

IT Hardware

Positive AI demand outlook from US CSPs, power & liquid cooling firms for 2026F

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 until 2026F.
2. The top-four US CSPs expect a positive capex trend for 2025-26F, but the market reacted negatively for some firms, due to concerns regarding expanded investment without good returns in the near term. We note the top-five CSPs' capex for 2025F is revised up to 63% YoY growth, versus 2024's 60% YoY and up from 60%, to US\$389.31bn. CSPs' capex growth in 2026F has also been revised to 27% YoY, up from 17%, to US\$496.21bn. Microsoft (US) and Google (US) saw the largest capex hikes.
3. Vertiv (US), a power supply and liquid cooling solution provider, and Flex (US), a power supply and system assembly firm, also expect strong data center demand for power supply and cooling products, echoing our views.
4. The solid capex guidance for 2025-26F will boost AI server demand and benefit the AI supply chain, particularly rack assemblers, liquid cooling, power supply, 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 3Q25 capex during recent earnings calls, and expect stronger-than-expected capex growth in 2026F. US power supply and liquid cooling solution firms are also positive on AI server market demand.

Impact

CSPs' capex to rise in 2025-26F, implying solid demand. During their latest earnings calls, the top-four US CSPs said they expect a positive capex trend in 2025-26F, but the market reacted negatively for some firms, due to concerns regarding expanded investment without good returns in the near term. We note the top-five CSPs' capex for 2025F is revised up to 63% YoY growth, versus 2024's 60% YoY and up from 60%, to US\$389.31bn. CSPs' capex growth in 2026F has also been revised to 27% YoY, up from 17%, to US\$496.21bn. Among five hyperscaler CSPs, Meta (US) had the most aggressive upward revision to capex guidance, with the expectation of YoY growth of 88-91% in 2025F and over 45% in 2026F, and the firm said the capex dollar value increase in 2026F will be greater than in 2025F, which is much stronger than the consensus expectation of 40% YoY growth in 2026F. Microsoft's (US) capex revision was also ahead of consensus, guiding FY26F (FY ends June) capex growth to be greater than FY25's 45% YoY. In addition, the consensus 2026F capex forecast was revised up for Google (US) and Oracle (US) to growth of 23% and 33% YoY, respectively, to reflect their strong investments in AI infrastructure, training models and AI application expansion. These CSPs expect the AI hardware shortage will continue through 4Q25-2026F (Microsoft said at least to 1H26F, Google said lasting through 4Q25-2026F, and Amazon (US) said it will work hard to expand capacity). We see this as a positive sign for AI server demand over the next year. Based on their combined capex to operating cash flow ratio of 64%, and improving free cash flow (FCF) in 3Q25 amid growing capex, CSP financials remains healthy. We expect solid AI demand in 2026F.

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 will engage the power and liquid product upgrade with Nvidia's (US) GPU migration for 800-VDC power cabinets in 2H26F and liquid-cooled products. Flex mentioned that the integration requirements of data centers for cooling, power, and assembly businesses are increasing and will see its market share gain on more ASIC demand like Google and Microsoft. They both cast demand positives to echoes our views.

GB-series AI server demand up QoQ but ASIC AI demand down QoQ in 4Q25F; positive 2026F GPU & ASIC server demand unchanged. In 4Q25F, we expect GB200/ 300 server shipments to grow QoQ, with total shipments of 11-13k racks, up from 6-7k racks in 3Q25. However, Amazon Web Services' (AWS; US) ASIC AI server shipments may enter a transition period before the next-model Trainium 2.5/3 system in mass production in 1Q26F and 2H26F, respectively. We expect GB and Vera Rubin (VR)-series AI server rack shipments to grow from 23-25k in 2025F to 55-60k in 2026F. We also expect greater shipment volumes of ASIC models for AWS, Google and Meta in 2026F. Thus, GB-series supply chain will benefit from sales growth in 4Q25F-2026F, and ASIC supply chain sales growth will be triggered after 2Q26F. Key upgrades to components in GB300 racks will be rising quick disconnect (QD) adoption and upgrades to power supplies, liquid cooling, and PCB/ CCL. As for the VR-series systems that are scheduled to launch in 2H26F, we also anticipate rising liquid cooling, power supply and CCL/ PCB content value due to the higher TDP, of close to 220kW, compared to the 136kW in a GB300 rack.

Stocks for Action

Solid capex in 2025-26F will boost AI server demand and benefit the AI supply chain. Our top picks are Hon Hai Precision (2317 TT), Quanta Computer (2382 TT), Wistron (3231 TT), Asia Vital Components (AVC; 3017 TT), Delta Electronics (2308 TT), Elite Material (2383 TT) and Gold Circuit Electronics (2368 TT).

Risks

Sluggish demand; higher production or financing costs.

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

Google

- 3Q25 capex was US\$24.0bn, up 83% YoY and 7% QoQ, beating consensus by 7%, with the vast majority invested in technical infrastructure (60% for servers and 40% for data centers and networking equipment).
- The company raised 2025F capex guidance to US\$91-93bn (75% YoY), up 8% from the midpoint in previous guidance, implying 4Q25F capex will grow by 19% QoQ.
- Management expects 2026F capex to grow significantly, and will provide more details on 2026F capex guidance in the next earnings call.
- Despite the mass build-out in data centers and computing capacity, management expects a tight demand-supply environment throughout 4Q25-2026F given strong demand, with surging enterprise demand growing the cloud backlog by 46% QoQ and 82% YoY to US\$155bn.

Meta

- 3Q25 capex (including finance leases) was US\$19.4bn in 3Q25, beating consensus by 4%, driven by investments in servers, data centers and network infrastructure.
- The company raised 2025F capex guidance to US\$70-72bn, up 91% YoY, revised up 3% from previous guidance of US\$69-72bn.
- Management expects 2026F capex growth in dollar terms to be notably larger than in 2025F, implying 2026F capex will grow by at least US\$32.7bn (based on the lower bound of 2025F capex guidance), to over US\$102.7bn, up 45% YoY.

Microsoft

- FY1Q26 (FY ends June) capex (including finance leases) was up 75% YoY and 44% QoQ to US\$34.9bn, with US\$15.5bn of finance leases, beating consensus by 16%.
- Management said roughly half of the capex in FY1Q26 was for short-lived assets, such as GPUs and CPUs for AI and EOL servers and networking equipment replacement, and the remaining half was for long-lived assets, such as leases on data centers sites.
- Given accelerating demand and a growing RPO (Remaining Performance Obligation (RPO) refers to the portion of signed contracts that a company has yet to fulfill.) balance of US\$400bn at the end of FY1Q26, management guides FY2Q26 capex to grow QoQ. The company expects the FY26F capex growth rate to be higher than FY25's level of 45% YoY.
- Microsoft expects to be capacity-constrained through at least the end of FY26F (FY ends June), as the company's needs for technical infrastructure purchases will remain high.
- Azure sales increased by 39% YoY in FY1Q26, beating consensus by 2ppts, and the company expects Azure sales to grow by 37% YoY in FY2Q26F, also beating consensus' 36%, as demand remains significantly ahead of capacity.

Amazon

- Amazon's capex grew by 55% YoY and 9% QoQ to US\$35.1bn in 3Q25, beating consensus by 10%, primarily on AI, core services, and Trainium ASIC demand.
- As the company makes significant investments in AI, management guides 2025F capex of US\$125bn, up 51% YoY, increased from previous guidance of US\$121-122bn, and implying 4Q25F capex of US\$32.7bn, up 17% YoY.

- Management says that the company has focused on accelerating capacity, adding more than 3.8GW of power use in the last twelve months, and expects to add another 1GW of capacity in 4Q25F, primarily for Trainium ASIC and Nvidia GPU servers.
- AWS sales grew by 20% YoY to US\$33bn in 3Q25, roughly in line with consensus, driven by strong demand for AI and core services, as well as additional capacity.

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 12% QoQ and 30% YoY to US\$9.5bn in FY3Q25 (June-to-September; fiscal year ends December), and a solid book-to-bill ratio of 1.4 (1.2 in FY2Q25), supported by robust order growth from data center customers.
- For FY4Q25, the company guides total sales of US\$2.81-\$2.89bn, implying a 7% QoQ and 40% YoY growth at the midpoint, driven by solid demand in the Americas (up 37-39% YoY), APAC (up 4-6% YoY). EMEA demand is expected to decline by 7-9% YoY due to power availability and stricter regulations on setting up data centers.
- Management raises full-year sales guidance for 2025F, lifting the midpoint by 2% to US\$10.2bn, implying growth of 27% YoY, driven by demand growth in the Americas and the APAC region. EMEA demand is expected to recover in 2H26F.
- Management observes that the addressable market per MW has reached US\$3-3.5 mn. In addition, Vertiv's 800VDC product is expected to launch in 2H26F, directly aligning with Nvidia's (US) planned release of the Rubin Ultra platform in 2027F.

Flex

- Flex raised its FY2026 (fiscal year ends March) sales guidance, lifting the midpoint by 2% to US\$27bn (up 5% YoY), driven by solid AI server demand across cloud (rack assemblies, liquid-cooling solutions) and power. The data center segment remains the key sales growth driver, with sales expected to reach US\$6.5bn (up 35% YoY). Both cloud and power sales are set to grow.
- Flex has partnered with Nvidia as part of the next-gen 800-V DCAI factory ecosystem. These systems aim to improve energy efficiency, reduce cooling costs, and minimize single points of failure as data centers scale in size and complexity.
- The company expects to expand capacity for cloud and power segments. Management plans to acquire a new asset in Poland, has made additional investments in compute operations in Guadalajara, Mexico, and the US, announced a new facility in Dallas, and is expanding its Fontana and Columbia sites to add power capability.

Figure 1: Positive US CSP capex guidance drives upward revisions to up 68% and 24% YoY for 2025-26F

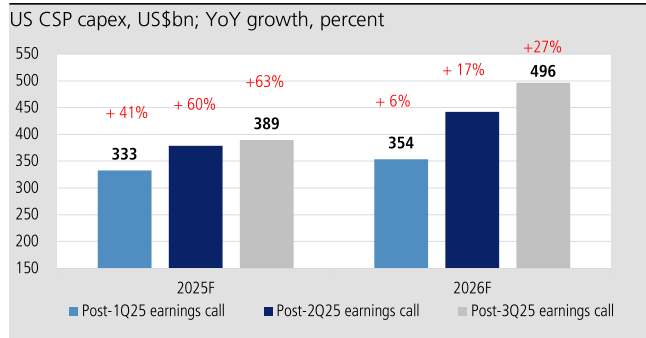


Figure 2: Market lifted 2025-26F capex estimates for the US top-4 CSPs, with META showing particularly strong growth in 2026F

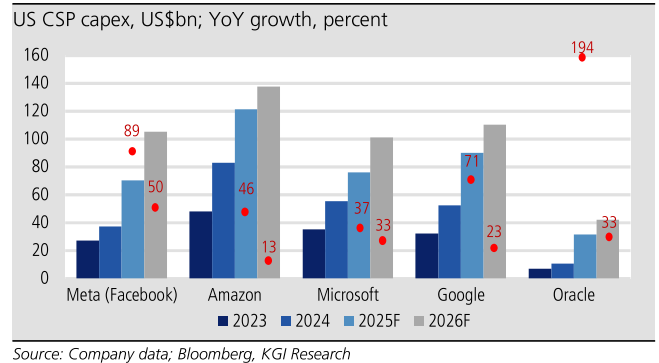


Figure 3: US CSPs' 2025F capex growth revised to 63% YoY, with further revisions possible in 2026F

Capex (US\$mn)	1Q25	2Q25	3Q25	4Q25F	Actual				Guidance	
					2023	2024	2025F	2026F	2025F	2026F
Meta (Facebook)	12,941	16,538	18,829	22,039	27,266	37,256	70,347	105,183	71,000	102,700
Amazon	25,019	32,183	35,095	28,884	48,133	82,999	121,181	137,535	125,000	
Microsoft	16,745	17,079	19,394	22,824	35,202	55,552	76,135	101,109		
Google	17,197	22,446	23,953	26,430	32,251	52,535	90,026	110,348	92,000	
Oracle	5,862	9,080	8,502	8,173	6,935	10,745	31,617	42,036		
US hyperscale subtotal	77,764	97,326	105,773	108,443	149,787	239,087	389,306	496,212		
YoY (%)	1Q25	2Q25	3Q25	4Q25F	Actual				Guidance	
					2023	2024	2025F	2026F	2025F	2026F
Meta (Facebook)	102.2	102.3	128.0	52.8	(13.3)	36.6	88.8	49.5	90.6	46.0
Amazon	67.6	82.7	55.2	3.8	(17.5)	72.4	46.0	13.5	50.6	
Microsoft	52.9	23.1	30.0	44.4	42.1	57.8	37.1	32.8		
Google	43.2	70.2	83.4	85.1	2.4	62.9	71.4	22.6	75.1	
Oracle	250.2	224.5	269.2	105.9	3.8	54.9	194.2	33.0		
US Hyperscale subtotal	69.2	74.9	72.9	42.1	2.6	59.6	62.8	27.5		
QoQ (%)	1Q25	2Q25	3Q25	4Q25F	Actual				Guidance	
					2023	2024	2025F	2026F	2025F	2026F
Meta (Facebook)	(10.3)	27.8	13.9	17.0						
Amazon	(10.1)	28.6	9.0	(17.7)						
Microsoft	6.0	2.0	13.6	17.7						
Google	20.5	30.5	6.7	10.3						
Oracle	47.7	54.9	(6.4)	(3.9)						
US Hyperscale subtotal	1.9	25.2	8.7	2.5						

Note: Capex excluding finance leases

Source: Company data; Bloomberg; KGI Research

Figure 4: Top-five US CSPs capex in 2025F yet 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	255,670	51.1
2022	158,007	219,210	72.1
2023	149,787	295,849	50.6
2024	239,087	388,100	61.6
2025F	389,306	446,307	87.2
2026F	496,212	482,986	102.7

Source: Company data; Bloomberg; KGI Research

Figure 5: The US top-five CSPs lifted their capex-to-operating-cash-flow ratio to 64% in 3Q25

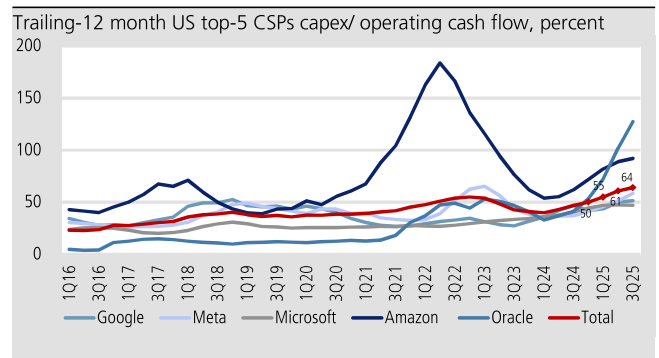
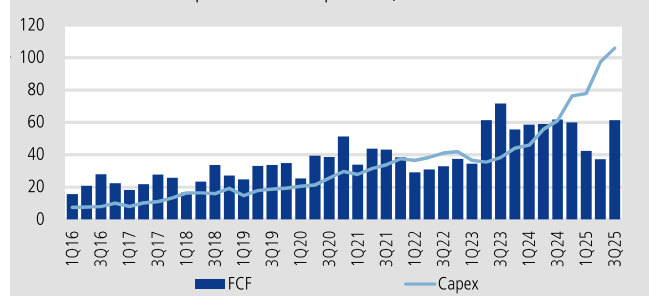


Figure 6: Despite ongoing capex increases, the US top-five CSPs saw 3Q25 FCF improve QoQ rather than deteriorate

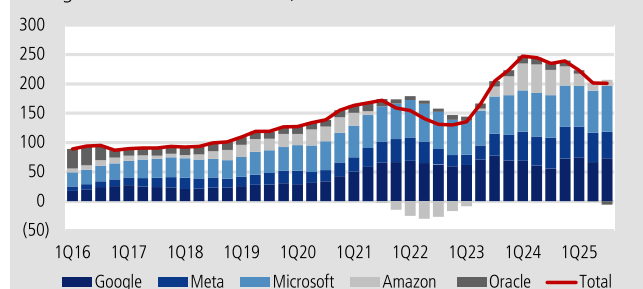
Free cash flow and capex from US top-5 CSP, US\$bn



Source: Company data; Bloomberg; KGI Research

Figure 7: Top 5 US CSPs' Capex keeps rising, but 3Q25 FCF remains stable

Trailing-12 month free cash flow, US\$bn



Source: Company data; Bloomberg; KGI Research

Figure 8: Consensus expects CSPs' capex to grow by 62% YoY in 2025F and 25% in 2026F; Coreweave (US) is the key capex growth enterprises in 2025F

Capex, US\$m	2021	2022	2023	2024	2025F	2026F
Meta	18,567	31,431	27,266	37,256	70,347	105,183
Amazon	55,396	58,321	48,133	82,999	121,181	137,535
Microsoft	23,216	24,768	35,202	55,552	76,135	101,109
Google	24,640	31,485	32,251	52,535	90,026	110,348
Oracle	3,118	6,678	6,935	10,745	31,616	42,036
Baidu	1,689	1,586	1,580	1,130	1,526	1,524
Alibaba	8,311	5,014	4,477	10,542	18,253	17,571
Tencent	4,808	4,611	3,017	9,675	12,409	12,608
Hyperscale subtotal	139,745	163,894	158,861	260,433	421,494	527,915
Apple	10,388	11,692	9,564	9,995	13,663	14,786
IBM	2,062	1,346	1,245	1,048	1,494	1,628
Coreweave	N.A.	72	2,943	8,702	20,261	17,724
Nebius	606	750	1,073	808	3,069	6,475
Dell	2,796	3,003	2,756	2,652	2,740	3,035
Salesforce	717	798	736	658	721	814
Netflix	525	408	349	440	589	622
Enterprise subtotal	17,094	18,069	18,666	24,302	42,536	45,084
Total	156,838	181,962	177,527	284,736	464,030	572,999
YoY growth, percent	2021	2022	2023	2024	2025F	2026F
Meta	22.8	69.3	(13.3)	36.6	88.8	49.5
Amazon	58.1	5.3	(17.5)	72.4	46.0	13.5
Microsoft	32.0	6.7	42.1	57.8	37.1	32.8
Google	10.6	27.8	2.4	62.9	71.4	22.6
Oracle	70.1	114.2	3.8	54.9	194.2	33.0
Baidu	129.1	(6.1)	(0.4)	(28.5)	35.1	(0.1)
Alibaba	30.3	(39.7)	(10.7)	135.5	73.1	(3.7)
Tencent	(15.9)	(4.1)	(34.6)	220.7	28.3	1.6
Hyperscale subtotal	33.5	17.3	(3.1)	63.9	61.8	25.2
Apple	19.4	12.6	(18.2)	4.5	36.7	8.2
IBM	(21.2)	(34.7)	(7.5)	(15.8)	42.5	9.0
Coreweave	N.M.	N.M.	3,964.9	195.7	132.8	(12.5)
Nebius	77.7	23.7	43.2	(24.7)	279.9	111.0
Dell	34.3	7.4	(8.2)	(3.8)	3.3	10.8
Salesforce	1.0	11.3	(7.8)	(10.6)	9.5	13.0
Netflix	5.4	(22.3)	(14.5)	26.1	34.1	5.5
Enterprise subtotal	14.3	5.7	3.3	30.2	75.0	6.0
Total	31.1	16.0	(2.4)	60.4	63.0	23.5

Source: Company data; Bloomberg; KGI Research

Figure 9: Quanta Computer & Wiywynn's main server clients are CSPs; Hon Hai & Inventec have some enterprise clients

Shipments mix (%)	Inventec	Wiywynn	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
Supermicro			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 10: Meta's upward revision to 2026F capex guidance will benefit major ODMs Wiywynn & Quanta

Shipments mix (%)	Inventec	Wiywynn	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
Supermicro			24				76	100

Note: Data is based on 2Q25 shipments

Source: Digitimes; KGI Research

Figure 11: Comparison – Cloud peer valuations

Sector	Company	Ticker	Market cap. (US\$m)	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	116,986	257.5	Outperform	335.0	13.38	18.60	21.6	39.0	19.2	13.8	2.1	1.9	11.0	14.4	2.3	2.7
	Inventec	2356 TT	5,357	45.9	Neutral	46.0	2.49	2.90	22.9	16.3	18.4	15.8	2.3	2.2	12.4	14.0	3.7	4.3
	Quanta	2382 TT	37,763	300.5	Outperform	350.0	16.73	19.43	8.0	16.1	18.0	15.5	4.9	4.6	28.2	30.9	4.3	4.4
	Wistron	3231 TT	15,573	150.5	Outperform	185.0	8.27	11.59	35.3	40.1	18.2	13.0	2.5	2.2	15.7	18.2	2.5	3.3
	Wiywynn	6669 TT	26,391	4,365.0	Outperform	4,520.0	252.81	290.34	99.7	14.8	17.3	15.0	7.4	6.1	47.6	44.4	1.7	3.2
	Gigabyte Tech	2376 TT	6,128	280.5	Outperform	355.0	20.62	23.68	37.2	14.8	13.6	11.8	3.3	3.2	25.1	27.3	4.2	5.9
	Asustek Computer	2357 TT	16,843	697.0	Outperform	775.0	50.17	53.17	18.7	6.0	13.9	13.1	1.9	1.8	13.6	14.0	4.9	5.8
Socket/ Connector/cable	Asrock	3515 TT	1,290	321.0	Outperform	307.0	16.61	24.28	57.6	46.2	19.3	13.2	3.8	3.4	20.9	27.1	1.7	2.6
	Lotes	3533 TT	5,052	1,380.0	Outperform	1,885.0	73.41	104.54	(11.3)	42.4	18.8	13.2	3.9	3.4	21.6	27.2	3.0	2.6
	Bizlink Holding	3665 TT	8,848	1,395.00	Outperform	1,170.00	42.14	53.19	65.9	26.2	33.1	26.2	6.6	5.7	21.0	23.3	0.9	1.5
	Aces	3605 TT	344	69.00	Outperform	75.00	4.25	5.00	69.1	17.7	16.2	13.8	1.5	1.4	9.6	10.7	1.1	1.9
	Argosy*	3217 TT	538	183.5	Not rated	N.A.	12.44	15.74	10.5	26.5	14.8	11.7	3.5	2.7	25.4	27.7	4.8	4.3
Rail kit	Alltop	3526 TT	523	247.0	Outperform	325.0	17.48	21.78	4.1	24.6	14.1	11.3	4.1	4.1	29.8	37.1	6.7	7.2
	King Slide Works	2059 TT	12,743	4,110.0	Outperform	4,100.0	86.16	136.68	33.4	58.6	47.7	30.1	15.3	12.1	35.0	44.9	0.8	1.1
Thermal module	Sunonwealth	2421 TT	1,343	151.0	Outperform	150.0	7.05	8.80	29.2	24.9	21.4	17.2	4.9	4.5	23.5	27.3	2.5	3.3
	Auras	3324 TT	3,150	1,055.0	Outperform	1,205.0	29.11	52.55	37.1	80.5	36.2	20.1	9.3	7.5	27.2	41.0	0.9	1.3
	AVC	3017 TT	17,996	1,425.0	Outperform	1,695.0	48.71	70.82	129.7	45.4	29.3	20.1	14.4	10.6	56.3	60.8	0.7	1.7
	Kaori	8996 TT	1,857	624.0	Outperform	476.0	8.98	16.25	37.0	80.9	69.5	38.4	15.3	12.2	22.9	35.4	0.6	1.0
Heat spreader	Jentech*	3653 TT	9,904	2,130.0	Not rated	N.A.	37.10	55.99	53.6	50.9	57.4	38.0	17.4	13.8	33.0	38.9	0.7	0.9
BBU	Simplo Tech	6121 TT	2,109	350.5	Outperform	465.0	31.00	32.98	7.4	6.4	11.3	10.6	1.7	1.6	15.3	15.5	5.8	6.3
	AES-KY	6781 TT	3,279	1,180.0	Outperform	1,290.0	38.66	51.61	52.3	33.5	30.5	22.9	6.2	5.4	21.2	25.2	1.1	1.6
Chassis	Chenbro	8210 TT	3,649	927.0	Outperform	920.0	28.06	41.80	74.8	49.0	33.0	22.2	12.7	9.9	42.3	50.1	0.8	1.5
BMC	Aspeed Tech	5274 TT	6,727	5,470.0	Outperform	6,100.0	89.08	122.28	30.9	37.3	61.4	44.7	29.4	22.8	53.2	57.4	1.0	1.2
Sikon photonics	Land Mark Opto	3081 TT	1,281	425.5	Neutral	450.0	4.32	12.82	N.M.	196.9	98.5	33.2	10.2	9.4	10.4	29.3	0.1	0.8
CCL	Iteq*	6213 TT	1,382	117.0	Not rated	N.A.	4.88	6.93	115.8	42.1	24.0	16.9	2.1	2.0	8.6	11.7	1.5	3.1
	Elite Material	2383 TT	15,596	1,360.0	Outperform	1,300.0	43.62	59.00	56.9	35.3	31.2	23.1	10.6	8.5	38.7	41.6	1.3	1.9
ABF	Unimicron Tech	3037 TT	8,137	163.5	Outperform	202.0	3.57	9.16	6.9	156.3	45.8	17.9	2.6	2.3	5.7	13.5	0.9	1.0
PCB	Gold Circuit	2368 TT	7,449	465.5	Outperform	475.0	18.42	26.40	59.7	43.3	25.3	17.6	9.4	7.3	39.6	46.4	1.3	2.0
Power	Delta	2308 TT	84,086	995.0	Outperform	1,075.0	22.33	28.86	64.7	29.3	44.6	34.5	10.5	8.9	24.4	27.9	0.7	1.2
	Lite-On Tech	2301 TT	13,530	179.5	Outperform	212.0	6.77	8.43	29.8	24.6	26.5	21.3	4.7	4.3	17.2	21.0	2.5	2.8
	Chicony Power	6412 TT	1,176	90.2	Not rated	N.A.	6.13	7.90	(26.5)	28.8	14.7	11.4	2.3	2.2	16.6	21.6	6.7	6.0
	AcBel Polytech*	6282 TT	1,218	43.6	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	1,265,541	1,500.0	Outperform	1,900.0	64.58	76.89	42.7	19.1	23.2	19.5	7.5	5.8	35.3	33.6	1.1	1.3
Design service	Alchip Tech	3661 TT	9,212	3,495.0	Outperform	5,280.0	72.90	131.98	(10.4)	81.0	47.9	26.5	6.4	5.4	14.1	22.2	1.1	1.0
	Global Unichip	3443 TT	6,671	1,530.0	Neutral	1,400.0	28.88	33.45	12.2	15.8	53.0	45.7	13.5	11.9	29.2	27.6	1.0	1.2
Networking	Luxnet	4979 TT	935	204.0	Outperform	250.0	5.40	9.94	42.6	84.2	37.8	20.5	7.2	5.4	20.1	28.8	0.8	1.1
	Accton Tech	2345 TT	19,716	1,080.0	Outperform	1,180.0	44.13	47.17	105.4	6.9	24.5	22.9	12.9	10.7	59.3	51.0	1.1	2.3

* Bloomberg consensus

Source: Bloomberg; KGI Research estimates

Figure 12: Global server shipments by brand

Vendor	Server shipments ('000 units)																			
	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	2020	2021	2022	2023	2024	1H25
Dell EMC	542	496	526	484	366	362	343	366	332	365	363	381	357	344	1,950	2,064	2,048	1,437	1,441	701
HPE	300	269	345	380	252	238	209	212	231	235	216	210	192	194	1,392	1,319	1,294	911	892	386
Inspur Electronics	343	340	348	337	212	285	333	275	319	329	354	340	309	201	1,230	1,323	1,368	1,105	1,342	510
Lenovo	126	197	236	216	187	171	184	186	200	212	208	212	190	197	702	773	775	728	831	387
Supermicro	171	208	227	217	151	120	116	161	147	127	147	141	131	147	496	614	823	548	561	278
xFusion Digital Technologies	120	136	139	144	90	114	105	135	120	142	144	159	133	182	N.A.	154	539	444	565	315
H3C	88	109	92	132	73	90	79	96	99	113	79	101	90	132	345	458	422	339	391	222
PowerLeader	61	60	62	75	47	54	57	65	46	60	63	75	48	62	119	150	258	222	244	110
ZTE	N.A.	N.A.	N.A.	N.A.	44	102	77	77	69	80	76	94	87	90	N.A.	N.A.	N.A.	300	319	177
Sugon	28	36	50	46	29	52	50	55	31	42	49	57	31	38	209	213	160	186	180	70
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	1,352	6,228	5,850	6,140	5,132	5,320	2,721
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	2,940	12,672	12,918	13,827	11,353	12,086	5,877
	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	(5.9)	(4.9)	5.8	(0.8)	(29.8)	0.2	0.6
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)	(17.5)	(10.0)	(5.2)	(2.0)	(29.6)	(2.1)	(17.1)
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)	(38.9)	8.8	7.5	3.4	(19.2)	21.5	(21.4)
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)	(7.1)	(7.1)	10.1	0.3	(6.0)	14.1	(5.9)
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)	15.8	N.A.	23.8	34.1	(33.4)	2.4	1.6
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	28.3	N.A.	N.A.	250.5	(17.7)	27.4	20.2
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)	17.6	35.7	32.6	(7.8)	(19.7)	15.5	5.1
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	4.7	9.6	25.9	71.4	(13.6)	9.7	4.0
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	12.3	N.A.	N.A.	N.A.	N.A.	6.3	19.0
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)	(9.1)	(39.8)	1.9	(24.8)	16.1	(3.5)	(5.4)
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	5.6	(1.8)	(6.1)	5.0	(16.4)	3.7	7.1
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	(1.5)	1.1	1.9	7.0	(17.9)	6.5	0.7
	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)	(3.7)						
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)	0.9						
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)	(34.8)						
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)	3.4						
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)	12.5						
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)	37.0						
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)	47.9						
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)	31.1						
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)	3.3						
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)	23.7						
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)	(1.2)						
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)	0.1						
	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	11.7	15.4	16.0	14.8	12.7	11.9	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	6.6	11.0	10.2	9.4	8.0	7.4	6.6
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	6.8	9.7	10.2	9.9	9.7	11.1	8.7
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	6.7	5.5	6.0	5.6	6.4	6.9	6.6
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	5.0	3.9	4.8	6.0	4.8	4.6	4.7
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	6.2	N.A.	1.2	3.9	3.9	4.7	5.4
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	4.5	2.7	3.5	3.1	3.0	3.2	3.8
Cisco	1.2	1.4	1.2	0.8	1.3	1.0	1.3	1.2	1.1	0.9	1.0	0.8	0.9	0.8	1.8	1.5	1.2	1.2	0.9	0.8
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	2.1	0.9	1.2	1.9	2.0	2.0	1.9
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	3.1	N.A.	N.A.	N.A.	2.6	2.6	3.0
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	1.3	1.7	1.6	1.2	1.6	1.5	1.2
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	46.0	49.1	45.3	44.4	45.2	44.0	46.3
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	100.0

Source: Gartner; KGI Research

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