Auras Technology

(3324.TW/3324 TT)

Project & client wins boost liquid-cooling sales

Outperform· Maintained

Price as of October 21 (NT$)	1,375
12M target price (NT$)	1,950
Previous target price (NT$)	1,410
Revised up (%)	38.3
Upside (%)	41.8

Key message

1. Auras posted just 13% QoQ sales growth in 3Q26, missing guidance and our forecast of 15-20% due to floods in Thailand and postponed shipments.
2. We forecast 4Q26F sales growth to accelerate to around 20% QoQ, with 2026-27F sales set to rise over 50% YoY on strong liquid-cooling demand (liquid-cooling contribution up to 60-62% and 70-75% in 2026-27F).
3. Thailand and China capacity expansion will support liquid-cooling sales growth and margin expansion in 2026-27F.

Trading data

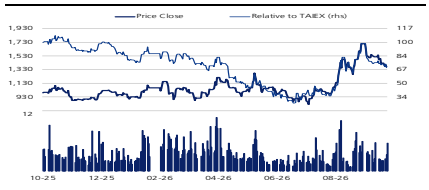
Mkt cap (NT$bn/US$mn)	128.8 / 4,043
Outstanding shares (mn)	93.66
Foreign ownership (mn)	37
3M avg. daily trading (mn)	2.41
52-week trading range (NT$)	820 –1,710

Performance	3M	6M	12M
Absolute (%)	48.5	31.0	38.5
Relative (%)	42.5	6.3	-30.5

Quarterly EPS

NT$	1Q	2Q	3Q	4Q
2025	5.66A	1.75A	10.66A	10.21A
2026	12.61A	10.41A	13.76F	18.22F
2027	18.04F	21.84F	27.42F	32.06F

Share price chart



Source: TEJ

Event

Auras Technology's 3Q26 sales were lower than expected due to floods in Thailand and postponed shipments of some projects to 4Q26F. However, liquid cooling sales continued rising, benefiting EPS growth in 4Q26-2027F.

Impact

Shipments delayed to 4Q26F; 3Q26 sales missed. Sales grew just 13% QoQ in 3Q26, missing guidance and our forecast of 15-20% growth due mainly to floods in Thailand and postponed project shipments, which eroded sales by NT$400-500mn (4-5% of 3Q26 sales). As orders are unchanged, we expect the sales pushback will boost 4Q26F sales growth to over 20% QoQ. Despite lower-than-expected 3Q26 sales, the server sales weighting continued expanding to 81%, up from 78% in 2Q26. Liquid cooling sales also expanded to 66% in 3Q26 from 55% in 2Q26/ 1H26, making for a better product mix that is positive to server gross margin. However, as PC and VGA sales and utilization rates decline significantly, impacting the overall utilization rate, we estimate a gross margin of around 29.5% in 3Q26F, up only moderately QoQ. However, strong 4Q26F sales will push gross margin up to around 30%. We thus adjust 2026F sales to growth of 67%, with server in the driving seat (sales up 130-140% YoY). EPS is adjusted to NT$55.01 (up 95% YoY).

Liquid cooling project wins to boost 2027F sales. Liquid-cooling sales in 1Q-3Q26 grew 290-300% YoY, with the sales weighting up to 59%, vs. 26% in 1Q-3Q25. The driver was AI server demand, Auras' main products being cold plate and inner/ rack manifold, supported by capacity expansion in Thailand and China. We expect liquid-cooling sales to grow around 200% this year and 80-100% in 2027F, thanks to growing ASIC shipments to Amazon Web Services (AWS; US) and higher manifold and coolant distribution unit (CDU) sales to several CSPs. A potential new CDU client in 2H27F is another upcoming catalyst. Cold plate sales are mainly in HGX DIMM and PCIe, with some in GB/ VR compute tray. We expect Trainium3 (T3) Max (liquid-cooling) shipments to reach significant levels after November, with Auras claiming a 20-25% T3 liquid-cooling supply weighting next year, additionally boosting sales by NT$7-8bn (15-20%) in 2027F. AWS' Trainium4 aims to fully adopt liquid-cooling design, vs. around 40% in T3, which will be a strong driver of related sales for Auras in 2028F. With the liquid-cooling sales weighting expected to rise to 62% in 2026F and 70-75% in 2027F, and to over 80% in 2028F, we forecast gross margin to expand to 30.2% next year from 29.4% this year, and operating margin to grow from 17.7% to 20.3% over the same period. We have fine-tuned 2026F EPS to NT$55.01 (up 95%), and raised 2027F EPS to NT$99.35 (up 81%).

Valuation & Action

We maintain Outperform on rising liquid-cooling sales boosting margins and EPS growth. We raise our target price from NT$1,410 to NT$1,950 (21x 2027F fully-diluted EPS).

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$mn)	12,713	15,779	23,276	38,791	60,433
Gross profit (NT$mn)	3,005	4,026	6,372	11,422	18,228
Operating profit (NT$mn)	1,376	1,911	3,259	6,865	12,262
Net profit (NT$mn)	1,232	1,893	2,572	5,110	9,247
EPS (NT$)	14.28	21.23	28.26	55.01	99.35
Cash DPS (NT$)	6.50	10.00	12.00	23.73	42.94
EPS growth (%)	(2.7)	48.7	33.1	94.6	80.6
PE (x)	96.3	64.8	48.7	25.0	13.8
PB (x)	18.3	14.0	11.5	9.1	6.6
EV/EBITDA (x)	64.3	50.0	31.7	16.8	10.2
Net debt to equity (%)	Net cash	Net cash	28.4	39.2	38.1
Dividend yield (%)	0.5	0.7	0.9	1.7	3.1
Return on average equity (%)	20.2	24.3	25.7	40.8	55.6

Source: Company data; KGI Research estimates

Figure 1: Breakdown of 3Q26 & 4Q26 forecast revisions vs. consensus

NT$mn	3Q26F							4Q26F						
	Revision	Previous	Diff (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)	Revision	Previous	Chg. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)
Sales	9,791	10,266	(4.6)	12.5	64.3	10,249	(4.5)	11,749	11,498	2.2	20.0	54.6	11,133	5.5
Gross profits	2,888	2,977	(3.0)	16.8	62.9	3,065	(5.8)	3,525	3,392	3.9	22.0	75.9	3,331	5.8
Operating income	1,723	1,848	(6.8)	23.9	73.6	1,911	(9.8)	2,232	2,185	2.2	29.5	108.8	2,136	4.5
Pretax income	1,725	1,851	(6.8)	31.0	43.2	1,938	(11.0)	2,212	2,166	2.1	28.2	85.0	2,166	2.1
Net income	1,280	1,381	(7.3)	32.1	31.5	1,492	(14.2)	1,696	1,660	2.2	32.5	82.6	1,669	1.7
EPS (NT$)	13.76	14.83	(7.2)	32.1	29.0	16.03	(14.2)	18.22	17.83	2.2	32.5	78.5	17.93	1.7
Gross margin (%)	29.5	29.0	0.5 ppts	1.1 ppts	(0.3)ppts	29.9	(0.4)ppts	30.0	29.5	0.5 ppts	0.5 ppts	3.6 ppts	29.9	0.1 ppts
OP margin (%)	17.6	18.0	(0.4)ppts	1.6 ppts	0.9 ppts	18.6	(1.0)ppts	19.0	19.0	0.0 ppts	1.4 ppts	4.9 ppts	19.2	(0.2)ppts
Net margin (%)	13.1	13.4	(0.3)ppts	1.9 ppts	(3.3)ppts	14.6	(1.5)ppts	14.4	14.4	0.0 ppts	1.4 ppts	2.2 ppts	15.0	(0.5)ppts

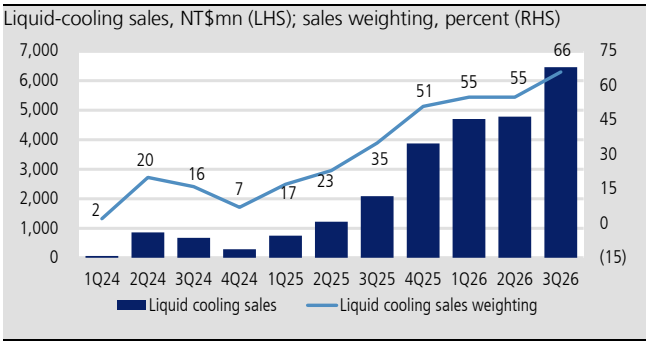
Source: Bloomberg; KGI Research estimates

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

NT$mn	2026F						2027F					
	Revision	Previous	Chg. (%)	YoY (%)	Consensus	Diff. (%)	Revision	Previous	Chg. (%)	YoY (%)	Consensus	Diff. (%)
Sales	38,791	39,016	(0.6)	66.7	38,489	0.8	60,433	50,486	19.7	55.8	48,598	24.4
Gross profit	11,422	11,378	0.4	79.3	11,422	0.0	18,228	15,212	19.8	59.6	14,870	22.6
Operating income	6,865	6,942	(1.1)	110.7	6,943	(1.1)	12,262	10,160	20.7	78.6	9,484	29.3
Pretax income	6,825	6,904	(1.2)	108.2	6,951	(1.8)	12,122	10,050	20.6	77.6	9,515	27.4
Net income	5,110	5,173	(1.2)	98.7	5,281	(3.2)	9,247	7,590	21.8	81.0	7,350	25.8
EPS (NT$)	55.01	55.69	(1.2)	94.6	56.85	(3.2)	99.35	81.55	21.8	80.6	78.97	25.8
Gross margin (%)	29.4	29.2	0.2 ppts	2.1 ppts	29.7	(0.2)ppts	30.2	30.1	0.1 ppts	0.7 ppts	30.6	(0.4)ppts
OP margin (%)	17.7	17.8	(0.1)ppts	3.7 ppts	18.0	(0.3)ppts	20.3	20.1	0.2 ppts	2.6 ppts	19.5	0.8 ppts
Net margin (%)	13.2	13.3	(0.1)ppts	2.1 ppts	13.7	(0.5)ppts	15.3	15.0	0.3 ppts	2.1 ppts	15.1	0.2 ppts

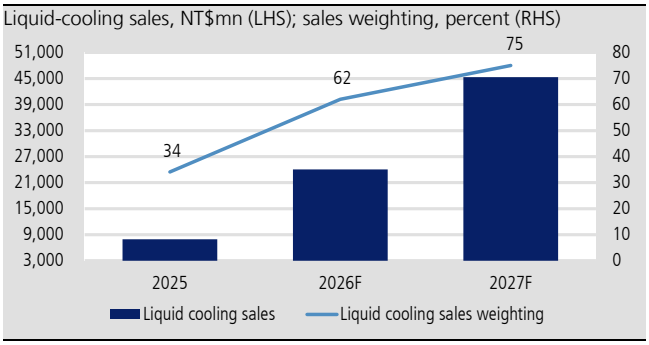
Source: Bloomberg; KGI Research estimates

Figure 3: Liquid-cooling sales continue to rise



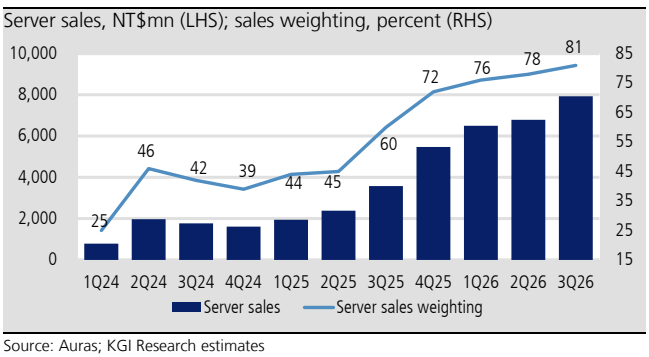
Source: Auras; KGI Research estimates

Figure 4: Liquid-cooling sales weighting to reach 62% in 2026F and 75% in 2027F



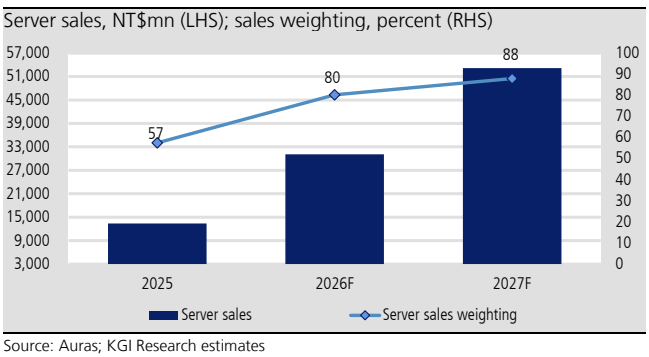
Source: Auras; KGI Research estimates

Figure 5: Server sales weighting continues to grow



Source: Auras; KGI Research estimates

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



Source: Auras; KGI Research estimates

Figure 7: Server sales weighting continues to grow

Sales weighting (%)	2024	2025	2026F	2027F	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26F
NB & DT	39	27	14	9	35	31	27	19	17	17	14	11
Graphics cards & Motherboards	17	14	4	3	17	21	11	9	6	4	4	4
Server	39	57	80	88	44	45	60	72	76	78	81	84
Auto/others	5	2	1	1	4	3	2	1	1	1	1	1
Total	100	100	100	100	100	100	100	100	100	100	100	100
Sales (NT$mn)												
NB & DT	6,138	6,242	5,618	5,225	1,545	1,645	1,609	1,444	1,454	1,479	1,371	1,315
Graphics cards & Motherboards	2,650	3,176	1,683	1,666	751	1,114	655	655	513	348	392	430
Server	6,139	13,375	31,111	53,137	1,943	2,388	3,575	5,470	6,499	6,786	7,931	9,895
Auto/others	852	483	380	405	177	159	119	76	86	87	98	109
Total	15,779	23,276	38,791	60,433	4,415	5,306	5,958	7,597	8,552	8,700	9,791	11,749
Sales YoY (%)												
NB & DT	5	2	(10)	(7)	11	13	(2)	(13)	(6)	(10)	(15)	(9)
Graphics cards & Motherboards	(20)	20	(47)	(1)	(1)	73	11	(1)	(32)	(69)	(40)	(34)
Server	110	118	133	71	147	21	102	240	235	184	122	81
Others	34	(43)	(21)	7	(20)	(26)	(44)	(63)	(52)	(45)	(18)	44
Total	24	48	67	56	40	24	41	84	94	64	64	55
Sales QoQ (%)												
NB & DT					(6)	6	(2)	(10)	1	2	(7)	(4)
Graphics cards & Motherboards					14	48	(41)	0	(22)	(32)	13	10
Server					21	23	50	53	19	4	17	25
Auto/others					(14)	(10)	(25)	(36)	13	2	13	12
Total					7	20	12	28	13	2	13	20

Source: Company data; KGI Research estimates

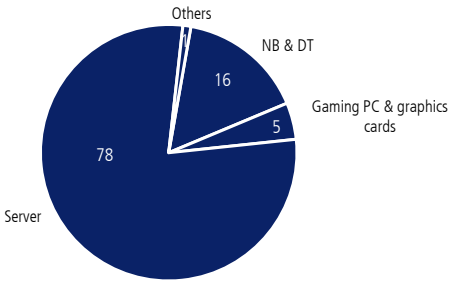
Figure 8: Company profile

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$982, 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 1-3Q26

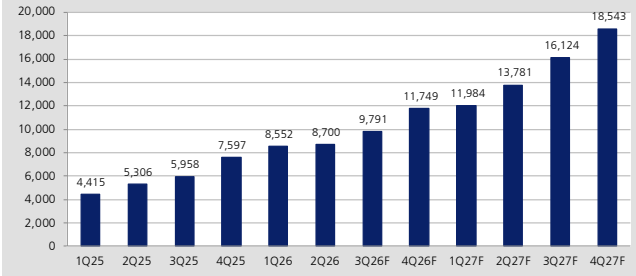
Sales weighting in 1-3Q26, percent



Source: Company data; KGI Research

Figure 10: Sales

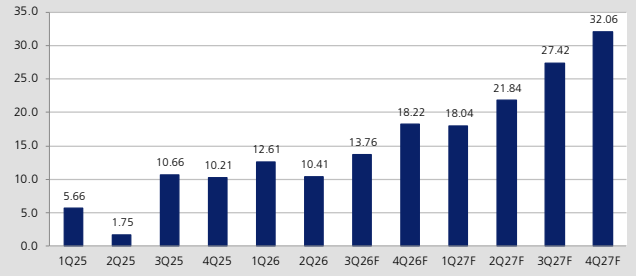
Sales, NT$mn



Source: KGI Research

Figure 11: EPS

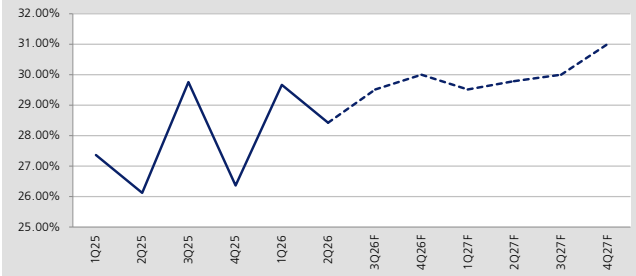
EPS, NT$



Source: KGI Research

Figure 12: Gross Margin

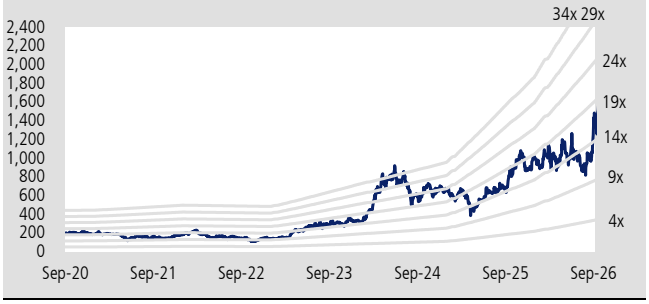
Gross margin, percent



Source: KGI Research

Figure 13: 12M forward PE band

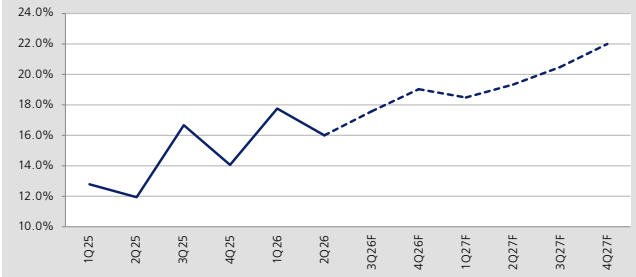
Share price, NT$ (LHS); PE ratio, x (RHS)



Source: TEJ; KGI Research estimates

Figure 14: Operating Margin

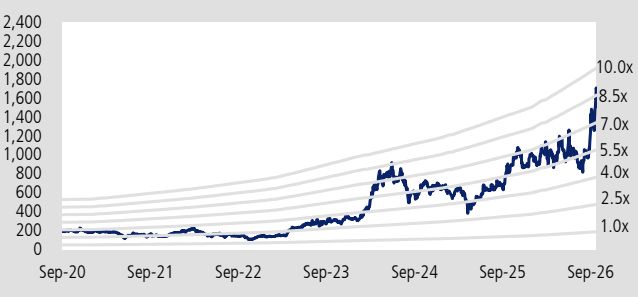
Operating margin, percent



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-26A	Jun-26A	Sep-26F	Dec-26F	Mar-27F	Jun-27F	Sep-27F	Dec-27F	Dec-25A	Dec-26F	Dec-27F
Income statement (NT$mn)											
Revenue	**8,552**	**8,700**	**9,791**	**11,749**	**11,984**	**13,781**	**16,124**	**18,543**	**23,276**	**38,791**	**60,433**
Cost of goods sold	(6,015)	(6,228)	(6,902)	(8,224)	(8,449)	(9,675)	(11,287)	(12,795)	(16,904)	(27,370)	(42,205)
Gross profit	**2,537**	**2,472**	**2,888**	**3,525**	**3,535**	**4,107**	**4,837**	**5,748**	**6,372**	**11,422**	**18,228**
Operating expenses	(1,017)	(1,082)	(1,165)	(1,292)	(1,318)	(1,447)	(1,532)	(1,669)	(3,113)	(4,557)	(5,966)
Operating profit	**1,520**	**1,390**	**1,723**	**2,232**	**2,217**	**2,660**	**3,305**	**4,079**	**3,259**	**6,865**	**12,262**
Depreciation of fixed assets	(208)	(236)	(262)	(341)	(318)	(318)	(318)	(318)	(624)	(1,047)	(1,271)
Amortisation of intangible assets	(13)	(14)	(11)	(6)	(11)	(11)	(11)	(11)	(48)	(44)	(44)
EBITDA	**1,741**	**1,640**	**1,996**	**2,579**	**2,546**	**2,988**	**3,634**	**4,408**	**3,931**	**7,956**	**13,576**
Interest income	9	25	16	13	8	8	8	8	36	62	33
Investment income	-	0	3	7	3	3	3	3	-	10	10
Other non-op income	136	94	40	29	38	38	38	38	243	300	150
Non-operating income	**146**	**119**	**58**	**49**	**48**	**48**	**48**	**48**	**279**	**372**	**193**
Interest expense	(33)	(49)	(45)	(52)	(52)	(52)	(52)	(52)	(70)	(178)	(208)
Investment loss	(2)	-	(1)	(2)	(1)	(1)	(1)	(1)	(11)	(5)	(5)
Other non-op expenses	(60)	(144)	(10)	(16)	(30)	(30)	(30)	(30)	(179)	(230)	(120)
Non-operating expenses	**(95)**	**(192)**	**(56)**	**(70)**	**(83)**	**(83)**	**(83)**	**(83)**	**(260)**	**(413)**	**(333)**
Pre-tax profit	**1,570**	**1,317**	**1,725**	**2,212**	**2,182**	**2,625**	**3,270**	**4,044**	**3,277**	**6,825**	**12,122**
Current taxation	(305)	(278)	(345)	(437)	(393)	(472)	(589)	(970)	(580)	(1,365)	(2,424)
Minorities	(101)	(70)	(100)	(79)	(110)	(120)	(130)	(90)	(126)	(350)	(450)
Normalised net profit	**1,164**	**969**	**1,280**	**1,696**	**1,679**	**2,032**	**2,552**	**2,984**	**2,572**	**5,110**	**9,247**
Extraordinary items	(0)	(0)	-	0	-	-	-	-	-	-	-
Net profit	**1,164**	**969**	**1,280**	**1,696**	**1,679**	**2,032**	**2,552**	**2,984**	**2,572**	**5,110**	**9,247**
EPS (NT$)	12.61	10.41	13.76	18.22	18.04	21.84	27.42	32.06	28.26	55.01	99.35
Margins (%)											
Gross profit margin	29.7	28.4	29.5	30.0	29.5	29.8	30.0	31.0	27.4	29.4	30.2
Operating margin	17.8	16.0	17.6	19.0	18.5	19.3	20.5	22.0	14.0	17.7	20.3
EBITDA margin	20.4	18.8	20.4	22.0	21.2	21.7	22.5	23.8	16.9	20.5	22.5
Pretax profit margin	18.4	15.1	17.6	18.8	18.2	19.0	20.3	21.8	14.1	17.6	20.1
Net profit margin	13.6	11.1	13.1	14.4	14.0	14.7	15.8	16.1	11.1	13.2	15.3
Sequential growth (%)											
Revenue growth	12.6	1.7	12.5	20.0	2.0	15.0	17.0	15.0			
Gross profit growth	26.6	(2.5)	16.8	22.0	0.3	16.2	17.8	18.8			
Operating profit growth	42.1	(8.5)	23.9	29.5	(0.7)	20.0	24.3	23.4			
EBITDA growth	38.4	(5.8)	21.7	29.2	(1.3)	17.4	21.6	21.3			
Pretax profit growth	31.3	(16.1)	31.0	28.2	(1.3)	20.3	24.6	23.7			
Net profit growth	25.3	(16.8)	32.1	32.5	(1.0)	21.0	25.6	16.9			
YoY growth (%)											
Revenue growth	93.7	64.0	64.3	54.6	40.1	58.4	64.7	57.8	47.5	66.7	55.8
Gross profit growth	109.9	78.3	62.9	75.9	39.4	66.1	67.5	63.1	58.3	79.3	59.6
Operating profit growth	169.7	119.4	73.6	108.8	45.9	91.3	91.8	82.7	70.6	110.7	78.6
EBITDA growth	142.8	107.0	71.5	105.1	46.2	82.3	82.1	70.9	62.4	102.4	70.6
Pretax profit growth	135.6	524.9	43.2	85.0	39.0	99.3	89.5	82.9	38.5	108.2	77.6
Net profit growth	127.7	512.8	31.5	82.6	44.3	109.8	99.3	75.9	35.9	98.7	81.0

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**	**37,054**	**52,543**
Current assets	**8,653**	**11,680**	**18,587**	**27,048**	**40,297**
Cash & ST securities	1,450	2,933	1,560	1,206	684
Inventory	2,307	2,810	6,057	8,998	13,876
Accounts receivable	4,419	5,429	10,068	15,942	24,835
Other current assets	477	508	901	901	901
Non-current assets	**3,959**	**5,246**	**7,537**	**10,006**	**12,246**
LT investments	215	393	730	746	757
Net fixed assets	3,126	4,083	6,150	8,603	10,832
Other assets	618	770	657	657	657
Total liabilities	**5,745**	**7,638**	**14,630**	**22,301**	**32,076**
Current liabilities	**4,787**	**5,902**	**12,523**	**19,794**	**29,012**
Accounts payable	3,157	3,775	7,594	11,998	18,501
Interest bearing ST liabilities	232	475	2,678	4,452	5,385
Other current liabilities	1,398	1,651	2,251	3,344	5,126
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**	**14,753**	**20,467**
Share capital	884	915	928	928	928
Retained earnings reserve	3,926	5,121	6,597	9,506	14,770
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%	66.7%	55.8%
Operating profit growth	17.3%	38.8%	70.6%	110.7%	78.6%
EBITDA growth	8.0%	31.1%	62.4%	102.4%	70.6%
Net profit growth	(2.5%)	53.6%	35.9%	98.7%	81.0%
EPS growth	(2.7%)	48.7%	33.1%	94.6%	80.6%
Profitability					
Gross profit margin	23.6%	25.5%	27.4%	29.4%	30.2%
Operating margin	10.8%	12.1%	14.0%	17.7%	20.3%
EBITDA margin	14.5%	15.3%	16.9%	20.5%	22.5%
Net profit margin	9.7%	12.0%	11.1%	13.2%	15.3%
Return on average assets	10.1%	12.8%	11.9%	16.2%	20.6%
Return on average equity	20.2%	24.3%	25.7%	40.8%	55.6%
Stability					
Gross debt to equity	16.7%	23.1%	40.9%	46.6%	40.9%
Net debt to equity	Net cash	Net cash	28.4%	39.2%	38.1%
Interest coverage (x)	57.2	77.1	47.9	39.3	59.2
Interest & ST debt coverage (x)	0.9	0.8	0.5	0.6	0.7
Cash flow interest coverage(x)	70.6	52.8	(8.2)	10.0	15.8
Cash flow/int. & ST debt (x)	7.6	3.2	(0.2)	0.4	0.6
Current ratio (x)	1.8	2.0	1.5	1.4	1.4
Quick ratio (x)	1.3	1.5	1.0	0.9	0.9
Net debt (NT$mn)	(218)	(659)	3,260	5,788	7,799
Per share data					
EPS (NT$)	14.28	21.23	28.26	55.01	99.35
CFPS (NT$)	22.85	18.43	(6.27)	19.21	35.33
BVPS (NT$)	75.04	97.91	119.49	150.85	207.60
Adj BVPS (NT$)	76.92	100.51	121.79	150.64	206.90
SPS (NT$)	147.37	176.99	255.74	417.61	649.29
EBITDA/share (NT$)	21.41	27.14	43.19	85.65	145.86
Cash DPS (NT$)	6.50	10.00	12.00	23.73	42.94
Activity					
Sales / avg assets	1.04	1.07	1.08	1.23	1.35
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$mn	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Revenue	**12,713**	**15,779**	**23,276**	**38,791**	**60,433**
Cost of goods sold	(9,708)	(11,753)	(16,904)	(27,370)	(42,205)
Gross profit	**3,005**	**4,026**	**6,372**	**11,422**	**18,228**
Operating expenses	(1,629)	(2,115)	(3,113)	(4,557)	(5,966)
Operating profit	**1,376**	**1,911**	**3,259**	**6,865**	**12,262**
Non-operating income	**368**	**576**	**279**	**372**	**193**
Interest income	23	40	36	62	33
Investment income	0	3	-	10	10
Other non-op income	345	533	243	300	150
Non-operating expenses	**(177)**	**(120)**	**(260)**	**(413)**	**(333)**
Interest expense	(28)	(31)	(70)	(178)	(208)
Investment loss	(2)	(10)	(11)	(5)	(5)
Other non-op expenses	(146)	(79)	(179)	(230)	(120)
Pre-tax profit	**1,568**	**2,366**	**3,277**	**6,825**	**12,122**
Current taxation	(329)	(434)	(580)	(1,365)	(2,424)
Minorities	(7)	(39)	(126)	(350)	(450)
Extraordinary items	-	0	(0)	-	-
Net profit	**1,232**	**1,893**	**2,572**	**5,110**	**9,247**
EBITDA	**1,847**	**2,420**	**3,931**	**7,956**	**13,576**
EPS (NT$)	14.28	21.23	28.26	55.01	99.35

Cash flow

NT$mn	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Operations cash flow	**1,971**	**1,643**	**(571)**	**1,784**	**3,289**
Net profit	1,232	1,893	2,572	5,110	9,247
Depreciation & amortisation	470	509	672	1,090	1,314
Decrease in working capital	151	(825)	(4,058)	(4,411)	(7,268)
Other operating cash flow	117	67	243	(5)	(5)
Investing cash flow	**(1,053)**	**(1,567)**	**(2,695)**	**(3,555)**	**(3,549)**
Sale of ST investment	(89)	(44)	(376)	-	-
New investments	(100)	(22)	-	(11)	(5)
Capital expenditure	(835)	(1,436)	(2,234)	(3,500)	(3,500)
Others investing cashflow	(30)	(65)	(84)	(44)	(44)
Free cash flow	**843**	**(230)**	**(2,985)**	**(1,372)**	**312**
Financing cash flow	**(1,007)**	**1,364**	**1,950**	**1,416**	**(261)**
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)	(2,201)
Other financing cashflow	(43)	160	(64)	350	450
Forex effects	**(29)**	**3**	**(55)**		
Total cash generated	**(118)**	**1,443**	**(1,370)**	**(354)**	**(522)**

ROIC

	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
1 - COGS/revenue					
- Operating exp./revenue	12.8%	13.4%	13.4%	11.7%	9.9%
= Operating margin	**10.8%**	**12.1%**	**14.0%**	**17.7%**	**20.3%**
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**	**2.0**	**2.2**
Operating margin	10.8%	12.1%	14.0%	17.7%	20.3%
x Capital turnover	2.1	2.0	1.7	2.0	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%**	**28.4%**	**36.3%**

Source: Company data; KGI Research estimates

Auras Technology – Recommendation & target price history



Date	Rating	Target	Price
2026-08-08	Outperform	1,410	1,015
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

Source: TEJ; KGI Research

KGI Locations

China	Shanghai	Room 1507, Park Place, 1601 Nanjing West Road, Jingan District, Shanghai, PRC 200040
Taiwan	Taipei	700 Mingshui Road, Taipei, Taiwan Telephone 886.2.2181.8888 · Facsimile 886.2.8501.1691
Hong Kong		41/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong Telephone 852.2878.6888 Facsimile 852.2878.6800
Thailand	Bangkok	8th - 11th floors, Asia Centre Building 173 South Sathorn Road, Bangkok 10120, Thailand Telephone 66.2658.8888 Facsimile 66.2658.8014
Singapore		4 Shenton Way #13-01 SGX Centre 2 Singapore 068807 Telephone 65.6202.1188 Facsimile 65.6534.4826
Indonesia		Sona Topas Tower Fl.11 Jl. Jend. Sudirman kav.26 JakartaSelatan 12920 Indonesia Telephone 62 21 250 6337

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