Company update | Electronics · Taiwan

Wiwynn

(6669.TW/6669 TT)

FTSE4Good TIP Taiwan ESG Index stock

Outperform ·Maintained

Price as of July 28 (NT$)	5,315
12M target price (NT$)	7,750
Previous target price (NT$)	6,475
Revised up (%)	19.7
Upside (%)	45.8

Key message

1. We forecast 2Q26 gross margin will beat consensus on strong general server sales, for 2Q26 EPS of NT$82.02.
2. On ramp-up of Trainium3 (T3) ASIC AI shipments in 2H26, sales growth will accelerate; AI server sales weighting to rise to more than 50% in 2H26F, fueling EPS growth.
3. AMD (US) Helios rack sales to be another key sales growth catalyst in 2027F, based on strong chip and rack sales projections, which will boost Wiwynn's 2027F sales growth to 77% YoY, with EPS growth of 56% YoY.

Trading data

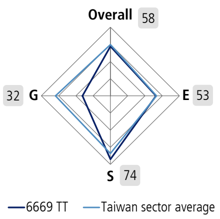
Mkt cap (NT$bn/US$mn)	992 / 30,709
Outstanding shares (mn)	186.6
Foreign ownership (mn)	63
3M avg. daily trading (mn)	1.251.97
52-week trading range (NT$)	2,630 –5,790

Performance	3M	6M	12M
Absolute (%)	10.7	43.5	104.4
Relative (%)	5.4	16.7	26.7

Quarterly EPS

NT$	1Q	2Q	3Q	4Q
2024	26.92A	26.85A	34.36A	37.92A
2025	52.70A	65.23A	82.92A	74.21A
2026	75.95A	82.01F	105.40F	107.33F

ESG score card



Source: Refinitiv; KGI Research

To benefit from Trainium AI server shipment ramp-up in 2H26F

Event

Wiwynn will report 2Q26 earnings results on August 7, and we expect EPS to beat consensus. On AI server sales growth in 2H26-2027F, sales growth will accelerate.

Impact

2Q26F gross margin to beat on better-than-expected sales. 2Q26 sales grew 1% QoQ and 26% YoY, mainly on strong general server sales. Despite flat QoQ sales in 2Q26, the change of the firm's accounting policy to a "procurement agency model", which allows for deduction of memory costs from revenue in 2Q26, implies strong QoQ general server shipment growth. Based on a general server sales weighting of around 70% in 2Q26, general server sales rose by 90% QoQ and 40% YoY, versus 60-65% in 1Q26 and 30-35% in 2Q25, with shipment growth much stronger than sales growth. As 2Q26 general server sales were reported without memory cost recognition, we estimate gross margin will grow QoQ and YoY to 8.8%, and operating margin will rise to 7.4%. Therefore, we forecast 2Q26 EPS will exceed our previous forecast and consensus at NT$82.01, up 8% QoQ and 26% YoY.

Bright 2H26 AI server shipment outlook. Wiwynn commenced Trainium3 (T3) ASIC AI server shipments in June. As shipments of the T3 PDS (air cooled) model will ramp-up strongly from 3Q26F, and T3 rack ASP is expected to rise 15-20% from the prior generation, we forecast Wiwynn's 3Q26 total sales will grow by 35% QoQ, despite a general server sales decline QoQ. The firm's AI server sales weighting will thus expand to over 50% in 3Q26F, and be higher in 4Q26F due to the start of GPU AI server sales recognition, including VR200 and Helios MI455, to Oracle (US) and Meta (US). With Wiwynn's T3 UBB sales, we expect the firm's T3 ASIC and general server gross margin to exceed the company average. We therefore raise 2H26F sales and gross margin, and also revise up 2026F EPS to NT$370.69, up 35% YoY.

Positive 2027 outlook. Management expects GPU and ASIC AI server sales to be the key sales growth driver in 2H26-2027. As Trainium chip shipments will rise 30-40% YoY in 2027F, and shipments of the liquid-cooled T3 Max will rise in 2027F, we expect Wiwynn to continue to benefit from T3 sales growth, with Amazon Web Services (AWS; US) remaining the largest client. In addition, we expect shipments of Helios AI server racks to grow to 4-5k racks in 2027, boosting sales to Meta significantly, with rack ASP of US$5.0-5.5mn, those these will be under consignment negotiation. In addition to these projects and clients, VR shipments will grow in 2027F. We expect positive AI server business outlook to accelerate 2027F sales growth. Although GPU projects may dilute 2027 gross margin, we still expect strong 2027F sales and EPS growth. On strong server demand, capex will grow in 2026-27F with the support of additional syndicate loans. We revise 2027F EPS to NT$566.42, up 53% YoY. Wiwynn's custom AI server business focus is also expected to lead to more ASIC business opportunities, such as with OpenAI (US).

Valuation & Action

We maintain Outperform and revise up our target price from NT$6,475 to NT$7,750, based on 17x 2026-27F average fully-diluted EPS.

Risks

Component supply constraints; AI server pricing (consignment); AI server project delays.

Key financials and valuations

	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Revenue (NT$mn)	241,901	360,541	950,663	1,361,998	2,368,079
Gross profit (NT$mn)	22,657	37,400	78,454	108,106	164,970
Operating profit (NT$mn)	15,871	28,099	63,918	89,918	136,563
Net profit (NT$mn)	12,044	22,776	51,118	68,889	105,263
EPS (NT$)	68.88	126.57	275.06	370.69	566.42
Cash DPS (NT$)	42.00	74.00	145.00	203.88	311.53
EPS growth (%)	(15.0)	83.7	117.3	34.8	52.8
PE (x)	77.2	42.0	19.3	14.3	9.4
PB (x)	22.0	11.2	7.9	6.3	4.9
EV/EBITDA (x)	53.3	30.9	14.8	10.5	7.3
Net debt to equity (%)	Net cash	Net cash	8.2	Net cash	20.9
Dividend yield (%)	0.8	1.4	2.7	3.8	5.9
Return on average equity (%)	29.7	34.9	48.0	49.2	58.7

Source: Company data; KGI Research estimates

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

	2Q26							3Q26F						
NT$mn	Actual	KGI forecast	Diff. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)	Revision	Previous	Chg. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)
Sales	278,153	268,213	3.7	0.6	26.0	278,512	(0.1)	375,506	321,855	16.7	35.0	40.7	331,385	13.3
Gross profits	24,477	20,786	17.8	17.2	29.2	22,941	6.7	30,791	25,105	22.7	25.8	30.9	26,885	14.5
Operating income	20,583	17,031	20.9	17.9	29.5	18,842	9.2	25,534	20,599	24.0	24.1	30.5	22,282	14.6
Pretax Income	19,539	16,217	20.5	8.9	24.3	18,764	4.1	24,485	19,734	24.1	25.3	20.3	22,303	9.8
Net income	15,241	12,649	20.5	8.0	25.7	14,406	5.8	19,588	15,787	24.1	28.5	27.1	17,129	14.4
EPS (NT$)	82.01	68.06	20.5	8.0	25.7	77.52	5.8	105.40	84.95	24.1	28.5	27.1	92.17	14.4
Gross margin (%)	8.8	7.8	1.0 ppts	1.2 ppts	0.2 ppts	8.2	0.6 ppts	8.2	7.8	0.4 ppts	(0.6)ppts	(0.6)ppts	8.1	0.1 ppts
OP margin (%)	7.4	6.4	1.0 ppts	1.1 ppts	0.2 ppts	6.8	0.6 ppts	6.8	6.4	0.4 ppts	(0.6)ppts	(0.5)ppts	6.7	0.1 ppts
Net margin (%)	5.5	4.7	0.8 ppts	0.4 ppts	(0.0)ppts	5.2	0.3 ppts	5.2	4.9	0.3 ppts	(0.3)ppts	(0.6)ppts	5.2	0.0 ppts

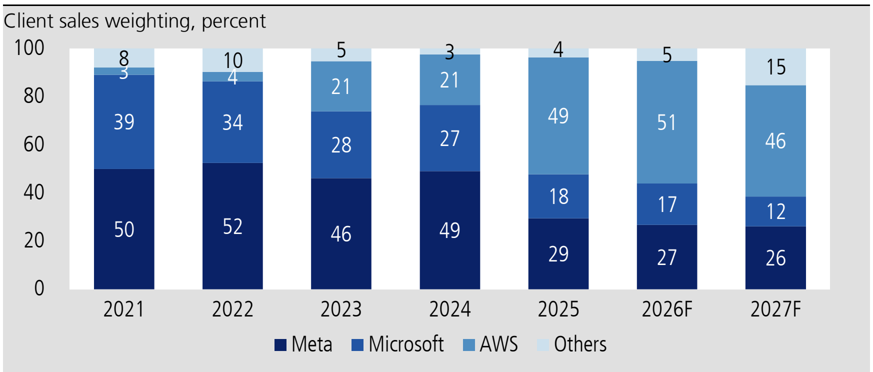
Source: Bloomberg; KGI Research estimates

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

	2026F						2027F					
NT$mn	Revision	Previous	Chg. (%)	YoY (%)	Consensus	Diff.(%)	Revision	Previous	Chg. (%)	YoY (%)	Consensus	Diff.(%)
Sales	1,361,998	1,291,623	5.4	43.3	1,295,652	5.1	2,368,079	1,872,770	26.4	73.9	2,094,997	13.0
Gross profit	108,106	97,082	11.4	37.8	103,199	4.8	164,970	132,770	24.3	52.6	144,764	14.0
Operating income	89,918	78,694	14.3	40.7	84,583	6.3	136,563	107,114	27.5	51.9	119,686	14.1
Pretax Income	87,201	75,807	15.0	32.0	84,529	3.2	133,245	104,085	28.0	52.8	117,775	13.1
Net income	68,889	59,887	15.0	34.8	65,861	4.6	105,263	82,227	28.0	52.8	93,245	12.9
EPS (NT$)	370.69	322.25	15.0	34.8	354.39	4.6	566.42	442.46	28.0	52.8	501.75	12.9
Gross margin (%)	7.9	7.5	0.4 ppts	(0.3)ppts	8.0	(0.0)ppts	7.0	7.1	(0.1)ppts	(1.0)ppts	6.9	0.1 ppts
OP margin (%)	6.6	6.1	0.5 ppts	(0.1)ppts	6.5	0.1 ppts	5.8	5.7	0.0 ppts	(0.8)ppts	5.7	0.1 ppts
Net margin (%)	5.1	4.6	0.4 ppts	(0.3)ppts	5.1	(0.0)ppts	4.4	4.4	0.1 ppts	(0.6)ppts	4.5	(0.0)ppts

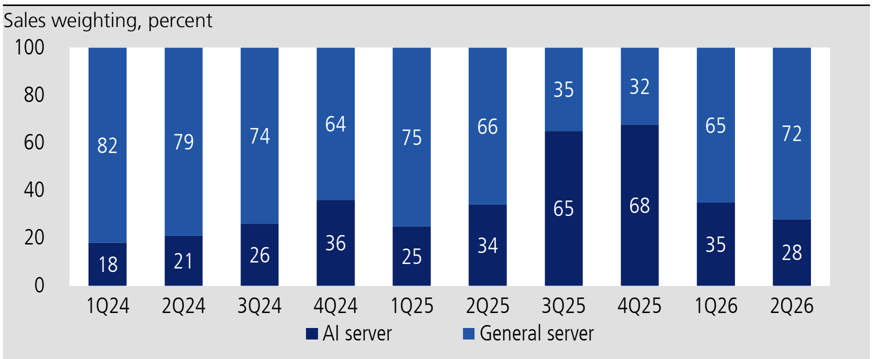
Source: Bloomberg; KGI Research estimates

Figure 3: Client mix to be diversified & balanced in 2026-27F



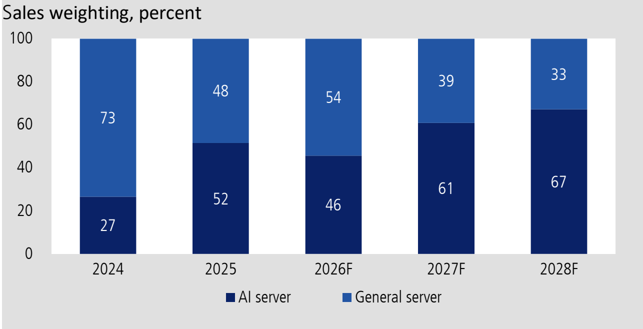
Source: Company data; KGI Research estimates

Figure 4: Wiwynn's AI server sales weighting dropped in 1H26



Source: Company data; KGI Research estimates

Figure 5: AI server sales to rebound in 2027-28F



Source: Company data; KGI Research estimates

Figure 6: ASIC AI remains the key AI server sales driver

	2024	2025	2026F	2027F	2028F
Sales weighting (%)					
AI server	27	52	46	61	67
General server	73	48	54	39	33
Sales (NT$bn)					
AI server	96	490	622	1,442	2,236
General server	265	461	740	926	1,092
Total	361	951	1,362	2,368	3,328
Sales YoY (%)					
AI server	99	411	27	132	55
General server	37	74	61	25	18
Total	49	164	43	74	41
AI server sales mix (%)					
ASIC AI	100	88	91	88	90
GPU AI	-	12	9	12	10

Source: Company data; KGI Research estimates

Figure 7: Consensus 2026-27 capex growth for top-five US CSPs revised up to 85% YoY & 28% YoY

Capex, US$mn	2021	2022	2023	2024	2025	2026F	2027F
Meta	18,567	31,431	27,266	37,256	69,691	135,671	175,811
Amazon	55,396	58,321	48,133	82,999	131,819	200,199	238,812
Microsoft	23,216	24,768	35,202	55,552	83,094	160,629	198,127
Google	24,640	31,485	32,251	52,535	91,447	197,157	288,382
Oracle	3,118	6,678	6,935	10,745	35,477	76,730	99,303
Baidu	1,689	1,586	1,580	1,130	1,858	2,194	2,271
Alibaba	8,311	5,014	4,477	10,542	16,856	19,283	21,456
Tencent	4,808	4,611	3,017	9,675	13,193	19,727	20,322
Hyperscale subtotal	**139,745**	**163,894**	**158,861**	**260,433**	**443,435**	**811,590**	**1,044,485**
Apple	10,388	11,692	9,564	9,995	12,148	12,666	13,811
IBM	2,062	1,346	1,245	1,048	1,617	1,586	1,634
Coreweave	N.A.	72	2,943	8,702	14,770	34,202	39,544
Nebius	606	750	1,073	808	3,920	23,103	28,966
Dell	2,796	3,003	2,756	2,652	2,704	3,754	3,945
Salesforce	717	798	736	658	695	679	739
Netflix	525	408	349	440	688	743	761
Enterprise subtotal	**17,094**	**18,069**	**18,666**	**24,302**	**36,542**	**76,733**	**89,401**
Total	**156,838**	**181,962**	**177,527**	**284,736**	**479,978**	**888,322**	**1,133,886**

YoY growth, percent	2021	2022	2023	2024	2025	2026F	2027F
Meta	22.8	69.3	(13.3)	36.6	87.1	94.7	29.6
Amazon	58.1	5.3	(17.5)	72.4	58.8	51.9	19.3
Microsoft	32.0	6.7	42.1	57.8	49.6	93.3	23.3
Google	10.6	27.8	2.4	62.9	74.1	115.6	46.3
Oracle	70.1	114.2	3.8	54.9	230.2	116.3	29.4
Baidu	129.1	(6.1)	(0.4)	(28.5)	64.5	18.1	3.5
Alibaba	30.3	(39.7)	(10.7)	135.5	59.9	14.4	11.3
Tencent	(15.9)	(4.1)	(34.6)	220.7	36.4	49.5	3.0
Hyperscale subtotal	**33.5**	**17.3**	**(3.1)**	**63.9**	**70.3**	**83.0**	**28.7**
Apple	19.4	12.6	(18.2)	4.5	21.5	4.3	9.0
IBM	(21.2)	(34.7)	(7.5)	(15.8)	54.3	(1.9)	3.0
Coreweave	N.M.	N.M.	3,964.9	195.7	69.7	131.6	15.6
Nebius	77.7	23.7	43.2	(24.7)	385.4	489.3	25.4
Dell	34.3	7.4	(8.2)	(3.8)	2.0	38.8	5.1
Salesforce	1.0	11.3	(7.8)	(10.6)	5.6	(2.3)	8.9
Netflix	5.4	(22.3)	(14.5)	26.1	56.6	8.0	2.3
Enterprise subtotal	**14.3**	**5.7**	**3.3**	**30.2**	**50.4**	**110.0**	**16.5**
Total	**31.1**	**16.0**	**(2.4)**	**60.4**	**68.6**	**85.1**	**27.6**

Source: Company data; Bloomberg; KGI Research

Figure 8: Consensus 2026-27 CSP capex growth revised up to 87% YoY & 30% YoY

						Actual			Consensus	
Capex (US$mn)	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2023**	**2024**	**2025**	**2026F**	**2027F**
Meta (Facebook)	12,941	16,538	18,829	21,383	18,997	27,266	37,256	69,691	135,671	175,811
Amazon	25,019	32,183	35,095	39,522	44,203	48,133	82,999	131,819	200,199	238,812
Microsoft	16,745	17,079	19,394	29,876	30,876	35,202	55,552	83,094	160,629	198,127
Google	17,197	22,446	23,953	27,851	35,674	32,251	52,535	91,447	197,157	288,382
Oracle	5,862	9,080	8,502	12,033	18,635	6,935	10,745	35,477	76,730	99,303
US hyperscale subtotal	**77,764**	**97,326**	**105,773**	**130,665**	**148,385**	**149,787**	**239,087**	**411,528**	**770,386**	**1,000,436**
YoY (%)	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2023**	**2024**	**2025**	**2026F**	**2027F**
Meta (Facebook)	102.2	102.3	128.0	48.2	46.8	(13.3)	36.6	87.1	94.7	29.6
Amazon	67.6	82.7	55.2	42.0	76.7	(17.5)	72.4	58.8	51.9	19.3
Microsoft	52.9	23.1	30.0	89.0	84.4	42.1	57.8	49.6	93.3	23.3
Google	43.2	70.2	83.4	95.1	107.4	2.4	62.9	74.1	115.6	46.3
Oracle	250.2	224.5	269.2	203.1	217.9	3.8	54.9	230.2	116.3	29.4
US Hyperscale subtotal	**69.2**	**74.9**	**72.9**	**71.2**	**90.8**	**2.6**	**59.6**	**72.1**	**87.2**	**29.9**
QoQ (%)	**1Q25**	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2023**	**2024**	**2025**	**2026F**	**2027F**
Meta (Facebook)	(10.3)	27.8	13.9	13.6	(11.2)					
Amazon	(10.1)	28.6	9.0	12.6	11.8					
Microsoft	6.0	2.0	13.6	54.0	3.3					
Google	20.5	30.5	6.7	16.3	28.1					
Oracle	47.7	54.9	(6.4)	41.5	54.9					
US Hyperscale subtotal	**1.9**	**25.2**	**8.7**	**23.5**	**13.6**					

Source: Company data; Bloomberg; KGI Research

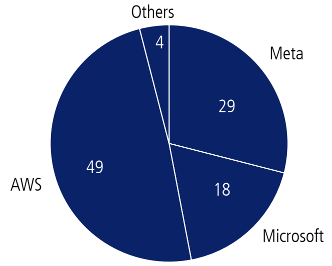
Figure 9: Company profile

Wiwynn, an affiliate of Wistron (3231 TT, NT$146, OP; 37.68% stake), is a data center-related firm. Wiwynn has benefitted from data center expansion by major CSP clients, as it is a pure hyperscaler data center hardware and solutions provider. We expect growing data traffic, rising computing performance requirements for AI, autonomous driving, and AR/VR to continue to drive sales and earnings growth. Major clients are Microsoft (US), Meta (US), and Amazon Web Services (AWS; US) for servers, storage, and AI servers.

Source: KGI Research

Figure 10: Microsoft, Meta, & AWS make up the bulk of sales

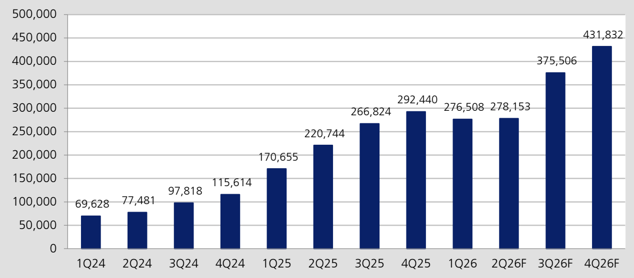
2025 sales weighting by client, percent



Source: Company data; KGI Research

Figure 11: Sales

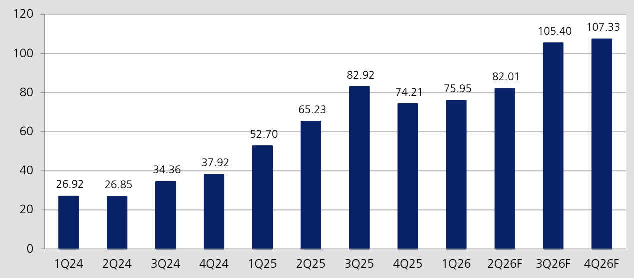
Sales, NT$mn



Source: KGI Research

Figure 12: EPS

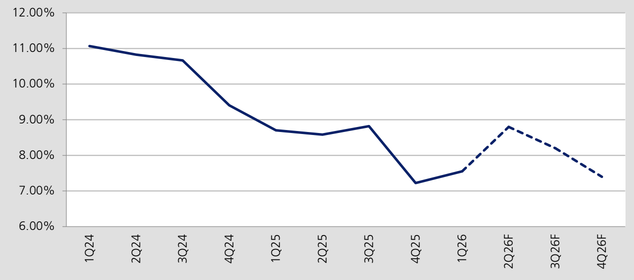
EPS, NT$



Source: KGI Research

Figure 13: Gross margin

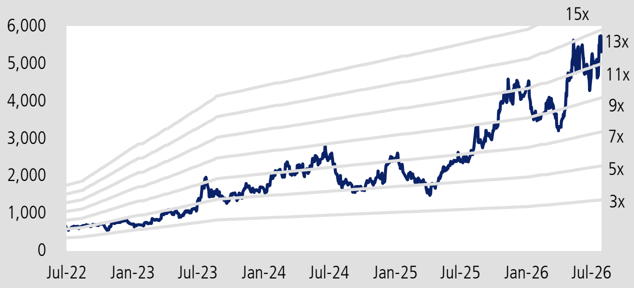
Gross margin, percent



Source: KGI Research

Figure 14: 12M forward PE band

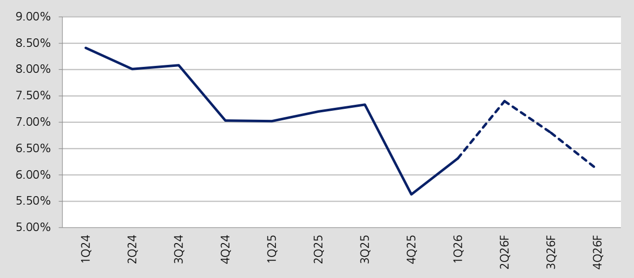
Share price, NT$ (LHS); PE ratio, x (RHS)



Source: TEJ; KGI Research estimates

Figure 15: Operating margin

Operating margin, percent



Source: KGI Research

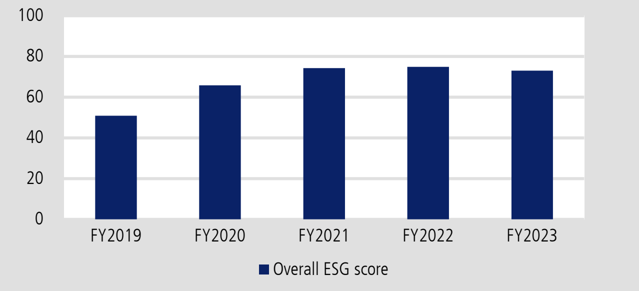
Figure 16: 12M forward PB band

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

Source: TEJ; KGI Research estimates

Figure 17: Overall ESG score

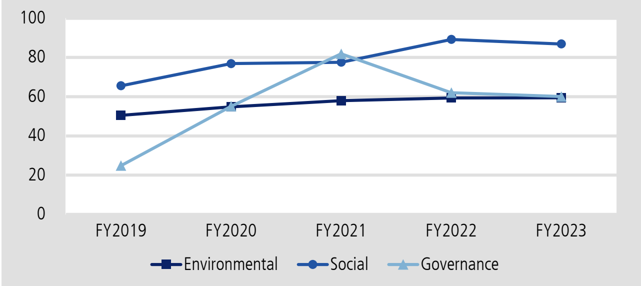
Overall ESG score, points (LHS); YoY change, points (RHS)



Source: Refinitiv; KGI Research; Company data

Figure 18: ESG score by category

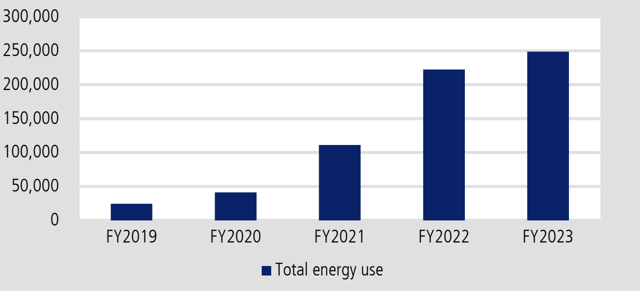
ESG score, points



Source: Refinitiv; KGI Research; Company data

Figure 19: Energy use

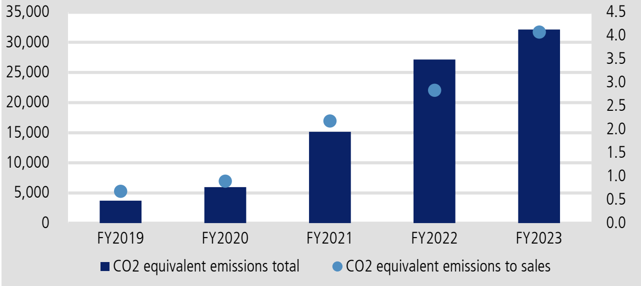
Energy use, gigajoules (LHS); YoY change, percent (RHS)



Source: Refinitiv; KGI Research; Company data

Figure 20: CO2 equivalent emissions

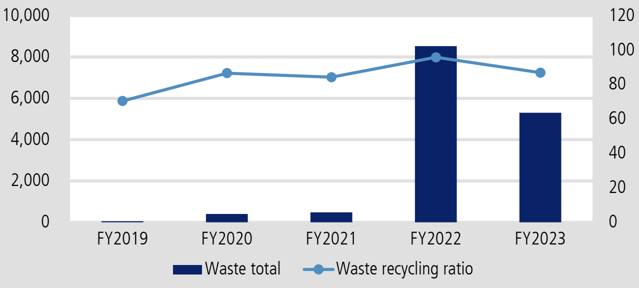
CO2 equivalent emissions, mt (LHS); emissions to revenue, mt/ US$mn (RHS)



Source: Refinitiv; KGI Research; Company data

Figure 21: Waste total

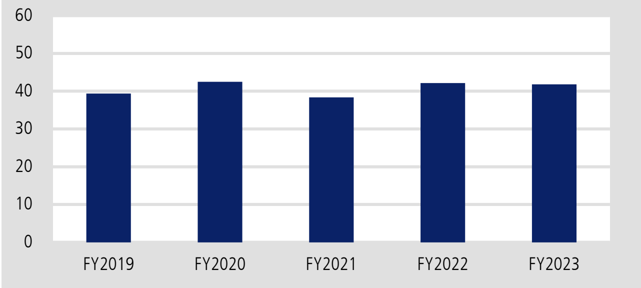
Waste total, mt (LHS); waste recycling ratio, percent (RHS)



Source: Refinitiv; KGI Research; Company data

Figure 22: Gender diversity

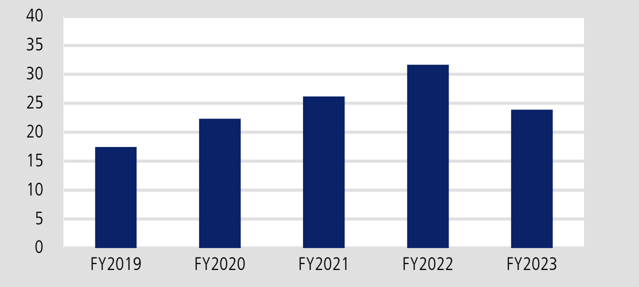
Weighting of female employees, percent



Source: Refinitiv; KGI Research; Company data

Figure 23: Employee training

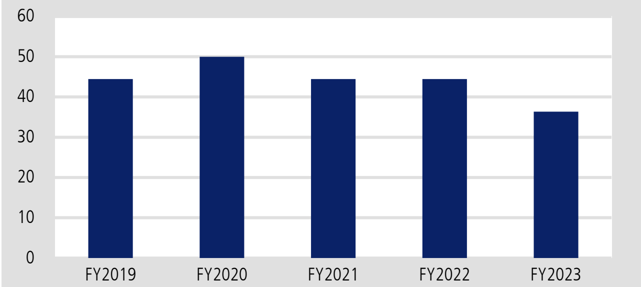
Average annual training hours per employee



Source: Refinitiv; KGI Research; Company data

Figure 24: Independent board members

Weighting of independent board members, percent



Source: Refinitiv; KGI Research; Company data

ESG chart definition

Item	Definition	Remarks
Energy use	Total direct and indirect energy consumption in gigajoules. - 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	Total primary renewable energy purchased in gigajoules. - 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	Direct CO2 and CO2 equivalent emissions in metric tons. - 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	Direct CO2 and CO2 equivalent emissions (metric tons) to sales (NT$mn) - 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	Total amount of waste produced in metric tons. - 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	The waste recycling ratio as reported by the company. - 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	Total water withdrawal in cubic meters. - 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	Total amount of environmental expenditures. - 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	Percentage of employee turnover. - 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	Percentage of women managers. - 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	Percentage of women employees. - 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	Total training hours performed by all employees. - 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-26A	Jun-26F	Sep-26F	Dec-26F	Dec-25A	Dec-26F	Dec-27F
Income statement (NT$mn)											
Revenue	**170,655**	**220,744**	**266,824**	**292,440**	**276,508**	**278,153**	**375,506**	**431,832**	**950,663**	**1,361,998**	**2,368,079**
Cost of goods sold	(155,806)	(201,800)	(243,292)	(271,311)	(255,627)	(253,675)	(344,715)	(399,876)	(872,209)	(1,253,893)	(2,203,109)
Gross profit	**14,849**	**18,943**	**23,532**	**21,129**	**20,881**	**24,477**	**30,791**	**31,956**	**78,454**	**108,106**	**164,970**
Operating expenses	(2,869)	(3,044)	(3,960)	(4,664)	(3,423)	(3,894)	(5,257)	(5,614)	(14,537)	(18,188)	(28,407)
Operating profit	**11,981**	**15,899**	**19,572**	**16,466**	**17,458**	**20,583**	**25,534**	**26,342**	**63,918**	**89,918**	**136,563**
Depreciation of fixed assets	(506)	(563)	(639)	(734)	(827)	(675)	(675)	(523)	(2,442)	(2,699)	(4,139)
Amortisation of intangible assets	(52)	(58)	(68)	(70)	(74)	(56)	(56)	(37)	(248)	(222)	(222)
EBITDA	**12,538**	**16,521**	**20,279**	**17,270**	**18,360**	**21,314**	**26,265**	**26,901**	**66,608**	**92,839**	**140,924**
Interest income	244	266	319	282	291	249	249	207	1,112	997	753
Investment income	-	-	-	-	-	-	-	-	-	-	-
Other non-op income	1,009	201	1,135	-	1,670	50	50	30	-	1,800	1,000
Non-operating income	**1,253**	**468**	**1,454**	**282**	**1,962**	**299**	**299**	**237**	**1,112**	**2,797**	**1,753**
Interest expense	(694)	(636)	(664)	(1,231)	(1,349)	(1,301)	(1,301)	(1,253)	(3,225)	(5,203)	(4,891)
Investment loss	(16)	(11)	(11)	(14)	(137)	(10)	(15)	(18)	(52)	(180)	(50)
Other non-op expenses	(0)	(0)	(0)	1,955	(0)	(33)	(33)	(65)	4,300	(130)	(130)
Non-operating expenses	**(710)**	**(647)**	**(675)**	**709**	**(1,486)**	**(1,343)**	**(1,348)**	**(1,336)**	**1,022**	**(5,513)**	**(5,071)**
Pre-tax profit	**12,523**	**15,720**	**20,351**	**17,458**	**17,934**	**19,539**	**24,485**	**25,242**	**66,052**	**87,201**	**133,245**
Current taxation	(2,730)	(3,598)	(4,940)	(3,666)	(3,820)	(4,299)	(4,897)	(5,297)	(14,934)	(18,312)	(27,981)
Minorities	-	-	-	-	-	-	-	-	-	-	-
Normalised net profit	**9,793**	**12,122**	**15,411**	**13,792**	**14,114**	**15,241**	**19,588**	**19,946**	**51,118**	**68,889**	**105,263**
Extraordinary items	(0)	0	0	(0)	(0)	-	-	0	-	-	-
Net profit	**9,793**	**12,122**	**15,411**	**13,792**	**14,114**	**15,241**	**19,588**	**19,946**	**51,118**	**68,889**	**105,263**
EPS (NT$)	52.70	65.23	82.92	74.21	75.95	82.01	105.40	107.33	275.06	370.69	566.42
Margins (%)											
Gross profit margin	8.7	8.6	8.8	7.2	7.6	8.8	8.2	7.4	8.3	7.9	7.0
Operating margin	7.0	7.2	7.3	5.6	6.3	7.4	6.8	6.1	6.7	6.6	5.8
EBITDA margin	7.3	7.5	7.6	5.9	6.6	7.7	7.0	6.2	7.0	6.8	6.0
Pretax profit margin	7.3	7.1	7.6	6.0	6.5	7.0	6.5	5.8	6.9	6.4	5.6
Net profit margin	5.7	5.5	5.8	4.7	5.1	5.5	5.2	4.6	5.4	5.1	4.4
Sequential growth (%)											
Revenue growth	47.6	29.4	20.9	9.6	(5.4)	0.6	35.0	15.0			
Gross profit growth	36.6	27.6	24.2	(10.2)	(1.2)	17.2	25.8	3.8			
Operating profit growth	47.3	32.7	23.1	(15.9)	6.0	17.9	24.1	3.2			
EBITDA growth	42.8	31.8	22.7	(14.8)	6.3	16.1	23.2	2.4			
Pretax profit growth	42.6	25.5	29.5	(14.2)	2.7	8.9	25.3	3.1			
Net profit growth	39.0	23.8	27.1	(10.5)	2.3	8.0	28.5	1.8			
YoY growth (%)											
Revenue growth	145.1	184.9	172.8	152.9	62.0	26.0	40.7	47.7	163.7	43.3	73.9
Gross profit growth	92.7	125.8	125.6	94.3	40.6	29.2	30.9	51.2	109.8	37.8	52.6
Operating profit growth	104.6	156.2	147.6	102.5	45.7	29.5	30.5	60.0	127.5	40.7	51.9
EBITDA growth	100.9	148.6	140.4	96.7	46.4	29.0	29.5	55.8	121.3	39.4	51.8
Pretax profit growth	112.2	153.3	156.3	98.8	43.2	24.3	20.3	44.6	129.1	32.0	52.8
Net profit growth	108.0	158.3	143.5	95.7	44.1	25.7	27.1	44.6	124.4	34.8	52.8

Source: Company data; KGI Research estimates

Balance sheet

NT$mn	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Total assets	**88,845**	**190,679**	**338,189**	**438,179**	**609,577**
Current assets	**79,195**	**173,683**	**306,977**	**391,845**	**549,432**
Cash & ST securities	37,495	48,329	89,934	109,449	57,850
Inventory	30,179	86,211	136,257	188,943	331,975
Accounts receivable	10,363	37,649	76,888	89,556	155,709
Other current assets	1,158	1,494	3,897	3,897	3,897
Non-current assets	**9,650**	**16,996**	**31,212**	**46,334**	**60,145**
LT investments	159	709	1,377	1,197	1,147
Net fixed assets	5,626	9,163	20,848	36,150	50,011
Other assets	3,865	7,124	8,987	8,987	8,987
Total liabilities	**46,611**	**102,476**	**213,537**	**282,526**	**406,555**
Current liabilities	**36,494**	**76,364**	**179,654**	**254,247**	**376,409**
Accounts payable	20,169	53,585	79,366	137,413	241,437
Interest bearing ST liabilities	2,884	6,125	72,197	77,801	75,933
Other current liabilities	13,441	16,654	28,091	39,033	59,039
Non-current liabilities	**10,117**	**26,112**	**33,883**	**28,279**	**30,147**
Long-term debt	8,443	22,004	27,985	22,381	24,249
Other L-T liabilities	486	852	2,845	2,845	2,845
Total equity	**42,234**	**88,203**	**124,653**	**155,653**	**203,021**
Share capital	1,748	1,858	1,858	1,858	1,858
Retained earnings reserve	-	-	-	31,000	78,369
Minority interests	-	-	-	-	-
Preferred shareholders funds	-	-	-	-	-

Key ratios

	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Growth					
Revenue growth	(17.4%)	49.0%	163.7%	43.3%	73.9%
Operating profit growth	(11.0%)	77.1%	127.5%	40.7%	51.9%
EBITDA growth	(9.3%)	78.4%	121.3%	39.4%	51.8%
Net profit growth	(15.0%)	89.1%	124.4%	34.8%	52.8%
EPS growth	(15.0%)	83.7%	117.3%	34.8%	52.8%
Profitability					
Gross profit margin	9.4%	10.4%	8.3%	7.9%	7.0%
Operating margin	6.6%	7.8%	6.7%	6.6%	5.8%
EBITDA margin	7.0%	8.3%	7.0%	6.8%	6.0%
Net profit margin	5.0%	6.3%	5.4%	5.1%	4.4%
Return on average assets	13.6%	16.3%	19.3%	17.7%	20.1%
Return on average equity	29.7%	34.9%	48.0%	49.2%	58.7%
Stability					
Gross debt to equity	26.8%	31.9%	80.4%	64.4%	49.3%
Net debt to equity	Net cash	Net cash	8.2%	Net cash	20.9%
Interest coverage (x)	17.2	24.2	21.5	17.8	28.2
Interest & ST debt coverage (x)	0.8	0.8	0.5	0.5	0.6
Cash flow interest coverage(x)	24.2	(16.1)	(0.2)	12.4	0.9
Cash flow/int. & ST debt (x)	6.0	(2.7)	(0.0)	0.8	0.1
Current ratio (x)	2.2	2.3	1.7	1.5	1.5
Quick ratio (x)	1.3	1.1	1.0	0.8	0.6
Net debt (NT$mn)	(26,168)	(20,200)	10,248	(9,267)	42,332
Per share data					
EPS (NT$)	68.88	126.57	275.06	370.69	566.42
CFPS (NT$)	131.89	(111.11)	(3.36)	348.06	24.28
BVPS (NT$)	241.56	474.62	670.75	837.56	1,092.45
Adj BVPS (NT$)	241.56	490.15	670.75	837.56	1,092.45
SPS (NT$)	1,383.55	2,003.57	5,115.47	7,328.84	12,742.52
EBITDA/share (NT$)	96.50	167.29	358.41	499.56	758.31
Cash DPS (NT$)	42.00	74.00	145.00	203.88	311.53
Activity					
Sales / avg assets	2.72	2.58	3.60	3.51	4.52
Days receivable	15.6	38.2	29.5	24.0	24.0
Days inventory	50.2	97.6	57.0	55.0	55.0
Days payable	33.6	60.7	33.2	40.0	40.0
Cash cycle	32.3	75.2	53.3	39.0	39.0

Source: Company data; KGI Research estimates

Profit & loss

NT$mn	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Revenue	**241,901**	**360,541**	**950,663**	**1,361,998**	**2,368,079**
Cost of goods sold	(219,244)	(323,141)	(872,209)	(1,253,893)	(2,203,109)
Gross profit	**22,657**	**37,400**	**78,454**	**108,106**	**164,970**
Operating expenses	(6,787)	(9,301)	(14,537)	(18,188)	(28,407)
Operating profit	**15,871**	**28,099**	**63,918**	**89,918**	**136,563**
Non-operating income	**909**	**2,120**	**1,112**	**2,797**	**1,753**
Interest income	456	1,219	1,112	997	753
Investment income	-	-	-	-	-
Other non-op income	454	901	-	1,800	1,000
Non-operating expenses	**(1,336)**	**(1,389)**	**1,022**	**(5,513)**	**(5,071)**
Interest expense	(953)	(1,242)	(3,225)	(5,203)	(4,891)
Investment loss	(64)	(68)	(52)	(180)	(50)
Other non-op expenses	(319)	(79)	4,300	(130)	(130)
Pre-tax profit	**15,444**	**28,830**	**66,052**	**87,201**	**133,245**
Current taxation	(3,400)	(6,054)	(14,934)	(18,312)	(27,981)
Minorities	-	-	-	-	-
Extraordinary items	-	(0)	(0)	-	-
Net profit	**12,044**	**22,776**	**51,118**	**68,889**	**105,263**
EBITDA	**16,873**	**30,103**	**66,608**	**92,839**	**140,924**
EPS (NT$)	68.88	126.57	275.06	370.69	566.42

Cash flow

NT$mn	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Operations cash flow	**23,060**	**(19,993)**	**(624)**	**64,684**	**4,512**
Net profit	12,044	22,776	51,118	68,889	105,263
Depreciation & amortisation	1,002	2,005	2,690	2,921	4,361
Decrease in working capital	8,928	(47,806)	(64,430)	(7,306)	(105,162)
Other operating cash flow	1,087	3,032	9,997	180	50
Investing cash flow	**(4,696)**	**(5,655)**	**(13,766)**	**(18,222)**	**(18,222)**
Sale of ST investment	-	(581)	(38)	-	-
New investments	-	-	-	-	-
Capital expenditure	(4,886)	(4,891)	(13,674)	(18,000)	(18,000)
Others investing cashflow	190	(183)	(54)	(222)	(222)
Free cash flow	**17,300**	**(28,670)**	**(26,196)**	**48,428**	**(11,138)**
Financing cash flow	**(7,115)**	**36,316**	**56,188**	**(26,947)**	**(37,889)**
Increase in short term debt	393	940	66,473	-	-
Increase in long term loans	1,500	16,945	4,706	-	-
New ordinary shares issued	-	27,068	-		
Ordinary dividends paid	(8,742)	(7,343)	(13,752)	(26,947)	(37,889)
Other financing cashflow	(265)	(1,294)	(1,240)	-	0
Forex effects	**13**	**166**	**(192)**		
Total cash generated	**11,263**	**10,834**	**41,605**	**19,515**	**(51,599)**

ROIC

	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
1 - COGS/revenue					
- Operating exp./revenue	2.8%	2.6%	1.5%	1.3%	1.2%
= Operating margin	**6.6%**	**7.8%**	**6.7%**	**6.6%**	**5.8%**
1 / (Working capital/revenue	0.0	0.2	0.1	0.1	0.1
+ Net PPE/revenue	0.0	0.0	0.0	0.0	0.0
+ Other assets/revenue)	0.0	0.0	0.0	0.0	0.0
= Capital turnover	**16.2**	**5.5**	**7.2**	**9.4**	**9.7**
Operating margin	6.6%	7.8%	6.7%	6.6%	5.8%
x Capital turnover	16.2	5.5	7.2	9.4	9.7
x (1 - tax rate)	78.0%	79.0%	77.4%	79.0%	79.0%
= After-tax ROIC	**82.7%**	**33.8%**	**37.3%**	**49.3%**	**44.4%**

Source: Company data; KGI Research estimates

Wiwynn – Recommendation & target price history

Date	Rating	Target	Price
2026-05-07	Outperform	6,475	4,880
2026-04-29	Outperform	6,500	4,845
2026-02-27	Outperform	6,180	4,000
2026-01-09	Outperform	6,180	4,240
2025-12-09	Outperform	6,300	4,520
2025-11-08	Outperform	5,420	4,075
2025-09-09	Outperform	4,520	3,010
2025-08-09	Outperform	3,550	2,890
2025-07-10	Outperform	3,250	2,595
2025-06-27	Outperform	3,070	2,530

Source: TEJ; KGI Research

KGI Locations

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