IT Hardware

Top-five US CSPs' 2027F capex to top US$1.2tn

Key message

1. The top-four US CSPs' capex in 3Q26 (July-September) was slightly above consensus, while overall 2026 capex guidance was largely unchanged.
2. We think one of the major reasons for upward revisions to capex is rising component costs, in particular for memory, while the top-four US CSPs continue to emphasize aggressive AI infrastructure investment, supported by strong AI demand, cloud backlog growth, and persistent capacity constraints.
3. AI server demand will continue to be robust in 2026-27F, with 2027F capex likely to be revised up for CSPs. Nvidia (US) Vera Rubin and AMD's (US) MI455 GPUs, as well as CSPs' ASIC AI chips, will boost supply chain sales and earnings growth.
4. Key AI supply chain beneficiaries will include rack assembly, liquid-cooling, power supply, and PCB/CCL plays. Our top picks are Asia Vital Components (AVC; 3017 TT, NT$3,060, OP), Jentech Precision Industrial (3653 TT, NT$6,320, OP), Delta Electronics (2308 TT, NT$1,355, OP), Elite Material (EMC; 2383 TT, NT$4,705, OP), Gold Circuit Electronics (2368 TT, NT$1,060, OP), Chenbro Micom (8210 TT, NT$705, N), King Slide Works (2059 TT, NT$9,420, OP), Fositek (6805 TT, NT$2,350, OP), and Accton Technology (2345 TT, NT$1,615, OP), Quanta Computer (2382 TT, NT$318, OP), Wiwynn (6669 TT, NT$1,820, OP), Wistron (3231 TT, NT$181.5, OP), Hon Hai Precision (2317 TT, NT$251, OP) in Taiwan's supply chain, while our top US picks are Dell and Vertiv.

Event

The top-four US CSPs' capex in 3Q26 (July-September) was slightly above consensus, while overall 2026F capex exceeds previous guidance. While no concrete 2027F capex guidance were provided in recent earnings calls, CSPs are positive on future AI cloud prospects.

Impact

AI demand continues to outstrip supply as rising memory costs inflate infrastructure spending, lifting 2026-27F consensus CSP capex growth. CSPs' quarterly capex has been quite volatile, and is not a good indicator of future trends, as figures are determined by the delivery schedules of GPUs and components amid a supply-demand mismatch. In 3Q26, only Amazon Web Services (AWS; US) beat consensus capex, while the other three of the top-four CSPs missed (Figures 1-3). AWS and Google (US) reported exceptionally strong 3Q26 capex of US$77.3bn (up 120% YoY) and US$51.4bn (up 115% YoY), respectively, with AWS spending exceeding consensus by 32% but Google being under by 8%. Microsoft's (US) 3Q26 capex, including finance leases, reached US$45.2bn (up 30% YoY), 4% below consensus due to delays in third-party compute capacity deliveries, while Meta's (US) capex totaled US$34.9bn and up 80% YoY, 15% below consensus. Combined capex for the four major CSPs reached US$208.8bn in 3Q26, representing 84% YoY growth. Including estimated spending from Oracle (US), aggregate capex for the five largest US CSPs reached US$237.3bn in 3Q26, up 95% YoY and 26% QoQ, and exceeding consensus by approximately 3%. During the firm's most earnings call, AWS reaffirmed a 2026 capex target of approximately US$220bn, and indicated that spending will be meaningfully higher in 2027F. Google maintained 2026 capex guidance of US$195-205bn and likewise expects a substantial increase next year. Meta narrowed its capex range from US$130-145bn to US$135-145bn for 2026F, and noted that its 2027 budget and capacity plans are under development, while reiterating its commitment to invest aggressively in both core operations and new AI applications. Microsoft expects 4Q26F capex to exceed US$50bn, implying roughly US$170bn for full-year 2026F (higher than consensus of US$152bn), with spending set to reaccelerate in 1H27F due to a greater number of CPU and GPU deployments, including rising memory and storage costs, as well as delayed third-party compute capacity deliveries. Management teams across all major CSPs consistently emphasized that demand for AI computing capacity is outpacing supply, while revenue visibility has improved significantly. In addition, both AWS and Microsoft highlighted rising costs for memory and other key components, suggesting that capex growth reflects not only expanding infrastructure deployments but also higher unit costs across the AI supply chain. On the cloud front, AWS delivered 39.3% YoY revenue growth, marking its sixth consecutive quarter of acceleration. The firm's backlog reached US$578bn, growing at a triple-digit rate YoY, and management expects annual growth of over 40% in both 2027F and 2028F, with strong visibility into large-scale capacity demand across 2027-28F and even parts of 2029. Google Cloud reported revenue growth of 103% YoY as its backlog expanded to US$561bn. Amid ongoing supply constraints, Google began utilizing third-party compute capacity at the end of 3Q26, and external sales of its TPU systems are expected to ramp up significantly in 2027. Meanwhile, Microsoft's commercial remaining performance obligations (RPO) increased by 73% YoY to US$677bn in 3Q26, with management reiterating that customer demand still exceeds available supply (Figures 4-5). Overall, consensus forecasts aggregate capex by the five largest US CSPs to reach US$798.6bn in 2026F, representing 78% YoY growth, with company guidance implying a range of US$796.5-816.5bn. Looking ahead, the consensus 2027 capex growth forecast is 43% YoY, to more than US$1.14tn, underscoring the multi-year expansion cycle in AI infrastructure investment. We believe the latest earnings season reinforces our view that AI infrastructure investment is still in the early stages of a multi-year structural expansion cycle. Both AWS and Google have explicitly guided for higher capital expenditures in 2027, while Meta and Microsoft have signaled aggressive investment in AI infrastructure. As a result, we expect AI-related capex by hyperscaler CSPs to remain on a sustained multi-year growth trajectory, creating long-term revenue opportunities across the AI ecosystem, including AI semiconductors, high-bandwidth memory (HBM), PCB and IC substrates, networking equipment, servers, optical communications, liquid-cooling solutions, and power supply components.

Higher AI rack costs likely to boost 2027F capex to US$1.2-1.3tn; we expect 2027F capex to expand by US$400-500bn, higher than 2026's addition of US$350bn. During earnings calls, CSPs mostly did not offer concrete capex guidance for 2027F. Based on current consensus' estimates of US$1.14tn (up 43% YoY from US$799bn in 2026F) for the top-five US CSPs' 2027 capex, we think this is a conservative projection. We expect 2027 capex from the top-five CSPs to reach US$1.2-1.3tn, by US$400-500bn, when taking two methods of evaluation into account. First, as we expect Nvidia (US) AI servers deployed to total 80-85k GB300 and VR200 racks, and approximately 150k HGX racks in 2027F, with the top-five CSPs receiving 65-75% of shipments. We expect CSPs' total capex on Nvidia AI racks to increase by US$200-250bn YoY in 2027F, due to the much higher ASP for Vera Rubin (VR) racks, at over US$7mn per rack versus US$4-4.3mn for a Blackwell (GB) rack. AMD's (US) AI racks (MI450/ 455 Helios) carry ASP of US$5-5.3mn, and ASIC rack designs (Trainium3 and TPUv.8 mainly) ASP of US$0.6-1.6mn, so we expect top-five CSPs' 2027 equipment capex (server and networking) to grow by more than US$400bn YoY, implying growth of 50%-plus (Figure 10). Secondly, based on our estimate of the top-four US CSPs' data center expansion schedule, CSPs plan to deploy 24GW worth in 2027F versus 17GW in 2026F. We assume 4-4.5k racks per GW for VR200 and MI450 designs, and 10k racks for ASIC designs, and ASIC weightings of 65% for Google and 50% for AWS, but less than 10% ASIC weightings for Meta and Microsoft in 2027F, putting the capex required to meet the top-four US CSPs' deployment schedules at US$450-500bn (Figures 11-12). The only swing factor is the constraints on data center implementation timelines by utility supply availability. Via these estimation methods, we expect the top-five US CSPs' 2027F capex to increase by US$400-500bn to US$1.2-1.3tn, above consensus of US$1.14tn.

Robust AI server demand continues; CSPs' financials are deteriorating. As chip provider Intel (US) and AI Lab SpaceX (US) both expect AI server demand to continue growing robustly, we maintain our positive view on AI demand in 2027F. We expect more AI chips to come on stream after 4Q26F, including VR200, MI450/ 455, Trainium3 (T3) and TPUv.8t/ 8i, boosting the supply chain's shipments and sales growth in 2027F. We currently estimate 80-85k VR200 racks, 6k MI450 Helios racks, 70-75k T3 racks and 200k TPUv.8 racks will ship in 2027F. AI server specs will continue to upgrade for liquid cooling, power supply, CCL/ PCB/ substrate, networking/ CPO, and mechanical components. Plays with more complete AI model exposure should benefit the most. We also expect AI demand from outside the top-five US CSPs, with significant demand from neoclouds, AI labs, and enterprises, which will improve AI infrastructure for various platforms. However, market concerns remain regarding these consumers' financials, as free cash flow (FCF) has fallen into negative for many, including the top-five CSP combined, with Microsoft the only exception in 3Q26 (Figures 6-9). With capex continuing to grow, but operating cash flow not able to cover the increases, worsening financials may restrict financing channels or raise financing costs. We think this is the main factor for AI supply chains' valuation de-rating.

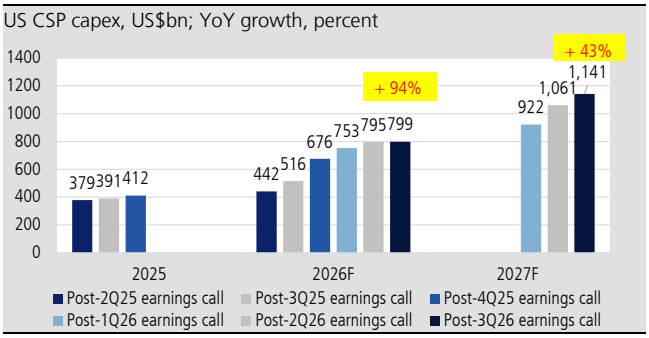
Stocks for Action

A positive capex trend in 2026F will continue in 2027F, with 2027F capex growth likely to be revised up further. We are positive on AI focused leading plays in each sector. Our top picks are Asia Vital Components (AVC; 3017 TT, NT$3,060, OP), Jentech Precision Industrial (3653 TT, NT$6,320, OP), Delta Electronics (2308 TT, NT$1,355, OP), Elite Material (EMC; 2383 TT, NT$4,705, OP), Gold Circuit Electronics (2368 TT, NT$1,060, OP), Unimicron (3037 TT, NT$997, OP), King Slide Works (2059 TT, NT$9,420, OP), Fositek (6805 TT, NT$2,350, OP), and Accton Technology (2345 TT, NT$1,615, OP), Quanta Computer (2382 TT, NT$318, OP), Wiwynn (6669 TT, NT$1,820, OP), Wistron (3231 TT, NT$181.5, OP), Hon Hai Precision (2317 TT, NT$251, OP) in Taiwan's supply chain, while our top US picks are Dell and Vertiv.

Risks

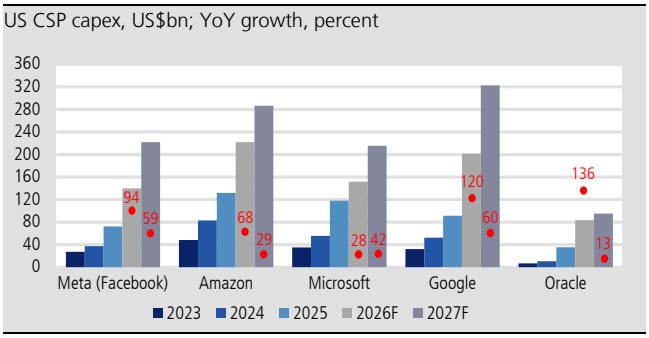
Sluggish demand; higher production or financing costs.

Figure 1: US CSPs raise 2026F capex, reflecting rising component costs



Source: Company data; Bloomberg; KGI Research

Figure 2: Consensus revised up 2026F capex for the top-five US CSPs; Oracle, Google & Meta had particularly strong capex growth



Source: Company data; Bloomberg, KGI Research

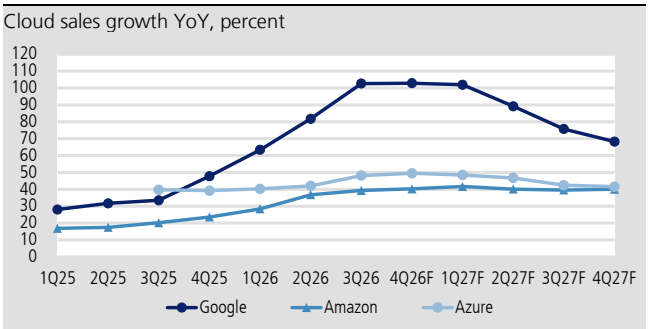
Figure 3: US CSPs' 2026F capex growth revised up to 78% YoY; 2027F capex expected to grow by 43% YoY

						Actual	Consensus			KGIe			Diff.		
Capex (US$mn)	**1Q26**	**2Q26**	**3Q26**	**Diff (%)**	**4Q26F**	**2025**	**2026F**	**2027F**	**2028F**	**2026F**	**2027F**	**2028F**	**2026F**	**2027F**	**2028F**
Meta (Facebook)	19,840	31,100	34,910	(15)	54,150	72,215	139,724	221,885	240,132	138,303	225,090	259,160	(1)	1	8
Amazon	44,203	54,208	77,259	32	44,330	131,819	221,991	286,496	317,876	222,384	316,400	341,733	0	10	8
Microsoft	31,900	41,000	45,200	(4)	51,900	118,000	151,828	215,502	236,624	177,400	243,403	277,433	17	13	17
Google	35,674	44,924	51,400	(8)	68,002	91,447	201,423	322,468	360,989	202,346	347,600	433,942	0	8	20
Oracle	18,635	16,493	28,499		12,834	35,477	83,671	95,115	98,895	83,671	95,115	98,895	-	-	-
US hyperscale subtotal	**150,252**	**187,725**	**237,268**	**3**	**231,216**	**448,958**	**798,636**	**1,141,466**	**1,254,514**	**824,104**	**1,227,609**	**1,411,163**	**3**	**8**	**12**
YoY (%)	**1Q26**	**2Q26**	**3Q26**		**4Q26F**	**2025**	**2026F**	**2027F**	**2028F**	**2026F**	**2027F**	**2028F**			
Meta (Facebook)	44.9	82.8	80.2		144.6	93.8	93.5	58.8	8.2	91.5	62.8	15.1			
Amazon	76.7	68.4	120.1		12.2	58.8	68.4	29.1	11.0	68.7	42.5	19.3			
Microsoft	49.1	69.4	29.5		38.4	112.4	28.7	41.9	9.8	50.3	37.2	14.0			
Google	107.4	100.1	114.6		144.2	74.1	120.3	60.1	11.9	121.3	71.8	24.8			
Oracle	217.9	81.6	235.2		6.7	230.2	135.8	13.7	4.0	135.8	13.7	4.0			
US Hyperscale subtotal	**80.7**	**78.9**	**94.8**		**66.3**	**87.8**	**77.9**	**42.9**	**9.9**	**83.6**	**49.0**	**15.0**			
QoQ (%)	**1Q26**	**2Q26**	**3Q26**		**4Q26F**	**2025**	**2026F**	**2027F**							
Meta (Facebook)	(10.4)	56.8	12.3		55.1										
Amazon	11.8	22.6	42.5		(42.6)										
Microsoft	(14.9)	28.5	10.2		14.8										
Google	28.1	25.9	14.4		32.3										
Oracle	54.9	(11.5)	72.8		(55.0)										
US Hyperscale subtotal	**8.1**	**24.9**	**26.4**		**(2.6)**										

Note: Meta and Microsoft's capex include finance leases, while other CSPs only include capex

Source: Company data; Bloomberg; KGI Research

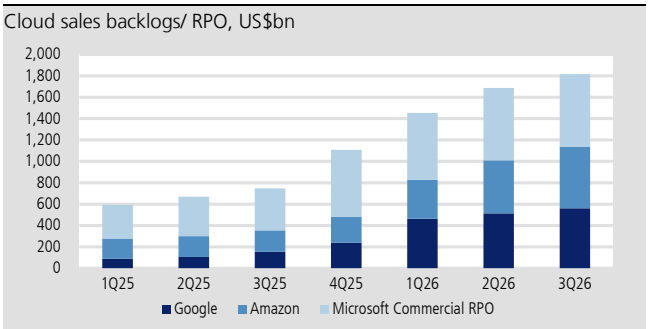
Figure 4: All CSPs' YoY cloud sales growth accelerated in 3Q26



Note: Microsoft's numbers are based on Azure YoY sales growth in constant currency.

Source: Company data; Bloomberg; KGI Research

Figure 5: Most CSPs saw surging backlogs in 3Q26, indicating strong customer demand



Note: Microsoft's numbers are from the company's commercial RPO, while Google & AWS" numbers represent their cloud sales RPO/ backlog.

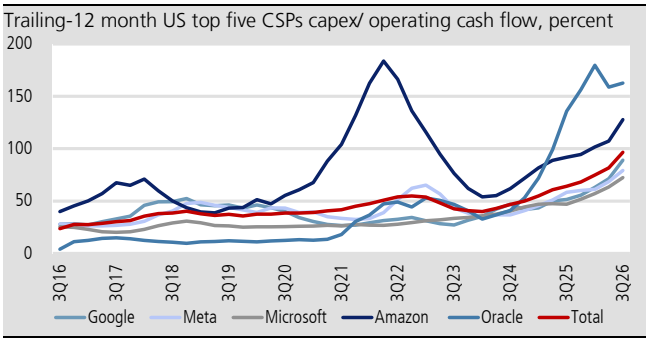
Source: Company data; Bloomberg, KGI Research

Figure 6: Top-five US CSP capex in 2026F to surpass total net income

Year	Capex(US$mn)	Net income (US$mn)	Capex / Net income (%)
2014	23,704	59,620	39.8
2015	26,018	62,396	41.7
2016	32,686	74,829	43.7
2017	42,605	93,795	45.4
2018	68,172	120,823	56.4
2019	70,648	129,835	54.4
2020	97,009	167,330	58.0
2021	130,717	255,980	51.1
2022	158,007	221,311	71.4
2023	154,383	298,913	51.6
2024	239,087	388,201	61.6
2025	411,528	467,072	88.1
2026F	798,636	651,899	122.5
2027F	1,141,466	614,773	185.7

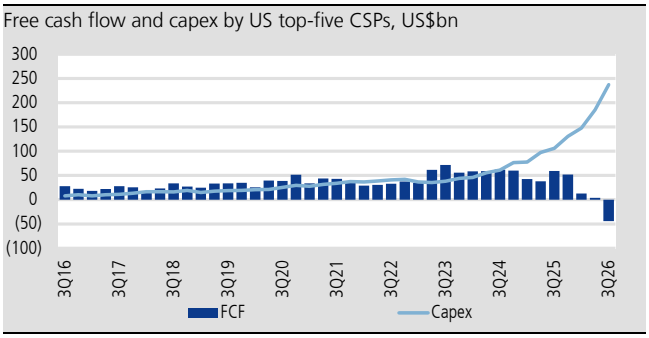
Source: Company data; Bloomberg; KGI Research

Figure 7: The top-five US CSPs' combined capex-to-operating cash flow ratio rose to 97% in 3Q26



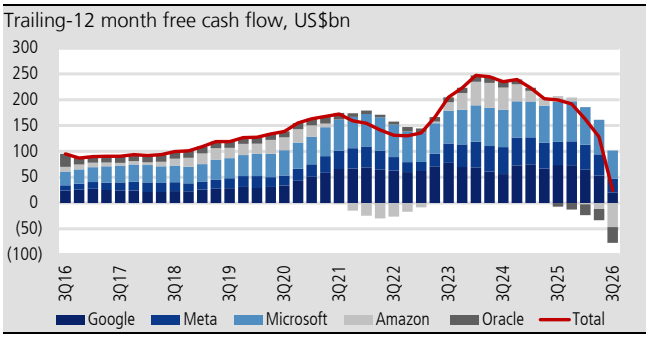
Source: Company data; Bloomberg, KGI Research

Figure 8: Top-five US CSPs saw 3Q26 FCF fall into negative territory on higher capital expenditures



Source: Company data; Bloomberg; KGI Research

Figure 9: Top-five US CSPs' 3Q26 FCF continued to fall QoQ



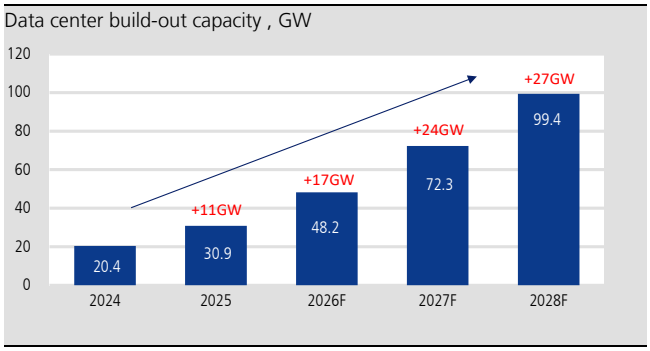
Source: Company data; Bloomberg, KGI Research

Figure 10: GPUs & ASIC to lead the US$406.3bn increase for the top-five US CSPs in 2027F AI server hardware capex

	Shipments (racks)		ASP (US$mn)		IT HW spending (US$bn)			
AI server	**2026F**	**2027F**	**2026F**	**2027F**	**2026F**	**2027F**	**Addition**	**Addition from 5 CSP**
Nvidia rack					**509.2**	**817.5**	**308.3**	**231.2**
GB200/300	67,000	25,000	3.8	4.2	254.6	254.6	254.6	*(75% of total capex)*
VR200	2,000	55,000	7.3	7.5	14.6	14.6	14.6	
HGX	150,000	150,000	1.6	2.0	240.0	240.0	240.0	
AMD rack					**8.0**	**38.8**	**30.8**	**30.8**
MI350	25,000	20,000	0.3	0.4	**7.5**	**7.0**	**(0.5)**	*(All from 5 CSP)*
455 Helios	100	6,000	5.2	5.3	**0.5**	**31.8**	**31.3**	
ASIC	147,800	278,000	0.8	1.0	**121.7**	**266.0**	**144.3**	**144.3**
AWS	43,800	72,000	0.5	0.9	19.7	61.2	41.5	*(All from 5 CSP)*
TPU	100,000	200,000	1.0	1.0	100.0	200.0	100.0	
Others	4,000	6,000	0.5	0.8	2.0	4.8	2.8	
Total	**391,800**	**528,000**			**638.9**	**1,122.3**	**483.4**	**406.3**
YoY (%)	*16.3*	*34.8*			*78.5*	*75.7*		

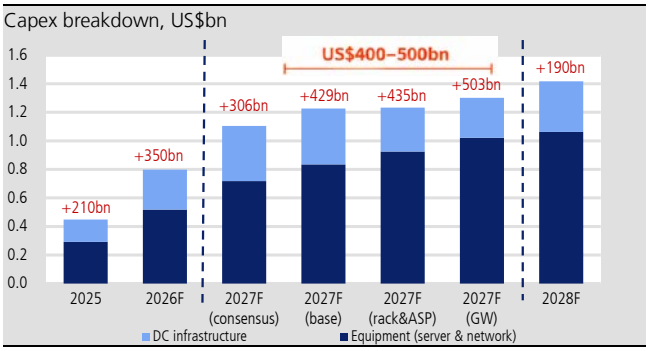
Source: Company data; Bloomberg; KGI Research

Figure 11: Data center build-out capacity is expected to increase by 24GW in 2027F & 27GW in 2028F



Source: Company data; Bloomberg; KGI Research

Figure 12: We expect the top-five CSPs' 2027F capex to increase by US$400-500bn, ahead of consensus



Source: Company data; Bloomberg, KGI Research

Figure 13: 2027F data center expansion with aggressive additions, led by Amazon &d Google for ASIC and Meta & Microsoft for Nvidia & AMD GPUs

			2026F chip weighting (%)			2027F chip weighting(%)		
GW addition	**2026F**	**2027F**	**NV**	**AMD**	**ASIC**	**NV**	**AMD**	**ASIC**
AMZN	5.5	7.5	60		40	50		50
GOOGL	5.1	7.9	64		36	35		65
MSFT	3.5	4.6	92	4	4	83	7	10
META	3.2	4.1	95	3	2	89	7	4
Racks per GW			6,000	6,000	20,000	4,500	4,000	10,000

Source: Company data; Bloomberg; KGI Research

Figure 14: Consensus for CSP, enterprise & neoclouds' capex growth is 97% YoY in 2026F & 40% in 2027F

Capex, US$mn	2021	2022	2023	2024	2025	2026F	2027F
Meta	18,567	31,431	27,266	37,256	69,691	139,724	221,885
Amazon	55,396	58,321	48,133	82,999	131,819	221,991	286,496
Microsoft	23,216	24,768	35,202	55,552	83,094	151,828	215,502
Google	24,640	31,485	32,251	52,535	91,447	201,423	322,468
Oracle	3,118	6,678	6,935	10,745	35,477	83,671	95,115
Baidu	1,689	1,586	1,580	1,130	1,680	3,538	3,503
Alibaba	8,311	5,014	4,477	10,540	16,869	26,226	28,313
Tencent	4,808	4,611	3,017	8,740	12,177	26,251	27,920
Hyperscale subtotal	**139,745**	**163,894**	**158,861**	**259,497**	**442,254**	**854,651**	**1,201,203**
Apple	10,388	11,692	9,564	10,074	12,133	11,241	13,618
IBM	2,062	1,346	1,245	1,128	1,617	1,649	1,656
Coreweave	N.A.	72	2,943	8,702	10,309	35,768	48,499
Nebius	606	750	1,073	808	4,066	24,526	31,719
Dell	2,796	3,003	2,756	2,665	2,646	4,415	4,850
Salesforce	717	798	736	656	648	683	739
Netflix	525	408	349	440	688	1,025	849
Enterprise subtotal	**17,094**	**18,069**	**18,666**	**24,472**	**32,107**	**79,307**	**101,930**
Total	**156,838**	**181,962**	**177,527**	**283,970**	**474,361**	**933,958**	**1,303,133**

YoY growth, percent	2021	2022	2023	2024	2025	2026F	2027F
Meta	22.8	69.3	(13.3)	36.6	87.1	100.5	58.8
Amazon	58.1	5.3	(17.5)	72.4	58.8	68.4	29.1
Microsoft	32.0	6.7	42.1	57.8	49.6	82.7	41.9
Google	10.6	27.8	2.4	62.9	74.1	120.3	60.1
Oracle	70.1	114.2	3.8	54.9	230.2	135.8	13.7
Baidu	129.1	(6.1)	(0.4)	(28.5)	48.7	110.5	(1.0)
Alibaba	30.3	(39.7)	(10.7)	135.4	60.0	55.5	8.0
Tencent	(15.9)	(4.1)	(34.6)	189.7	39.3	115.6	6.4
Hyperscale subtotal	**33.5**	**17.3**	**(3.1)**	**63.3**	**70.4**	**93.2**	**40.5**
Apple	19.4	12.6	(18.2)	5.3	20.4	(7.4)	21.2
IBM	(21.2)	(34.7)	(7.5)	(9.4)	43.4	2.0	0.4
Coreweave	N.M.	N.M.	3,964.9	195.7	18.5	247.0	35.6
Nebius	77.7	23.7	43.2	(24.8)	403.5	503.2	29.3
Dell	34.3	7.4	(8.2)	(3.3)	(0.7)	66.9	9.8
Salesforce	1.0	11.3	(7.8)	(10.9)	(1.2)	5.4	8.3
Netflix	5.4	(22.3)	(14.5)	26.1	56.6	49.0	(17.2)
Enterprise subtotal	**14.3**	**5.7**	**3.3**	**31.1**	**31.2**	**147.0**	**28.5**
Total	**31.1**	**16.0**	**(2.4)**	**60.0**	**67.0**	**96.9**	**39.5**

Note: Capex excluding finance leases

Source: Company data; Bloomberg; KGI Research

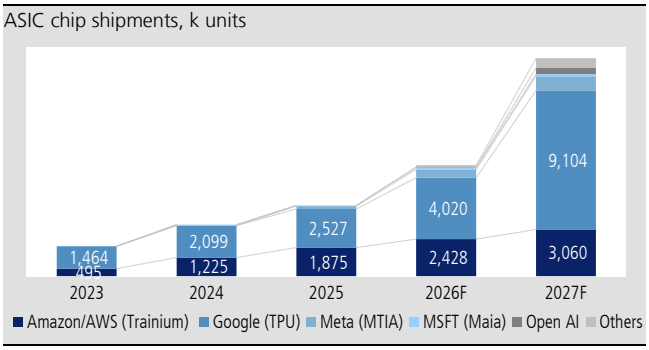
Figure 15: Nvidia GPU & CSP ASIC shipments to grow in 2026-27F

Chip shipments (k units)		2024	2025	2026F	2027F
ASIC	Google	2,099	2,527	4,020	9,104
	AWS	1,225	1,600	2,428	3,060
	Meta	300	350	209	400
	Microsoft	60	60	100	600
GPU	NVIDIA	3,838	5,310	8,535	8,626
	AMD	490	927	1,152	1,680

YoY(%)		2024	2025	2026F	2027F
ASIC	Google		20	59	126
	AWS		31	52	26
	Meta		17	(40)	91
	Microsoft		0	67	500
GPU	NVIDIA		38	61	1
	AMD		89	24	46

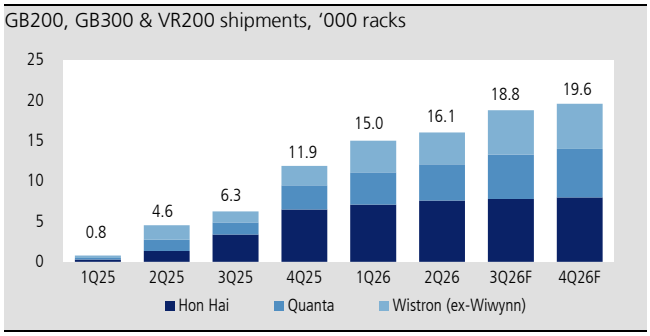
Source: KGI Research estimates

Figure 16: TPU AI chips to be the most shipped in 2027F



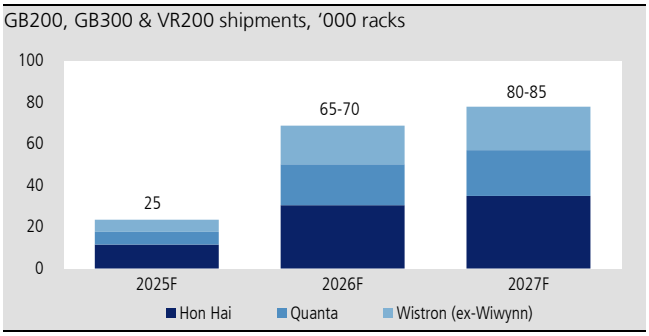
Source: KGI Research estimates

Figure 17: GB300 & VR200 AI server shipments are growing in 2H26F



Source: Company data; Bloomberg; KGI Research

Figure 18: GB300 & VR200 shipments were close to 70k racks in 2026F; 2027F shipments to rise to 80-85k racks



Source: Company data; Bloomberg, KGI Research

Figure 19: Companies offering diverse products (GPU & ASIC) & serving multiple clients are poised to benefit the most

			GPU		ASIC					GPU		ASIC	
Segment	Company	Ticker	NVIDIA GB/VR	AMD Helios	AWS Trainium / Google TPU		Segment	Company	Ticker	NVIDIA GB/VR	AMD Helios	AWS Trainium / Google TPU	
ODM	Hon Hai	2317 TT	✓			Google	Thermal	AVC	3017 TT	✓	✓	✓	✓
	Quanta	2382 TT	✓					Auras	3324 TT	✓		✓	
	Inventec	2356 TT	✓	✓		Google		Fositek	6805 TT	✓		✓	✓
	Wistron	3231 TT	✓					Jentech	3653 TT	✓	✓	✓	✓
	Wiwynn	6669 TT	✓	✓	✓		PCB/CCL/subsetate	GCE	2368 TT		✓	✓	✓
	Celestica	CLS US			✓	Google		EMC	2383 TT	✓	✓	✓	✓
	Flextronics	FLEX US	✓		✓	Google		TUC	6274 TT			✓	
	Jabil	JBL US	✓		✓			Unimicron	3037 TT	✓	✓	✓	✓
Power	Delta	2308 TT	✓	✓	✓	Google	Mechanical	King Slide	2059 TT	✓	✓	✓	
	Lite-On	2301 TT	✓		✓			Chenbro	8210 TT	✓	✓	✓	✓
AEC/power whip /busbar	BizLink	3665 TT	✓		✓			AVC	3017 TT	✓		✓	
	Credo	CRDO US	✓		✓			Nan Juen	6584 TT	✓		✓	
BBU	AES	6781 TT			✓		Networking	Accton	2345 TT			✓	
	Dynapack	3211 TT			✓			Ezconn	6442 TT				✓
								Landmark	3081 TT				✓

Source: KGI Research estimates

Figure 20: 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 (%)	
							2026F	2027F	2026F	2027F	2026F	2027F	2026F	2027F	2026F	2027F	2025	2026F
ODM	Hon Hai	2317 TT	112,120	251.0	Outperform	330.0	18.67	22.64	37.2	21.3	13.4	11.1	1.9	1.7	14.2	16.1	2.9	4.0
	Inventec	2356 TT	6,785	59.6	Neutral	65.0	3.51	4.45	44.6	27.0	17.0	13.4	2.7	2.6	16.2	19.8	3.4	4.7
	Quanta	2382 TT	41,453	318.0	Outperform	500.0	27.06	31.75	39.1	17.3	11.8	10.0	4.6	4.3	41.1	44.2	4.9	6.8
	Wistron	3231 TT	19,757	181.5	Outperform	308.0	19.96	31.06	120.7	55.6	9.1	5.8	2.7	2.1	31.6	40.0	3.0	6.5
	Wiwynn	6669 TT	32,294	1,820.0	Outperform	2,600.0	123.62	189.61	(49.2)	59.8	13.0	8.1	6.4	4.7	54.6	66.2	8.0	4.2
	Gigabyte Tech	2376 TT	7,756	339.5	Outperform	535.0	37.36	39.07	105.3	4.6	9.1	8.7	3.4	3.0	39.5	36.3	3.5	7.3
	Asustek Computer	2357 TT	21,497	912.0	Outperform	1,130.0	78.70	82.62	31.2	5.0	11.6	11.0	2.4	2.3	21.3	21.3	4.6	6.9
	Pegatron	4938 TT	8,704	102.5	Outperform	100.0	5.39	7.43	0.0	37.7	19.0	13.8	1.3	1.3	6.9	9.2	3.9	3.4
	Asrock	3515 TT	847	216.0	Outperform	290.0	19.44	22.01	27.2	13.3	11.1	9.8	2.1	1.9	19.2	20.1	5.1	5.4
Socket/ Connector/cable	Lotes	3533 TT	6,500	1,820.0	Outperform	2,710.0	82.37	123.18	17.4	49.5	22.1	14.8	4.8	4.1	22.7	29.7	1.9	2.3
	Bizlink Holding	3665 TT	10,292	1,625.00	Outperform	3,080.00	71.74	127.11	54.0	77.2	22.7	12.8	4.7	3.6	24.5	32.1	0.9	1.4
	Aces	3605 TT	898	161.50	Outperform	120.00	5.47	7.51	25.6	37.3	15.5	11.3	1.6	1.5	10.9	13.6	1.8	2.5
	Argosy*	3217 TT	345	120.5	Not rated	N.A.	12.10	14.07	(4.6)	16.3	10.0	8.6	2.2	1.9	N.M.	N.M.	8.3	N.A.
	Alltop	3526 TT	488	230.0	Outperform	380.0	20.73	28.17	22.2	35.8	11.1	8.2	3.6	3.6	32.3	43.7	7.3	8.9
Rail kit	King Slide Works	2059 TT	28,488	9,420.0	Outperform	15,000.0	336.97	500.02	226.4	48.4	28.0	18.8	20.3	13.2	88.8	84.7	0.5	1.8
	Nan Juen International	6584 TT	912	402.5	Outperform	730.0	14.21	24.32	154.2	71.2	28.3	16.5	7.7	6.2	29.5	42.2	0.6	1.8
Thermal	Sunonwealth	2421 TT	1,329	146.0	Outperform	190.0	10.68	13.75	34.5	28.8	13.7	10.6	4.1	3.7	32.4	38.0	0.0	5.4
	Auras	3324 TT	4,121	1,395.0	Outperform	1,950.0	55.01	99.35	94.6	80.6	25.4	14.0	9.2	6.7	40.8	55.6	0.9	1.7
	AVC	3017 TT	38,132	3,060.0	Outperform	4,340.0	107.68	173.61	119.0	61.2	28.4	17.6	17.7	11.3	74.5	77.3	0.7	1.5
	Fositek	6805 TT	5,113	2,350.0	Outperform	2,685.0	63.66	103.26	105.3	62.2	36.9	22.8	16.8	11.9	52.0	61.3	0.5	1.2
	Kaori	8996 TT	4,481	1,510.0	Outperform	2,270.0	23.08	42.75	154.6	85.2	65.4	35.3	24.3	16.2	43.1	55.1	0.3	0.8
	Microloops*	6831 TT	779	363.5	Not rated	N.A.	9.72	26.30	96.7	170.7	37.4	13.8	7.6	5.4	22.8	47.7	0.8	1.9
Heat spreader	Jentech	3653 TT	29,524	6,320.0	Outperform	10,000.0	68.78	196.23	87.2	185.3	98.9	34.7	37.2	26.1	40.6	88.5	0.3	0.7
BBU	Simplo Tech	6121 TT	2,190	373.0	Outperform	460.0	33.76	36.99	10.3	9.6	11.0	10.1	1.7	1.6	15.9	16.6	5.8	6.4
	AES-KY	6781 TT	2,407	888.0	Outperform	1,555.0	51.38	73.01	34.5	42.1	17.3	12.2	4.0	3.4	24.5	30.3	2.2	2.9
	Dynapack*	3211 TT	1,480	302.0	Not rated	N.A.	11.51	20.62	27.2	79.1	26.2	14.6	4.6	5.2	18.0	32.4	3.8	3.5
Chassis	Chenbro	8210 TT	2,810	705.0	Neutral	950.0	41.75	52.76	43.7	26.4	16.9	13.4	6.6	5.3	42.7	43.4	2.0	2.9
BMC	Aspeed Tech	5274 TT	20,619	15,625.0	Outperform	19,200.0	186.54	317.44	79.5	70.2	83.8	49.2	63.7	34.5	92.1	100.0	0.5	0.9
Silcon photonics	Land Mark Opto	3081 TT	7,807	2,415.0	Outperform	1,080.0	13.12	21.43	183.3	63.4	184.1	112.7	62.7	59.7	34.8	54.3	0.1	0.5
CCL	Iteq	6213 TT	7,569	656.0	Outperform	610.0	12.77	20.34	207.0	59.3	51.4	32.2	9.3	7.9	19.7	26.4	0.5	1.3
	Elite Material	2383 TT	53,502	4,705.0	Outperform	8,310.0	133.30	259.66	219.9	94.8	35.3	18.1	18.4	10.8	67.2	75.1	0.5	1.7
	Taiwan Union	6274 TT	11,499	1,210.0	Outperform	2,070.0	40.27	79.64	241.1	97.8	30.0	15.2	11.1	7.4	48.3	60.5	0.6	2.0
ABF	Unimicron Tech	3037 TT	51,930	997.0	Outperform	1,650.0	24.76	45.84	465.1	85.2	40.3	21.7	8.6	6.6	29.4	37.1	0.2	1.1
PCB	Gold Circuit	2368 TT	17,591	1,060.0	Outperform	2,000.0	41.49	71.44	112.9	72.2	25.5	14.8	9.8	6.8	48.5	54.8	0.9	2.2
Power	Delta	2308 TT	111,697	1,355.0	Outperform	2,140.0	37.60	62.12	62.5	65.2	36.0	21.8	10.2	7.7	31.8	40.1	0.9	1.4
	Lite-On Tech	2301 TT	17,898	243.5	Outperform	295.0	10.97	14.75	65.1	34.5	22.2	16.5	5.3	5.0	25.7	31.2	2.1	3.3
	Chicony Power	6412 TT	853	67.1	Not rated	N.A.	5.48	6.77	5.4	23.5	12.2	9.9	1.6	1.6	13.9	17.3	5.5	5.6
	AcBel Polytech*	6282 TT	1,065	39.2	Not rated	N.A.	1.08	1.88	500.0	74.1	36.3	20.9	N.A.	N.A.	4.0	6.7	2.0	N.A.
Foundry	TSMC	2330 TT	1,917,503	2,330.0	Outperform	3,650.0	112.24	145.29	69.4	29.4	20.8	16.0	7.8	5.6	44.3	40.9	0.9	1.2
OSAT	Ase Technology H	3711 TT	95,623	674.0	Outperform	1,050.0	20.26	34.86	118.8	72.0	33.3	19.3	7.2	5.9	24.3	34.8	1.0	0.8
	King Yuan Electronics	2449 TT	10,716	263.0	Outperform	300.0	8.96	14.07	(0.6)	57.1	29.4	18.7	5.7	4.8	20.5	27.8	0.4	2.0
Design service	Alchip Tech	3661 TT	9,299	3,395.0	Outperform	6,180.0	130.60	171.62	88.8	31.4	26.0	19.8	5.6	4.8	23.5	25.9	1.0	1.9
	Global Unichip	3443 TT	30,982	7,285.0	Outperform	5,870.0	50.99	130.40	81.3	155.7	142.9	55.9	49.4	30.2	41.8	67.0	0.3	0.5
Networking	Luxnet	4979 TT	1,931	426.0	Outperform	250.0	9.94	N.A.	84.2	N.A.	42.8	N.A.	11.3	N.A.	28.8	N.A.	0.5	0.9
	Accton Tech	2345 TT	28,758	1,615.0	Outperform	3,100.0	85.78	124.87	82.0	45.6	18.8	12.9	8.1	5.4	56.7	50.2	0.9	1.7

** Bloomberg consensus*
Source: Bloomberg; KGI Research estimates

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