,446**	**28,324**
Current liabilities	**4,787**	**5,902**	**12,523**	**19,939**	**25,261**
Accounts payable	3,157	3,775	7,594	12,115	15,463
Interest bearing ST liabilities	232	475	2,678	4,452	5,385
Other current liabilities	1,398	1,651	2,251	3,371	4,412
Non-current liabilities	**959**	**1,736**	**2,107**	**2,507**	**3,063**
Long-term debt	916	1,675	2,021	2,421	2,977
Other L-T liabilities	-	17	8	8	8
Total equity	**6,866**	**9,288**	**11,494**	**14,789**	**19,560**
Share capital	884	915	928	928	928
Retained earnings reserve	3,926	5,121	6,597	9,542	13,863
Minority interests	231	327	410	760	1,210
Preferred shareholders funds	-	-	-	-	-

Key ratios

	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Growth					
Revenue growth	(8.3%)	24.1%	47.5%	67.6%	29.4%
Operating profit growth	17.3%	38.8%	70.6%	113.0%	46.3%
EBITDA growth	8.0%	31.1%	62.4%	103.5%	42.1%
Net profit growth	(2.5%)	53.6%	35.9%	101.1%	46.7%
EPS growth	(2.7%)	48.7%	33.1%	97.1%	46.4%
Profitability					
Gross profit margin	23.6%	25.5%	27.4%	29.2%	30.1%
Operating margin	10.8%	12.1%	14.0%	17.8%	20.1%
EBITDA margin	14.5%	15.3%	16.9%	20.5%	22.5%
Net profit margin	9.7%	12.0%	11.1%	13.3%	15.0%
Return on average assets	10.1%	12.8%	11.9%	16.3%	17.8%
Return on average equity	20.2%	24.3%	25.7%	41.2%	46.9%
Stability					
Gross debt to equity	16.7%	23.1%	40.9%	46.5%	42.8%
Net debt to equity	Net cash	Net cash	28.4%	36.0%	24.2%
Interest coverage (x)	57.2	77.1	47.9	39.8	55.1
Interest & ST debt coverage (x)	0.9	0.8	0.5	0.6	0.6
Cash flow interest coverage(x)	70.6	52.8	(8.2)	9.8	26.5
Cash flow/int. & ST debt (x)	7.6	3.2	(0.2)	0.4	0.9
Current ratio (x)	1.8	2.0	1.5	1.4	1.5
Quick ratio (x)	1.3	1.5	1.0	0.9	1.0
Net debt (NT$mn)	(218)	(659)	3,260	5,319	4,734
Per share data					
EPS (NT$)	14.28	21.23	28.26	55.69	81.55
CFPS (NT$)	22.85	18.43	(6.27)	18.87	52.78
BVPS (NT$)	75.04	97.91	119.49	151.24	197.82
Adj BVPS (NT$)	76.92	100.51	121.79	151.03	197.15
SPS (NT$)	147.37	176.99	255.74	420.02	542.43
EBITDA/share (NT$)	21.41	27.14	43.19	86.13	122.10
Cash DPS (NT$)	6.50	10.00	12.00	24.02	35.24
Activity					
Sales / avg assets	1.04	1.07	1.08	1.23	1.19
Days receivable	126.9	125.9	157.9	150.0	150.0
Days inventory	86.7	87.5	130.8	120.0	120.0
Days payable	118.7	117.6	164.0	160.0	160.0
Cash cycle	94.9	95.9	124.7	110.0	110.0

Source: Company data; KGI Research estimates

Profit & loss

NT$mn	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Revenue	**12,713**	**15,779**	**23,276**	**39,016**	**50,486**
Cost of goods sold	(9,708)	(11,753)	(16,904)	(27,638)	(35,275)
Gross profit	**3,005**	**4,026**	**6,372**	**11,378**	**15,212**
Operating expenses	(1,629)	(2,115)	(3,113)	(4,436)	(5,052)
Operating profit	**1,376**	**1,911**	**3,259**	**6,942**	**10,160**
Non-operating income	**368**	**576**	**279**	**375**	**201**
Interest income	23	40	36	65	41
Investment income	0	3	-	10	10
Other non-op income	345	533	243	300	150
Non-operating expenses	**(177)**	**(120)**	**(260)**	**(413)**	**(311)**
Interest expense	(28)	(31)	(70)	(178)	(186)
Investment loss	(2)	(10)	(11)	(5)	(5)
Other non-op expenses	(146)	(79)	(179)	(230)	(120)
Pre-tax profit	**1,568**	**2,366**	**3,277**	**6,904**	**10,050**
Current taxation	(329)	(434)	(580)	(1,381)	(2,010)
Minorities	(7)	(39)	(126)	(350)	(450)
Extraordinary items	-	0	(0)	-	-
Net profit	**1,232**	**1,893**	**2,572**	**5,173**	**7,590**
EBITDA	**1,847**	**2,420**	**3,931**	**8,000**	**11,365**
EPS (NT$)	14.28	21.23	28.26	55.69	81.55

Cash flow

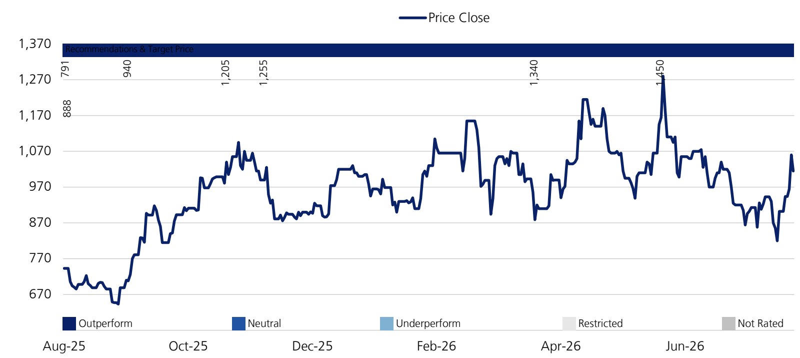
NT$mn	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Operations cash flow	**1,971**	**1,643**	**(571)**	**1,753**	**4,912**
Net profit	1,232	1,893	2,572	5,173	7,590
Depreciation & amortisation	470	509	672	1,058	1,204
Decrease in working capital	151	(825)	(4,058)	(4,473)	(3,877)
Other operating cash flow	117	67	243	(5)	(5)
Investing cash flow	**(1,053)**	**(1,567)**	**(2,695)**	**(3,055)**	**(2,549)**
Sale of ST investment	(89)	(44)	(376)	-	-
New investments	(100)	(22)	-	(11)	(5)
Capital expenditure	(835)	(1,436)	(2,234)	(3,000)	(2,500)
Others investing cashflow	(30)	(65)	(84)	(44)	(44)
Free cash flow	**843**	**(230)**	**(2,985)**	**(905)**	**2,912**
Financing cash flow	**(1,007)**	**1,364**	**1,950**	**1,416**	**(289)**
Increase in short term debt	(305)	65	2,357	1,200	800
Increase in long term loans	(81)	1,544	405	974	689
New ordinary shares issued	-	-	-		
Ordinary dividends paid	(577)	(571)	(903)	(1,108)	(2,228)
Other financing cashflow	(43)	160	(64)	350	450
Forex effects	**(29)**	**3**	**(55)**		
Total cash generated	**(118)**	**1,443**	**(1,370)**	**114**	**2,074**

ROIC

	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
1 - COGS/revenue					
- Operating exp./revenue	12.8%	13.4%	13.4%	11.4%	10.0%
= Operating margin	**10.8%**	**12.1%**	**14.0%**	**17.8%**	**20.1%**
1 / (Working capital/revenue	0.2	0.2	0.3	0.3	0.3
+ Net PPE/revenue	0.2	0.3	0.3	0.2	0.2
+ Other assets/revenue)	0.0	0.0	0.0	0.0	0.0
= Capital turnover	**2.1**	**2.0**	**1.7**	**2.1**	**2.2**
Operating margin	10.8%	12.1%	14.0%	17.8%	20.1%
x Capital turnover	2.1	2.0	1.7	2.1	2.2
x (1 - tax rate)	79.0%	81.6%	82.3%	80.0%	80.0%
= After-tax ROIC	**18.2%**	**20.1%**	**19.8%**	**29.4%**	**35.2%**

Source: Company data; KGI Research estimates

Auras Technology – Recommendation & target price history



Date	Rating	Target	Price
2026-06-01	Outperform	1,450	1,145
2026-03-30	Outperform	1,340	956
2025-11-15	Outperform	1,255	990
2025-10-27	Outperform	1,205	981
2025-09-08	Outperform	940	710
2025-08-09	Outperform	888	743
2025-06-27	Outperform	791	650
2025-05-07	Outperform	640	510
2025-02-25	Outperform	800	637
2025-02-04	Outperform	800	556

Source: TEJ; KGI Research

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