Company update | Electronics · Taiwan

FTSE4Good TIP Taiwan ESG Index stock

Quanta Computer

(2382.TW/2382 TT)

2Q26 EPS beat; 2H26F margins stable on consignment support

Outperform · Maintained

Price as of August 13 (NT$)	325.0
12M target price (NT$)	500.0
Previous target price (NT$)	430.0
Revised up (%)	16.3
Upside (%)	53.8

Key message

1. 2Q26 EPS of NT$7.43 beat our forecast and consensus with sales, margins and non-operating profit all beating.
2. Management expects 3Q26F AI server sales to grow QoQ, but NB shipments to decline by over 20% QoQ. AI server sales weighting to expand further, with the firm targeting 80% of 2026F server sales.
3. Consignment-based AI server projects from 3Q26F to ease working capital and margin pressure. ASIC and general server sales growth will be accretive to margins.

Trading data

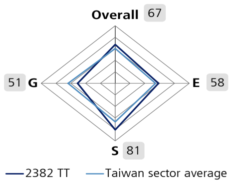
Mkt cap (NT$bn/US$mn)	1,335 / 41,406
Outstanding shares (mn)	4,108
Foreign ownership (mn)	936
3M avg. daily trading (mn)	22.77
52-week trading range (NT$)	253.5 –417.0

Performance	3M	6M	12M
Absolute (%)	-4.6	13.6	19.7
Relative (%)	-15.8	-23.3	-69.1

Quarterly EPS

NT$	1Q	2Q	3Q	4Q
2024	3.13A	3.92A	4.32A	4.12A
2025	5.06A	4.37A	4.26A	5.76A
2026	5.50A	7.43A	7.11F	7.03F

ESG score card



Event

Quanta Computer reported 2Q26 EPS of NT$7.43, strongly beating our forecast and consensus with better-than-expected margins and non-operating profit. Management is increasingly confident on AI server growth and will continue expanding plants in Taiwan and the US, aiming to double capacity in 2026F and double Taiwan capacity in 2028F.

Impact

2Q26 EPS a beat. 2Q26 EPS was NT$7.43, up 35% QoQ and 70% YoY, beating our forecast and consensus on higher-than-expected revenue, margins and non-operating profit. NB shipments growth of 15% QoQ (to 11.5mn units) beat guidance of moderate growth, while the cloud server sales (up over 30% QoQ) weighting stayed high at over 80%, both triggering strong sales growth of 28% QoQ and 106% YoY. With one-off costs from product sample testing in 1Q26, 2Q26 gross margin improved QoQ to 5%, while AI server was stable at 75-80% of server sales, leading to operating margin expansion QoQ to 3.3% on increased sales. Better-than-expected 2Q26 margins, coupled with forex gains of NT$3.27bn, resulted in an EPS beat. 1H26 EPS arrived at NT$12.93, up 37% YoY, with operating profit up 27%.

Better visibility for AI server demand; doubling total capacity in 2026F & Taiwan capacity in 2028F. Key investor meeting takeaways: (1) 3Q26F AI server sales will continue growing QoQ but with the growth rate slower than 2Q26 due to the high base. GB is migrating to VR smoothly, and thus Quanta maintains its target of doubling AI server sales, to comprise 80% of total server sales in 2026F; (2) some clients/ projects will become consignment-based (from buy-and-sell based) after 3Q26F to ease working capital pressure. But as the consignment sales weighting will be minimal in 2H26F, 2H26F operating margin will be stable vs. 1H26; (3) ASIC and neocloud sales contribution is still small currently, but will rely more on ODM and drive up earnings if contribution increases; (4) to meet strong AI-related demand in coming years, the firm has raised 2026F capex from NT$30bn to NT$40bn for plant expansion in Taiwan, the US and Thailand, and targets global capacity to double in 2026F and double in Taiwan in 2028F; and (5) automobile segment sales following market adjustments have resumed growth, rising by double digits QoQ and YoY in 2Q26, despite a sales weighing below 5%. Long-term auto sales growth will be positive. Near term, we expect 3Q26F sales to grow 8% QoQ, on growing AI and general server demand, despite NB shipments falling by over 20% QoQ. We also expect a higher ASP for next-generation VR AI server to boost earnings on margin-dollar expansion, despite likely gross margin dilution. We believe AI server sales will continue fueling earnings growth in 2027F. With a stable operating margin outlook, we adjust 2026F EPS to NT$27.06, up 39% YoY, and forecast 2027F EPS of NT$31.75, up 17% YoY.

Valuation & Action

We raise our target price from NT$430 to NT$500, based on 17x average 2026-27F EPS, and maintain our Outperform rating on solid AI server sales and EPS growth in 2026-27F.

Risks

Weak NB demand; low AI server margin; component cost increases and tight supply.

Key financials and valuations

	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Revenue (NT$mn)	1,085,611	1,410,756	2,123,689	4,219,196	5,220,407
Gross profit (NT$mn)	84,883	110,760	148,332	205,683	246,905
Operating profit (NT$mn)	43,550	61,622	87,396	133,776	165,023
Net profit (NT$mn)	39,676	59,702	74,988	104,310	122,397
EPS (NT$)	10.29	15.49	19.45	27.06	31.75
Cash DPS (NT$)	9.00	13.00	15.60	21.60	25.35
EPS growth (%)	37.0	50.5	25.6	39.1	17.3
PE (x)	31.6	21.0	16.7	12.0	10.2
PB (x)	6.7	5.6	5.2	4.7	4.3
EV/EBITDA (x)	22.8	18.0	13.8	10.6	9.4
Net debt to equity (%)	Net cash	28.9	53.4	123.8	160.6
Dividend yield (%)	2.8	4.0	4.8	6.6	7.8
Return on average equity (%)	22.3	29.2	32.2	41.1	44.2

Source: Company data, KGI Research estimates

Figure 1: Breakdown of 2Q26 results & 3Q26 forecast revisions vs. consensus

	2Q26							3Q26F						
NT$mn	Actual	KGI forecast	Diff. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)	Revision	Previous	Chg. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)
Sales	1,036,593	971,065	6.7	28.1	105.6	971,483	6.7	1,119,520	1,019,619	9.8	8.0	126.0	965,023	16.0
Gross profits	52,079	45,155	15.3	34.6	46.6	48,526	7.3	55,976	47,922	16.8	7.5	65.0	48,840	14.6
Operating income	34,244	27,675	23.7	48.7	67.8	29,774	15.0	36,384	30,589	18.9	6.3	98.0	30,215	20.4
Pretax Income	36,561	27,148	34.7	49.0	69.1	29,817	22.6	35,336	30,061	17.5	(3.4)	69.0	30,459	16.0
Net income	28,651	20,975	36.6	35.2	69.9	23,414	22.4	27,387	23,247	17.8	(4.4)	66.7	23,720	15.5
EPS (NT$)	7.43	5.44	36.6	35.1	69.9	6.07	22.4	7.11	6.03	17.8	(4.4)	66.8	6.15	15.5
Gross margin (%)	5.0	4.7	0.4 ppts	0.2 ppts	(2.0)ppts	5.0	0.0 ppts	5.0	4.7	0.3 ppts	(0.0)ppts	(1.8)ppts	5.1	(0.1)ppts
OP margin (%)	3.3	2.9	0.5 ppts	0.5 ppts	(0.7)ppts	3.1	0.2 ppts	3.3	3.0	0.2 ppts	(0.1)ppts	(0.5)ppts	3.1	0.1 ppts
Net margin (%)	2.8	2.2	0.6 ppts	0.1 ppts	(0.6)ppts	2.4	0.4 ppts	2.4	2.1	0.3 ppts	(0.3)ppts	(0.9)ppts	2.5	(0.0)ppts

Source: Bloomberg; KGI Research estimates

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

	2026F						2027F					
NT$mn	Revision	Previous	Diff. (%)	YoY (%)	Consensus	Diff. (%)	Revision	Previous	Chg. (%)	YoY (%)	Consensus	Diff. (%)
Sales	4,219,196	3,921,485	7.6	98.7	3,698,381	14.1	5,220,407	4,722,229	10.5	23.7	4,681,783	11.5
Gross profit	205,683	184,488	11.5	38.7	184,068	11.7	246,905	223,353	10.5	20.0	227,113	8.7
Operating income	133,776	114,935	16.4	53.1	113,474	17.9	165,023	140,749	17.2	23.4	140,681	17.3
Pretax Income	134,284	115,016	16.8	40.9	116,324	15.4	157,540	115,016	37.0	17.3	141,640	11.2
Net income	104,310	89,143	17.0	39.1	92,794	12.4	122,397	107,723	13.6	17.3	110,936	10.3
EPS (NT$)	27.06	23.13	17.0	39.1	24.07	12.4	31.75	27.95	13.6	17.3	28.78	10.3
Gross margin (%)	4.9	4.7	0.2 ppts	4.9 ppts	5.0	(0.1)ppts	4.7	4.7	(0.0)ppts	(0.1)ppts	4.9	(0.1)ppts
OP margin (%)	3.2	2.9	0.2 ppts	3.2 ppts	3.1	0.1 ppts	3.2	2.9	0.2 ppts	(0.0)ppts	3.0	0.2 ppts
Net margin (%)	2.5	2.3	0.2 ppts	2.5 ppts	2.5	(0.0)ppts	2.3	2.3	0.1 ppts	(0.1)ppts	2.4	(0.0)ppts

Source: Bloomberg; KGI Research estimates

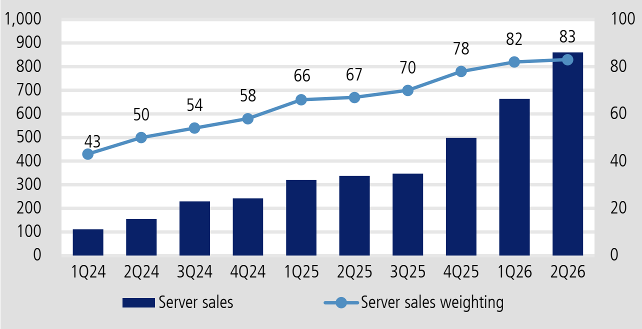
Figure 3: Server sales weighting rising in 2026F

Sales weighting (%)	2019	2020	2021	2022	2023	2024	2025	2026F	2027F
NB / Chromebook	43	53	54	48	41	29	22	11	8
Cloud server	23	24	26	27	35	52	71	85	88
EV	1	2	3	6	8	8	3	2	1
Wearable / IoT / Others	32	21	18	19	16	11	3	3	2

Source: KGI Research estimates

Figure 4: 1H26 server sales weighting grew to over 80%

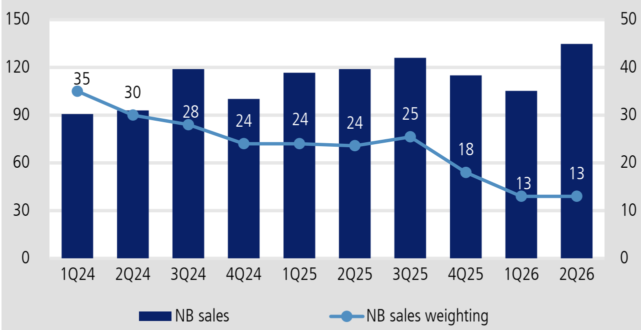
Server sales, NT$bn (LHS); sales weighting, percent (RHS)



Source: Company data; KGI Research

Figure 5: NB sales weighting fell to below 15% in 1H26

NB sales, NT$bn (LHS); sales weighting, percent (RHS)



Source: Company data; KGI Research

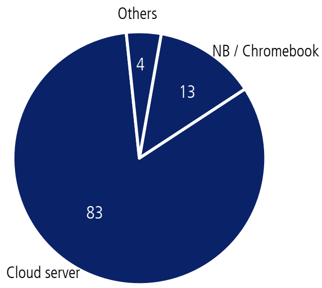
Figure 6: Company profile

Established in 1988, Quanta Computer is the world's second largest NB ODM, with shipment volume of 45.9mn units and global market share of 24-25% in 2024. Its major clients include the top six global NB brands, such as Apple (US) and HP (US). The company has over 30k employees worldwide. It is currently expanding into other businesses, including servers, all-in-one (AIO) PCs, wearables, and AI. Cloud business is expected to be a long-term sales growth driver. In 2025, server accounted for 70% of sales, while NB sales fell to 20-25% and EV to 0-5%.

Source: KGI Research

Figure 7: 1H26 NB sales weighting down to below 15%; server weighting rose above 80%

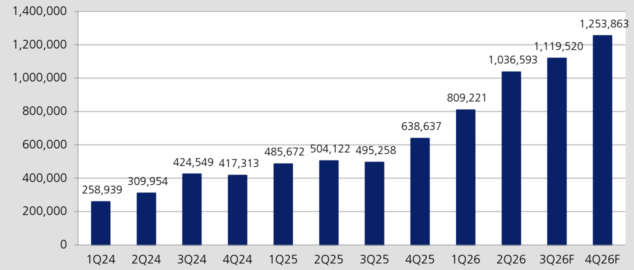
1H26 sales weighting, percent



Source: Company data; KGI Research

Figure 8: Sales

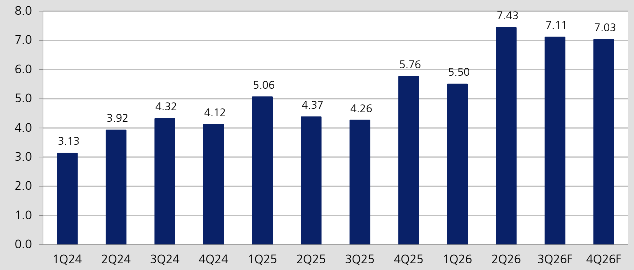
Sales, NT$mn



Source: KGI Research

Figure 9: EPS

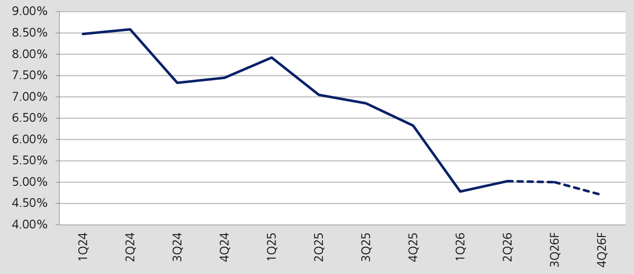
EPS, NT$



Source: KGI Research

Figure 10: Gross Margin

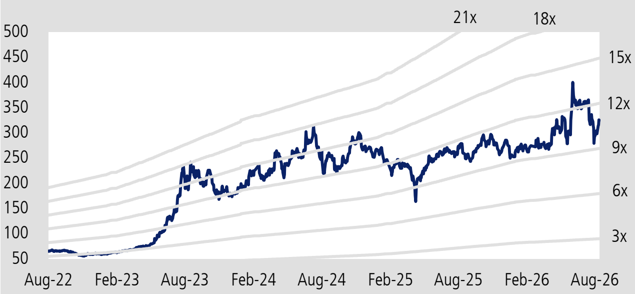
Gross margin, percent



Source: KGI Research

Figure 11: 12M forward PE band

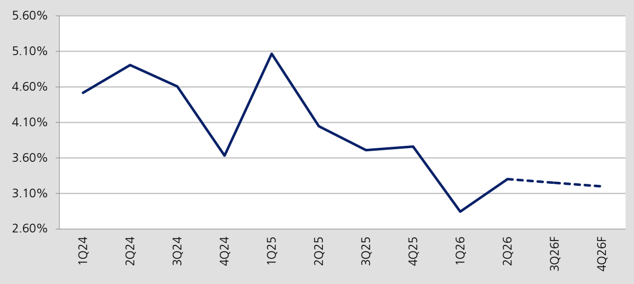
Share price, NT$ (LHS); PE ratio, x (RHS)



Source: KGI Research

Figure 12: Operating Margin

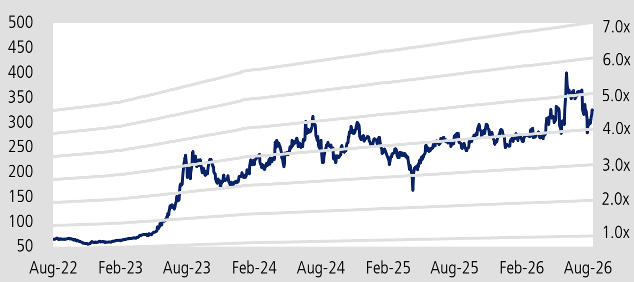
Operating margin, percent



Source: KGI Research

Figure 13: 12M forward PB band

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



Source: KGI Research

Income statement

	Quarterly								Annually		
	Mar-25A	Jun-25A	Sep-25A	Dec-25A	Mar-26A	Jun-26A	Sep-26F	Dec-26F	Dec-25A	Dec-26F	Dec-27F
Income statement (NT$mn)											
Revenue	**485,672**	**504,122**	**495,258**	**638,637**	**809,221**	**1,036,593**	**1,119,520**	**1,253,863**	**2,123,689**	**4,219,196**	**5,220,407**
Cost of goods sold	(447,189)	(468,588)	(461,340)	(598,239)	(770,524)	(984,514)	(1,063,544)	(1,194,931)	(1,975,357)	(4,013,513)	(4,973,501)
Gross profit	**38,483**	**35,533**	**33,918**	**40,398**	**38,697**	**52,079**	**55,976**	**58,932**	**148,332**	**205,683**	**246,905**
Operating expenses	(13,882)	(15,130)	(15,544)	(16,380)	(15,673)	(17,835)	(19,592)	(18,808)	(60,936)	(71,907)	(81,882)
Operating profit	**24,600**	**20,403**	**18,374**	**24,019**	**23,024**	**34,244**	**36,384**	**40,124**	**87,396**	**133,776**	**165,023**
Depreciation of fixed assets	(2,670)	(2,630)	(2,766)	(3,025)	(3,256)	(3,579)	(3,705)	(4,280)	(11,091)	(14,820)	(18,195)
Amortisation of intangible assets	(363)	(335)	(303)	(349)	(380)	(453)	(388)	(330)	(1,351)	(1,550)	(1,550)
EBITDA	**27,634**	**23,368**	**21,443**	**27,392**	**26,660**	**38,276**	**40,477**	**44,733**	**99,837**	**150,147**	**184,769**
Interest income	1,411	2,038	1,361	2,097	1,496	2,418	1,890	1,757	6,907	7,561	5,775
Investment income	20	-	-	14	-	-	13	38	33	50	60
Other non-op income	1,664	1,432	3,214	3,480	3,593	4,014	1,200	693	9,790	9,500	4,000
Non-operating income	**3,095**	**3,470**	**4,574**	**5,591**	**5,089**	**6,432**	**3,103**	**2,487**	**16,731**	**17,111**	**9,835**
Interest expense	(2,413)	(2,251)	(2,035)	(2,128)	(3,570)	(4,111)	(4,026)	(4,396)	(8,827)	(16,103)	(16,817)
Investment loss	(14)	(5)	(5)	(3)	(6)	(4)	(13)	(28)	(27)	(50)	(50)
Other non-op expenses	(0)	(0)	(0)	(0)	(0)	(0)	(113)	(338)	-	(450)	(450)
Non-operating expenses	**(2,426)**	**(2,256)**	**(2,040)**	**(2,132)**	**(3,576)**	**(4,115)**	**(4,151)**	**(4,761)**	**(8,854)**	**(16,603)**	**(17,317)**
Pre-tax profit	**25,269**	**21,617**	**20,909**	**27,478**	**24,537**	**36,561**	**35,336**	**37,849**	**95,273**	**134,284**	**157,540**
Current taxation	(5,572)	(4,541)	(4,279)	(5,094)	(3,231)	(7,774)	(7,774)	(10,495)	(19,487)	(29,274)	(34,344)
Minorities	(199)	(215)	(198)	(187)	(114)	(136)	(175)	(275)	(799)	(700)	(800)
Normalised net profit	**19,498**	**16,861**	**16,431**	**22,197**	**21,192**	**28,651**	**27,387**	**27,079**	**74,988**	**104,310**	**122,397**
Extraordinary items	0	0	0	0	(0)	(0)	-	0	-	-	-
Net profit	**19,498**	**16,861**	**16,431**	**22,197**	**21,192**	**28,651**	**27,387**	**27,079**	**74,988**	**104,310**	**122,397**
EPS (NT$)	5.06	4.37	4.26	5.76	5.50	7.43	7.11	7.03	19.45	27.06	31.75
Margins (%)											
Gross profit margin	7.9	7.0	6.8	6.3	4.8	5.0	5.0	4.7	7.0	4.9	4.7
Operating margin	5.1	4.0	3.7	3.8	2.8	3.3	3.3	3.2	4.1	3.2	3.2
EBITDA margin	5.7	4.6	4.3	4.3	3.3	3.7	3.6	3.6	4.7	3.6	3.5
Pretax profit margin	5.2	4.3	4.2	4.3	3.0	3.5	3.2	3.0	4.5	3.2	3.0
Net profit margin	4.0	3.3	3.3	3.5	2.6	2.8	2.4	2.2	3.5	2.5	2.3
Sequential growth (%)											
Revenue growth	16.4	3.8	(1.8)	29.0	26.7	28.1	8.0	12.0			
Gross profit growth	23.8	(7.7)	(4.5)	19.1	(4.2)	34.6	7.5	5.3			
Operating profit growth	62.3	(17.1)	(9.9)	30.7	(4.1)	48.7	6.3	10.3			
EBITDA growth	52.3	(15.4)	(8.2)	27.7	(2.7)	43.6	5.8	10.5			
Pretax profit growth	42.3	(14.5)	(3.3)	31.4	(10.7)	49.0	(3.4)	7.1			
Net profit growth	22.8	(13.5)	(2.5)	35.1	(4.5)	35.2	(4.4)	(1.1)			
YoY growth (%)											
Revenue growth	87.6	62.6	16.7	53.0	66.6	105.6	126.0	96.3	50.5	98.7	23.7
Gross profit growth	75.3	33.5	9.0	30.0	0.6	46.6	65.0	45.9	33.9	38.7	20.0
Operating profit growth	110.3	34.2	(6.0)	58.4	(6.4)	67.8	98.0	67.1	41.8	53.1	23.4
EBITDA growth	89.8	28.8	(4.5)	51.0	(3.5)	63.8	88.8	63.3	36.2	50.4	23.1
Pretax profit growth	73.9	10.3	(1.7)	54.7	(2.9)	69.1	69.0	37.7	30.2	40.9	17.3
Net profit growth	61.6	11.5	(1.2)	39.8	8.7	69.9	66.7	22.0	25.6	39.1	17.3

Source: Company data, KGI Research estimates

Balance sheet

NT$mn	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Total assets	**690,120**	**932,446**	**1,343,112**	**1,836,306**	**2,194,464**
Current assets	**610,448**	**840,694**	**1,232,064**	**1,700,208**	**2,041,698**
Cash & ST securities	218,726	201,099	202,628	99,810	65,180
Inventory	123,764	261,886	512,946	769,715	953,822
Accounts receivable	259,907	371,246	494,969	809,161	1,001,174
Other current assets	8,051	6,463	21,522	21,522	21,522
Non-current assets	**79,672**	**91,753**	**111,047**	**136,098**	**152,765**
LT investments	5,449	7,903	15,194	15,065	14,928
Net fixed assets	60,820	67,061	72,970	98,149	114,954
Other assets	13,404	16,789	22,883	22,883	22,883
Total liabilities	**496,228**	**702,141**	**1,087,367**	**1,559,000**	**1,891,878**
Current liabilities	**483,013**	**638,699**	**1,014,155**	**1,484,044**	**1,809,503**
Accounts payable	168,322	282,782	535,232	879,674	1,090,082
Interest bearing ST liabilities	158,797	179,540	258,327	360,584	461,165
Other current liabilities	155,893	176,377	220,596	243,787	258,256
Non-current liabilities	**13,215**	**63,442**	**73,212**	**74,956**	**82,374**
Long-term debt	5,931	50,983	56,579	58,323	65,741
Other L-T liabilities	5,413	9,192	10,826	10,826	10,826
Total equity	**193,892**	**230,306**	**255,745**	**277,306**	**302,586**
Share capital	38,626	38,626	38,626	38,626	38,626
Retained earnings reserve	76,648	111,059	131,738	152,600	177,080
Minority interests	7,685	8,020	12,167	12,867	13,667
Preferred shareholders funds	-	-	-	-	-

Key ratios

	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Growth					
Revenue growth	(15.2%)	30.0%	50.5%	98.7%	23.7%
Operating profit growth	39.6%	41.5%	41.8%	53.1%	23.4%
EBITDA growth	33.2%	33.3%	36.2%	50.4%	23.1%
Net profit growth	37.0%	50.5%	25.6%	39.1%	17.3%
EPS growth	37.0%	50.5%	25.6%	39.1%	17.3%
Profitability					
Gross profit margin	7.8%	7.9%	7.0%	4.9%	4.7%
Operating margin	4.0%	4.4%	4.1%	3.2%	3.2%
EBITDA margin	5.1%	5.2%	4.7%	3.6%	3.5%
Net profit margin	3.7%	4.2%	3.5%	2.5%	2.3%
Return on average assets	5.3%	7.4%	6.6%	6.6%	6.1%
Return on average equity	22.3%	29.2%	32.2%	41.1%	44.2%
Stability					
Gross debt to equity	85.0%	100.1%	123.1%	151.1%	174.1%
Net debt to equity	Net cash	28.9%	53.4%	123.8%	160.6%
Interest coverage (x)	6.8	11.0	11.8	9.3	10.4
Interest & ST debt coverage (x)	0.2	0.3	0.2	0.2	0.2
Cash flow interest coverage(x)	13.9	(4.8)	(1.2)	(6.6)	(1.4)
Cash flow/int. & ST debt (x)	0.7	(0.2)	(0.0)	(0.3)	(0.0)
Current ratio (x)	1.3	1.3	1.2	1.1	1.1
Quick ratio (x)	1.0	0.9	0.7	0.6	0.6
Net debt (NT$mn)	(12,506)	66,531	136,596	343,414	486,044
Per share data					
EPS (NT$)	10.29	15.49	19.45	27.06	31.75
CFPS (NT$)	32.25	(9.17)	(2.69)	(27.46)	(6.12)
BVPS (NT$)	48.21	57.55	63.06	68.46	74.80
Adj BVPS (NT$)	48.29	57.67	63.19	68.60	74.96
SPS (NT$)	281.55	366.00	550.96	1,094.61	1,354.36
EBITDA/share (NT$)	14.26	19.02	25.90	38.95	47.94
Cash DPS (NT$)	9.00	13.00	15.60	21.60	25.35
Activity					
Sales / avg assets	1.44	1.74	1.87	2.65	2.59
Days receivable	87.4	96.3	85.1	70.0	70.0
Days inventory	45.1	73.7	94.8	70.0	70.0
Days payable	61.4	79.6	98.9	80.0	80.0
Cash cycle	71.1	90.4	81.0	60.0	60.0

Source: Company data, KGI Research estimates

Profit & loss

NT$mn	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Revenue	**1,085,611**	**1,410,756**	**2,123,689**	**4,219,196**	**5,220,407**
Cost of goods sold	(1,000,728)	(1,299,996)	(1,975,357)	(4,013,513)	(4,973,501)
Gross profit	**84,883**	**110,760**	**148,332**	**205,683**	**246,905**
Operating expenses	(41,339)	(49,138)	(60,936)	(71,907)	(81,882)
Operating profit	**43,550**	**61,622**	**87,396**	**133,776**	**165,023**
Non-operating income	**16,785**	**16,236**	**16,731**	**17,111**	**9,835**
Interest income	10,620	9,743	6,907	7,561	5,775
Investment income	33	210	33	50	60
Other non-op income	6,131	6,283	9,790	9,500	4,000
Non-operating expenses	**(8,603)**	**(4,691)**	**(8,854)**	**(16,603)**	**(17,317)**
Interest expense	(8,915)	(7,288)	(8,827)	(16,103)	(16,817)
Investment loss	(45)	(39)	(27)	(50)	(50)
Other non-op expenses	356	2,637	(0)	(450)	(450)
Pre-tax profit	**51,731**	**73,167**	**95,273**	**134,284**	**157,540**
Current taxation	(11,243)	(12,884)	(19,487)	(29,274)	(34,344)
Minorities	(812)	(581)	(799)	(700)	(800)
Extraordinary items	-	0	(0)	-	-
Net profit	**39,676**	**59,702**	**74,988**	**104,310**	**122,397**
EBITDA	**54,986**	**73,301**	**99,837**	**150,147**	**184,769**
EPS (NT$)	10.29	15.49	19.45	27.06	31.75

Cash flow

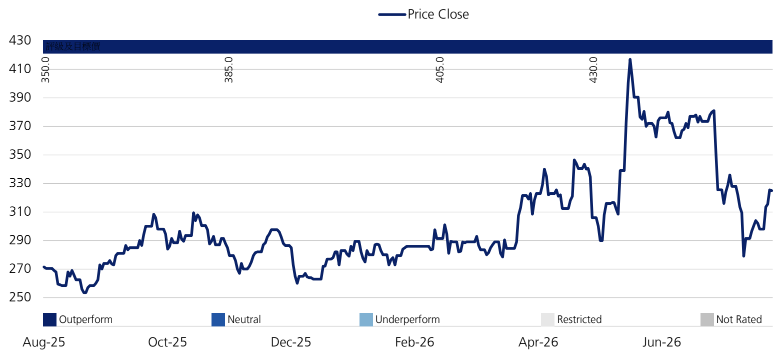
NT$mn	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Operations cash flow	**124,333**	**(35,330)**	**(10,365)**	**(105,839)**	**(23,580)**
Net profit	39,676	59,702	74,988	104,310	122,397
Depreciation & amortisation	11,437	11,678	12,441	16,371	19,746
Decrease in working capital	80,499	(130,646)	(122,316)	(226,519)	(165,712)
Other operating cash flow	(7,279)	23,935	24,523	-	(10)
Investing cash flow	**(37,612)**	**(12,290)**	**(8,338)**	**(41,422)**	**(36,403)**
Sale of ST investment	(29,080)	681	9,098	-	-
New investments	(30)	91	167	129	148
Capital expenditure	(8,832)	(13,132)	(14,757)	(40,000)	(35,000)
Others investing cashflow	330	70	(2,845)	(1,550)	(1,550)
Free cash flow	**115,553**	**(82,896)**	**(56,462)**	**(147,086)**	**(53,469)**
Financing cash flow	**(114,205)**	**28,917**	**38,764**	**44,443**	**25,352**
Increase in short term debt	(47,522)	(3,117)	84,166	100,000	100,000
Increase in long term loans	(41,138)	68,806	2,062	4,000	8,000
New ordinary shares issued	-	-	-		
Ordinary dividends paid	(23,765)	(34,691)	(50,214)	(60,257)	(83,448)
Other financing cashflow	(1,780)	(2,081)	2,749	700	800
Forex effects	**81**	**5,462**	**(5,744)**		
Total cash generated	**(27,403)**	**(13,242)**	**14,318**	**(102,818)**	**(34,630)**

ROIC

	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
1 - COGS/revenue					
- Operating exp./revenue	3.8%	3.5%	2.9%	1.7%	1.6%
= Operating margin	**4.0%**	**4.4%**	**4.1%**	**3.2%**	**3.2%**
1 / (Working capital/revenue	0.1	0.1	0.1	0.1	0.1
+ Net PPE/revenue	0.1	0.0	0.0	0.0	0.0
+ Other assets/revenue)	0.0	0.0	0.0	0.0	0.0
= Capital turnover	**8.3**	**5.6**	**6.1**	**7.3**	**7.0**
Operating margin	4.0%	4.4%	4.1%	3.2%	3.2%
x Capital turnover	8.3	5.6	6.1	7.3	7.0
x (1 - tax rate)	78.3%	82.4%	79.5%	78.2%	78.2%
= After-tax ROIC	**26.0%**	**20.3%**	**19.9%**	**18.1%**	**17.3%**

Source: Company data, KGI Research estimates

Quanta Computer – Recommendation & target price history



Date	Rating	Target	Price
2026-05-15	Outperform	430.0	306.0
2026-02-27	Outperform	405.0	291.5
2025-11-13	Outperform	385.0	285.0
2025-08-13	Outperform	350.0	271.5
2025-07-22	Outperform	325.0	262.5
2025-06-27	Outperform	338.0	285.5
2025-05-14	Outperform	320.0	276.5
2025-02-28	Outperform	325.0	250.5
2025-02-12	Outperform	348.0	258.0
2024-11-14	Outperform	400.0	314.5

Source: TEJ, KGI Research

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