

IT Hardware

US CSPs, power & liquid cooling firms revise up capex and AI demand outlooks for 2025-26F

Key message

1. The top-four US CSPs guided better-than-expected capex growth in 2025-26F. CSPs indicated that AI demand exceeds supply and the supply constraint will last for at least six months.
2. Most of the top-four US CSPs' 2Q25 capex grew by over 20% QoQ, ahead of consensus before the earnings calls, driven by stronger investment in AI servers and data centers. Overall, the top-four CSP saw their combined capex grow by 24% QoQ and 68% YoY in 2Q25, to US\$89bn.
3. After US top-4 CSPs' earnings call, consensus now forecast their capex will grow by 50% YoY in 2025F and 16% YoY in 2026F. Vertiv (US) and Flex (US) also echoed this positive demand trend.
4. The solid capex guidance for 2025-26F will boost AI server demand and benefit the AI supply chain, in particular for rack assemblers, liquid cooling, power supply, active electrical cable (AEC) and PCB/ CCL plays. Our top picks for 3Q25F are Hon Hai Precision (2317 TT), Quanta Computer (2382 TT), Asia Vital Components (3017 TT), Delta Electronics (2308 TT), Bizlink (3665 TT), Elite Material (2383 TT) and Gold Circuit Electronics (2368 TT).

Event

The top-four US CSPs reported higher-than-expected 2Q25 capex in 2025F during recent earnings calls, and expect capex to grow in 2026F, especially for AI server investments. US power supply and liquid cooling solution firms are also positive in their demand outlooks.

Impact

Stronger US CSP capex in 2025-26F. During their latest earnings calls, the top-four US CSPs reported higher-than-expected 2Q25 capex, and revised up 2025-26F capex guidance. Most CSPs' 2Q25 capex grew by over 20% QoQ, ahead of consensus before the earnings calls, driven by stronger investment in AI servers and data centers. Overall, the top-four CSPs saw their combined capex growth of 24% QoQ and 68% YoY in 2Q25, to US\$89bn. Google (US) and Amazon (US) raised 2025F capex guidance by 13-17%, while Meta (US) announced aggressive capex growth of 43% YoY in 2026F, surprising the market. Google raised 2025F capex guidance by 13% to US\$85bn, up 62% YoY and beating consensus by 14%, and expects 2026F capex to keep growing. Amazon guides quarterly capex in 3Q-4Q25F to be similar to the 2Q25 level, implying 47% YoY growth in 2025F (to US\$121-122bn), beating consensus by 17%. Meta raised the lower-end of 2025F capex guidance to US\$66-72bn, up 85% YoY at the midpoint, and expects capex growth of the same dollar amount in 2026F, implying an increase of US\$30bn, or an increase of 43% YoY, and beating consensus by 24%. Microsoft (US) expects 3Q25F (FY1Q26, fiscal year ends June) capex to grow to more than US\$30bn, beating consensus by 17%, and held to FY2026F capex guidance of double digit growth YoY, but at a lower rate than the 58% growth in FY2025. Based on the CSPs' capex guidance in 2025-26F, their combined capex will grow by 50% YoY in 2025F and 16% YoY in 2026F, higher than consensus (before earnings calls) by 11-20%. In addition to surging capex, CSPs indicated that AI demand is still outgrowing supply, and Microsoft expects the capacity constraint will last until December this year. Microsoft and Meta both expect a greater percentage of their capex to be invested in shorter-lived asset (servers and networking) in 2H25-2026F, benefiting the AI hardware supply chain's earnings growth in 2025-26F.

Solid full-year sales guidance from Vertiv (US) & Flex (US). Besides US hyperscaler CSPs, both Vertiv (a power supply and liquid cooling solution provider) and Flex (a power supply and system assembly firm) raised full-year sales guidance on strong data center demand. Vertiv lifted sales guidance by 6% to US\$10bn (midpoint), implying 25% growth YoY, boosted by record-high orders from hyperscaler, colocation, neocloud and sovereign clients. Despite the topline upward revision, operating margin guidance was maintained at 20% due to tariff-related cost pressures. Flex also raised its FY2026 (fiscal year ends March) revenue guidance by 2% (midpoint) to US\$25.9-27.1bn, implying 3% YoY growth, with data center sales expected to grow by more than 35% YoY, and account for 25% of total revenue. Management stated that tariff costs could be largely passed through, but will still weigh on margins. These hardware component and system suppliers' positive outlook echoes the strong demand outlooks and higher capex from CSPs.

AI server hardware suppliers to ride on a growing wave. We reiterate our expectation that the AI hardware supply chain will benefit from growing AI server demand in 2025-26F, including GPU and ASIC solutions. On computing and transmission performance upgrades in the next-generation AI servers, we expect the content value of AI server to grow, in particular for rack assemblers, liquid cooling, power supply, active electrical cable (AEC) and PCB/ CCL plays, which will be the key beneficiaries.

Stocks for Action

Solid capex guidance for 2025-26F will boost AI server demand and benefit the AI supply chain. Our top picks for 3Q25F are Hon Hai Precision (2317 TT, NT\$180, Restricted), Quanta Computer (2382 TT, NT\$281, OP), Asia Vital Components (3017 TT, NT\$934, OP), Delta Electronics (2308 TT, NT\$593, OP), Bizlink (3665 TT, NT\$850, OP), Elite Material (2383 TT, NT\$1,110, OP) and Gold Circuit Electronics (2368 TT, NT\$362, OP).

Risks

Sluggish demand; higher production or financing costs.

Key takeaways from US CSPs, power supply & liquid cooling plays' earnings calls
Google

- 2Q25 capex was US\$22.4bn, up 70% YoY and 31% QoQ, beating consensus by 23%. Two-third of 2Q25 capex was for servers.
- The company raised 2025F capex guidance by 13% to US\$85bn (up 62% YoY), implying 2H25 capex will grow by 66% YoY, accelerating from 57% in 1H25. This guidance is stronger than the consensus.
- Management expects capex to grow YoY in 2026F due to higher demand and growth opportunities.

Meta

- 2Q25 capex (including finance leases, where the full value of a lease is recognized as an expenditure as soon as it commences) grew by 112% YoY and 34% QoQ to US\$17.3bn, beating consensus by 6%, driven by investments in servers, data centers and network infrastructure.
- The company narrowed 2025F capex guidance from US\$64-72bn to US\$66-72bn, implying 85% growth YoY at the midpoint.
- Management expects 2026F capex growth in dollar terms will be similar to 2025F, implying an increase of US\$30bn, or growth of 43% YoY to US\$99-100bn in 2026F.
- Meta expects a greater percentage of capex to be for shorter-lived assets (mainly servers and networking equipment) in 2025-26F than it has been in prior years.

Microsoft

- 2Q25 capex (including finance leases) was up 27% YoY and 13% QoQ to US\$24.2bn, with US\$6.5bn of finance leases, slightly missing consensus by 4%. FY2025F capex (including finance leases) grew by 58% YoY to US\$88.2bn.
- The company guides 3Q25F capex to grow by more than 20% QoQ, to over US\$30bn from US\$24.2bn in 2Q25 (including finance leases), beating consensus before the earnings call by 17%, on strong demand signals.
- Management maintains capex guidance in FY2026 of double-digit YoY growth, but at a lower rate than FY25. The firm indicates it will invest in a greater percentage of shorter-lived assets, such as servers, GPUs, CPUs, and networked storage.
- Microsoft expects AI demand to outgrow supply and expects the capacity constraint will last until December this year.
- Azure sales increased by 39% YoY in FY4Q25, beating consensus by nearly 5%. Azure sales surpassed US\$75bn in FY2025, up 34% YoY, driven by growth across all workloads.
- Microsoft expects Azure sales to grow by 37% YoY in US dollars in CY3Q25F, driven by strong demand for their portfolio of services, ahead of consensus of 32% growth YoY.

Amazon

- Amazon' capex rose by 83% YoY and 29% QoQ to US\$32.2bn in 2Q25, beating consensus by 14%, on growing demand for AWS' AI services.

- AWS continues to be a primary driver of capex growth as the firm invests to support demand for AI services, and increasingly deploys ASIC like Trainium, as well as tech infrastructure to support North American and international markets.
- The company expects capex in 2Q25 to be reasonably representative of its quarterly capital investment rate for 2H25, implying 2025F capex will grow by 47% YoY to US\$121-122bn, beating consensus, before the earnings call, by 17%.
- AWS cloud sales grew by 18% YoY to US\$30.9bn in 2Q25, in line with consensus, driven by triple-digit generative AI & non-generative AI sales growth. The company noted that generative AI-related sales growing by triple digits YoY, with demand growth outstripping supply.

Vertiv

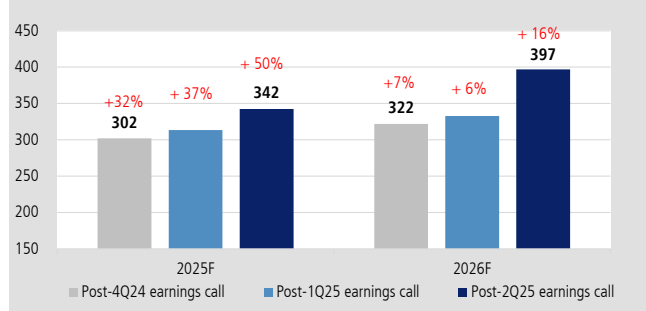
- Vertiv, a major data center power and liquid cooling solution provider, reported strong demand across all regions, with the firm's record-high backlog rising by 7% QoQ and 21% YoY to US\$8.5bn in 2Q25, and the book-to-bill ratio remaining solid at 1.2, supported by robust order growth from data center customers, including hyperscaler (Amazon), colocation provider, neo-cloud and sovereign clients.
- For FY3Q25 (fiscal year ends December), the company guides revenue of US\$2.51-2.59bn, implying a 3% QoQ decline but 23% YoY growth at the midpoint, driven by solid demand in the Americas (up 34-36% YoY), and APAC (up 20-23% YoY). EMEA is expected to decline by 7-9% YoY due to a high base in FY3Q24, and stricter regulation for setting up data centers, which may see a recovery for demand in 2026F. Management expects operating margin to range between 19.75–20.25%, and be impacted by tariff-related costs.
- Management raised its full-year sales guidance for 2025F, lifting the midpoint by 6% to US\$10bn, implying growth of 25% YoY, driven by sustained demand growth in the Americas and APAC region. EMEA demand is expected to be flat YoY in 2025F, but management anticipates a recovery in 2026F.
- Vertiv revised down operating margin guidance for 2025F by 0.5ppts to 20%, reflecting incremental costs associated with supply chain relocation and operational inefficiencies due to tariffs. Management expects to mitigate the negative impact of tariffs by the end of 2025F.
- Regarding Amazon's in-house liquid cooling development of an in-row heat exchanger (IRHX), the company notes that it continues to work closely with the customer to co-develop customized products and technologies, and can manufacture according to customized designs. As such, the market may be overly concerned by this change.

Flex

- Flex raised FY2026 guidance, lifting the midpoint by 2% to US\$26.5bn, implying 3% YoY growth, while maintaining an operating margin forecast at 6-6.1% due to tariff impacts.
- The firm's key sales growth driver in FY2026 will remain the data center segment. Flex expects data center sales to reach US\$6.5bn, representing 35% YoY growth (up from prior guidance of 30%), and accounting for 25% of total revenue. Both cloud (including rack assembly and liquid cooling solutions) and power product sales are expected to continue growing.
- The growth outlook for Flex's power products aligns with Delta's guidance that data center demand should remain strong through 2H26F, and with Lite-on Technology's (2301 TT, NT\$121.5, Outperform) expectation that its AI server sales weighting will grow to a high-teens percentage in 2025F, from 15-16% in 1H25.
- On tariffs, Flex believes most costs can be passed through to customers, and has already factored tariff impacts into full-year guidance. While tariffs are not expected to affect revenue growth materially, they will be a headwind to margins.

Figure 1: Positive US CSP capex guidance drives upward revisions for 2025-26F

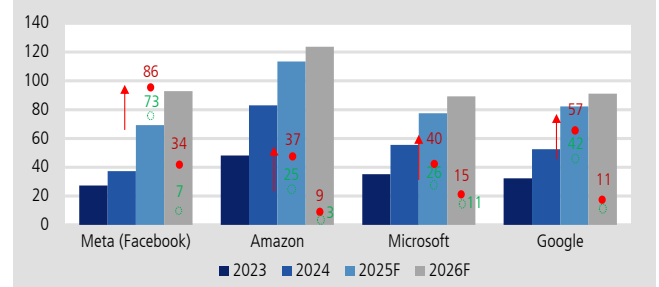
US CSP capex, US\$bn; YoY growth, percent



Source: Company data; Bloomberg; KGI Research

Figure 2: 2025F capex consensus for top-four US CSPs revised up; Meta also expected to grow in 2026F

US CSP capex, US\$bn; YoY growth, percent (post-1Q25 earnings call: dotted line; post-2Q25 earnings call: solid line)



Source: Company data; Bloomberg; KGI Research

Figure 3: Upward revisions to top-four US CSPs' capex in 2025F to 50% growth YoY after recent earnings calls; capex growth to continue and beat consensus in 2026F, based on CSPs' guidance

									Actual			Consensus forecast		Guidance	
Capex (US\$m)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25F	4Q25F	2023	2024	1H25	2025F	2026F	2025F	2026F
Meta (Facebook)	6,400	8,173	8,258	14,425	12,941	17,313	18,363	20,622	27,266	37,256	30,254	69,240	92,848	69,000	99,000
Amazon	14,925	17,620	22,620	27,834	25,019	32,183	29,557	26,670	48,133	82,999	57,202	113,430	123,758	121,568	
Microsoft	10,952	13,873	14,923	15,804	16,745	17,079	21,968	21,707	35,202	55,552	33,824	77,499	89,194		
Google	12,012	13,186	13,061	14,276	17,197	22,446	21,982	20,602	32,251	52,535	39,643	82,227	91,154	85,000	
US hyperscale subtotal	44,289	52,852	58,862	72,339	71,902	89,021	91,871	89,602	142,852	228,342	160,923	342,395	396,955		
YoY (%)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25F	4Q25F	2023	2024	1H25	2025F	2026F	2025F	2026F
Meta (Facebook)	(6.5)	31.5	26.2	88.2	102.2	111.8	122.4	43.0	(13.3)	36.6	107.6	85.8	34.1	85.2	43.5
Amazon	5.1	53.8	81.3	90.8	67.6	82.7	30.7	(4.2)	(17.5)	72.4	75.8	36.7	9.1	46.5	
Microsoft	65.8	55.1	50.5	62.3	52.9	23.1	47.2	37.4	42.1	57.8	36.2	39.5	15.1		
Google	91.0	91.4	62.1	29.6	43.2	70.2	68.3	44.3	2.4	62.9	57.3	56.5	10.9	61.8	
US Hyperscale subtotal	30.5	57.8	59.1	68.2	62.3	68.4	56.1	23.9	(2.2)	59.8	65.7	49.9	15.9		
QoQ (%)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25F	4Q25F	2023	2024	1H25			2025F	2026F
Meta (Facebook)	(16.5)	27.7	1.0	74.7	(10.3)	33.8	6.1	12.3							
Amazon	2.3	18.1	28.4	23.1	(10.1)	28.6	(8.2)	(9.8)							
Microsoft	12.5	26.7	7.6	5.9	6.0	2.0	28.6	(1.2)							
Google	9.0	9.8	(0.9)	9.3	20.5	30.5	(2.1)	(6.3)							
US Hyperscale subtotal	3.0	19.3	11.4	22.9	(0.6)	23.8	3.2	(2.5)							

Note: Capex without finance leases

Source: Company data; Bloomberg; KGI Research

Figure 4: Consensus expects CSPs' capex to grow by 49% YoY in 2025F and 13% in 2026F; Oracle (US) & Coreweave (US) the key capex growth enterprises in 2025F

Capex, US\$m	2018	2020	2021	2022	2023	2024	2025F	2026F
Meta	13,915	15,115	18,567	31,431	27,266	37,256	69,240	92,848
Amazon	13,427	35,044	55,396	58,321	48,133	82,999	113,430	123,758
Microsoft	12,779	17,592	23,216	24,768	35,202	55,552	77,499	89,194
Google	25,139	22,281	24,640	31,485	32,251	52,535	82,227	91,154
Baidu	1,327	738	1,689	1,586	1,580	1,130	1,435	1,479
Alibaba	7,399	6,379	8,311	5,014	4,477	10,542	16,044	17,257
Tencent	3,356	5,719	4,808	4,611	3,017	9,675	11,791	11,742
Hyperscale subtotal	77,342	102,867	136,627	157,216	151,926	249,688	371,666	427,432
Apple	12,609	8,702	10,388	11,692	9,564	9,995	13,507	14,186
IBM	3,395	2,618	2,062	1,346	1,245	1,048	1,519	1,597
Oracle	1,468	1,833	3,118	6,678	6,935	10,745	26,491	27,739
Coreweave	N.A.	N.A.	N.A.	72	2,943	8,702	21,025	15,251
Dell	1,158	2,082	2,796	3,003	2,756	2,652	2,749	2,963
Salesforce	595	710	717	798	736	658	798	863
Netflix	174	498	525	408	349	440	581	657
Uber	558	616	298	252	223	242	347	389
Enterprise subtotal	19,956	17,059	19,904	24,249	24,751	34,482	67,017	63,645
Total	97,782	119,926	156,530	181,465	176,677	284,170	438,683	491,077

YoY growth, percent	2018	2020	2021	2022	2023	2024	2025F	2026F
Meta	106.7	0.1	22.8	69.3	(13.3)	36.6	85.8	34.1
Amazon	12.3	107.8	58.1	5.3	(17.5)	72.4	36.7	9.1
Microsoft	29.3	29.9	32.0	6.7	42.1	57.8	39.5	15.1
Google	90.7	(5.4)	10.6	27.8	2.4	62.9	56.5	10.9
Baidu	87.5	(20.7)	129.1	(6.1)	(0.4)	(28.5)	27.0	3.1
Alibaba	64.1	(2.1)	30.3	(39.7)	(10.7)	135.5	52.2	7.6
Tencent	86.4	45.6	(15.9)	(4.1)	(34.6)	220.7	21.9	(0.4)
Hyperscale subtotal	58.6	27.9	32.8	15.1	(3.4)	64.3	48.9	15.0
Apple	(0.5)	(5.9)	19.4	12.6	(18.2)	4.5	35.1	5.0
IBM	5.1	14.5	(21.2)	(34.7)	(7.5)	(15.8)	45.0	5.1
Oracle	(27.9)	15.2	70.1	114.2	3.8	54.9	146.5	4.7
Coreweave	N.M.	N.M.	N.M.	N.M.	3,964.9	195.7	141.6	(27.5)
Dell	(4.5)	(19.2)	34.3	7.4	(8.2)	(3.8)	3.7	7.8
Salesforce	11.4	10.4	1.0	11.3	(7.8)	(10.6)	21.3	8.2
Netflix	0.4	96.8	5.4	(22.3)	(14.5)	26.1	32.3	12.9
Uber	(32.0)	4.8	(51.6)	(15.4)	(11.5)	8.5	43.3	12.3
Enterprise subtotal	(3.5)	(0.7)	16.7	21.8	2.1	39.3	94.4	(5.0)
Total	40.5	22.2	30.5	15.9	(2.6)	60.8	54.4	11.9

Source: Company data; Bloomberg; KGI Research

Figure 5: Quanta Computer & Wiyynn's (6669 TT, NT\$2,645, OP) main server clients are CSPs; Hon Hai & Inventec (2356 TT, NT\$43.65, N) have some enterprise clients

Shipments mix (%)	Inventec	Wiyynn	Wistron	Hon Hai	Quanta	Mitac
HPE	11		21	19		
Dell	8		36	17		
Inspur			0			55
Lenovo	4		1			
Google	13			3	21	
Meta		87			43	
Microsoft	11	6		24	11	
Amazon	25	7		20	20	33
Supernico			24			
Others	28	1	19	17	4	12
Total	100	100	100	100	100	100

Note: Data is based on 2Q25 shipments

Source: Digitimes; KGI Research

Figure 6: Meta's upward revision to 2026F capex guidance will benefit major ODMs Wiyynn & Quanta

Shipments mix (%)	Inventec	Wiyynn	Wistron	Hon Hai	Quanta	Mitac	Others	Total
HPE	25		26	48			2	100
Dell	13		32	30			25	100
Inspur			3			48	52	103
Lenovo	16		2				82	100
Google	29			6	65			100
Meta		64			36			100
Microsoft	18	12		44	27			100
Amazon	26	9		23	29	13	1	100
Supernico			24				76	100

Note: Data is based on 2Q25 shipments

Source: Digitimes; KGI Research

Figure 7: Comparison – Cloud peer 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 (%)	
							2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F	2024	2025F
ODM	Hon Hai	2317 TT	83,612	180.0	Restricted	N.A.	12.85	14.46	16.8	12.5	14.0	12.4	1.4	1.4	10.6	11.3	3.2	3.8
	Inventec	2356 TT	5,237	43.7	Neutral	45.0	2.29	2.70	13.1	17.8	19.1	16.2	2.1	2.1	11.4	13.1	3.9	4.2
	Quanta	2382 TT	36,296	281.0	Outperform	325.0	16.52	19.62	6.7	18.7	17.0	14.3	4.6	4.3	27.9	31.2	4.6	4.7
	Wistron	3231 TT	12,567	119.5	Outperform	145.0	8.46	11.08	38.4	31.0	14.1	10.8	2.0	1.7	16.0	17.3	3.2	4.3
	Wwynn	6669 TT	16,438	2,645.0	Outperform	3,250.0	197.31	220.22	55.9	11.6	13.4	12.0	4.7	4.0	38.0	35.9	2.8	4.1
	Gigabyte Tech	2376 TT	6,127	273.5	Outperform	348.0	20.29	23.16	35.0	14.1	13.5	11.8	3.2	3.1	24.7	26.8	4.3	5.9
	Asustek Computer	2357 TT	16,517	665.0	Outperform	808.0	53.29	54.46	26.1	2.2	12.5	12.2	1.8	1.7	14.4	14.3	5.1	6.4
	Asrock	3515 TT	1,172	283.5	Outperform	302.0	17.12	23.18	62.4	35.4	16.6	12.2	3.4	3.0	21.5	25.9	1.9	3.0
Socket/ Connector/cable	Lotes	3533 TT	5,312	1,425.0	Outperform	1,885.0	73.57	104.75	(11.1)	42.4	19.4	13.6	4.0	3.5	21.7	27.4	2.9	2.6
	Bizlink Holding	3665 TT	5,513	850.00	Outperform	1,088.00	39.64	49.48	56.0	24.8	21.4	17.2	3.8	3.3	19.3	20.7	1.4	2.2
	Aces	3605 TT	307	59.90	Outperform	75.00	4.40	N.A.	75.1	N.A.	13.6	N.A.	1.3	N.A.	9.8	N.A.	1.3	2.2
	Argosy*	3217 TT	497	165.0	Not rated	N.A.	12.73	16.08	13.1	26.3	13.0	10.3	2.8	2.2	24.0	22.4	5.3	5.7
	Altop	3526 TT	514	236.0	Outperform	295.0	17.91	22.69	6.6	26.7	13.2	10.4	4.0	3.9	30.4	38.4	7.0	7.6
Rail kit	King Slide Works	2059 TT	8,286	2,600.0	Outperform	2,530.0	92.78	109.70	43.6	18.2	28.0	23.7	9.6	7.9	37.4	36.5	1.2	1.8
Thermal module	Sunonwealth	2421 TT	1,042	114.0	Outperform	127.0	7.21	8.64	32.1	19.8	15.8	13.2	3.7	3.4	24.0	26.7	3.2	4.5
	Auras	3324 TT	2,047	667.0	Outperform	791.0	33.56	49.44	58.1	47.3	19.9	13.5	5.8	4.7	31.0	38.1	1.5	2.4
	AVC	3017 TT	12,124	934.0	Outperform	820.0	36.26	45.78	71.0	26.2	25.8	20.4	10.0	8.0	43.2	43.4	1.1	1.8
	Kaori	8996 TT	934	305.5	Outperform	282.0	10.10	14.58	54.1	44.3	30.2	21.0	7.7	6.3	26.2	33.2	1.3	2.0
Heat spreader	Jentech*	3653 TT	6,213	1,300.0	Not rated	N.A.	42.46	55.00	75.8	29.5	30.6	23.6	N.A.	N.A.	N.M.	N.M.	1.1	N.A.
BBU	Simplo Tech	6121 TT	2,499	404.0	Outperform	465.0	31.00	32.98	7.4	6.4	13.0	12.2	1.9	1.9	15.3	15.5	5.1	5.4
	AES-KY	6781 TT	3,471	1,215.0	Outperform	1,290.0	38.66	51.61	52.3	33.5	31.4	23.5	6.3	5.6	21.2	25.2	1.0	1.6
Chassis	Chenbro	8210 TT	1,928	476.5	Outperform	600.0	25.65	34.31	59.8	33.8	18.6	13.9	6.6	5.4	39.0	42.6	1.6	2.7
BMC	Aspeed Tech*	5274 TT	5,843	4,620.0	Not rated	N.A.	89.78	114.50	31.9	27.5	51.5	40.3	27.1	21.2	55.0	58.5	1.1	1.4
Silicon photonics	Land Mark Opto	3081 TT	1,207	390.0	Neutral	350.0	4.55	11.66	N.M.	156.3	85.8	33.5	9.7	9.1	11.2	28.0	0.1	1.3
CCL	Iteq*	6213 TT	1,180	97.2	Not rated	N.A.	4.53	5.81	100.3	28.4	21.5	16.7	1.7	1.6	8.7	9.4	1.9	3.2
	Elite Material	2383 TT	12,872	1,110.0	Outperform	1,140.0	45.28	58.33	62.8	28.8	24.5	19.0	8.7	6.9	39.5	40.4	1.5	2.4
ABF	Unimicron Tech	3037 TT	6,906	135.0	Outperform	172.0	4.18	9.59	25.2	129.3	32.3	14.1	2.1	1.9	6.7	14.1	1.1	1.2
PCB	Gold Circuit	2368 TT	5,954	362.0	Outperform	330.0	16.28	20.33	41.1	24.9	22.2	17.8	7.4	6.0	35.4	37.3	1.7	2.2
Power	Delta	2308 TT	51,510	593.0	Outperform	686.0	20.43	24.51	50.7	20.0	29.0	24.2	6.4	5.6	22.5	24.6	1.2	1.8
	Lite-On Tech	2301 TT	9,512	121.5	Outperform	142.0	6.19	7.89	18.8	27.5	19.6	15.4	3.1	3.0	15.8	19.7	3.7	4.1
	Chicony Power	6412 TT	1,535	114.5	Not rated	N.A.	8.06	9.79	(3.3)	21.5	14.2	11.7	2.7	2.9	19.6	25.0	5.2	5.3
	AcBel Polytech*	6282 TT	818	28.5	Not rated	N.A.	N.M.	N.M.	N.M.	N.A.	N.A.	N.A.	N.A.	N.A.	N.M.	N.M.	0.0	N.A.
Foundry	TSMC	2330 TT	984,271	1,135.0	Outperform	1,350.0	59.96	67.61	32.5	12.8	18.9	16.8	5.5	4.5	32.3	29.4	1.5	1.8
Design service	Alchip Tech	3661 TT	10,140	3,755.0	Outperform	4,020.0	75.82	129.66	(6.8)	71.0	49.5	29.0	6.9	6.0	14.5	21.7	1.1	1.0
	Global Unichip	3443 TT	5,602	1,250.0	Neutral	1,400.0	28.88	33.45	12.2	15.8	43.3	37.4	11.0	9.7	29.2	27.6	1.3	1.4
Networking	Luxnet	4979 TT	895	190.0	Outperform	225.0	8.97	N.A.	137.0	N.A.	21.2	N.A.	6.0	N.A.	31.4	N.A.	0.8	2.1
	Accton Tech	2345 TT	16,606	885.0	Outperform	950.0	37.99	N.A.	76.8	N.A.	23.3	N.A.	10.8	N.A.	51.8	N.A.	1.4	2.4

* Bloomberg consensus

Source: Bloomberg; KGI Research estimates

Figure 8: Global server shipments by brand

Vendor	Server shipments ('000 units)																		
	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2019	2020	2021	2022	2023	2024
Dell EMC	542	496	526	484	366	362	343	366	332	365	363	381	357	2,050	1,950	2,064	2,048	1,437	1,441
HPE	300	269	345	380	252	238	209	212	231	235	216	210	192	1,546	1,392	1,319	1,294	911	892
Inspur Electronics	343	340	348	337	212	285	333	275	319	329	354	340	309	1,131	1,230	1,323	1,368	1,105	1,342
Lenovo	126	197	236	216	187	171	184	186	200	212	208	212	190	755	702	773	775	728	831
Supermicro	171	208	227	217	151	120	116	161	147	127	147	141	131	N.A.	496	614	823	548	561
xFusion Digital Technologies	120	136	139	144	90	114	105	135	120	142	144	159	133	N.A.	N.A.	154	539	444	565
H3C	88	109	92	132	73	90	79	96	99	113	79	101	90	254	345	458	422	339	391
PowerLeader	61	60	62	75	47	54	57	65	46	60	63	75	48	109	119	150	258	222	244
ZTE	N.A.	N.A.	N.A.	N.A.	44	102	77	77	69	80	76	94	87	N.A.	N.A.	N.A.	N.A.	300	319
Sugon	28	36	50	46	29	52	50	55	31	42	49	57	31	347	209	213	160	186	180
Others	1,528	1,536	1,354	1,722	1,228	1,240	1,276	1,388	1,260	1,281	1,334	1,446	1,369	6,344	6,228	5,850	6,140	5,132	5,320
Total	3,307	3,387	3,379	3,754	2,679	2,828	2,830	3,017	2,852	2,986	3,032	3,215	2,936	12,537	12,672	12,918	13,827	11,353	12,086
	YoY (%)																		
Dell EMC	11.0	(6.3)	5.6	(11.7)	(32.6)	(26.9)	(34.8)	(24.2)	(9.3)	0.9	5.8	3.8	7.7	(9.6)	(4.9)	5.8	(0.8)	(29.8)	34.5
HPE	(7.1)	(20.6)	9.0	11.2	(16.0)	(11.6)	(39.3)	(44.2)	(8.3)	(1.1)	3.3	(1.0)	(16.7)	(8.6)	(10.0)	(5.2)	(2.0)	(29.6)	27.7
Inspur Electronics	48.8	(2.3)	(2.3)	(13.2)	(38.2)	(16.2)	(4.2)	(18.5)	50.4	15.6	6.1	23.8	(3.3)	6.6	8.8	7.5	3.4	(19.2)	61.7
Lenovo	(25.4)	(2.4)	9.1	16.2	48.8	(13.2)	(22.1)	(13.8)	6.7	23.9	13.1	13.7	(4.7)	(1.3)	(7.1)	10.1	0.3	(6.0)	53.4
Supermicro	28.8	32.2	49.0	26.6	(12.1)	(42.3)	(48.7)	(25.7)	(2.5)	6.0	26.0	(12.8)	(10.7)	N.A.	N.A.	23.8	34.1	(33.4)	45.0
xFusion Digital Technologies	N.A.	N.A.	N.A.	(6.3)	(25.0)	(15.8)	(24.9)	(6.4)	33.8	24.3	37.8	17.6	10.5	N.A.	N.A.	N.A.	250.5	(17.7)	83.0
H3C	2.4	0.4	(28.3)	(1.3)	(16.8)	(17.3)	(14.2)	(27.4)	34.4	25.0	(0.3)	5.1	(9.2)	43.1	35.7	32.6	(7.8)	(19.7)	61.1
PowerLeader	206.8	171.3	126.1	(7.2)	(22.6)	(10.6)	(8.2)	(13.3)	(1.6)	11.5	10.7	15.6	3.3	26.4	9.6	25.9	71.4	(13.6)	55.3
ZTE	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	55.2	(21.4)	(1.9)	23.3	26.8	N.A.	N.A.	N.A.	N.A.	N.A.	42.8
Sugon	(5.0)	6.0	3.9	(54.7)	4.8	43.2	(0.9)	20.3	5.9	(18.4)	(1.2)	3.3	(0.4)	4.3	(39.8)	1.9	(24.8)	16.1	37.1
Others	21.3	2.1	(3.1)	2.0	(19.6)	(19.3)	(5.8)	(19.4)	2.6	3.2	4.5	4.2	8.7	(3.5)	(1.8)	(6.1)	5.0	(16.4)	42.1
Total	20.7	4.4	7.6	(1.1)	(19.0)	(16.5)	(16.3)	(19.6)	6.5	5.6	7.2	6.6	2.9	(3.2)	1.1	1.9	7.0	(17.9)	45.0
	QoQ (%)																		
Dell EMC	(1.0)	(8.6)	6.2	(8.1)	(24.4)	(1.0)	(5.2)	6.8	(9.5)	10.2	(0.5)	4.8	(6.2)						
HPE	(12.4)	(10.2)	28.1	10.4	(33.9)	(5.4)	(12.1)	1.4	8.8	2.0	(8.1)	(2.8)	(8.4)						
Inspur Electronics	(11.6)	(0.9)	2.3	(3.2)	(37.1)	34.4	17.0	(17.5)	16.1	3.3	7.3	(3.8)	(9.3)						
Lenovo	(32.3)	56.3	20.0	(8.4)	(13.4)	(8.7)	7.6	1.4	7.2	6.0	(1.9)	1.9	(10.2)						
Supermicro	0.1	21.5	9.0	(4.6)	(30.5)	(20.3)	(3.0)	38.3	(8.9)	(13.3)	15.3	(4.2)	(6.8)						
xFusion Digital Technologies	(22.0)	13.1	2.8	3.3	(37.6)	26.9	(8.3)	28.7	(10.7)	17.9	1.7	9.8	(16.1)						
H3C	(34.1)	23.5	(15.2)	43.1	(44.5)	22.9	(12.1)	21.1	2.8	14.2	(29.9)	27.7	(11.2)						
PowerLeader	(25.4)	(1.2)	3.2	21.8	(37.8)	14.3	6.0	15.0	(29.3)	29.4	5.2	20.2	(36.9)						
ZTE	N.A.	N.A.	N.A.	N.A.	N.A.	130.4	(23.8)	(1.2)	(10.5)	16.6	(4.9)	24.2	(8.0)						
Sugon	(72.1)	28.6	38.1	(8.4)	(35.6)	75.9	(4.4)	11.1	(43.3)	35.5	15.7	16.2	(45.3)						
Others	(9.5)	0.6	(11.9)	27.2	(28.7)	1.0	2.8	8.8	(9.3)	1.7	4.1	8.4	(5.3)						
Total	(12.8)	2.4	(0.2)	11.1	(28.6)	5.6	0.1	6.6	(5.4)	4.7	1.5	6.0	(8.7)						
	Global market share (%)																		
Dell EMC	16.4	14.6	15.6	12.9	13.6	12.8	12.1	12.1	11.6	12.2	12.0	11.8	12.2	16.4	15.4	16.0	14.8	12.7	11.9
HPE	9.1	7.9	10.2	10.1	9.4	8.4	7.4	7.0	8.1	7.9	7.1	6.5	6.5	12.3	11.0	10.2	9.4	8.0	7.4
Inspur Electronics	10.4	10.0	10.3	9.0	7.9	10.1	11.8	9.1	11.2	11.0	11.7	10.6	10.5	9.0	9.7	10.2	9.9	9.7	11.1
Lenovo	3.8	5.8	7.0	5.8	7.0	6.0	6.5	6.2	7.0	7.1	6.9	6.6	6.5	6.0	5.5	6.0	5.6	6.4	6.9
Supermicro	5.2	6.1	6.7	5.8	5.6	4.2	4.1	5.3	5.1	4.3	4.8	4.4	4.5	N.A.	3.9	4.8	6.0	4.8	4.6
xFusion Digital Technologies	3.6	4.0	4.1	3.8	3.4	4.0	3.7	4.5	4.2	4.8	4.8	4.9	4.5	N.A.	N.A.	1.2	3.9	3.9	4.7
H3C	2.7	3.2	2.7	3.5	2.7	3.2	2.8	3.2	3.5	3.8	2.6	3.1	3.1	2.0	2.7	3.5	3.1	3.0	3.2
PowerLeader	1.8	1.8	1.8	2.0	1.7	1.9	2.0	2.2	1.6	2.0	2.1	2.3	1.6	0.9	0.9	1.2	1.9	2.0	2.0
ZTE	N.A.	N.A.	N.A.	N.A.	1.6	3.6	2.7	2.5	2.4	2.7	2.5	2.9	3.0	N.A.	N.A.	N.A.	N.A.	2.6	2.6
Sugon	0.9	1.1	1.5	1.2	1.1	1.8	1.8	1.8	1.1	1.4	1.6	1.8	1.1	2.8	1.7	1.6	1.2	1.6	1.5
Others	46.2	45.4	40.1	45.9	45.8	43.9	45.1	46.0	44.2	42.9	44.0	45.0	46.6	50.6	49.1	45.3	44.4	45.2	44.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Gartner; KGI Research

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