

Wistron (3231.TW/3231 TT)

AI & general server sales to drive sales growth in 2026F

Outperform · Maintained

Price as of May 8 (NT\$)	146.5
12M target price (NT\$)	225.0
Previous target price (NT\$)	225.0
Unchanged (%)	0.0
Upside (%)	53.6

Key message

- 1Q26 EPS of NT\$3.06, up 18% QoQ and 66% YoY, was slightly below our expectation on a higher minority interest deduction.
- April sales fell MoM on lower notebook and Blackwell shipments, as well as lower sales by Wiwynn, but 2Q26F AI and general server sales should improve overall operating margin.
- On new clients and rising demand, we forecast Wistron's server sales weighting to climb to 85% in 2026F from 73% in 2025, boosting sales and EPS. Client diversification and new projects will fuel EPS growth over the next 3-5 years.

Trading data

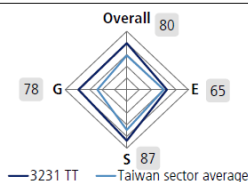
Mkt cap (NT\$bn/US\$m)	465.9 / 14,842
Outstanding shares (mn)	3,180
Foreign ownership (mn)	786
3M avg. daily trading (mn)	22.3759.05
52-week trading range (NT\$)	107.0 -158.5

Performance	3M	6M	12M
Absolute (%)	13.6	6.5	36.9
Relative (%)	-17.3	-44	-65.6

Quarterly EPS

NT\$	1Q	2Q	3Q	4Q
2024	1.24A	1.55A	1.47A	1.86A
2025	1.85A	2.20A	2.36A	2.60A
2026	3.06F	3.48F	3.80F	3.54F

ESG score card



Source: Refinitiv; KGI Research

Event

Wistron posted 1Q26 EPS of NT\$3.06, up 18% QoQ and 66% YoY, slightly below our forecast on a higher minority interest deduction. April sales fell MoM reflecting lower notebook (NB) and Blackwell (GB) shipments, as well as lower sales by Wiwynn (6669 TT, NT\$5,200, OP).

Impact

1Q26 EPS slightly missed on higher minority interest deduction. Wistron's 1Q26 EPS came in at NT\$3.06, slightly below our forecast due mainly to a higher minority interest deduction for Wiwynn. Gross margin of 5.2% was slightly below our forecast on a higher AI server sales weighting. However, lower operating expenses caused operating margin of 3.4% to exceed our forecast, with operating margin from Wiwynn at 6.3% and Wistron at 2%. Wistron's operating margin was only slightly down QoQ from 2.1% in 4Q25, which is quite stable based on GB300 AI server shipments rising from 2.4k racks in 4Q25 to 3.9-4k racks in 1Q26. Improved 1Q26 operating profit, however, was offset by forex losses of NT\$1.3bn. Coupled with a high minority interest deduction, EPS slightly missed.

2Q26 guidance positive. April sales were NT\$283.44bn, down 15% MoM, reflecting a 36% MoM decline in NB shipments to 1.8mn units and a 15% MoM fall in GB300 AI server shipments to 1.3-1.4k racks. Wiwynn's sales also fell due to changes to the general server pricing model. However, we now hold an improved view for 2Q26F NB shipments, to fall only by 5-10% QoQ, while GB AI server shipments should improve by 3-5% QoQ to 4-4.2k racks in 2Q26F. Factoring in potential QoQ declines in Wiwynn's 2Q26 sales, we expect Wistron's total sales to grow by close to 2% QoQ. Benefiting from Wiwynn's operating margin expansion, we raise Wistron's 2Q26 operating margin, and expect EPS to grow QoQ.

Brighter outlook expected. Several key catalysts for Wistron's 2026F EPS growth include: (1) AI server system (L10) shipments and sales will likely more than double YoY with GB and VR shipments of 15k racks; (2) AI server component sales will grow YoY to over NT\$100bn, benefiting from compute board (Bianca/ Strata) demand growth; (3) switch sales will multiply tenfold YoY to NT\$16-18bn; and (4) a stronger-than-expected general server demand outlook. We slightly revise up our 2026 EPS forecast to NT\$13.96, up 54% YoY, with the server sales weighting rising to 85%. We maintain our expectation that sales to AMD (US), which could boost component sales, LPU baseboards for Nvidia, and Wistron's after-sales service focus transferring from the PC market to the server market, will all provide 2027 EPS upside. We forecast 2027 EPS of NT\$18.29, up 31%.

Valuation & Action

On a solid business outlook and attractive valuation, we maintain Outperform and a target price of NT\$225, based on 15x fully diluted 2026-27F EPS.

Risks

Weaker-than-expected demand; AI server market competition.

Key financials and valuations

	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Revenue (NT\$m)	867,057	1,049,256	2,186,523	3,508,234	4,326,513
Gross profit (NT\$m)	68,983	84,091	133,983	197,721	252,551
Operating profit (NT\$m)	27,390	38,979	78,553	124,607	156,682
Net profit (NT\$m)	11,472	17,446	27,408	43,670	57,526
EPS (NT\$)	4.08	6.11	9.04	13.96	18.29
Cash DPS (NT\$)	2.60	3.80	5.50	8.24	10.85
EPS growth (%)	1.7	49.8	47.9	54.4	31.0
PE (x)	35.9	24.0	16.2	10.5	8.0
PB (x)	4.1	3.2	2.6	2.2	1.9
EV/EBITDA (x)	12.2	11.4	8.3	6.5	5.8
Net debt to equity (%)	40.2	26.6	75.5	79.4	74.7
Dividend yield (%)	1.8	2.6	3.8	5.6	7.4
Return on average equity (%)	11.4	14.7	17.7	22.6	25.1

Source: Company data; KGI Research estimates

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

NT\$m	1Q26							2Q26F						
	Actual	KGI forecast	Diff. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)	Revision	Previous	Chg. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)
Sales	846,303	846,303	0.0	17.4	144.3	770,885	9.8	863,229	871,692	(1.0)	2.0	56.6	785,058	10.0
Gross profits	44,094	45,700	(3.5)	8.8	63.0	42,915	2.7	46,614	47,943	(2.8)	5.7	90.6	44,583	4.6
Operating income	29,137	27,928	4.3	14.4	92.3	25,261	15.3	28,918	28,766	0.5	(0.8)	168.1	26,971	7.2
Pretax Income	23,508	23,001	2.2	10.5	58.8	22,631	3.9	24,273	24,489	(0.9)	3.3	33.8	24,293	(0.1)
Net income	9,631	9,728	(1.0)	17.9	80.6	9,243	4.2	10,947	11,134	(1.7)	13.7	68.3	9,954	10.0
EPS (NT\$)	3.06	3.21	(4.6)	17.7	65.5	2.94	4.2	3.48	3.67	(5.3)	13.7	58.1	3.16	10.0
Gross margin (%)	5.2	5.4	(0.2)ppts	(0.4)ppts	(2.6)ppts	5.6	(0.4)ppts	5.4	5.5	(0.1)ppts	0.2 ppts	1.0 ppts	5.7	(0.3)ppts
OP margin (%)	3.4	3.3	0.1 ppts	(0.1)ppts	(0.9)ppts	3.3	0.2 ppts	3.4	3.3	0.0 ppts	(0.1)ppts	1.4 ppts	3.4	(0.1)ppts
Net margin (%)	1.1	1.1	(0.0)ppts	0.0 ppts	(0.4)ppts	1.2	(0.1)ppts	1.3	1.3	(0.0)ppts	0.1 ppts	0.1 ppts	1.3	0.0 ppts

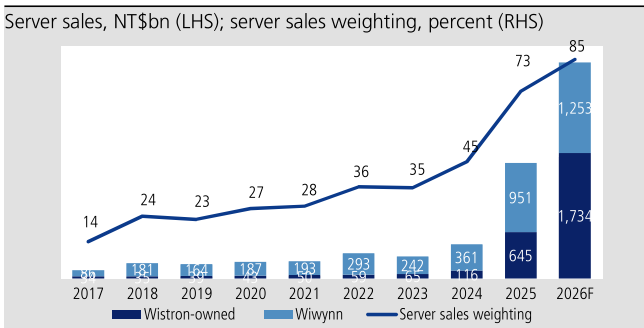
Source: Bloomberg; KGI Research estimates

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

NT\$m	2026F						2027F					
	Revision	Previous	Chg. (%)	YoY (%)	Consensus	Diff. (%)	Revision	Previous	Chg. (%)	YoY (%)	Consensus	Diff. (%)
Sales	3,508,234	3,496,420	0.3	60.4	3,264,845	7.5	4,326,513	4,260,156	1.6	23.3	4,120,935	5.0
Gross profit	197,721	198,588	(0.4)	47.6	189,230	4.5	252,551	246,861	2.3	27.7	231,308	9.2
Operating income	124,607	119,837	4.0	58.6	118,141	5.5	156,682	152,450	2.8	25.7	145,457	7.7
Pretax Income	104,769	102,206	2.5	37.4	105,881	(1.1)	139,071	134,715	3.2	32.7	132,075	5.3
Net income	43,670	42,176	3.5	59.3	41,923	4.2	57,526	56,500	1.8	31.7	54,281	6.0
EPS (NT\$)	13.96	13.90	0.4	54.4	13.40	4.2	18.29	18.57	(1.5)	31.0	17.26	6.0
Gross margin (%)	5.6	5.7	(0.0)ppts	(0.5)ppts	5.8	(0.2)ppts	5.8	5.8	0.0 ppts	0.2 ppts	5.6	0.2 ppts
OP margin (%)	3.6	3.4	0.1 ppts	(0.0)ppts	3.6	(0.1)ppts	3.6	3.6	0.0 ppts	0.1 ppts	3.5	0.1 ppts
Net margin (%)	1.2	1.2	0.0 ppts	(0.0)ppts	1.3	(0.0)ppts	1.3	1.3	0.0 ppts	0.1 ppts	1.3	0.0 ppts

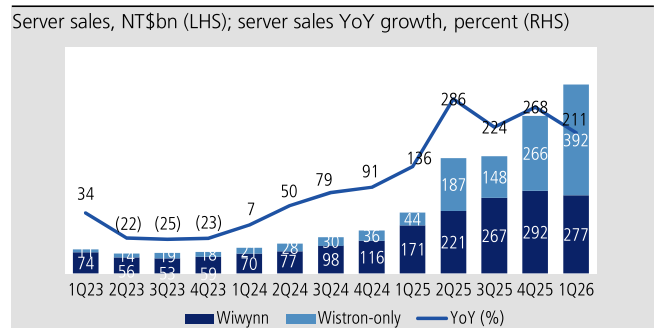
Source: Bloomberg; KGI Research estimates

Figure 3: Wistron's server sales weighting rose to 79% in 1Q26 & will hit 85% in 2026F



Source: Company data; KGI Research estimates

Figure 4: Total server sales, including by Wiwynn, grew by 211% YoY in 1Q26



Source: Company data; KGI Research estimates

Figure 5: The server sales weighting has risen significantly

Sales (NT\$m)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2023	2024	2025	2026F	2027F
Sever	90,944	105,691	128,095	151,563	214,821	407,956	414,498	558,008	668,579	303,470	476,292	1,595,282	2,986,381	3,852,044
PC	102,910	112,897	125,369	124,816	114,340	121,284	130,987	151,398	160,798	416,187	465,993	518,009	469,256	423,887
Others	45,472	21,619	19,078	20,803	17,324	22,052	24,257	14,419	16,926	147,400	106,971	78,052	52,596	50,582
Total	239,325	240,207	272,542	297,182	346,485	551,291	567,805	720,941	846,303	867,057	1,049,256	2,191,343	3,508,234	4,326,513

Sales weighting (%)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2023	2024	2025	2026F	2027F
Sever	38	44	47	51	62	74	73	77	79	35	45	73	85	89
PC	43	47	46	42	33	22	23	21	19	48	44	24	13	10
Others	19	9	7	7	5	4	4	2	2	17	10	4	1	1
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Source: Company data; KGI Research estimates

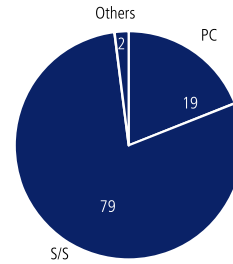
Figure 6: Company profile

Spun off from Acer (2353 TT, NT\$27.8, NR) in 2001, Wistron is a design, manufacturing, and service (DMS) company. Product development is focused on information and communication technology, notebooks, desktops, servers, storage, industrial automation, networking, and communications. Wistron is the third largest notebook maker in Taiwan, trailing Quanta Computer (2382 TT, NT\$340.5, OP) and Compal Electronics (2324 TT, NT\$29.65, NR), with NB shipments of 24.1mn units (up 19% YoY) and global market share of 12-13% in 2025. It is also the most diversified notebook ODM in Taiwan.

Source: KGI Research

Figure 7: Sales are broadly diversified

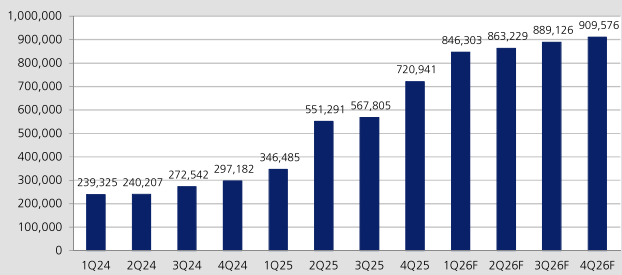
Sales weighting in 1Q26, percent



Source: Company data; KGI Research

Figure 8: Sales

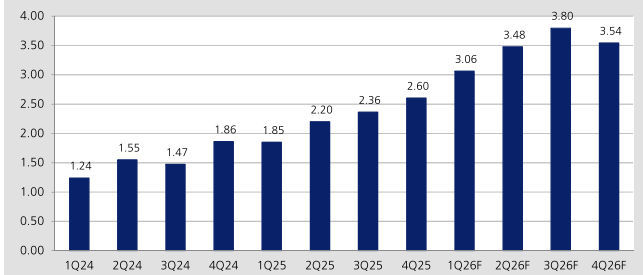
Sales, NT\$m



Source: KGI Research

Figure 9: EPS

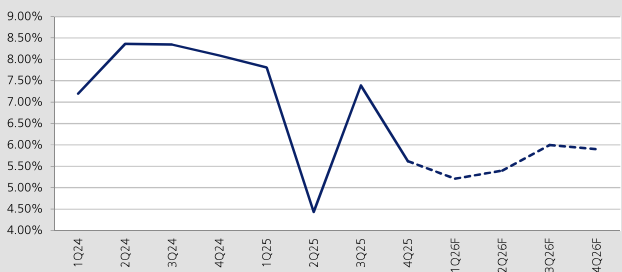
EPS, NT\$



Source: KGI Research

Figure 10: Gross Margin

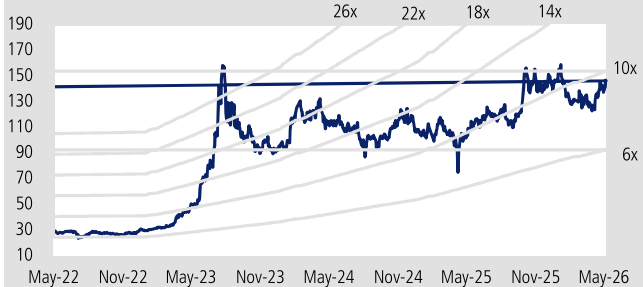
Gross margin, percent



Source: KGI Research

Figure 11: 12M forward PE band

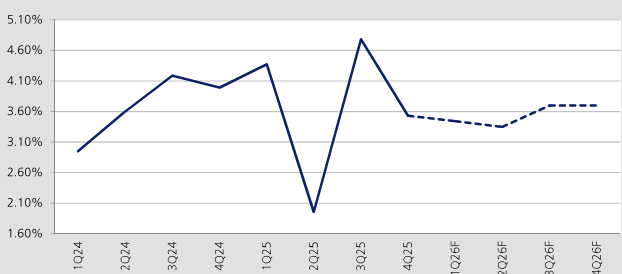
Share price, NT\$ (LHS); PE ratio, x (RHS)



Source: KGI Research

Figure 12: Operating Margin

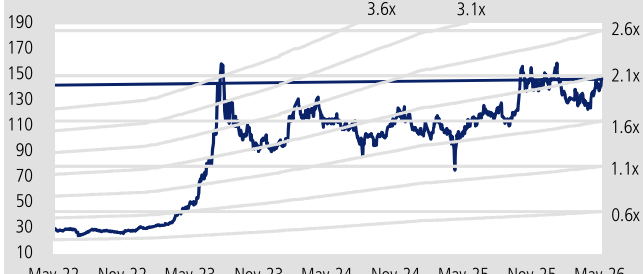
Operating margin, percent



Source: KGI Research

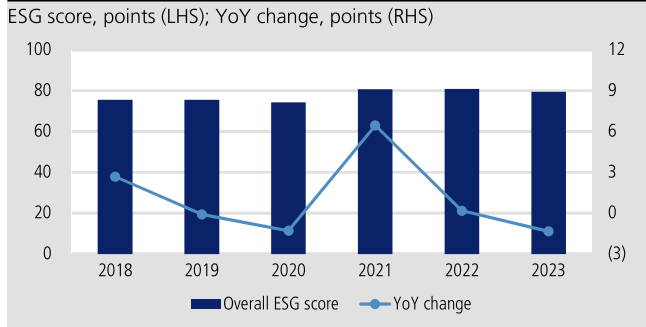
Figure 13: 12M forward PB band

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



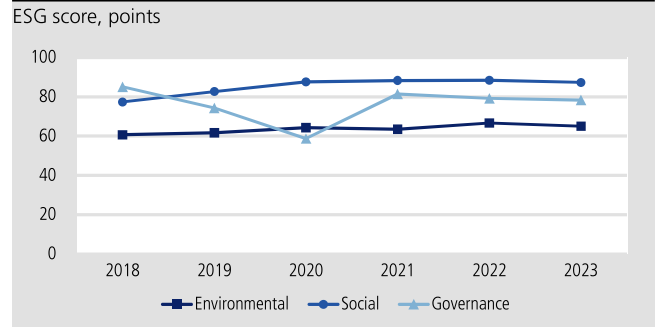
Source: KGI Research

Figure 14: Overall ESG score



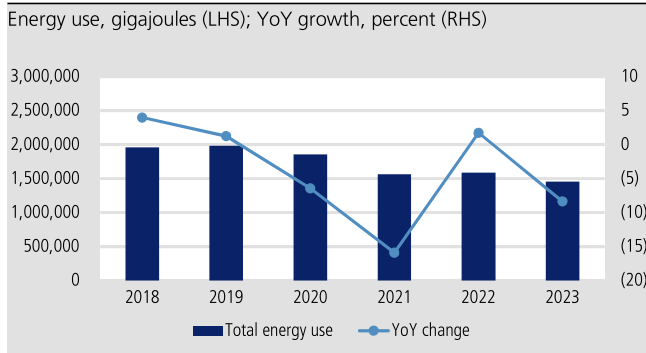
Source: Refinitiv; KGI Research; Company data

Figure 15: ESG scores



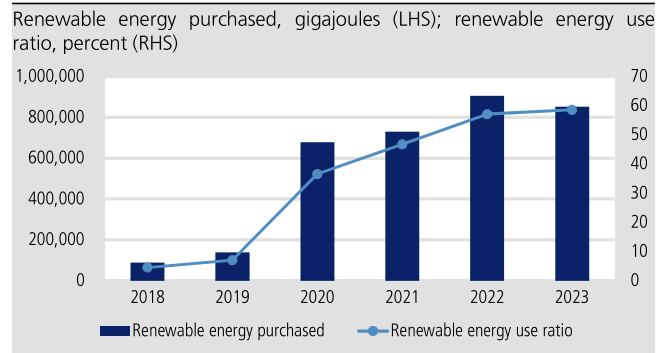
Source: Refinitiv; KGI Research; Company data

Figure 16: Energy use



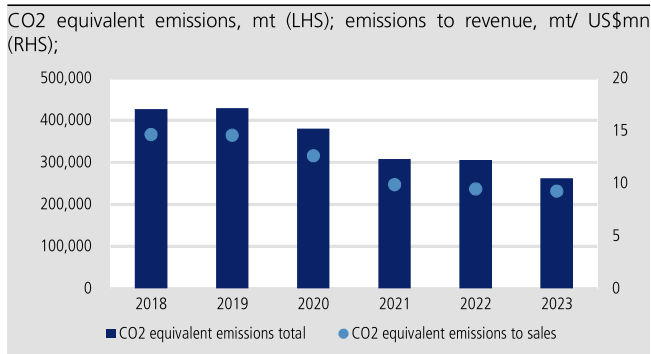
Source: Refinitiv; KGI Research; Company data

Figure 17: Renewable energy



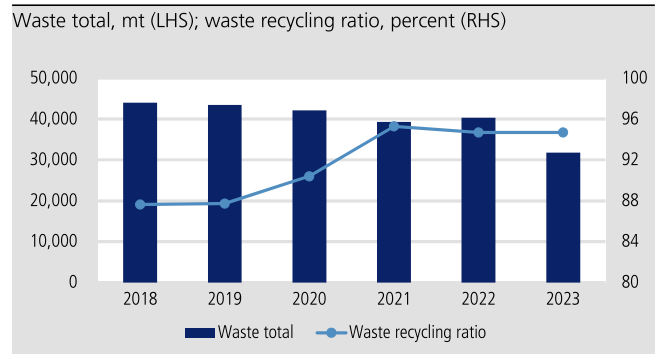
Source: Refinitiv; KGI Research; Company data

Figure 18: CO2 equivalent emissions



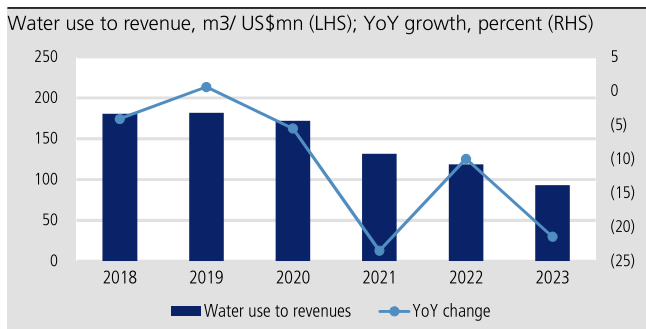
Source: Refinitiv; KGI Research; Company data

Figure 19: Waste total



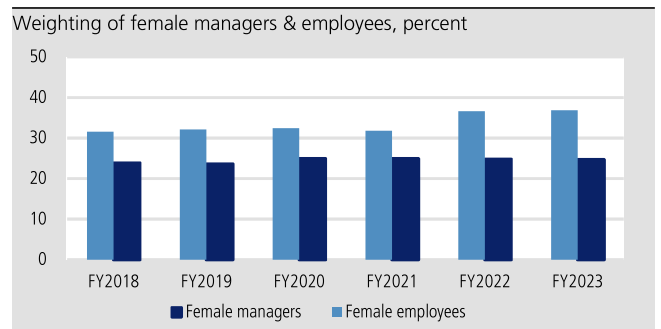
Source: Refinitiv; KGI Research; Company data

Figure 20: Water use to revenue



Source: Refinitiv; KGI Research; Company data

Figure 21: Gender diversification



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"> - the total amount of energy that has been consumed within the boundaries of the company's operations - total energy use = total direct energy consumption + indirect energy consumption - purchased energy and produced energy are included in total energy use - 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) - for utilities, raw materials such as coal, gas or nuclear used in the production of energy are not considered under 'total energy use' 	
Renewable energy purchased	<p>Total primary renewable energy purchased in gigajoules.</p> <ul style="list-style-type: none"> - 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 - if there is no evidence that renewable energy is produced by the company, then we consider the reported energy figure as renewable energy purchased 	
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"> - direct emissions from sources that are owned or controlled by the company (scope 1 emissions) - following gases are relevant: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorinated compound (PFCS), sulfur hexafluoride (SF6), nitrogen trifluoride (NF3) 	
CO2 equivalent emissions to sales	<p>Direct CO2 and CO2 equivalent emissions (metric tons) to sales (NT\$m)</p> <ul style="list-style-type: none"> - direct emissions from sources that are owned or controlled by the company (scope 1 emissions) - following gases are relevant: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorinated compound (PFCS), sulfur hexafluoride (SF6), nitrogen trifluoride (NF3) 	
Waste total	<p>Total amount of waste produced in metric tons.</p> <ul style="list-style-type: none"> - total waste = non-hazardous waste + hazardous waste - 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 - for sectors like mining, oil & gas, waste generation like tailings, waste rock, coal and fly ash are also considered 	
Waste recycling ratio	<p>The waste recycling ratio as reported by the company.</p> <ul style="list-style-type: none"> - waste recycling ratio = waste recycled/total waste*100 - waste to energy or waste incinerated with energy recovery are considered as waste recycled - waste recovered via composting is considered as recycled waste 	
Water withdrawal total	<p>Total water withdrawal in cubic meters.</p> <ul style="list-style-type: none"> - 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 - different sources of water like wells, town/utility/municipal water, river water, and surface water are considered 	
Environmental expenditures	<p>Total amount of environmental expenditures.</p> <ul style="list-style-type: none"> - all environmental investment & expenditures for environmental protection or to prevent, reduce, control environmental aspects, impacts, and hazards. It also includes disposal, treatment, sanitation, and clean-up expenditures 	
Turnover of employees	<p>Percentage of employee turnover.</p> <ul style="list-style-type: none"> - 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 - employees turnover rate = (employees leaving/average number of employees)*100 - where the average number of employees = (employees at the end of the current year + employees at the end of the previous year)/2 - employees at the end of the current fiscal year = employees at the end of the previous fiscal year + new employees - employees leaving 	
Women managers	<p>Percentage of women managers.</p> <ul style="list-style-type: none"> - percentage of women managers among total managers of the company - 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 - percentage of women managers = number of women managers/total number of managers*100 	
Women employees	<p>Percentage of women employees.</p> <ul style="list-style-type: none"> - percentage of women employees to the total number of employees of the company - percentage of women employees = number of women/total number of employees*100 	
Training hours total	<p>Total training hours performed by all employees.</p> <ul style="list-style-type: none"> - consider only employee training hours - includes all types of training given to general employees (such as health & safety, environmental, emergency response, skills & career development training) - if the value is given in days, multiply by 8, assuming that 1 day = 8 hours worked 	
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-25A	Mar-26F	Jun-26F	Sep-26F	Dec-26F	Dec-25A	Dec-26F	Dec-27F
Income statement (NT\$m)											
Revenue	346,485	551,291	567,805	720,941	846,303	863,229	889,126	909,576	2,186,523	3,508,234	4,326,513
Cost of goods sold	(319,430)	(526,838)	(525,840)	(680,431)	(802,209)	(816,615)	(835,778)	(855,911)	(2,052,539)	(3,310,513)	(4,073,962)
Gross profit	27,056	24,453	41,965	40,509	44,094	46,614	53,348	53,665	133,983	197,721	252,551
Operating expenses	(11,906)	(13,666)	(14,822)	(15,036)	(14,957)	(17,696)	(20,450)	(20,011)	(55,430)	(73,113)	(95,869)
Operating profit	15,150	10,787	27,142	25,474	29,137	28,918	32,898	33,654	78,553	124,607	156,682
Depreciation of fixed assets	(2,729)	(2,858)	(3,152)	(3,610)	(3,809)	(3,809)	(3,809)	(3,809)	(12,348)	(15,236)	(19,070)
Amortisation of intangible assets	(123)	(143)	(157)	(166)	(172)	(172)	(172)	(172)	(590)	(686)	(686)
EBITDA	18,001	13,789	30,451	29,250	33,118	32,899	36,878	37,635	91,491	140,529	176,438
Interest income	700	715	656	950	788	800	761	694	3,021	3,043	2,949
Investment income	160	87	244	137	79	75	75	71	625	300	400
Other non-op income	1,087	9,538	144	(73)	114	600	500	386	590	1,600	3,000
Non-operating income	1,947	10,340	1,044	1,014	982	1,475	1,336	1,150	4,236	4,943	6,349
Interest expense	(2,290)	(2,984)	(5,008)	(5,537)	(5,973)	(5,820)	(5,820)	(5,668)	(15,820)	(23,281)	(22,460)
Investment loss	-	-	-	-	-	-	-	-	-	-	-
Other non-op expenses	-	-	(1,140)	318	(639)	(300)	(375)	(186)	9,288	(1,500)	(1,500)
Non-operating expenses	(2,290)	(2,984)	(6,148)	(5,219)	(6,611)	(6,120)	(6,195)	(5,854)	(6,532)	(24,781)	(23,960)
Pre-tax profit	14,807	18,143	22,038	21,269	23,508	24,273	28,038	28,950	76,257	104,769	139,071
Current taxation	(3,638)	(4,406)	(5,518)	(4,924)	(5,487)	(5,825)	(6,729)	(7,103)	(18,485)	(25,145)	(33,377)
Minorities	(5,838)	(7,234)	(9,114)	(8,179)	(8,390)	(7,501)	(9,362)	(10,702)	(30,364)	(35,955)	(48,168)
Normalised net profit	5,331	6,504	7,406	8,167	9,631	10,947	11,947	11,145	27,408	43,670	57,526
Extraordinary items	(0)	(0)	(0)	0	-	-	-	-	-	-	-
Net profit	5,331	6,504	7,406	8,167	9,631	10,947	11,947	11,145	27,408	43,670	57,526
EPS (NT\$)	1.85	2.20	2.36	2.60	3.06	3.48	3.80	3.54	9.04	13.96	18.29
Margins (%)											
Gross profit margin	7.8	4.4	7.4	5.6	5.2	5.4	6.0	5.9	6.1	5.6	5.8
Operating margin	4.4	2.0	4.8	3.5	3.4	3.4	3.7	3.7	3.6	3.6	3.6
EBITDA margin	5.2	2.5	5.4	4.1	3.9	3.8	4.1	4.1	4.2	4.0	4.1
Pretax profit margin	4.3	3.3	3.9	3.0	2.8	2.8	3.2	3.2	3.5	3.0	3.2
Net profit margin	1.5	1.2	1.3	1.1	1.1	1.3	1.3	1.2	1.3	1.2	1.3
Sequential growth (%)											
Revenue growth	16.6	59.1	3.0	27.0	17.4	2.0	3.0	2.3			
Gross profit growth	12.6	(9.6)	71.6	(3.5)	8.8	5.7	14.4	0.6			
Operating profit growth	27.8	(28.8)	151.6	(6.1)	14.4	(0.8)	13.8	2.3			
EBITDA growth	22.1	(23.4)	120.8	(3.9)	13.2	(0.7)	12.1	2.1			
Pretax profit growth	17.0	22.5	21.5	(3.5)	10.5	3.3	15.5	3.3			
Net profit growth	0.4	22.0	13.9	10.3	17.9	13.7	9.1	(6.7)			
YoY growth (%)											
Revenue growth	44.8	129.5	108.3	142.6	144.3	56.6	56.6	26.2	108.4	60.4	23.3
Gross profit growth	57.0	21.8	84.5	68.6	63.0	90.6	27.1	32.5	59.3	47.6	27.7
Operating profit growth	114.6	24.7	137.9	114.8	92.3	168.1	21.2	32.1	101.5	58.6	25.7
EBITDA growth	83.1	20.4	114.5	98.4	84.0	138.6	21.1	28.7	82.2	53.6	25.6
Pretax profit growth	84.9	98.8	116.3	68.1	58.8	33.8	27.2	36.1	90.8	37.4	32.7
Net profit growth	51.3	47.4	76.4	53.8	80.6	68.3	61.3	36.5	57.1	59.3	31.7

Source: Company data; KGI Research estimates

Balance sheet

NT\$m	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Total assets	452,391	589,841	1,097,726	1,375,974	1,617,297
Current assets	361,461	480,212	944,132	1,179,370	1,396,358
Cash & ST securities	79,577	84,825	150,003	108,936	81,306
Inventory	119,720	190,697	355,474	526,054	647,369
Accounts receivable	121,337	190,483	422,913	528,638	651,940
Other current assets	40,828	14,206	15,742	15,742	15,742
Non-current assets	90,929	109,629	153,595	196,604	220,940
LT investments	18,849	21,109	22,267	20,513	18,919
Net fixed assets	46,598	57,284	87,914	132,678	158,608
Other assets	25,482	31,236	43,413	43,413	43,413
Total liabilities	323,628	403,055	844,438	1,054,939	1,209,351
Current liabilities	288,252	349,587	732,221	966,690	1,110,359
Accounts payable	119,358	177,016	356,019	535,124	658,531
Interest bearing ST liabilities	100,438	87,033	240,313	286,967	298,916
Other current liabilities	68,455	85,538	135,889	144,598	152,912
Non-current liabilities	35,376	53,468	112,217	88,249	98,992
Long-term debt	26,525	42,493	95,404	71,249	81,801
Other L-T liabilities	4,000	3,973	7,487	7,674	7,866
Total equity	128,763	186,785	253,288	321,035	407,946
Share capital	28,998	28,964	31,804	31,804	31,804
Retained earnings reserve	-	35,408	-	17,468	40,478
Minority interests	24,539	53,998	75,709	111,664	159,832
Preferred shareholders funds	-	-	-	-	-

Key ratios

	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Growth					
Revenue growth	(11.9%)	21.0%	108.4%	60.4%	23.3%
Operating profit growth	(0.3%)	42.3%	101.5%	58.6%	25.7%
EBITDA growth	2.0%	26.4%	82.2%	53.6%	25.6%
Net profit growth	2.8%	52.1%	57.1%	59.3%	31.7%
EPS growth	1.7%	49.8%	47.9%	54.4%	31.0%
Profitability					
Gross profit margin	8.0%	8.0%	6.1%	5.6%	5.8%
Operating margin	3.2%	3.7%	3.6%	3.6%	3.6%
EBITDA margin	4.6%	4.8%	4.2%	4.0%	4.1%
Net profit margin	1.3%	1.7%	1.3%	1.2%	1.3%
Return on average assets	2.6%	3.3%	3.2%	3.5%	3.8%
Return on average equity	11.4%	14.7%	17.7%	22.6%	25.1%
Stability					
Gross debt to equity	98.6%	69.3%	132.5%	111.6%	93.3%
Net debt to equity	40.2%	26.6%	75.5%	79.4%	74.7%
Interest coverage (x)	3.8	6.0	5.8	5.5	7.2
Interest & ST debt coverage (x)	0.1	0.3	0.2	0.2	0.3
Cash flow interest coverage(x)	5.5	0.7	(6.7)	(1.6)	(2.0)
Cash flow/int. & ST debt (x)	0.4	0.1	(0.4)	(0.1)	(0.1)
Current ratio (x)	1.3	1.4	1.3	1.2	1.3
Quick ratio (x)	0.8	0.8	0.8	0.7	0.7
Net debt (NT\$m)	51,731	49,645	191,242	254,809	304,939
Per share data					
EPS (NT\$)	4.08	6.11	9.04	13.96	18.29
CFPS (NT\$)	17.15	2.01	(34.90)	(12.12)	(14.09)
BVPS (NT\$)	35.94	45.85	55.84	65.83	78.01
Adj BVPS (NT\$)	37.07	46.53	58.57	66.92	78.87
SPS (NT\$)	308.38	367.69	721.18	1,121.37	1,375.35
EBITDA/share (NT\$)	14.13	17.60	30.18	44.92	56.09
Cash DPS (NT\$)	2.60	3.80	5.50	8.24	10.85
Activity					
Sales / avg assets	1.96	2.01	2.59	2.84	2.89
Days receivable	51.1	66.4	70.6	55.0	55.0
Days inventory	54.8	72.3	63.2	58.0	58.0
Days payable	54.6	67.1	63.3	59.0	59.0
Cash cycle	51.2	71.6	70.5	54.0	54.0

Source: Company data; KGI Research estimates

Profit & loss

NT\$m	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Revenue	867,057	1,049,256	2,186,523	3,508,234	4,326,513
Cost of goods sold	(798,074)	(965,165)	(2,052,539)	(3,310,513)	(4,073,962)
Gross profit	68,983	84,091	133,983	197,721	252,551
Operating expenses	(41,593)	(45,112)	(55,430)	(73,113)	(95,869)
Operating profit	27,390	38,979	78,553	124,607	156,682
Non-operating income	8,555	9,368	4,236	4,943	6,349
Interest income	2,520	3,223	3,021	3,043	2,949
Investment income	811	617	625	300	400
Other non-op income	5,225	5,528	590	1,600	3,000
Non-operating expenses	(11,625)	(8,371)	(6,532)	(24,781)	(23,960)
Interest expense	(8,757)	(8,018)	(15,820)	(23,281)	(22,460)
Investment loss	-	-	-	-	-
Other non-op expenses	(2,868)	(354)	9,288	(1,500)	(1,500)
Pre-tax profit	24,321	39,975	76,257	104,769	139,071
Current taxation	(6,055)	(9,339)	(18,485)	(25,145)	(33,377)
Minorities	(6,794)	(13,191)	(30,364)	(35,955)	(48,168)
Extraordinary items	-	0	0	-	-
Net profit	11,472	17,446	27,408	43,670	57,526
EBITDA	39,735	50,225	91,491	140,529	176,438
EPS (NT\$)	4.08	6.11	9.04	13.96	18.29

Cash flow

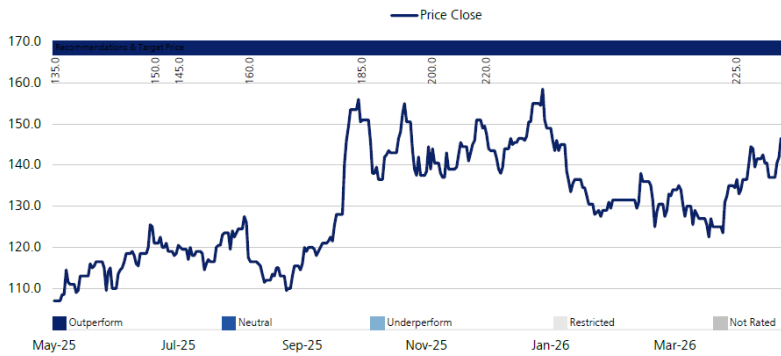
NT\$m	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Operations cash flow	48,219	5,750	(105,810)	(37,909)	(44,329)
Net profit	11,472	17,446	27,408	43,670	57,526
Depreciation & amortisation	12,345	11,246	12,938	15,922	19,756
Decrease in working capital	12,616	(62,106)	(220,290)	(97,200)	(121,211)
Other operating cash flow	11,787	39,164	74,134	(300)	(400)
Investing cash flow	(14,665)	(20,094)	(43,513)	(58,632)	(43,691)
Sale of ST investment	3,499	(1,834)	(1,482)	-	-
New investments	(1,229)	2,173	1,935	2,054	1,995
Capital expenditure	(12,961)	(16,593)	(39,615)	(60,000)	(45,000)
Others investing cashflow	(3,974)	(3,840)	(4,351)	(686)	(686)
Free cash flow	32,104	(38,057)	(188,045)	(47,263)	(28,062)
Financing cash flow	(23,205)	12,855	217,195	55,474	60,390
Increase in short term debt	(17,834)	(18,995)	155,381	20,000	20,000
Increase in long term loans	5,145	17,792	56,538	2,500	2,500
New ordinary shares issued	-	-	27,109	-	-
Ordinary dividends paid	(7,401)	(7,462)	(10,997)	(17,492)	(26,202)
Other financing cashflow	(3,682)	20,707	(10,913)	50,466	64,092
Forex effects	(646)	5,329	(3,279)		
Total cash generated	9,704	3,840	64,593	(41,067)	(27,630)

ROIC

	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
1 - COGS/revenue					
- Operating exp./revenue	4.8%	4.3%	2.5%	2.1%	2.2%
= Operating margin	3.2%	3.7%	3.6%	3.6%	3.6%
1 / (Working capital/revenue					
+ Net PPE/revenue	0.1	0.1	0.1	0.1	0.1
+ Other assets/revenue)	0.0	0.0	0.0	0.0	0.0
= Capital turnover	6.0	5.4	5.5	6.6	6.5
Operating margin	3.2%	3.7%	3.6%	3.6%	3.6%
x Capital turnover	6.0	5.4	5.5	6.6	6.5
x (1 - tax rate)	75.1%	76.6%	75.8%	76.0%	76.0%
= After-tax ROIC	14.1%	15.4%	15.0%	17.8%	17.8%

Source: Company data; KGI Research estimates

Wistron – Recommendation & target price history



Date	Rating	Target	Price
2026-04-13	Outperform	225.0	134.5
2026-03-14	Outperform	220.0	134.0
2025-12-09	Outperform	220.0	149.5
2025-11-12	Outperform	200.0	139.0
2025-10-08	Outperform	185.0	150.5
2025-08-13	Outperform	160.0	117.5
2025-07-09	Outperform	145.0	120.5
2025-06-27	Outperform	150.0	121.0
2025-04-29	Outperform	135.0	104.0
2025-02-25	Outperform	135.0	112.0

Source: TEJ; KGI Research

All the above named KGI analyst(s) is SFC licensed person accredited to KGI Asia Ltd to carry on the relevant regulated activities. Each of them and/or his/her associate(s) does not have any financial interest in the respectively covered stock, issuer and/or new listing applicant.

Disclaimer

All the information contained in this report is not intended for use by persons or entities located in or residing in jurisdictions which restrict the distribution of this information by KGI Asia Limited (“KGI”) or an affiliate of KGI. Such information shall not constitute investment advice, or an offer to sell, or an invitation, solicitation or recommendation to subscribe for or invest in any securities or investment products or services nor a distribution of information for any such purpose in any jurisdiction. In particular, the information herein is not for distribution and does not constitute an offer to sell or the solicitation of any offer to buy any securities in the United States of America, or to or for the benefit of United States persons (being residents of the United States of America or partnerships or corporations organised under the laws of the United States of America or any state, territory or possession thereof). All the information contained in this report is for general information and reference purpose only without taking into account of any particular investor’s objectives, financial situation or needs. Such information is not intended to provide professional advice and should not be relied upon in that regard.

Some of KGI equity research and earnings estimates are available electronically on www.kgi.com.hk. Please contact your KGI representative for information. The information and opinions in this report are those of KGI internal research activity. KGI does not make any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information and opinions contained in this report. The information and opinions contained in this report are subject to change without any notice. No person accepts any liability whatsoever for any loss however arising from any use of this report or its contents. This report is not to be construed as an invitation or offer to buy or sell securities and/or to participate in any investment activity. This report is being supplied solely for informational purposes and may not be redistributed, reproduced or published (in whole or in part) by any means for any purpose without the prior written consent of KGI. Members of the KGI group and their affiliates may provide services to any companies and affiliates of such companies mentioned herein. Members of the KGI group, their affiliates and their directors, officers and employees may from time to time have a position in any securities mentioned herein.