

# Auras Technology (3324.TW/3324 TT)

## GB300 sales boost 2H25-2026F earnings expectations

### Outperform · Maintained

Price as of September 8 (NT\$)	710
12M target price (NT\$)	940
Previous target price (NT\$)	888
Revised up (%)	5.9
Upside (%)	32.4

#### Key message

- 3Q25F sales may beat our forecast, growing by around 10% QoQ, on a GB300 AI server ramp-up with robust liquid cooling sales growth.
- On growing GB300 liquid cooling sales to several clients in 2H25F, an improved product mix will cause 2H25-2026F EPS to be better than we expected.
- We expect liquid cooling sales to comprise 30% of 2025F sales and 50-60% of 2026F sales, and be the main sales & EPS growth driver.

#### Trading data

Mkt cap (NT\$/bn/US\$mn)	65.71 / 2,150
Outstanding shares (mn)	92.55
Foreign ownership (mn)	12.70
3M avg. daily trading (mn)	2.80
52-week trading range (NT\$)	397.0 – 751

Performance	3M	6M	12M
Absolute (%)	16.6	7.6	25.7
Relative (%)	3.3	-1.1	11.2

#### Quarterly EPS

NT\$	1Q	2Q	3Q	4Q
2023	3.22A	2.78A	5.71A	2.59A
2024	4.51A	7.24A	4.43A	5.18A
2025	5.66A	1.75A	9.71F	9.45F

#### Share price chart



Source: TEJ

#### Event

Auras Technology registered August sales of NT\$1.88bn, up 8% MoM and 32% YoY, and has a positive sales growth outlook for the coming months due to a GB300 production ramp-up, which should result in better-than-expected 2H25F sales and earnings.

#### Impact

**Sales in 2H25F to be stronger than expected after September.** Auras will benefit from GB300 AI server shipments ramping up more significantly from September, with cold plate and rack manifolds as the key products for several clients, such as Oracle (US), Meta (US), Amazon Web Services (AWS, US), and Supermicro Computer (US). Rack manifold monthly capacity in Thailand will also expand from an average of 800-1k units in 2Q25 to 1.6-2k in 4Q25F, and the utilization rate for cold plates will increase significantly due to market share gains for GB300 AI servers. We raise 3Q25F sales growth to 10% QoQ, and expect 4Q25F sales to grow by 10% QoQ, as GB300 AI server liquid cooling sales increase. Overall 2025F sales should grow by 39-40% YoY, in the high end of the firm's 2025F target range.

**Liquid cooling sales to increase in 2H25-2026F, boosting gross margin.** The company cited liquid cooling sales growth of close to 35% in July-August, and the server sales weighting nearing 60%, versus respective figures of 20% and 45% in 1H25. On a better product mix, and a stable NT\$:US\$ exchange rate, we forecast gross margin to improve quite significantly in 3Q25F to 28.4%, versus 26.1% in 2Q25 and forecast operating margin to grow from 11.9% in 2Q25 to 15.5% in 3Q25F. Coupled with the expectation of some forex loss reversals, we raise 3Q25F EPS to NT\$9.71, up 455% QoQ and 119% YoY. 4Q25 sales will be the annual peak, as GB300 sales will be much higher, with new clients being added. Our 2025F EPS is revised to NT\$26.58, up 25% YoY. Given the firm's late qualification for the GB200 design, GB200 liquid cooling sales have been quite limited, but GB300 shipments growth is making up lost ground for 2H25-2026F sales. We think a new thermal technology, microchannel lid cold plates (MLCP), are still at the discussion stage, and mainstream GB300 liquid cooling components, such as cold plates and manifolds, will be the firm's key sales growth drivers in 2026F, while sidecar, coolant distribution unit (CDU) and quick disconnectors (QD) sales will increase, though at relatively low weightings of overall sales. We anticipate the server sales weighting will increase to 64% in 2026F from 53% in 2025F, with a liquid cooling sales weighting of 50-60%, from 30% in 2025F. Our 2026F EPS is revised to NT\$44.74, up 68% YoY.

#### Valuation & Action

We maintain Outperform on solid EPS growth and growing liquid cooling sales, and our target price is raised from NT\$888 to NT\$940, based on 22x 2026F fully diluted EPS.

#### Risks

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

#### Key financials and valuations

	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
Revenue (NT\$mn)	13,857	12,713	15,779	21,979	29,424
Gross profit (NT\$mn)	2,722	3,005	4,026	6,082	8,290
Operating profit (NT\$mn)	1,173	1,376	1,911	3,161	5,117
Net profit (NT\$mn)	1,264	1,232	1,893	2,401	4,042
EPS (NT\$)	14.68	14.28	21.23	26.58	44.74
Cash DPS (NT\$)	6.50	6.50	10.00	12.51	21.06
EPS growth (%)	11.9	(2.7)	48.7	25.2	68.3
PE (x)	48.4	49.7	33.4	26.7	15.9
PB (x)	11.3	9.5	7.3	6.4	5.3
EV/EBITDA (x)	36.6	33.1	25.7	17.0	11.0
Net debt to equity (%)	4.6	Net cash	Net cash	2.1	Net cash
Dividend yield (%)	0.9	0.9	1.4	1.8	3.0
Return on average equity (%)	24.5	20.2	24.3	25.0	35.9

Source: Company data; KGI Research estimates

**Figure 1: Breakdown of 3Q25 & 4Q25 forecast revisions vs. consensus**

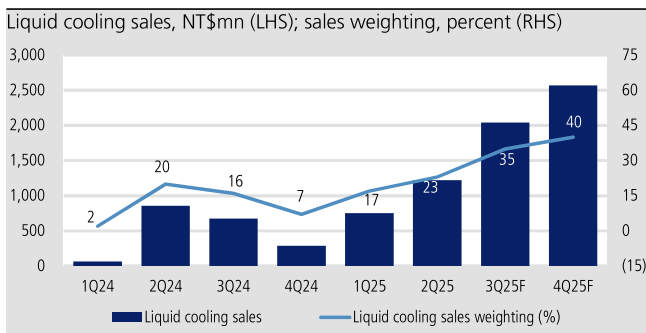
NT\$m	3Q25F							4Q25F						
	Revision	Previous	Chg. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)	Revision	Previous	Chg. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)
Sales	5,837	5,625	3.8	10.0	38.3	5,816	0.4	6,421	6,075	5.7	10.0	55.6	6,496	(1.2)
Gross profits	1,658	1,547	7.2	19.5	49.2	1,624	2.1	1,830	1,731	5.7	10.4	97.2	1,855	(1.4)
Operating income	905	821	10.2	42.8	66.6	906	(0.1)	1,059	1,002	5.7	17.1	201.4	1,075	(1.4)
Pretax income	1,084	821	32.0	414.1	111.0	951	14.0	1,096	1,211	(9.5)	1.2	91.4	1,141	(4.0)
Net income	877	668	31.3	454.9	120.3	735	19.4	854	970	(11.9)	(2.7)	82.9	895	(4.6)
EPS (NT\$)	9.71	7.39	31.3	454.9	119.2	8.13	19.4	9.45	10.73	(11.9)	(2.7)	82.5	9.91	(4.6)
Gross margin (%)	28.4	27.5	0.9 ppts	2.3 ppts	2.1 ppts	27.9	0.5 ppts	28.5	28.5	0.0 ppts	0.1 ppts	6.0 ppts	28.6	(0.1)ppts
OP margin (%)	15.5	14.6	0.9 ppts	3.6 ppts	2.6 ppts	15.6	(0.1)ppts	16.5	16.5	0.0 ppts	1.0 ppts	8.0 ppts	16.5	(0.0)ppts
Net margin (%)	15.0	11.9	3.2 ppts	12.1 ppts	5.6 ppts	12.6	2.4 ppts	13.3	16.0	(2.7)ppts	(1.7)ppts	2.0 ppts	13.8	(0.5)ppts

Source: Bloomberg; KGI Research estimates

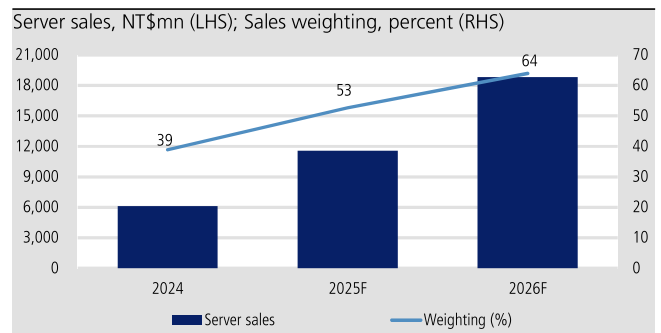
**Figure 2: Breakdown of 2025-26 forecast revisions vs. consensus**

NT\$m	2025F						2026F					
	Revision	Previous	Chg. (%)	YoY (%)	Consensus	Diff. (%)	Revision	Previous	Chg. (%)	YoY (%)	Consensus	Diff. (%)
Sales	21,979	21,421	2.6	39.3	21,951	0.1	29,424	27,868	5.6	33.9	27,488	7.0
Gross profit	6,082	5,873	3.6	51.1	6,061	0.3	8,290	7,851	5.6	36.3	7,809	6.2
Operating income	3,161	3,021	4.7	65.5	3,251	(2.8)	5,117	4,846	5.6	61.9	4,678	9.4
Pretax income	3,057	2,909	5.1	29.2	3,094	(1.2)	5,121	4,864	5.3	67.5	4,765	7.5
Net income	2,401	2,307	4.1	26.8	2,312	3.8	4,042	3,871	4.4	68.4	3,778	7.0
EPS (NT\$)	26.58	25.54	4.1	25.2	25.60	3.8	44.74	42.85	4.4	68.3	41.82	7.0
Gross margin (%)	27.7	27.4	0.3 ppts	2.2 ppts	27.6	0.1 ppts	28.2	28.2	0.0 ppts	0.5 ppts	28.4	(0.2)ppts
OP margin (%)	14.4	14.1	0.3 ppts	2.3 ppts	14.8	(0.4)ppts	17.4	17.4	0.0 ppts	3.0 ppts	17.0	0.4 ppts
Net margin (%)	10.9	10.8	0.2 ppts	(1.1)ppts	10.5	0.4 ppts	13.7	13.9	(0.2)ppts	2.8 ppts	13.7	(0.0)ppts

Source: Bloomberg; KGI Research estimates

**Figure 3: Liquid cooling sales maintain growth**


Source: Auras; KGI Research estimates

**Figure 4: Server sales increases triggered by liquid cooling sales growth in 2025-26F**


Source: Auras; KGI Research estimates

**Figure 5: The server sales weighting continues to grow**

Sales weighting (%)	2022	2023	2024	2025F	2026F	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	1H25
NB & DT	42	46	39	28	22	44	34	39	40	35	31	33
Graphics cards & Motherboards	24	26	17	15	12	24	15	14	16	17	21	19
Server	21	23	39	53	64	25	46	42	39	44	45	45
Auto/others	13	5	5	4	2	7	5	5	5	4	3	3
Total	100	100	100	100	100	100	100	100	100	100	100	100
<b>Sales (NT\$mn)</b>												
NB & DT	5,844	5,848	6,138	6,323	6,449	1,387	1,456	1,646	1,650	1,545	1,645	3,190
Graphics cards & Motherboards	3,305	3,305	2,650	3,391	3,493	756	642	591	660	751	1,114	1,865
Server	2,924	2,924	6,139	11,572	18,816	788	1,970	1,772	1,609	1,943	2,388	4,330
Auto/others	1,784	636	852	693	666	221	214	211	206	177	159	336
Total	13,857	12,713	15,779	21,979	29,424	3,152	4,283	4,219	4,125	4,415	5,306	9,721
<b>Sales YoY (%)</b>												
NB & DT	0	0	5	3	2	3	12	(2)	10	11	13	93
Graphics cards & Motherboards	(34)	0	(20)	28	3	(30)	18	(26)	(27)	(1)	73	183
Server	27	0	110	89	63	4	230	103	129	147	21	169
Others	66	(64)	34	(19)	(4)	124	37	51	(12)	(20)	(26)	171
Total	(3)	(8)	24	39	34	(4)	65	21	23	40	24	83
<b>Sales QoQ (%)</b>												
NB & DT						(8)	5	13	0	(6)	6	
Graphics cards & Motherboards						(16)	(15)	(8)	12	14	48	
Server						12	150	(10)	(9)	21	23	
Auto/others						(6)	(3)	(1)	(2)	(14)	(10)	
Total						(6)	36	(1)	(2)	7	20	

Source: Company data; KGI Research estimates

**Figure 6: Peer comparison – Valuations**

Sector	Company	Ticker	Market cap. (US\$mn)	Share price (LCY)	Rating	Target Price (LCY)	EPS (LCY)			EPS YoY (%)			PE (x)			PB (x)			ROE (%)			Cash yield (%)	
							2024	2025F	2026F	2024	2025F	2026F	2024	2025F	2026F	2024	2025F	2026F	2024	2025F	2026F	2024	2025F
Cooling fan	Sunonwealth	2421 TT	1,192	133.00	Outperform	150.0	5.46	7.05	8.80	5.7	29.2	24.9	24.4	18.9	15.1	4.6	4.3	4.0	19.7	23.5	27.3	2.8	3.8
	Nidec Corp*	6594 JP	20,479	2,537	Not rated	N.A.	145.95	158.28	171.94	354.2	8.4	8.6	17.4	16.0	14.8	1.7	1.6	1.6	10.0	10.8	11.0	1.5	1.6
	Minebea Mitsumi*	6479 JP	7,794	2,696	Not rated	N.A.	147.58	142.18	172.36	(17.2)	(3.7)	21.2	18.3	19.0	15.6	1.5	1.5	1.4	7.6	8.1	8.9	1.5	1.7
Thermal module/ Cooling fan	AVC	3017 TT	12,266	964.00	Outperform	1350.0	21.21	43.38	61.36	50.4	104.5	41.4	45.5	22.2	15.7	13.0	10.0	7.6	32.1	50.9	55.1	1.0	2.2
	Delta Elec	2308 TT	61,816	726	Outperform	686.0	13.56	20.43	24.51	5.5	50.7	20.0	53.5	35.5	29.6	8.2	7.8	6.8	16.4	22.5	24.6	1.0	1.4
	Auras	3324 TT	2,136	710.0	Outperform	940.0	21.23	26.58	44.74	48.7	25.2	68.3	33.4	26.7	15.9	7.3	6.4	5.3	24.3	25.0	35.0	1.4	1.8
Thermal module	Foxconn Tech*	2354 TT	3,181	68.60	Not rated	N.A.	2.53	2.93	3.59	(15.9)	15.8	22.5	27.1	23.4	19.1	0.9	0.6	0.6	3.3	3.7	4.5	2.0	2.0
	Fujikura Ltd*	5803 JP	27,151	13,555	Not rated	N.A.	330.32	283.77	431.51	122.8	(14.1)	52.1	41.0	47.8	31.4	9.2	9.4	7.8	26.5	20.9	27.9	0.4	0.6
	Furukawa Elect*	5801 JP	4,248	8,880	Not rated	N.A.	473.49	407.39	549.63	86.1	(14.0)	34.9	18.8	21.8	16.2	1.8	1.8	1.7	10.5	8.8	10.8	0.7	1.3
Chassis	Chenbro	8210 TT	2,387	602.0	Outperform	690.0	16.05	25.70	34.50	77.7	60.1	34.2	37.5	23.4	17.4	10.2	8.4	6.8	30.4	39.1	42.9	1.2	2.2
Graphite	Jones Tech Plc-A*	300684 CH	1,494	35.57	Not rated	N.A.	0.68	0.91	1.14	160.6	34.3	25.3	52.6	39.2	31.3	5.1	5.1	5.0	13.6	12.9	15.8	1.8	N.A.
	Shenzhen Frd Sci*	300602 CH	2,336	28.6	Not rated	N.A.	0.33	0.71	1.10	73.7	115.2	54.2	86.8	40.3	26.1	4.4	4.1	3.6	7.9	10.0	13.8	0.1	N.A.

Source: KGI Research; \*Bloomberg consensus

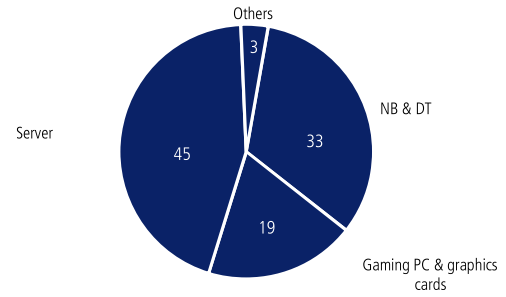
**Figure 7: Company profile**

Established in 1998, Auras Technology is a top-three thermal solution maker in Taiwan, serving the NB/DT, graphics card, gaming PC, server, and smartphone industries. Top clients include MSI (2377 TT, NT\$129, Outperform), Dell (US), HP (US), Asustek (2357 TT, NT\$645, Outperform), and Apple (US). 2024 application sales mix was NB (30%), DT (9%), graphics cards/ gaming PCs (17%), server (39%), smartphone (3%), and others (3%). 2024-25F sales growth will be driven by server sales.

Source: KGI Research

**Figure 8: The server sales weighting rose to 45% in 1H25**

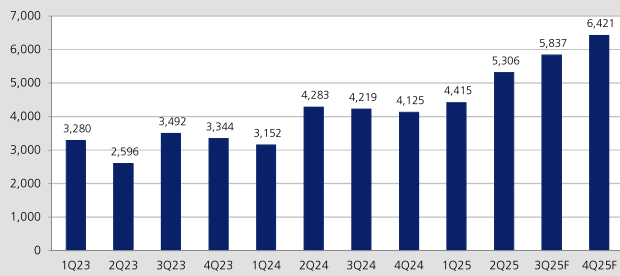
Sales weighting in 1H25, percent



Source: Company data; KGI Research

**Figure 9: Sales**

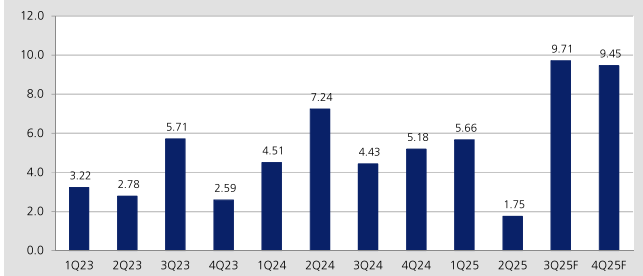
Sales, NT\$m



Source: KGI Research

**Figure 10: EPS**

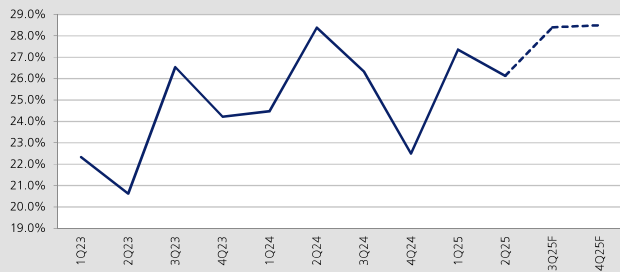
EPS, NT\$



Source: KGI Research

**Figure 11: Gross Margin**

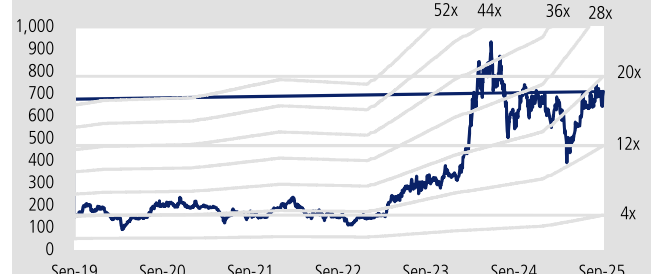
Gross margin, percent



Source: KGI Research

**Figure 12: 12M forward PE band**

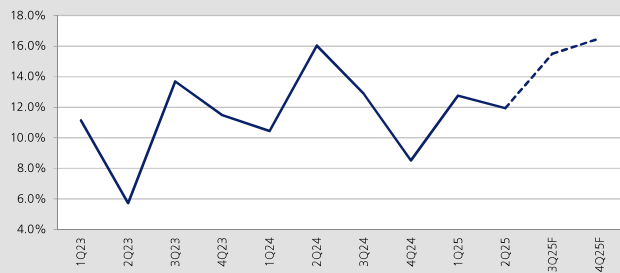
Share price, NT\$ (LHS); PE ratio, x (RHS)



Source: TEJ; KGI Research estimates

**Figure 13: Operating Margin**

Operating margin, percent



Source: KGI Research

**Figure 14: 12M forward PB band**

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



Source: TEJ; KGI Research estimates

## Income statement

	Quarterly								Annually		
	Mar-24A	Jun-24A	Sep-24A	Dec-24A	Mar-25A	Jun-25A	Sep-25F	Dec-25F	Dec-24A	Dec-25F	Dec-26F
<b>Income statement (NT\$m)</b>											
Revenue	3,152	4,283	4,219	4,125	4,415	5,306	5,837	6,421	15,779	21,979	29,424
Cost of goods sold	(2,380)	(3,067)	(3,108)	(3,197)	(3,207)	(3,920)	(4,179)	(4,591)	(11,753)	(15,896)	(21,134)
<b>Gross profit</b>	<b>771</b>	<b>1,216</b>	<b>1,111</b>	<b>928</b>	<b>1,208</b>	<b>1,387</b>	<b>1,658</b>	<b>1,830</b>	<b>4,026</b>	<b>6,082</b>	<b>8,290</b>
Operating expenses	(442)	(529)	(568)	(576)	(645)	(753)	(753)	(770)	(2,115)	(2,921)	(3,173)
<b>Operating profit</b>	<b>329</b>	<b>687</b>	<b>543</b>	<b>352</b>	<b>563</b>	<b>634</b>	<b>905</b>	<b>1,059</b>	<b>1,911</b>	<b>3,161</b>	<b>5,117</b>
Depreciation of fixed assets	(106)	(112)	(122)	(132)	(142)	(147)	(137)	(123)	(471)	(549)	(641)
Amortisation of intangible assets	(8)	(9)	(10)	(11)	(11)	(12)	(9)	(6)	(38)	(38)	(38)
<b>EBITDA</b>	<b>443</b>	<b>808</b>	<b>675</b>	<b>494</b>	<b>717</b>	<b>792</b>	<b>1,051</b>	<b>1,188</b>	<b>2,420</b>	<b>3,748</b>	<b>5,796</b>
Interest income	7	10	8	15	8	13	11	11	40	43	40
Investment income	3	-	-	-	-	-	3	8	3	10	10
Other non-op income	163	95	54	220	110	69	10	11	533	200	110
<b>Non-operating income</b>	<b>173</b>	<b>105</b>	<b>62</b>	<b>235</b>	<b>118</b>	<b>83</b>	<b>23</b>	<b>29</b>	<b>576</b>	<b>253</b>	<b>160</b>
Interest expense	(6)	(7)	(9)	(8)	(12)	(14)	(13)	(13)	(31)	(52)	(71)
Investment loss	-	(1)	(3)	(6)	(4)	(4)	(1)	4	(10)	(5)	(5)
Other non-op expenses	-	0	(79)	-	-	(487)	170	17	(79)	(300)	(80)
<b>Non-operating expenses</b>	<b>(6)</b>	<b>(8)</b>	<b>(91)</b>	<b>(14)</b>	<b>(15)</b>	<b>(506)</b>	<b>156</b>	<b>8</b>	<b>(120)</b>	<b>(357)</b>	<b>(156)</b>
<b>Pre-tax profit</b>	<b>496</b>	<b>783</b>	<b>514</b>	<b>573</b>	<b>666</b>	<b>211</b>	<b>1,084</b>	<b>1,096</b>	<b>2,366</b>	<b>3,057</b>	<b>5,121</b>
Current taxation	(92)	(149)	(103)	(90)	(137)	(47)	(195)	(232)	(434)	(611)	(1,024)
Minorities	(8)	(2)	(13)	(15)	(18)	(6)	(11)	(10)	(39)	(45)	(55)
<b>Normalised net profit</b>	<b>396</b>	<b>632</b>	<b>398</b>	<b>467</b>	<b>511</b>	<b>158</b>	<b>877</b>	<b>854</b>	<b>1,893</b>	<b>2,401</b>	<b>4,042</b>
Extraordinary items	(0)	0	0	0	0	0	-	(0)	-	-	-
<b>Net profit</b>	<b>396</b>	<b>632</b>	<b>398</b>	<b>467</b>	<b>511</b>	<b>158</b>	<b>877</b>	<b>854</b>	<b>1,893</b>	<b>2,401</b>	<b>4,042</b>
EPS (NT\$)	4.51	7.24	4.43	5.18	5.66	1.75	9.71	9.45	21.23	26.58	44.74
<b>Margins (%)</b>											
Gross profit margin	24.5	28.4	26.3	22.5	27.4	26.1	28.4	28.5	25.5	27.7	28.2
Operating margin	10.4	16.0	12.9	8.5	12.8	11.9	15.5	16.5	12.1	14.4	17.4
EBITDA margin	14.1	18.9	16.0	12.0	16.2	14.9	18.0	18.5	15.3	17.1	19.7
Pretax profit margin	15.7	18.3	12.2	13.9	15.1	4.0	18.6	17.1	15.0	13.9	17.4
Net profit margin	12.6	14.8	9.4	11.3	11.6	3.0	15.0	13.3	12.0	10.9	13.7
<b>Sequential growth (%)</b>											
Revenue growth	(5.8)	35.9	(1.5)	(2.2)	7.0	20.2	10.0	10.0			
Gross profit growth	(4.8)	57.6	(8.6)	(16.5)	30.2	14.8	19.5	10.4			
Operating profit growth	(14.3)	108.6	(20.9)	(35.3)	60.3	12.5	42.8	17.1			
EBITDA growth	(11.0)	82.3	(16.5)	(26.8)	45.1	10.4	32.8	12.9			
Pretax profit growth	56.6	57.9	(34.4)	11.5	16.4	(68.4)	414.1	1.2			
Net profit growth	77.0	59.7	(37.0)	17.2	9.5	(69.1)	454.9	(2.7)			
<b>YoY growth (%)</b>											
Revenue growth	(3.9)	65.0	20.8	23.3	40.1	23.9	38.3	55.6	24.1	39.3	33.9
Gross profit growth	5.3	127.0	19.9	14.5	56.6	14.1	49.2	97.2	34.0	51.1	36.3
Operating profit growth	(9.9)	361.8	13.6	(8.5)	71.1	(7.7)	66.6	201.4	38.8	65.5	61.9
EBITDA growth	(9.0)	201.9	13.7	(0.8)	61.8	(2.0)	55.8	140.3	31.1	54.9	54.6
Pretax profit growth	40.7	161.5	(14.2)	80.7	34.3	(73.1)	111.0	91.4	50.9	29.2	67.5
Net profit growth	42.7	164.1	(19.0)	108.8	29.2	(75.0)	120.3	82.9	53.6	26.8	68.4

Source: Company data; KGI Research estimates

## Balance sheet

NT\$m	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
<b>Total assets</b>	<b>11,743</b>	<b>12,612</b>	<b>16,926</b>	<b>20,546</b>	<b>26,322</b>
<b>Current assets</b>	<b>8,420</b>	<b>8,653</b>	<b>11,680</b>	<b>14,682</b>	<b>19,953</b>
Cash & ST securities	1,492	1,450	2,933	2,781	4,228
Inventory	2,072	2,307	2,810	3,810	5,066
Accounts receivable	4,490	4,419	5,429	7,583	10,151
Other current assets	365	477	508	508	
<b>Non-current assets</b>	<b>3,323</b>	<b>3,959</b>	<b>5,246</b>	<b>5,864</b>	<b>6,369</b>
LT investments	128	215	393	459	506
Net fixed assets	2,715	3,126	4,083	4,634	5,093
Other assets	480	618	770	770	770
<b>Total liabilities</b>	<b>5,933</b>	<b>5,745</b>	<b>7,638</b>	<b>9,956</b>	<b>13,564</b>
<b>Current liabilities</b>	<b>5,620</b>	<b>4,787</b>	<b>5,902</b>	<b>7,763</b>	<b>10,385</b>
Accounts payable	2,848	3,157	3,775	5,120	6,806
Interest bearing ST liabilities	1,498	232	475	750	902
Other current liabilities	1,273	1,398	1,651	1,894	2,676
<b>Non-current liabilities</b>	<b>313</b>	<b>959</b>	<b>1,736</b>	<b>2,193</b>	<b>3,179</b>
Long-term debt	255	916	1,675	2,132	3,117
Other L-T liabilities	-	(0)	17	17	17
<b>Total equity</b>	<b>5,810</b>	<b>6,866</b>	<b>9,288</b>	<b>10,589</b>	<b>12,758</b>
Share capital	884	884	915	915	915
Retained earnings reserve	3,304	3,926	5,121	6,376	8,491
Minority interests	244	231	327	372	427
Preferred shareholders funds	-	-	-	-	-

## Key ratios

	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
<b>Growth</b>					
Revenue growth	(2.8%)	(8.3%)	24.1%	39.3%	33.9%
Operating profit growth	(14.9%)	17.3%	38.8%	65.5%	61.9%
EBITDA growth	(10.0%)	8.0%	31.1%	54.9%	54.6%
Net profit growth	11.6%	(2.5%)	53.6%	26.8%	68.4%
EPS growth	11.9%	(2.7%)	48.7%	25.2%	68.3%
<b>Profitability</b>					
Gross profit margin	19.6%	23.6%	25.5%	27.7%	28.2%
Operating margin	8.5%	10.8%	12.1%	14.4%	17.4%
EBITDA margin	12.3%	14.5%	15.3%	17.1%	19.7%
Net profit margin	9.1%	9.7%	12.0%	10.9%	13.7%
Return on average assets	10.7%	10.1%	12.8%	12.8%	17.2%
Return on average equity	24.5%	20.2%	24.3%	25.0%	35.9%
<b>Stability</b>					
Gross debt to equity	30.2%	16.7%	23.1%	27.2%	31.5%
Net debt to equity	4.6%	Net cash	Net cash	2.1%	Net cash
Interest coverage (x)	43.4	57.2	77.1	59.5	73.2
Interest & ST debt coverage (x)	0.5	0.9	0.8	0.8	0.8
Cash flow interest coverage(x)	32.3	70.6	52.8	22.4	36.3
Cash flow/int. & ST debt (x)	0.8	7.6	3.2	1.5	2.6
Current ratio (x)	1.5	1.8	2.0	1.9	1.9
Quick ratio (x)	1.1	1.3	1.5	1.4	1.4
Net debt (NT\$m)	269	(218)	(659)	226	(84)
<b>Per share data</b>					
EPS (NT\$)	14.68	14.28	21.23	26.58	44.74
CFPS (NT\$)	14.41	22.85	18.43	12.98	28.55
BVPS (NT\$)	62.97	75.04	97.91	111.63	134.73
Adj BVPS (NT\$)	64.67	76.92	100.51	113.11	136.49
SPS (NT\$)	160.99	147.37	176.99	243.34	325.69
EBITDA/share (NT\$)	19.86	21.41	27.14	41.49	64.16
Cash DPS (NT\$)	6.50	6.50	10.00	12.51	21.06
<b>Activity</b>					
Sales / avg assets	1.17	1.04	1.07	1.17	1.26
Days receivable	118.3	126.9	125.9	125.9	125.9
Days inventory	67.9	86.7	87.5	87.5	87.5
Days payable	93.4	118.7	117.6	117.6	117.6
Cash cycle	92.8	94.9	95.9	95.9	95.9

Source: Company data; KGI Research estimates

## Profit & loss

NT\$m	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
<b>Revenue</b>	<b>13,857</b>	<b>12,713</b>	<b>15,779</b>	<b>21,979</b>	<b>29,424</b>
Cost of goods sold	(11,135)	(9,708)	(11,753)	(15,896)	(21,134)
<b>Gross profit</b>	<b>2,722</b>	<b>3,005</b>	<b>4,026</b>	<b>6,082</b>	<b>8,290</b>
Operating expenses	(1,549)	(1,629)	(2,115)	(2,921)	(3,173)
<b>Operating profit</b>	<b>1,173</b>	<b>1,376</b>	<b>1,911</b>	<b>3,161</b>	<b>5,117</b>
<b>Non-operating income</b>	<b>550</b>	<b>368</b>	<b>576</b>	<b>253</b>	<b>160</b>
Interest income	10	23	40	43	40
Investment income	10	0	3	10	10
Other non-op income	529	345	533	200	110
<b>Non-operating expenses</b>	<b>(95)</b>	<b>(177)</b>	<b>(120)</b>	<b>(357)</b>	<b>(156)</b>
Interest expense	(38)	(28)	(31)	(52)	(71)
Investment loss	(1)	(2)	(10)	(5)	(5)
Other non-op expenses	(55)	(146)	(79)	(300)	(80)
<b>Pre-tax profit</b>	<b>1,628</b>	<b>1,568</b>	<b>2,366</b>	<b>3,057</b>	<b>5,121</b>
Current taxation	(341)	(329)	(434)	(611)	(1,024)
Minorities	(23)	(7)	(39)	(45)	(55)
Extraordinary items	(0)	(0)	0	-	-
<b>Net profit</b>	<b>1,264</b>	<b>1,232</b>	<b>1,893</b>	<b>2,401</b>	<b>4,042</b>
<b>EBITDA</b>	<b>1,709</b>	<b>1,847</b>	<b>2,420</b>	<b>3,748</b>	<b>5,796</b>
EPS (NT\$)	14.68	14.28	21.23	26.58	44.74

## Cash flow

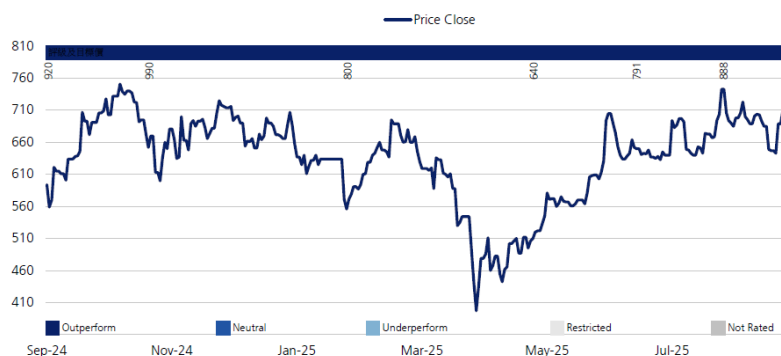
NT\$m	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
<b>Operations cash flow</b>	<b>1,241</b>	<b>1,971</b>	<b>1,643</b>	<b>1,172</b>	<b>2,579</b>
Net profit	1,264	1,232	1,893	2,401	4,042
Depreciation & amortisation	536	470	509	587	679
Decrease in working capital	(758)	151	(825)	(1,810)	(2,137)
Other operating cash flow	199	117	67	(5)	(5)
<b>Investing cash flow</b>	<b>(633)</b>	<b>(1,053)</b>	<b>(1,567)</b>	<b>(1,199)</b>	<b>(1,179)</b>
Sale of ST investment	-	(89)	(44)	-	-
New investments	-	(100)	(22)	(61)	(41)
Capital expenditure	(615)	(835)	(1,436)	(1,100)	(1,100)
Others investing cashflow	(18)	(30)	(65)	(38)	(38)
<b>Free cash flow</b>	<b>61</b>	<b>843</b>	<b>(230)</b>	<b>168</b>	<b>1,498</b>
<b>Financing cash flow</b>	<b>(629)</b>	<b>(1,007)</b>	<b>1,364</b>	<b>(126)</b>	<b>48</b>
Increase in short term debt	(71)	(305)	65		
Increase in long term loans	10	(81)	1,544	731	1,138
New ordinary shares issued	-	-	-		
Ordinary dividends paid	(517)	(577)	(571)	(903)	(1,145)
Other financing cashflow	(52)	(43)	160	45	55
<b>Forex effects</b>	<b>12</b>	<b>(29)</b>	<b>3</b>		
<b>Total cash generated</b>	<b>(10)</b>	<b>(118)</b>	<b>1,443</b>	<b>(153)</b>	<b>1,447</b>

## ROIC

	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
1 - COGS/revenue					
- Operating exp./revenue	11.2%	12.8%	13.4%	13.3%	10.8%
<b>= Operating margin</b>	<b>8.5%</b>	<b>10.8%</b>	<b>12.1%</b>	<b>14.4%</b>	<b>17.4%</b>
1 / (Working capital/revenue	0.2	0.2	0.2	0.2	0.2
+ Net PPE/revenue	0.2	0.2	0.3	0.2	0.2
+ Other assets/revenue)	0.0	0.0	0.0	0.0	0.0
<b>= Capital turnover</b>	<b>2.5</b>	<b>2.1</b>	<b>2.0</b>	<b>2.2</b>	<b>2.5</b>
Operating margin	8.5%	10.8%	12.1%	14.4%	17.4%
x Capital turnover	2.5	2.1	2.0	2.2	2.5
x (1 - tax rate)	79.0%	79.0%	81.6%	80.0%	80.0%
<b>= After-tax ROIC</b>	<b>16.5%</b>	<b>18.2%</b>	<b>20.1%</b>	<b>25.6%</b>	<b>35.1%</b>

Source: Company data; KGI Research estimates

## Auras – Recommendation & target price history



Date	Rating	Target	Price
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
2025-02-04	Outperform	800	556
2024-11-14	Outperform	990	700
2024-10-29	Outperform	990	652
2024-07-30	Outperform	920	671
2024-04-30	Outperform	920	800

Source: TEJ; KGI Research

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