

## Quanta Computer (2382.TW/2382 TT)

### 3Q25 EPS a beat; triple-digit AI server sales growth in 2026F

FTSE4Good TIP Taiwan ESG Index stock

#### Outperform · Maintained

Price as of November 12 (NT\$)	288.0
12M target price (NT\$)	385.0
Previous target price (NT\$)	350.0
Revised up (%)	10.0
Upside (%)	33.7

#### Key message

- 3Q25 EPS of NT\$4.26 was a beat on higher forex gains despite operating margin coming in slightly lower than our estimate at 3.7%
- Management expects 4Q25F NB shipments to fall by double digits QoQ and server sales to grow by double digits QoQ on GB300 AI server ramp.
- AI server to expand from around 70% of total server sales in 2025F to over 80% in 2026F, with AI server sales growth in triple digits, boosting EPS growth.

#### Trading data

Mkt cap (NT\$/US\$mn)	1,112 / 36,399
Outstanding shares (mn)	3,863
Foreign ownership (mn)	904
3M avg. daily trading (mn)	17.91
52-week trading range (NT\$)	178.5 – 322.0

Performance	3M	6M	12M
Absolute (%)	1.8	11.4	-8
Relative (%)	-13.9	-20.9	-29.6

#### Quarterly EPS

NT\$	1Q	2Q	3Q	4Q
2024	3.13A	3.92A	4.32A	4.12A
2025	5.06A	4.37A	4.26A	4.38F
2026	4.04F	4.52F	5.72F	7.13F

#### Share price chart



Source: TEJ

#### Event

3Q25 EPS reached NT\$4.26, better than we expected on stronger non-operating income. Following AI server model transition in 3Q25, Quanta expects an AI server sales rebound QoQ in 4Q25F, outpacing even 1Q26F and 2026F.

#### Impact

**3Q25 EPS beat, but operating margin missed.** 3Q25 EPS of NT\$4.26 was down 1% YoY and 3% QoQ and beat our forecast and consensus. But gross margin of 6.8% and operating margin of 3.7% were both down QoQ and YoY, and operating margin was below our estimate on product mix and higher opex. The firm said the 3Q25 server sales weighting was stable at around 70%, with AI server at 70% of total server sales. AI server sales rose QoQ but general server sales declined. NB sales grew on shipments growth of 5% QoQ to 12.7mn units, slightly beating guidance of low single-digit growth. The gross margin QoQ decline reflected an increased high-ASP NB shipments mix, and the operating margin fall was due to higher opex (R&D personnel). With forex gains of NT\$2.27bn, EPS beat consensus and our forecast. 1Q-3Q25 EPS was NT\$13.70, up 20% YoY.

**Growing GB300 AI server sales to fuel sales growth in 4Q25-2026F.** While management expects 4Q25F NB shipments to decline by double digits QoQ, it expects server sales to rise QoQ, with stronger AI server sales offsetting a general server sales decline. We forecast 4Q25F sales to grow 13% QoQ. Quanta maintains guidance that AI server sales will grow by triple digits this year, with the sales weighting up to over 70%. It also maintains 2025F NB shipments growth of low single digits YoY, and EV sales to grow by single digits in 2025F. On GB300 shipments ramp-up, it expects AI server sales growth in 2026F to continue in the triple digits YoY, coupled with ASIC AI server project wins. 1Q26F GB300 shipments growth will strengthen further QoQ. Based on our global GB AI server shipments forecasts of 23-25k racks in 2025F and 55-60k racks in 2026F, we anticipate Quanta will ship 5-6k racks this year and 12-14k racks in 2026F, boosting server sales by NT\$750-850bn next year. Backed by strong demand from clients, the firm guides AI capacity to double by 4Q26F, with 2026F capex continuing to grow from NT\$20bn in 2025F. With the AI server sales weighting looking to rise further to over 80% next year, and with general server sales likely to be flat, we believe gross margin will be diluted, while operating margin contraction will ease on operating leverage. To reflect solid AI server demand and a better operating margin, we raise 2025F EPS to NT\$18.07 (up 17% YoY) and 2026F EPS to NT\$21.41 (up 18% YoY).

#### Valuation & Action

We raise our target price from NT\$350 to NT\$385, based on 18x 2026F EPS, and maintain our Outperform rating on growing AI server sales and EPS in 2025-26F.

#### Risks

Weak NB demand; low AI server margin; weak EV and auto sales.

#### Key financials and valuations

	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
Revenue (NT\$mn)	1,280,429	1,085,611	1,410,756	2,044,694	2,955,229
Gross profit (NT\$mn)	70,915	84,883	110,760	143,751	170,817
Operating profit (NT\$mn)	31,189	43,550	61,622	83,804	105,538
Net profit (NT\$mn)	28,957	39,676	59,702	69,663	82,524
EPS (NT\$)	7.51	10.29	15.49	18.07	21.41
Cash DPS (NT\$)	6.00	9.00	13.00	14.43	17.09
EPS growth (%)	(14.0)	37.0	50.5	16.7	18.5
PE (x)	38.3	28.0	18.6	15.9	13.5
PB (x)	6.6	6.0	5.0	4.7	4.4
EV/EBITDA (x)	28.6	20.2	16.1	11.7	10.2
Net debt to equity (%)	28.0	Net cash	28.9	17.5	63.8
Dividend yield (%)	2.1	3.1	4.5	5.0	5.9
Return on average equity (%)	17.5	22.3	29.2	30.4	33.8

Source: Company data, KGI Research estimates

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

NT\$m	3Q25							4Q25F						
	KGI		Diff. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)	Revision	Previous	Chg. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)
	Actual	forecast												
Sales	495,258	519,245	(4.6)	(1.8)	16.7	518,334	(4.5)	559,642	649,057	(13.8)	13.0	34.1	633,977	(11.7)
Gross profits	33,918	35,309	(3.9)	(4.5)	9.0	34,511	(1.7)	35,817	33,751	6.1	5.6	15.3	38,406	(6.7)
Operating income	18,374	19,731	(6.9)	(9.9)	(6.0)	20,017	(8.2)	20,427	17,525	16.6	11.2	34.8	21,177	(3.5)
Pretax Income	20,909	19,376	7.9	(3.3)	(1.7)	21,010	(0.5)	22,516	17,395	29.4	7.7	26.8	22,020	2.3
Net income	16,431	14,926	10.1	(2.5)	(1.2)	16,223	1.3	16,872	13,218	27.7	2.7	6.3	17,206	(1.9)
EPS (NT\$)	4.26	3.87	10.1	(2.5)	(1.2)	4.21	1.3	4.38	3.43	27.7	2.7	6.3	4.46	(1.9)
Gross margin (%)	6.8	6.8	0.0 ppts	(0.2)ppts	(0.5)ppts	6.7	0.2 ppts	6.4	5.2	1.2 ppts	(0.4)ppts	(1.0)ppts	6.1	0.3 ppts
OP margin (%)	3.7	3.8	(0.1)ppts	(0.3)ppts	(0.9)ppts	3.9	(0.2)ppts	3.7	2.7	0.9 ppts	(0.1)ppts	0.0 ppts	3.3	0.3 ppts
Net margin (%)	3.3	2.9	0.4 ppts	(0.0)ppts	(0.6)ppts	3.1	0.2 ppts	3.0	2.0	1.0 ppts	(0.3)ppts	(0.8)ppts	2.7	0.3 ppts

Source: Bloomberg; KGI Research estimates

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

NT\$m	2025F						2026F					
	Revision	Previous	Chg. (%)	YoY (%)	Consensus	Diff. (%)	Revision	Previous	Chg. (%)	YoY (%)	Consensus	Diff. (%)
Sales	2,044,694	2,158,096	(5.3)	44.9	2,152,693	(5.0)	2,955,229	3,021,852	(2.2)	44.5	2,837,245	4.2
Gross profit	143,751	143,076	0.5	29.8	147,589	(2.6)	170,817	160,784	6.2	18.8	170,887	(0.0)
Operating income	83,804	82,259	1.9	36.0	86,325	(2.9)	105,538	96,017	9.9	25.9	102,141	3.3
Pretax Income	90,311	83,657	8.0	23.4	89,663	0.7	106,553	96,789	10.1	18.0	105,405	1.1
Net income	69,663	64,502	8.0	16.7	69,899	(0.3)	82,524	74,889	10.2	18.5	82,315	0.3
EPS (NT\$)	18.07	16.73	8.0	16.7	18.13	(0.3)	21.41	19.43	10.2	18.5	21.36	0.3
Gross margin (%)	7.0	6.6	0.4 ppts	(0.8)ppts	6.9	0.2 ppts	5.8	5.3	0.5 ppts	(1.3)ppts	6.0	(0.2)ppts
OP margin (%)	4.1	3.8	0.3 ppts	(0.3)ppts	4.0	0.1 ppts	3.6	3.2	0.4 ppts	(0.5)ppts	3.6	(0.0)ppts
Net margin (%)	3.4	3.0	0.4 ppts	(0.8)ppts	3.2	0.2 ppts	2.8	2.5	0.3 ppts	(0.6)ppts	2.9	(0.1)ppts

Source: Bloomberg; KGI Research estimates

**Figure 3: Server sales weighting growing in 2025-26F**

Sales weighting (%)	2019	2020	2021	2022	2023	2024	2025F	2026F
NB / Chromebook	43	53	54	48	41	29	23	16
Cloud server	23	24	26	27	35	52	67	78
EV	1	2	3	6	8	6	4	3
Wearable / IoT / Others	32	21	18	19	16	13	6	3

Source: KGI Research estimates

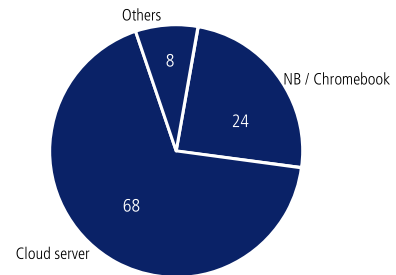
**Figure 4: Company profile**

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 2024, non-NB business accounted for 71% of sales, vs. 59-60% in 2023.

Source: KGI Research

**Figure 5: 1-3Q25 NB sales weighting fell below 25%; server rose to 65-70%**

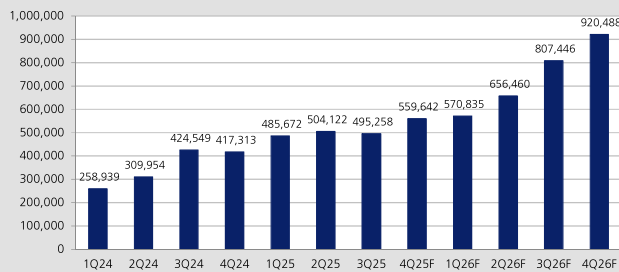
1-3Q25 sales weighting, percent



Source: Company data; KGI Research

**Figure 6: Sales**

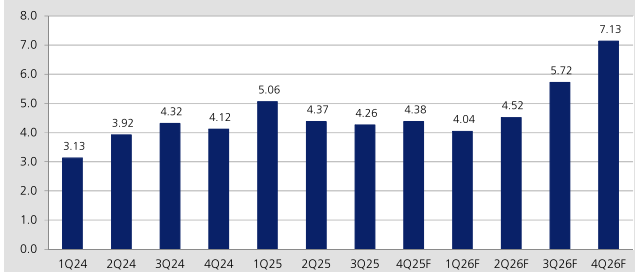
Sales, NT\$mn



Source: KGI Research

**Figure 7: EPS**

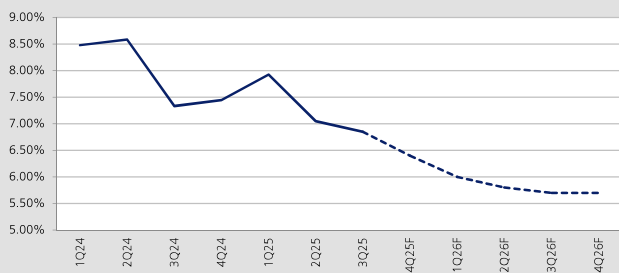
EPS, NT\$



Source: KGI Research

**Figure 8: Gross Margin**

Gross margin, percent



Source: KGI Research

**Figure 9: 12M forward PE band**

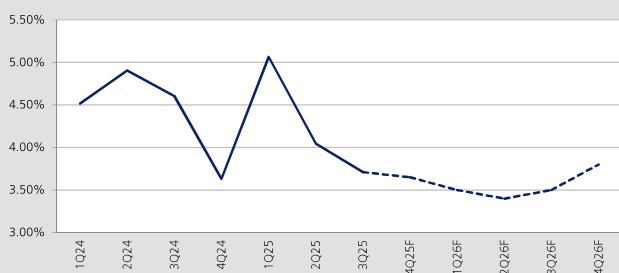
Share price, NT\$ (LHS); PE ratio, x (RHS)



Source: TEJ; KGI Research estimates

**Figure 10: Operating Margin**

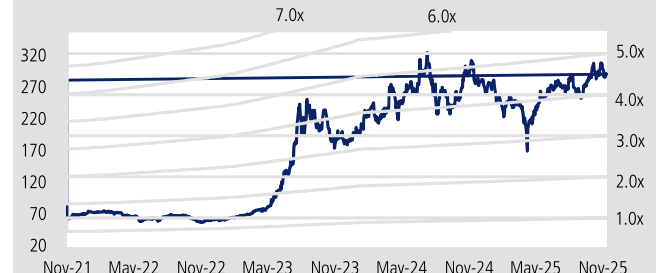
Operating margin, percent



Source: KGI Research

**Figure 11: 12M forward PB band**

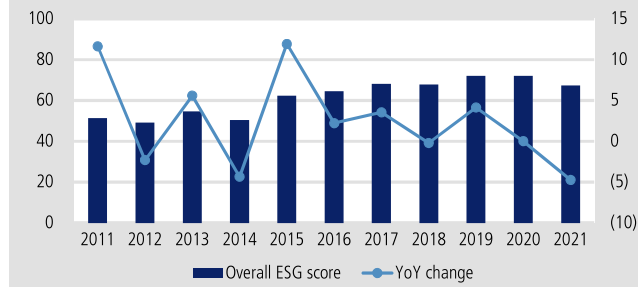
Share price, NT\$ (LHS); PB ratio, x (RHS)



Source: TEJ; KGI Research estimates

**Figure 12: Overall ESG score**

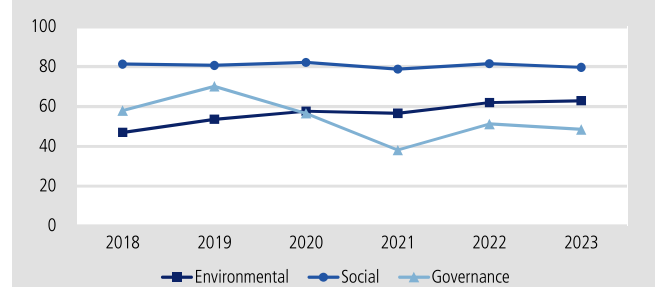
ESG score (LHS); YoY change, point (RHS)



Source: Refinitiv; KGI Research; Company data

**Figure 13: ESG scores**

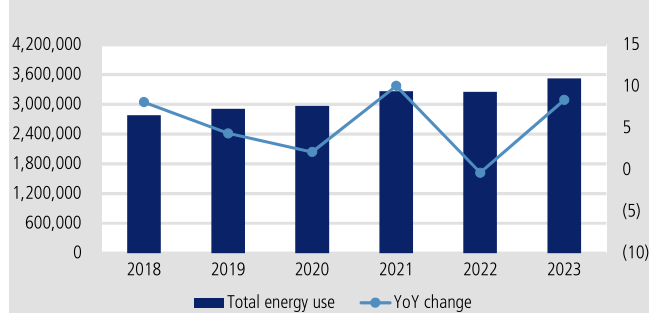
ESG score



Source: Refinitiv; KGI Research; Company data

**Figure 14: Energy Use**

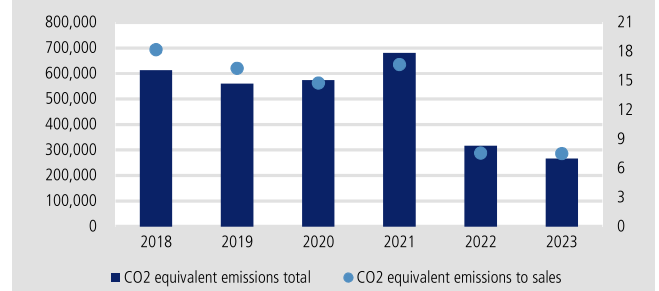
Energy use, gigajoules; YoY growth, percent (RHS)



Source: Refinitiv; KGI Research; Company data

**Figure 15: CO2 equivalent emissions**

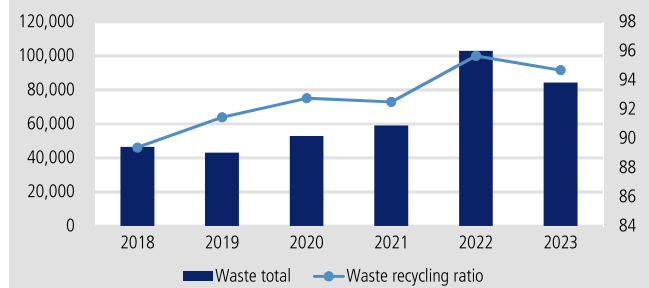
CO2 equivalent emissions, mt (LHS); emissions to revenue, mt per US\$m (RHS)



Source: Refinitiv; KGI Research; Company data

**Figure 16: Waste total**

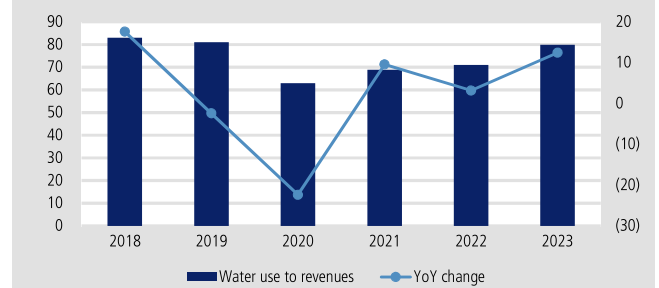
Waste total, metric tons; waste recycling ratio, percent (RHS)



Source: Refinitiv; KGI Research; Company data

**Figure 17: Water use to revenue**

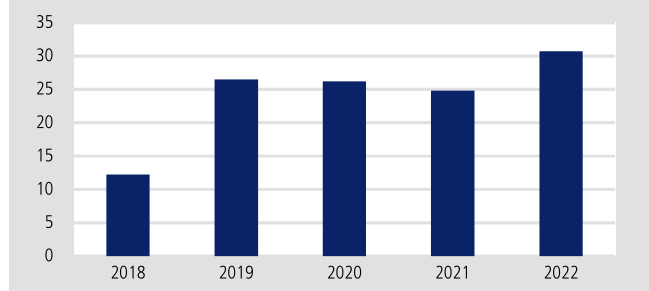
Water use to revenue, cubic meters/ US\$m; YoY growth (RHS)



Source: Refinitiv; KGI Research; Company data

**Figure 18: Employee training**

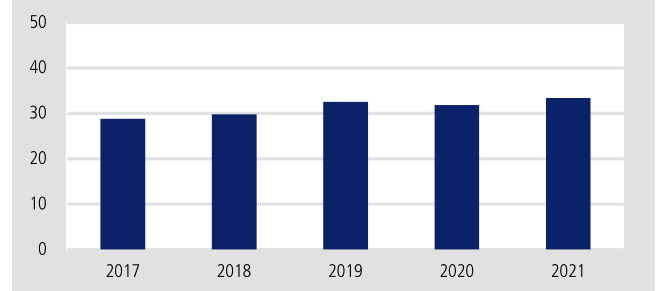
Average annual training hours per employee



Source: Refinitiv; KGI Research; Company data

**Figure 19: Gender diversification**

Weighting of female employees, percent



Source: Refinitiv; KGI Research; Company data



## ESG chart definition

Item	Definition	Remarks
Energy use	<p>Total direct and indirect energy consumption in gigajoules.</p> <ul style="list-style-type: none"> <li>- the total amount of energy that has been consumed within the boundaries of the company's operations</li> <li>- total energy use = total direct energy consumption + indirect energy consumption</li> <li>- purchased energy and produced energy are included in total energy use</li> <li>- for utilities, transmission/ grid loss as part of its business activities is considered as total energy consumed and data does not consider electricity produced to answer energy use (utility company produces to sell)</li> <li>- for utilities, raw materials such as coal, gas or nuclear used in the production of energy are not considered under 'total energy use'</li> </ul>	
Renewable energy purchased	<p>Total primary renewable energy purchased in gigajoules.</p> <ul style="list-style-type: none"> <li>- energy consumed by the company from various sources and among the purchased energy, how much energy is renewable in nature (solar, wind, hydro, biomass, geothermal) are in scope</li> <li>- if there is no evidence that renewable energy is produced by the company, then we consider the reported energy figure as renewable energy purchased</li> </ul>	
Renewable energy use ratio	Renewable energy to total energy used	
CO2 equivalent emissions	<p>Direct CO2 and CO2 equivalent emissions in metric tons.</p> <ul style="list-style-type: none"> <li>- direct emissions from sources that are owned or controlled by the company (scope 1 emissions)</li> <li>- following gases are relevant: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorinated compound (PFCS), sulfur hexafluoride (SF6), nitrogen trifluoride (NF3)</li> </ul>	
CO2 equivalent emissions to sales	<p>Direct CO2 and CO2 equivalent emissions (metric tons) to sales (NT\$mn)</p> <ul style="list-style-type: none"> <li>- direct emissions from sources that are owned or controlled by the company (scope 1 emissions)</li> <li>- following gases are relevant: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorinated compound (PFCS), sulfur hexafluoride (SF6), nitrogen trifluoride (NF3)</li> </ul>	
Waste total	<p>Total amount of waste produced in metric tons.</p> <ul style="list-style-type: none"> <li>- total waste = non-hazardous waste + hazardous waste</li> <li>- only solid waste is taken into consideration, exceptionally if liquid waste is reported in metric tons, then we do the summation to derive total including liquid waste</li> <li>- for sectors like mining, oil &amp; gas, waste generation like tailings, waste rock, coal and fly ash are also considered</li> </ul>	
Waste recycling ratio	<p>The waste recycling ratio as reported by the company.</p> <ul style="list-style-type: none"> <li>- waste recycling ratio = waste recycled/total waste*100</li> <li>- waste to energy or waste incinerated with energy recovery are considered as waste recycled</li> <li>- waste recovered via composting is considered as recycled waste</li> </ul>	
Water withdrawal total	<p>Total water withdrawal in cubic meters.</p> <ul style="list-style-type: none"> <li>- the total volume of water withdrawn from any water source that was either withdrawn directly by the reporting organization or through intermediaries such as water utilities</li> <li>- different sources of water like wells, town/utility/municipal water, river water, and surface water are considered</li> </ul>	
Environmental expenditures	<p>Total amount of environmental expenditures.</p> <ul style="list-style-type: none"> <li>- all environmental investment &amp; expenditures for environmental protection or to prevent, reduce, control environmental aspects, impacts, and hazards. It also includes disposal, treatment, sanitation, and clean-up expenditures</li> </ul>	
Turnover of employees	<p>Percentage of employee turnover.</p> <ul style="list-style-type: none"> <li>- includes employees who left the company for any reason (voluntary or involuntary), such as resignations, retirement, natural departure/death, medical incapacitation, redundancy, layoffs, restructuring, dismissal, retrenchment or end of a fixed-term contract</li> <li>- employees turnover rate = (employees leaving/average number of employees)*100</li> <li>- where the average number of employees = (employees at the end of the current year + employees at the end of the previous year)/2</li> <li>- employees at the end of the current fiscal year = employees at the end of the previous fiscal year + new employees - employees leaving</li> </ul>	
Women managers	<p>Percentage of women managers.</p> <ul style="list-style-type: none"> <li>- percentage of women managers among total managers of the company</li> <li>- if there is a breakdown by category in percentage, such as top, senior, middle, and junior management, then we consider the percentage of middle women managers</li> <li>- percentage of women managers = number of women managers/total number of managers*100</li> </ul>	
Women employees	<p>Percentage of women employees.</p> <ul style="list-style-type: none"> <li>- percentage of women employees to the total number of employees of the company</li> <li>- percentage of women employees = number of women/total number of employees*100</li> </ul>	
Training hours total	<p>Total training hours performed by all employees.</p> <ul style="list-style-type: none"> <li>- consider only employee training hours</li> <li>- includes all types of training given to general employees (such as health &amp; safety, environmental, emergency response, skills &amp; career development training)</li> <li>- if the value is given in days, multiply by 8, assuming that 1 day = 8 hours worked</li> </ul>	
Training hours per employee	Training hours per employee per year	

Source: Refinitiv, KGI Research

## Income statement

	Quarterly								Annually		
	Mar-25A	Jun-25A	Sep-25A	Dec-25F	Mar-26F	Jun-26F	Sep-26F	Dec-26F	Dec-24A	Dec-25F	Dec-26F
<b>Income statement (NT\$m)</b>											
<b>Revenue</b>	<b>485,672</b>	<b>504,122</b>	<b>495,258</b>	<b>559,642</b>	<b>570,835</b>	<b>656,460</b>	<b>807,446</b>	<b>920,488</b>	<b>1,410,756</b>	<b>2,044,694</b>	<b>2,955,229</b>
Cost of goods sold	(447,189)	(468,588)	(461,340)	(523,825)	(536,585)	(618,385)	(761,421)	(868,020)	(1,299,996)	(1,900,943)	(2,784,412)
<b>Gross profit</b>	<b>38,483</b>	<b>35,533</b>	<b>33,918</b>	<b>35,817</b>	<b>34,250</b>	<b>38,075</b>	<b>46,024</b>	<b>52,468</b>	<b>110,760</b>	<b>143,751</b>	<b>170,817</b>
Operating expenses	(13,882)	(15,130)	(15,544)	(15,390)	(14,271)	(15,755)	(17,764)	(17,489)	(49,138)	(59,947)	(65,279)
<b>Operating profit</b>	<b>24,600</b>	<b>20,403</b>	<b>18,374</b>	<b>20,427</b>	<b>19,979</b>	<b>22,320</b>	<b>28,261</b>	<b>34,979</b>	<b>61,622</b>	<b>83,804</b>	<b>105,538</b>
Depreciation of fixed assets	(2,670)	(2,630)	(2,766)	(5,028)	(4,551)	(4,551)	(4,551)	(4,551)	(10,111)	(13,094)	(18,203)
Amortisation of intangible assets	(363)	(335)	(303)	(724)	(431)	(431)	(431)	(431)	(1,567)	(1,725)	(1,725)
<b>EBITDA</b>	<b>27,634</b>	<b>23,368</b>	<b>21,443</b>	<b>26,178</b>	<b>24,961</b>	<b>27,302</b>	<b>33,243</b>	<b>39,961</b>	<b>73,301</b>	<b>98,623</b>	<b>125,466</b>
Interest income	1,411	2,038	1,361	1,538	1,570	1,570	1,570	1,570	9,743	6,348	6,280
Investment income	20	-	-	30	13	13	13	13	210	50	50
Other non-op income	1,664	1,432	3,214	3,690	1,125	1,125	1,125	1,125	6,283	10,000	4,500
<b>Non-operating income</b>	<b>3,095</b>	<b>3,470</b>	<b>4,574</b>	<b>5,258</b>	<b>2,708</b>	<b>2,708</b>	<b>2,708</b>	<b>2,708</b>	<b>16,236</b>	<b>16,398</b>	<b>10,830</b>
Interest expense	(2,413)	(2,251)	(2,035)	(2,142)	(2,329)	(2,329)	(2,329)	(2,329)	(7,288)	(8,841)	(9,315)
Investment loss	(14)	(5)	(5)	(26)	(13)	(13)	(13)	(13)	(39)	(50)	(50)
Other non-op expenses	(0)	(0)	(0)	(1,000)	(113)	(113)	(113)	(113)	2,637	(1,000)	(450)
<b>Non-operating expenses</b>	<b>(2,426)</b>	<b>(2,256)</b>	<b>(2,040)</b>	<b>(3,169)</b>	<b>(2,454)</b>	<b>(2,454)</b>	<b>(2,454)</b>	<b>(2,454)</b>	<b>(4,691)</b>	<b>(9,891)</b>	<b>(9,815)</b>
<b>Pre-tax profit</b>	<b>25,269</b>	<b>21,617</b>	<b>20,909</b>	<b>22,516</b>	<b>20,233</b>	<b>22,573</b>	<b>28,514</b>	<b>35,232</b>	<b>73,167</b>	<b>90,311</b>	<b>106,553</b>
Current taxation	(5,572)	(4,541)	(4,279)	(5,476)	(4,451)	(4,966)	(6,273)	(7,538)	(12,884)	(19,869)	(23,229)
Minorities	(199)	(215)	(198)	(168)	(200)	(200)	(200)	(200)	(581)	(780)	(800)
<b>Normalised net profit</b>	<b>19,498</b>	<b>16,861</b>	<b>16,431</b>	<b>16,872</b>	<b>15,582</b>	<b>17,407</b>	<b>22,041</b>	<b>27,494</b>	<b>59,702</b>	<b>69,663</b>	<b>82,524</b>
Extraordinary items	0	0	0	(0)	-	-	-	-	-	-	-
<b>Net profit</b>	<b>19,498</b>	<b>16,861</b>	<b>16,431</b>	<b>16,872</b>	<b>15,582</b>	<b>17,407</b>	<b>22,041</b>	<b>27,494</b>	<b>59,702</b>	<b>69,663</b>	<b>82,524</b>
EPS (NT\$)	5.06	4.37	4.26	4.38	4.04	4.52	5.72	7.13	15.49	18.07	21.41
<b>Margins (%)</b>											
Gross profit margin	7.9	7.0	6.8	6.4	6.0	5.8	5.7	5.7	7.9	7.0	5.8
Operating margin	5.1	4.0	3.7	3.7	3.5	3.4	3.5	3.8	4.4	4.1	3.6
EBITDA margin	5.7	4.6	4.3	4.7	4.4	4.2	4.1	4.3	5.2	4.8	4.2
Pretax profit margin	5.2	4.3	4.2	4.0	3.5	3.4	3.5	3.8	5.2	4.4	3.6
Net profit margin	4.0	3.3	3.3	3.0	2.7	2.7	2.7	3.0	4.2	3.4	2.8
<b>Sequential growth (%)</b>											
Revenue growth	16.4	3.8	(1.8)	13.0	2.0	15.0	23.0	14.0			
Gross profit growth	23.8	(7.7)	(4.5)	5.6	(4.4)	11.2	20.9	14.0			
Operating profit growth	62.3	(17.1)	(9.9)	11.2	(2.2)	11.7	26.6	23.8			
EBITDA growth	52.3	(15.4)	(8.2)	22.1	(4.6)	9.4	21.8	20.2			
Pretax profit growth	42.3	(14.5)	(3.3)	7.7	(10.1)	11.6	26.3	23.6			
Net profit growth	22.8	(13.5)	(2.5)	2.7	(7.7)	11.7	26.6	24.7			
<b>YoY growth (%)</b>											
Revenue growth	87.6	62.6	16.7	34.1	17.5	30.2	63.0	64.5	30.0	44.9	44.5
Gross profit growth	75.3	33.5	9.0	15.3	(11.0)	7.2	35.7	46.5	30.5	29.8	18.8
Operating profit growth	110.3	34.2	(6.0)	34.8	(18.8)	9.4	53.8	71.2	41.5	36.0	25.9
EBITDA growth	89.8	28.8	(4.5)	44.3	(9.7)	16.8	55.0	52.6	33.3	34.5	27.2
Pretax profit growth	73.9	10.3	(1.7)	26.8	(19.9)	4.4	36.4	56.5	41.4	23.4	18.0
Net profit growth	61.6	11.5	(1.2)	6.3	(20.1)	3.2	34.1	63.0	50.5	16.7	18.5

Source: Company data, KGI Research estimates

## Balance sheet

NT\$m	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
<b>Total assets</b>	<b>816,134</b>	<b>690,120</b>	<b>932,446</b>	<b>1,090,417</b>	<b>1,357,341</b>
<b>Current assets</b>	<b>733,270</b>	<b>610,448</b>	<b>840,694</b>	<b>991,789</b>	<b>1,256,977</b>
Cash & ST securities	214,499	218,726	201,099	306,750	264,189
Inventory	225,856	123,764	261,886	286,443	419,569
Accounts receivable	283,992	259,907	371,246	392,133	566,756
Other current assets	8,923	8,051	6,463	6,463	6,463
<b>Non-current assets</b>	<b>82,864</b>	<b>79,672</b>	<b>91,753</b>	<b>98,628</b>	<b>100,364</b>
LT investments	4,353	5,449	7,903	7,872	7,812
Net fixed assets	63,225	60,820	67,061	73,967	75,764
Other assets	15,286	13,404	16,789	16,789	16,789
<b>Total liabilities</b>	<b>639,610</b>	<b>496,228</b>	<b>702,141</b>	<b>845,399</b>	<b>1,095,018</b>
<b>Current liabilities</b>	<b>628,591</b>	<b>483,013</b>	<b>638,699</b>	<b>774,478</b>	<b>1,024,590</b>
Accounts payable	213,514	168,322	282,782	338,524	495,854
Interest bearing ST liabilities	249,525	158,797	179,540	254,061	336,554
Other current liabilities	165,552	155,893	176,377	181,893	192,182
<b>Non-current liabilities</b>	<b>11,019</b>	<b>13,215</b>	<b>63,442</b>	<b>70,921</b>	<b>70,428</b>
Long-term debt	4,525	5,931	50,983	58,461	57,969
Other L-T liabilities	3,732	5,413	9,192	9,192	9,192
<b>Total equity</b>	<b>176,523</b>	<b>193,892</b>	<b>230,306</b>	<b>245,018</b>	<b>262,323</b>
Share capital	38,626	38,626	38,626	38,626	38,626
Retained earnings reserve	71,674	76,586	111,059	124,992	141,496
Minority interests	7,365	7,685	8,020	8,800	9,600
Preferred shareholders funds	-	-	-	-	-

## Key ratios

	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
<b>Growth</b>					
Revenue growth	13.4%	(15.2%)	30.0%	44.9%	44.5%
Operating profit growth	(16.3%)	39.6%	41.5%	36.0%	25.9%
EBITDA growth	(9.5%)	33.2%	33.3%	34.5%	27.2%
Net profit growth	(14.0%)	37.0%	50.5%	16.7%	18.5%
EPS growth	(14.0%)	37.0%	50.5%	16.7%	18.5%
<b>Profitability</b>					
Gross profit margin	5.5%	7.8%	7.9%	7.0%	5.8%
Operating margin	2.4%	4.0%	4.4%	4.1%	3.6%
EBITDA margin	3.2%	5.1%	5.2%	4.8%	4.2%
Net profit margin	2.3%	3.7%	4.2%	3.4%	2.8%
Return on average assets	3.8%	5.3%	7.4%	6.9%	6.7%
Return on average equity	17.5%	22.3%	29.2%	30.4%	33.8%
<b>Stability</b>					
Gross debt to equity	143.9%	85.0%	100.1%	127.6%	150.4%
Net debt to equity	28.0%	Net cash	28.9%	17.5%	63.8%
Interest coverage (x)	10.3	6.8	11.0	11.2	12.4
Interest & ST debt coverage (x)	0.1	0.2	0.3	0.2	0.2
Cash flow interest coverage(x)	2.6	13.9	(4.8)	10.7	(5.1)
Cash flow/int. & ST debt (x)	0.0	0.7	(0.2)	0.4	(0.1)
Current ratio (x)	1.2	1.3	1.3	1.3	1.2
Quick ratio (x)	0.8	1.0	0.9	0.9	0.8
Net debt (NT\$m)	49,412	(12,506)	66,531	42,880	167,441
<b>Per share data</b>					
EPS (NT\$)	7.51	10.29	15.49	18.07	21.41
CFPS (NT\$)	2.96	32.25	(9.17)	24.59	(12.44)
BVPS (NT\$)	43.79	48.21	57.55	61.15	65.43
Adj BVPS (NT\$)	43.89	48.29	57.67	61.28	65.57
SPS (NT\$)	332.19	281.55	366.00	530.47	766.69
EBITDA/share (NT\$)	10.71	14.26	19.02	25.59	32.55
Cash DPS (NT\$)	6.00	9.00	13.00	14.43	17.09
<b>Activity</b>					
Sales / avg assets	1.67	1.44	1.74	2.02	2.41
Days receivable	81.0	87.4	96.3	70.0	70.0
Days inventory	68.2	45.1	73.7	55.0	55.0
Days payable	64.4	61.4	79.6	65.0	65.0
Cash cycle	84.7	71.1	90.4	60.0	60.0

Source: Company data, KGI Research estimates

## Profit & loss

NT\$m	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
<b>Revenue</b>	<b>1,280,429</b>	<b>1,085,611</b>	<b>1,410,756</b>	<b>2,044,694</b>	<b>2,955,229</b>
Cost of goods sold	(1,209,514)	(1,000,728)	(1,299,996)	(1,900,943)	(2,784,412)
<b>Gross profit</b>	<b>70,915</b>	<b>84,883</b>	<b>110,760</b>	<b>143,751</b>	<b>170,817</b>
Operating expenses	(39,725)	(41,339)	(49,138)	(59,947)	(65,279)
<b>Operating profit</b>	<b>31,189</b>	<b>43,550</b>	<b>61,622</b>	<b>83,804</b>	<b>105,538</b>
<b>Non-operating income</b>	<b>13,977</b>	<b>16,785</b>	<b>16,236</b>	<b>16,398</b>	<b>10,830</b>
Interest income	5,018	10,620	9,743	6,348	6,280
Investment income	496	33	210	50	50
Other non-op income	8,462	6,131	6,283	10,000	4,500
<b>Non-operating expenses</b>	<b>(4,385)</b>	<b>(8,603)</b>	<b>(4,691)</b>	<b>(9,891)</b>	<b>(9,815)</b>
Interest expense	(4,370)	(8,915)	(7,288)	(8,841)	(9,315)
Investment loss	(15)	(45)	(39)	(50)	(50)
Other non-op expenses	-	356	2,637	(1,000)	(450)
<b>Pre-tax profit</b>	<b>40,781</b>	<b>51,731</b>	<b>73,167</b>	<b>90,311</b>	<b>106,553</b>
Current taxation	(11,058)	(11,243)	(12,884)	(19,869)	(23,229)
Minorities	(765)	(812)	(581)	(780)	(800)
Extraordinary items	-	0	0	-	-
<b>Net profit</b>	<b>28,957</b>	<b>39,676</b>	<b>59,702</b>	<b>69,663</b>	<b>82,524</b>
<b>EBITDA</b>	<b>41,292</b>	<b>54,986</b>	<b>73,301</b>	<b>98,623</b>	<b>125,466</b>
EPS (NT\$)	7.51	10.29	15.49	18.07	21.41

## Cash flow

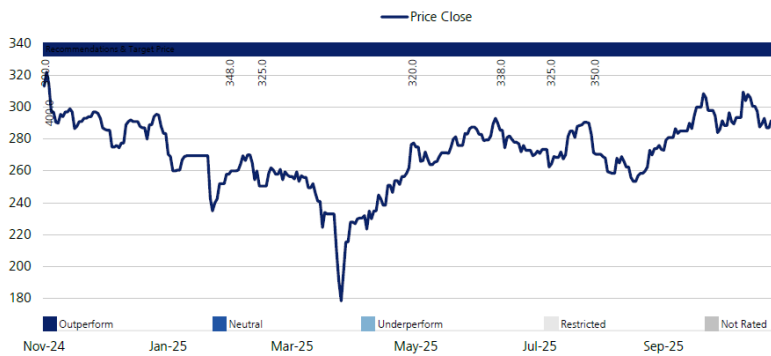
NT\$m	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
<b>Operations cash flow</b>	<b>11,415</b>	<b>124,333</b>	<b>(35,330)</b>	<b>94,779</b>	<b>(47,966)</b>
Net profit	28,957	39,676	59,702	69,663	82,524
Depreciation & amortisation	10,103	11,437	11,678	14,819	19,928
Decrease in working capital	(63,213)	80,499	(130,646)	10,298	(150,419)
Other operating cash flow	35,567	(7,279)	23,935	0	-
<b>Investing cash flow</b>	<b>(14,143)</b>	<b>(37,612)</b>	<b>(12,290)</b>	<b>(21,695)</b>	<b>(21,664)</b>
Sale of ST investment	1,560	(29,080)	681	-	-
New investments	(19)	(30)	91	31	61
Capital expenditure	(16,892)	(8,832)	(13,132)	(20,000)	(20,000)
Others investing cashflow	1,208	330	70	(1,725)	(1,725)
<b>Free cash flow</b>	<b>(48,850)</b>	<b>115,553</b>	<b>(82,896)</b>	<b>68,759</b>	<b>(69,685)</b>
<b>Financing cash flow</b>	<b>31,295</b>	<b>(114,205)</b>	<b>28,917</b>	<b>32,566</b>	<b>27,070</b>
Increase in short term debt	34,188	(47,522)	(3,117)	80,000	80,000
Increase in long term loans	24,293	(41,138)	68,806	2,000	2,000
New ordinary shares issued	-	-	-	-	-
Ordinary dividends paid	(26,009)	(23,765)	(34,691)	(50,214)	(55,730)
Other financing cashflow	(1,177)	(1,780)	(2,081)	780	800
<b>Forex effects</b>	<b>13,813</b>	<b>81</b>	<b>5,462</b>		
<b>Total cash generated</b>	<b>42,380</b>	<b>(27,403)</b>	<b>(13,242)</b>	<b>105,650</b>	<b>(42,561)</b>

## ROIC

	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
1 - COGS/revenue					
- Operating exp./revenue	3.1%	3.8%	3.5%	2.9%	2.2%
<b>= Operating margin</b>	<b>2.4%</b>	<b>4.0%</b>	<b>4.4%</b>	<b>4.1%</b>	<b>3.6%</b>
1 / (Working capital)/revenue	0.1	0.1	0.1	0.1	0.1
+ Net PPE/revenue	0.0	0.1	0.0	0.0	0.0
+ Other assets/revenue)	0.0	0.0	0.0	0.0	0.0
<b>= Capital turnover</b>	<b>6.2</b>	<b>8.3</b>	<b>5.6</b>	<b>8.5</b>	<b>7.7</b>
Operating margin	2.4%	4.0%	4.4%	4.1%	3.6%
x Capital turnover	6.2	8.3	5.6	8.5	7.7
x (1 - tax rate)	72.9%	78.3%	82.4%	78.0%	78.2%
<b>= After-tax ROIC</b>	<b>11.1%</b>	<b>26.0%</b>	<b>20.3%</b>	<b>27.1%</b>	<b>21.5%</b>

Source: Company data, KGI Research estimates

## Quanta Computer – Recommendation & target price history



Date	Rating	Target	Price
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
2024-08-10	Outperform	390.0	250.0
2024-07-08	Outperform	390.0	319.5
2024-05-15	Outperform	320.0	287.0

Source: TEJ, KGI Research

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