Wiwynn

(6669.TW/6669 TT)

FTSE4Good TIP Taiwan ESG Index stock

Outperform ·Maintained

Price as of November 6 (NT$)	1,555
12M target price (NT$)	2,530
Previous target price (NT$)	3,000
Revised down (%)	15.78
Upside (%)	62.7

Key message

1. 3Q26 EPS of NT$41.46 largely in line with our forecast, while margins beat.
2. October sales of NT$165.13bn slightly better than our forecast; we raise 4Q26F sales growth to 13% QoQ. We expect **stronger** AI server demand in 1Q27F from several new projects starting late-4Q26F.
3. Amazon Web Services' (US) Trainium3 Max rack (liquid-cooled), AMD's (US) Helios rack to Meta (US) and VR rack to Oracle (US), and new ASIC projects to drive Wiwynn's AI server sales expansion and earnings growth in 2027F.

Trading data

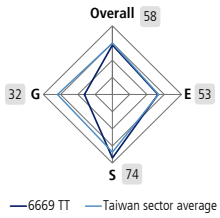
Mkt cap (NT$bn/US$mn)	908 / 27,719
Outstanding shares (mn)	584
Foreign ownership (mn)	149
3M avg. daily trading (mn)	2.391.97
52-week trading range (NT$)	1,075 –2,615

Performance	3M	6M	12M
Absolute (%)	-26	-4	10.5
Relative (%)	-15.4	-0.5	-31.8

Quarterly EPS

NT$	1Q	2Q	3Q	4Q
2025	52.70A	65.23A	82.92A	74.21A
2026	25.61A	26.97A	41.46F	45.98F
2027	44.03F	49.08F	59.38F	61.70F

ESG score card



Source: Refinitiv; KGI Research

3Q26 margins beat; we expect stronger 4Q26-1Q27F sales

Event

3Q26 EPS was NT$41.46, largely in line with our expectation. October sales of NT$165.13bn were down 4% MoM but up 81% YoY, slightly better than we expected. We expect sales growth QoQ and YoY in 4Q26F and see a robust 2027F earnings outlook on higher ASIC AI server and general server sales, coupled with new clients and projects.

Impact

3Q26 EPS largely in line, with margins improved. 3Q26 EPS came in at NT$41.46 (up 54% QoQ and 49% YoY), only slightly off our estimate due to a shares outstanding base gap. Gross margin was 8.9% and operating margin was 7.5%, both beating our projections slightly on better-than-expected opex control. This also led to EPS beating consensus. 1Q-3Q26 accumulated net profit grew 41% YoY, and EPS reached NT$94.04, based on weighted-average shares outstanding of 557.72mn.

4Q26F sales growth QoQ on track; robust 2027F earnings outlook on AI projects & general server demand. October sales were NT$165.1bn, with AI server sales expanding to a 53-56% weighting, from around 50% in September, thanks to stable ASIC AI shipments, despite a slight decline of general server sales. As October sales reached 34% of our previous 4Q26F forecast, we raise QoQ sales growth to 13%, while consensus sales will also likely be revised up. We expect 4Q26F gross margin contraction to be limited as GPU AI server shipments will be minimal. As Amazon Web Services' (US) Trainium3 Max (liquid-cooled) shipments will expand in 1Q27F, coupled with GPU AI server projects kicking off from late-4Q26F, we expect Wiwynn's AI server sales to expand and the weighting to grow to over 60% in 1Q27F. Overall in 2027F, we expect the firm to benefit from both general and AI server demand and sales growth in 2027F, driven by several AI project wins. The AI server sales weighting will expand to 60% in 2027F from around 45% this year, while general server sales will continue increase. On a positive server outlook, the firm's board meeting approved to issue GDRs of 18mn shares preliminarily to support working capital and factory expansion. We maintain a positive view on 2027F sales and earnings, but revise down EPS to reflect the outstanding share count. 2026F EPS is adjusted to NT$140.35, and 2027F EPS to NT$214.19. Overall, we think robust demand for custom AI server will generate more business opportunities to Wiwynn from players like OpenAI (US) and Meta (US), which may provide earnings upside in 2027-28F.

Valuation & Action

We maintain Outperform and reset our target price from NT$3,000 to NT$2,530, based on 13x 2027F fully-diluted EPS of NT$194.66 (shares of 620mn).

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$mn)	241,901	360,541	950,663	1,480,396	2,597,107
Gross profit (NT$mn)	22,657	37,400	78,454	126,942	194,811
Operating profit (NT$mn)	15,871	28,099	63,918	104,996	161,995
Net profit (NT$mn)	12,044	22,776	51,118	78,358	120,704
EPS (NT$)	68.88	126.57	275.06	140.35	214.19
Cash DPS (NT$)	14.00	24.67	145.00	77.30	119.08
EPS growth (%)	(15.0)	83.7	117.3	(49.0)	52.6
PE (x)	22.6	12.3	5.7	11.1	7.3
PB (x)	19.3	9.8	7.0	5.4	4.0
EV/EBITDA (x)	15.5	9.0	4.3	8.0	5.5
Net debt to equity (%)	Net cash	Net cash	8.2	7.2	21.0
Dividend yield (%)	0.9	1.6	9.3	5.0	7.7
Return on average equity (%)	29.7	34.9	48.0	55.1	64.5

Source: Company data; KGI Research estimates

Figure 1: Breakdown of 3Q26 results & 4Q26 forecast revisions vs. consensus

	3Q26							4Q26F						
NT$mn	Revision	Previous	Diff. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)	Revision	Previous	Chg. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)
Sales	434,618	434,617	0.0	56.3	62.9	406,893	6.8	491,118	478,079	2.7	13.0	67.9	460,049	6.8
Gross profits	38,553	38,246	0.8	49.6	63.8	34,245	12.6	41,745	40,637	2.7	8.3	97.6	37,510	11.3
Operating income	32,450	30,858	5.2	60.5	65.8	27,885	16.4	34,869	32,509	7.3	7.5	111.8	30,366	14.8
Pretax Income	30,417	29,671	2.5	60.3	49.5	27,393	11.0	31,863	31,598	0.8	4.8	82.5	30,174	5.6
Net income	23,364	23,737	(1.6)	56.1	51.6	21,176	10.3	25,911	24,739	4.7	10.9	87.9	23,679	9.4
EPS (NT$)	41.46	42.76	(3.0)	53.7	49.1	37.58	10.3	45.98	44.56	4.7	10.9	(38.0)	42.65	9.4
Gross margin (%)	8.9	8.8	0.1 ppts	(0.4)ppts	0.1 ppts	8.4	0.5 ppts	8.5	8.5	0.0 ppts	(0.4)ppts	1.3 ppts	8.2	0.3 ppts
OP margin (%)	7.5	7.1	0.4 ppts	0.2 ppts	0.1 ppts	6.9	0.6 ppts	7.1	6.8	0.3 ppts	(0.4)ppts	1.5 ppts	6.6	0.5 ppts
Net margin (%)	5.4	5.5	(0.1)ppts	(0.0)ppts	(0.4)ppts	5.2	0.2 ppts	5.3	5.2	0.1 ppts	(0.1)ppts	0.6 ppts	5.1	0.1 ppts

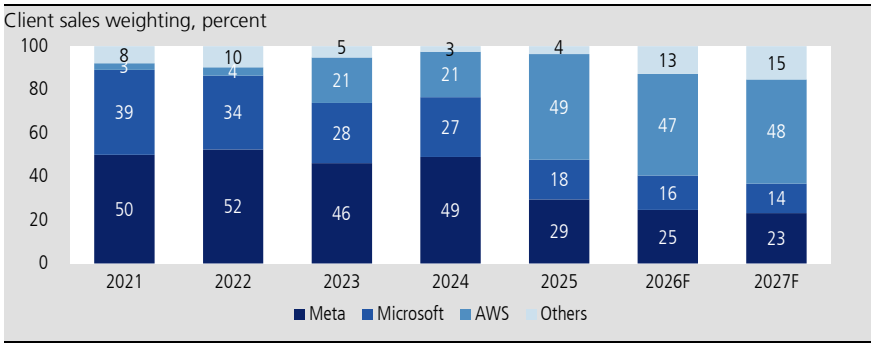
Source: Bloomberg; KGI Research estimates

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

	2026F						2027F					
NT$mn	Revision	Previous	Chg. (%)	YoY (%)	Consensus	Diff.(%)	Revision	Previous	Chg. (%)	YoY (%)	Consensus	Diff.(%)
Sales	1,480,396	1,467,357	0.9	55.7	1,409,062	5.1	2,597,107	2,596,962	0.0	75.4	2,574,511	0.9
Gross profit	126,942	125,527	1.1	61.8	117,283	8.2	194,811	196,275	(0.7)	53.5	177,068	10.0
Operating income	104,996	101,043	3.9	64.3	94,963	10.6	161,995	160,357	1.0	54.3	145,175	11.6
Pretax Income	99,188	98,177	1.0	50.2	93,347	6.3	152,790	156,973	(2.7)	54.0	142,722	7.1
Net income	78,358	77,560	1.0	53.3	74,029	5.8	120,704	124,008	(2.7)	54.0	113,956	5.9
EPS (NT$)	140.35	139.76	0.4	(49.0)	132.60	5.8	214.19	223.38	(4.1)	52.6	202.22	5.9
Gross margin (%)	8.6	8.6	0.0 ppts	0.3 ppts	8.3	0.3 ppts	7.5	7.6	(0.1)ppts	(1.1)ppts	6.9	0.6 ppts
OP margin (%)	7.1	6.9	0.2 ppts	0.4 ppts	6.7	0.4 ppts	6.2	6.2	0.1 ppts	(0.9)ppts	5.6	0.6 ppts
Net margin (%)	5.3	5.3	(0.0)ppts	(0.1)ppts	5.3	0.0 ppts	4.6	4.8	(0.2)ppts	(0.6)ppts	4.4	0.2 ppts

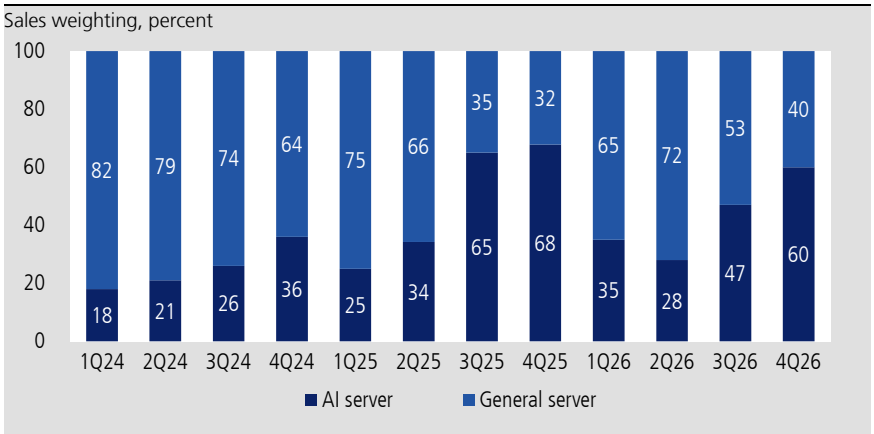
Source: Bloomberg; KGI Research estimates

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



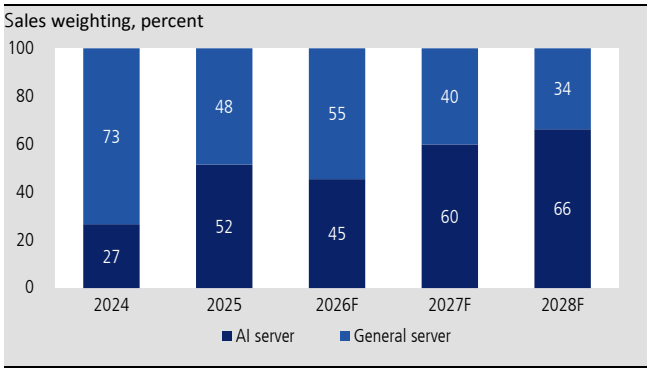
Source: Company data; KGI Research estimates

Figure 4: Wiwynn's AI server sales weighting rebounds in 2H26F



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	60	66
General server	73	48	54	40	34
Sales (NT$bn)					
AI server	96	490	674	1,548	2,400
General server	265	461	807	1,049	1,238
Total	361	951	1,480	2,597	3,637
Sales YoY (%)					
AI server	99	411	38	130	55
General server	37	74	75	30	18
Total	49	164	56	75	40
AI server sales mix (%)					
ASIC AI	100	88	90	89	90
GPU AI	-	12	10	11	10

Source: Company data; KGI Research estimates

Figure 7: Consensus 2026-27F capex growth for CSPs, neo-clouds and enterprise revised up to 97% YoY & 40% YoY

Capex, US$mn	2021	2022	2023	2024	2025	2026F	2027F
Meta	18,567	31,431	27,266	37,256	69,691	139,724	221,885
Amazon	55,396	58,321	48,133	82,999	131,819	221,991	286,496
Microsoft	23,216	24,768	35,202	55,552	83,094	151,828	215,502
Google	24,640	31,485	32,251	52,535	91,447	201,423	322,468
Oracle	3,118	6,678	6,935	10,745	35,477	83,671	95,115
Baidu	1,689	1,586	1,580	1,130	1,680	3,538	3,503
Alibaba	8,311	5,014	4,477	10,540	16,869	26,226	28,313
Tencent	4,808	4,611	3,017	8,740	12,177	26,251	27,920
Hyperscale subtotal	**139,745**	**163,894**	**158,861**	**259,497**	**442,254**	**854,651**	**1,201,203**
Apple	10,388	11,692	9,564	10,074	12,133	11,241	13,618
IBM	2,062	1,346	1,245	1,128	1,617	1,649	1,656
Coreweave	N.A.	72	2,943	8,702	10,309	35,768	48,499
Nebius	606	750	1,073	808	4,066	24,526	31,719
Dell	2,796	3,003	2,756	2,665	2,646	4,415	4,850
Salesforce	717	798	736	656	648	683	739
Netflix	525	408	349	440	688	1,025	849
Enterprise subtotal	**17,094**	**18,069**	**18,666**	**24,472**	**32,107**	**79,307**	**101,930**
Total	**156,838**	**181,962**	**177,527**	**283,970**	**474,361**	**933,958**	**1,303,133**

YoY growth, percent	2021	2022	2023	2024	2025	2026F	2027F
Meta	22.8	69.3	(13.3)	36.6	87.1	100.5	58.8
Amazon	58.1	5.3	(17.5)	72.4	58.8	68.4	29.1
Microsoft	32.0	6.7	42.1	57.8	49.6	82.7	41.9
Google	10.6	27.8	2.4	62.9	74.1	120.3	60.1
Oracle	70.1	114.2	3.8	54.9	230.2	135.8	13.7
Baidu	129.1	(6.1)	(0.4)	(28.5)	48.7	110.5	(1.0)
Alibaba	30.3	(39.7)	(10.7)	135.4	60.0	55.5	8.0
Tencent	(15.9)	(4.1)	(34.6)	189.7	39.3	115.6	6.4
Hyperscale subtotal	**33.5**	**17.3**	**(3.1)**	**63.3**	**70.4**	**93.2**	**40.5**
Apple	19.4	12.6	(18.2)	5.3	20.4	(7.4)	21.2
IBM	(21.2)	(34.7)	(7.5)	(9.4)	43.4	2.0	0.4
Coreweave	N.M.	N.M.	3,964.9	195.7	18.5	247.0	35.6
Nebius	77.7	23.7	43.2	(24.8)	403.5	503.2	29.3
Dell	34.3	7.4	(8.2)	(3.3)	(0.7)	66.9	9.8
Salesforce	1.0	11.3	(7.8)	(10.9)	(1.2)	5.4	8.3
Netflix	5.4	(22.3)	(14.5)	26.1	56.6	49.0	(17.2)
Enterprise subtotal	**14.3**	**5.7**	**3.3**	**31.1**	**31.2**	**147.0**	**28.5**
Total	**31.1**	**16.0**	**(2.4)**	**60.0**	**67.0**	**96.9**	**39.5**

Source: Company data; Bloomberg; KGI Research

Figure 8: Consensus 2026-27F US CSPs capex growth revised up to 78% YoY & 43% YoY

						Actual	Consensus			KGIe			Diff.		
Capex (US$mn)	**1Q26**	**2Q26**	**3Q26**	**Diff (%)**	**4Q26F**	**2025**	**2026F**	**2027F**	**2028F**	**2026F**	**2027F**	**2028F**	**2026F**	**2027F**	**2028F**
Meta (Facebook)	19,840	31,100	34,910	(15)	54,150	72,215	139,724	221,885	240,132	138,303	225,090	259,160	(1)	1	8
Amazon	44,203	54,208	77,259	32	44,330	131,819	221,991	286,496	317,876	222,384	316,400	341,733	0	10	8
Microsoft	31,900	41,000	45,200	(4)	51,900	118,000	151,828	215,502	236,624	177,400	243,403	277,433	17	13	17
Google	35,674	44,924	51,400	(8)	68,002	91,447	201,423	322,468	360,989	202,346	347,600	433,942	0	8	20
Oracle	18,635	16,493	28,499		12,834	35,477	83,671	95,115	98,895	83,671	95,115	98,895	-	-	-
US hyperscale subtotal	**150,252**	**187,725**	**237,268**	**3**	**231,216**	**448,958**	**798,636**	**1,141,466**	**1,254,514**	**824,104**	**1,227,609**	**1,411,163**	**3**	**8**	**12**
YoY (%)	**1Q26**	**2Q26**	**3Q26**		**4Q26F**	**2025**	**2026F**	**2027F**	**2028F**	**2026F**	**2027F**	**2028F**			
Meta (Facebook)	44.9	82.8	80.2		144.6	93.8	93.5	58.8	8.2	91.5	62.8	15.1			
Amazon	76.7	68.4	120.1		12.2	58.8	68.4	29.1	11.0	68.7	42.5	19.3			
Microsoft	49.1	69.4	29.5		38.4	112.4	28.7	41.9	9.8	50.3	37.2	14.0			
Google	107.4	100.1	114.6		144.2	74.1	120.3	60.1	11.9	121.3	71.8	24.8			
Oracle	217.9	81.6	235.2		6.7	230.2	135.8	13.7	4.0	135.8	13.7	4.0			
US Hyperscale subtotal	**80.7**	**78.9**	**94.8**		**66.3**	**87.8**	**77.9**	**42.9**	**9.9**	**83.6**	**49.0**	**15.0**			
QoQ (%)	**1Q26**	**2Q26**	**3Q26**		**4Q26F**	**2025**	**2026F**	**2027F**							
Meta (Facebook)	(10.4)	56.8	12.3		55.1										
Amazon	11.8	22.6	42.5		(42.6)										
Microsoft	(14.9)	28.5	10.2		14.8										
Google	28.1	25.9	14.4		32.3										
Oracle	54.9	(11.5)	72.8		(55.0)										
US Hyperscale subtotal	**8.1**	**24.9**	**26.4**		**(2.6)**										

Source: Company data; Bloomberg; KGI Research

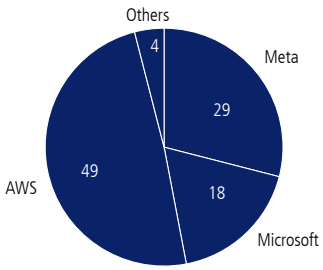
Figure 9: Company profile

Wiwynn, an affiliate of Wistron (3231 TT, NT$160, 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 the bulk of sales

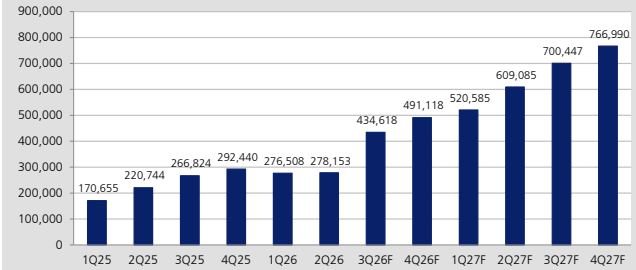
2025 sales weighting by client, percent



Source: Company data; KGI Research

Figure 11: Sales

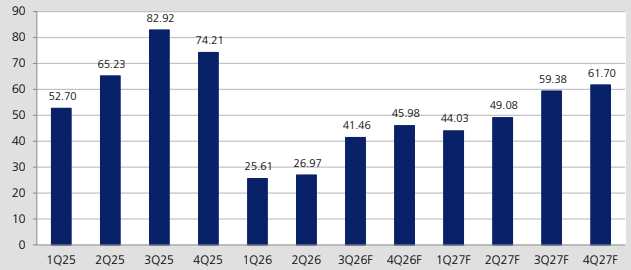
Sales, NT$mn



Source: KGI Research

Figure 12: EPS

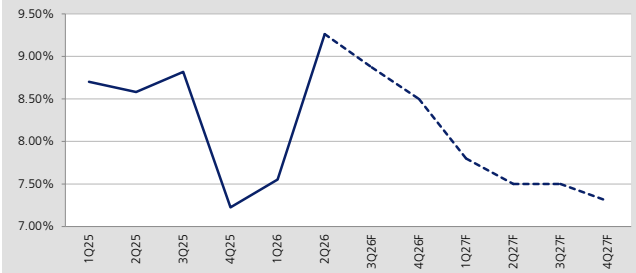
EPS, NT$



Source: KGI Research

Figure 13: Gross margin

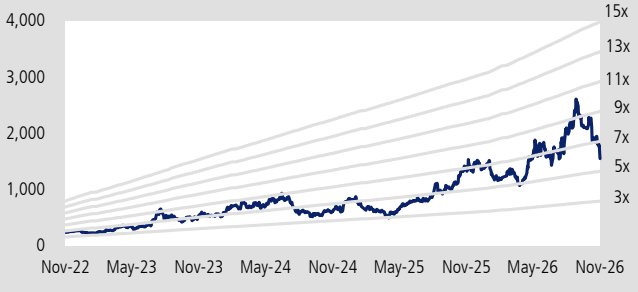
Gross margin, percent



Source: KGI Research

Figure 14: 12M forward PE band

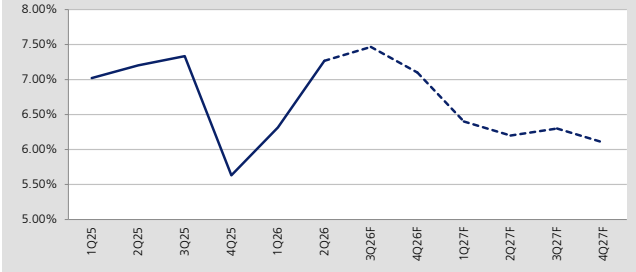
Share price, NT$ (LHS); PE ratio, x (RHS)



Source: TEJ; KGI Research estimates

Figure 15: Operating margin

Operating margin, percent



Source: KGI Research

Figure 16: 12M forward PB band

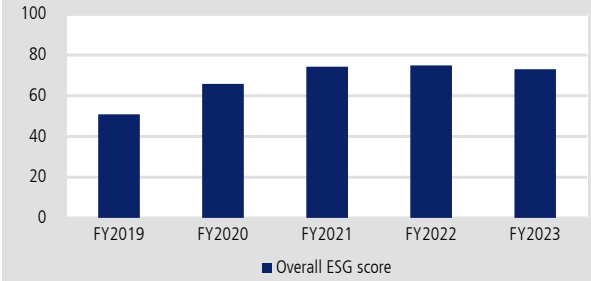
Share price, NT$ (LHS); PB ratio, x (RHS)



Source: TEJ; KGI Research estimates

Figure 17: Overall ESG score

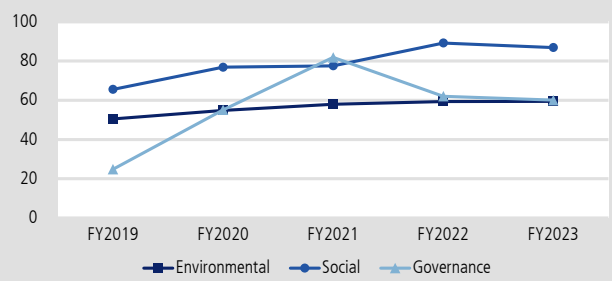
Overall ESG score, points (LHS); YoY change, points (RHS)



Source: Refinitiv; KGI Research; Company data

Figure 18: ESG score by category

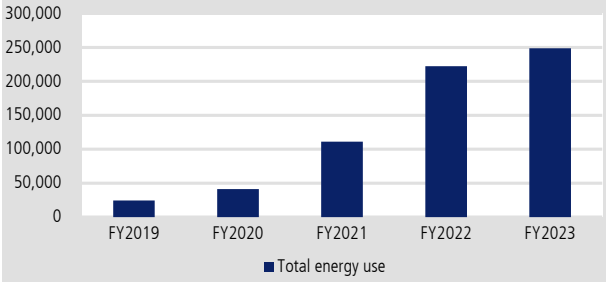
ESG score, points



Source: Refinitiv; KGI Research; Company data

Figure 19: Energy use

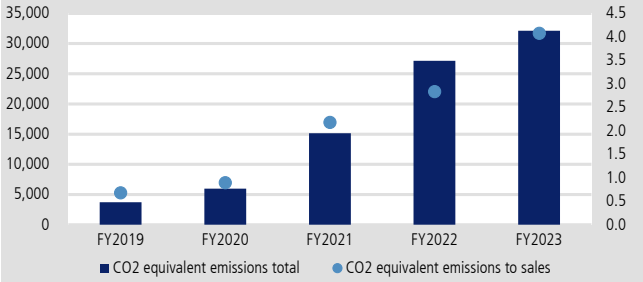
Energy use, gigajoules (LHS); YoY change, percent (RHS)



Source: Refinitiv; KGI Research; Company data

Figure 20: CO2 equivalent emissions

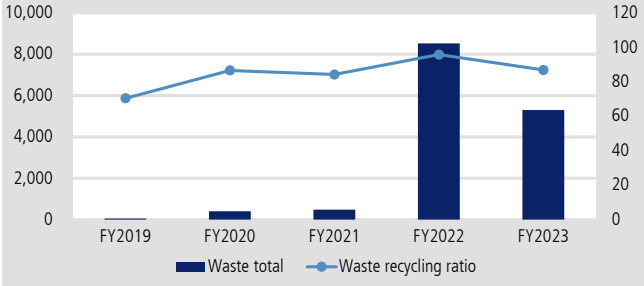
CO2 equivalent emissions, mt (LHS); emissions to revenue, mt/ US$mn (RHS)



Source: Refinitiv; KGI Research; Company data

Figure 21: Waste total

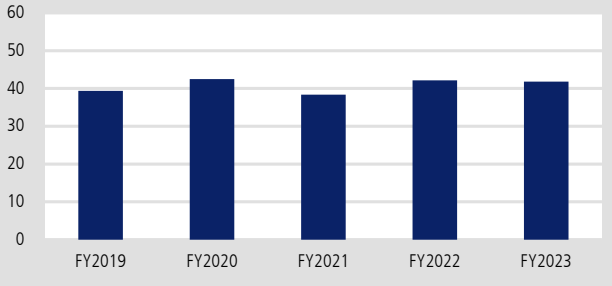
Waste total, mt (LHS); waste recycling ratio, percent (RHS)



Source: Refinitiv; KGI Research; Company data

Figure 22: Gender diversity

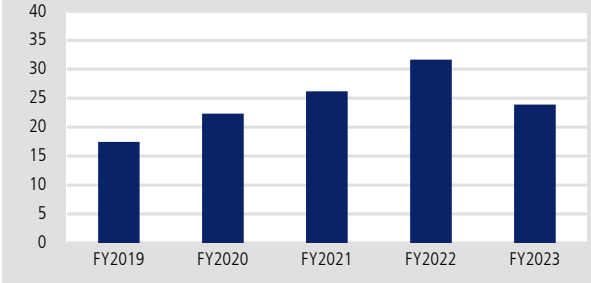
Weighting of female employees, percent



Source: Refinitiv; KGI Research; Company data

Figure 23: Employee training

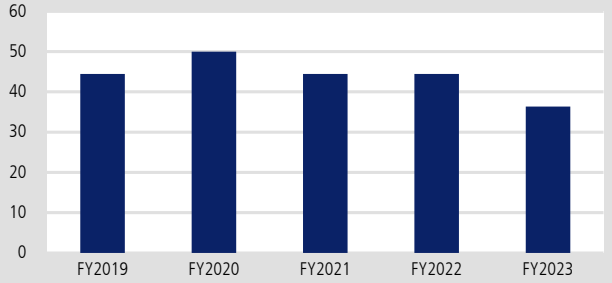
Average annual training hours per employee



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-26A	Jun-26A	Sep-26F	Dec-26F	Mar-27F	Jun-27F	Sep-27F	Dec-27F	Dec-25A	Dec-26F	Dec-27F
Income statement (NT$mn)											
Revenue	**276,508**	**278,153**	**434,618**	**491,118**	**520,585**	**609,085**	**700,447**	**766,990**	**950,663**	**1,480,396**	**2,597,107**
Cost of goods sold	(255,627)	(252,390)	(396,064)	(449,373)	(479,979)	(563,403)	(647,914)	(710,999)	(872,209)	(1,353,454)	(2,402,296)
Gross profit	**20,881**	**25,763**	**38,553**	**41,745**	**40,606**	**45,681**	**52,534**	**55,990**	**78,454**	**126,942**	**194,811**
Operating expenses	(3,423)	(5,545)	(6,103)	(6,876)	(7,288)	(7,918)	(8,405)	(9,204)	(14,537)	(21,946)	(32,816)
Operating profit	**17,458**	**20,218**	**32,450**	**34,869**	**33,317**	**37,763**	**44,128**	**46,786**	**63,918**	**104,996**	**161,995**
Depreciation of fixed assets	(827)	(919)	(886)	(911)	(1,035)	(1,035)	(1,035)	(1,035)	(2,442)	(3,542)	(4,139)
Amortisation of intangible assets	(74)	(79)	(56)	(13)	(56)	(56)	(56)	(56)	(248)	(222)	(222)
EBITDA	**18,360**	**21,216**	**33,392**	**35,794**	**34,408**	**38,854**	**45,218**	**47,877**	**66,608**	**108,761**	**166,356**
Interest income	291	521	610	550	494	494	494	494	1,112	1,971	1,975
Investment income	-	-	-	-	-	-	-	-	-	-	-
Other non-op income	1,670	291	505	(267)	250	250	250	250	-	2,200	1,000
Non-operating income	**1,962**	**812**	**1,115**	**283**	**744**	**744**	**744**	**744**	**1,112**	**4,171**	**2,975**
Interest expense	(1,349)	(2,057)	(3,134)	(3,131)	(3,000)	(3,000)	(3,000)	(3,000)	(3,225)	(9,670)	(12,000)
Investment loss	(137)	0	(15)	(29)	(13)	(13)	(13)	(13)	(52)	(180)	(50)
Other non-op expenses	(0)	(0)	-	(130)	(33)	(33)	(33)	(33)	4,300	(130)	(130)
Non-operating expenses	**(1,486)**	**(2,056)**	**(3,149)**	**(3,289)**	**(3,045)**	**(3,045)**	**(3,045)**	**(3,045)**	**1,022**	**(9,980)**	**(12,180)**
Pre-tax profit	**17,934**	**18,974**	**30,417**	**31,863**	**31,016**	**35,462**	**41,827**	**44,485**	**66,052**	**99,188**	**152,790**
Current taxation	(3,820)	(4,005)	(7,052)	(5,952)	(6,203)	(7,802)	(8,365)	(9,716)	(14,934)	(20,829)	(32,086)
Minorities	-	-	-	-	-	-	-	-	-	-	-
Normalised net profit	**14,114**	**14,969**	**23,364**	**25,911**	**24,813**	**27,660**	**33,462**	**34,769**	**51,118**	**78,358**	**120,704**
Extraordinary items	(0)	0	-	(0)	-	-	-	-	-	-	-
Net profit	**14,114**	**14,969**	**23,364**	**25,911**	**24,813**	**27,660**	**33,462**	**34,769**	**51,118**	**78,358**	**120,704**
EPS (NT$)	25.61	26.97	41.46	45.98	44.03	49.08	59.38	61.70	275.06	140.35	214.19
Margins (%)											
Gross profit margin	7.6	9.3	8.9	8.5	7.8	7.5	7.5	7.3	8.3	8.6	7.5
Operating margin	6.3	7.3	7.5	7.1	6.4	6.2	6.3	6.1	6.7	7.1	6.2
EBITDA margin	6.6	7.6	7.7	7.3	6.6	6.4	6.5	6.2	7.0	7.3	6.4
Pretax profit margin	6.5	6.8	7.0	6.5	6.0	5.8	6.0	5.8	6.9	6.7	5.9
Net profit margin	5.1	5.4	5.4	5.3	4.8	4.5	4.8	4.5	5.4	5.3	4.6
Sequential growth (%)											
Revenue growth	(5.4)	0.6	56.3	13.0	6.0	17.0	15.0	9.5			
Gross profit growth	(1.2)	23.4	49.6	8.3	(2.7)	12.5	15.0	6.6			
Operating profit growth	6.0	15.8	60.5	7.5	(4.5)	13.3	16.9	6.0			
EBITDA growth	6.3	15.6	57.4	7.2	(3.9)	12.9	16.4	5.9			
Pretax profit growth	2.7	5.8	60.3	4.8	(2.7)	14.3	17.9	6.4			
Net profit growth	2.3	6.1	56.1	10.9	(4.2)	11.5	21.0	3.9			
YoY growth (%)											
Revenue growth	62.0	26.0	62.9	67.9	88.3	119.0	61.2	56.2	163.7	55.7	75.4
Gross profit growth	40.6	36.0	63.8	97.6	94.5	77.3	36.3	34.1	109.8	61.8	53.5
Operating profit growth	45.7	27.2	65.8	111.8	90.8	86.8	36.0	34.2	127.5	64.3	54.3
EBITDA growth	46.4	28.4	64.7	107.3	87.4	83.1	35.4	33.8	121.3	63.3	53.0
Pretax profit growth	43.2	20.7	49.5	82.5	72.9	86.9	37.5	39.6	129.1	50.2	54.0
Net profit growth	44.1	23.5	51.6	87.9	75.8	84.8	43.2	34.2	124.4	53.3	54.0

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**	**604,851**	**851,108**
Current assets	**79,195**	**173,683**	**306,977**	**559,361**	**791,806**
Cash & ST securities	37,495	48,329	89,934	238,649	255,151
Inventory	30,179	86,211	136,257	211,361	361,990
Accounts receivable	10,363	37,649	76,888	105,453	170,769
Other current assets	1,158	1,494	3,897	3,897	3,897
Non-current assets	**9,650**	**16,996**	**31,212**	**45,490**	**59,301**
LT investments	159	709	1,377	1,197	1,147
Net fixed assets	5,626	9,163	20,848	35,306	49,167
Other assets	3,865	7,124	8,987	8,987	8,987
Total liabilities	**46,611**	**102,476**	**213,537**	**444,937**	**636,877**
Current liabilities	**36,494**	**76,364**	**179,654**	**266,658**	**456,730**
Accounts payable	20,169	53,585	79,366	144,616	263,265
Interest bearing ST liabilities	2,884	6,125	72,197	77,801	125,933
Other current liabilities	13,441	16,654	28,091	44,241	67,531
Non-current liabilities	**10,117**	**26,112**	**33,883**	**178,279**	**180,147**
Long-term debt	8,443	22,004	27,985	172,381	174,249
Other L-T liabilities	486	852	2,845	2,845	2,845
Total equity	**42,234**	**88,203**	**124,653**	**159,914**	**214,231**
Share capital	1,748	1,858	1,858	5,575	5,575
Retained earnings reserve	25,823	40,029	75,099	110,361	164,678
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%	55.7%	75.4%
Operating profit growth	(11.0%)	77.1%	127.5%	64.3%	54.3%
EBITDA growth	(9.3%)	78.4%	121.3%	63.3%	53.0%
Net profit growth	(15.0%)	89.1%	124.4%	53.3%	54.0%
EPS growth	(15.0%)	83.7%	117.3%	(49.0%)	52.6%
Profitability					
Gross profit margin	9.4%	10.4%	8.3%	8.6%	7.5%
Operating margin	6.6%	7.8%	6.7%	7.1%	6.2%
EBITDA margin	7.0%	8.3%	7.0%	7.3%	6.4%
Net profit margin	5.0%	6.3%	5.4%	5.3%	4.6%
Return on average assets	13.6%	16.3%	19.3%	16.6%	16.6%
Return on average equity	29.7%	34.9%	48.0%	55.1%	64.5%
Stability					
Gross debt to equity	26.8%	31.9%	80.4%	156.4%	140.1%
Net debt to equity	Net cash	Net cash	8.2%	7.2%	21.0%
Interest coverage (x)	17.2	24.2	21.5	11.3	13.7
Interest & ST debt coverage (x)	0.8	0.8	0.5	0.5	0.5
Cash flow interest coverage(x)	24.2	(16.1)	(0.2)	4.5	2.3
Cash flow/int. & ST debt (x)	6.0	(2.7)	(0.0)	0.5	0.2
Current ratio (x)	2.2	2.3	1.7	2.1	1.7
Quick ratio (x)	1.3	1.1	1.0	1.3	0.9
Net debt (NT$mn)	(26,168)	(20,200)	10,248	11,533	45,031
Per share data					
EPS (NT$)	68.88	126.57	275.06	140.35	214.19
CFPS (NT$)	131.89	(111.11)	(3.36)	78.60	49.37
BVPS (NT$)	80.52	158.21	223.58	286.83	384.26
Adj BVPS (NT$)	241.56	490.15	670.75	286.43	380.15
SPS (NT$)	1,383.55	2,003.57	5,115.47	2,651.57	4,608.57
EBITDA/share (NT$)	96.50	167.29	358.41	194.80	295.20
Cash DPS (NT$)	14.00	24.67	145.00	77.30	119.08
Activity					
Sales / avg assets	2.72	2.58	3.60	3.14	3.57
Days receivable	15.6	38.2	29.5	26.0	24.0
Days inventory	50.2	97.6	57.0	57.0	55.0
Days payable	33.6	60.7	33.2	39.0	40.0
Cash cycle	32.3	75.2	53.3	44.0	39.0

Source: Company data; KGI Research estimates

Profit & loss

NT$mn	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Revenue	**241,901**	**360,541**	**950,663**	**1,480,396**	**2,597,107**
Cost of goods sold	(219,244)	(323,141)	(872,209)	(1,353,454)	(2,402,296)
Gross profit	**22,657**	**37,400**	**78,454**	**126,942**	**194,811**
Operating expenses	(6,787)	(9,301)	(14,537)	(21,946)	(32,816)
Operating profit	**15,871**	**28,099**	**63,918**	**104,996**	**161,995**
Non-operating income	**909**	**2,120**	**1,112**	**4,171**	**2,975**
Interest income	456	1,219	1,112	1,971	1,975
Investment income	-	-	-	-	-
Other non-op income	454	901	-	2,200	1,000
Non-operating expenses	**(1,336)**	**(1,389)**	**1,022**	**(9,980)**	**(12,180)**
Interest expense	(953)	(1,242)	(3,225)	(9,670)	(12,000)
Investment loss	(64)	(68)	(52)	(180)	(50)
Other non-op expenses	(319)	(79)	4,300	(130)	(130)
Pre-tax profit	**15,444**	**28,830**	**66,052**	**99,188**	**152,790**
Current taxation	(3,400)	(6,054)	(14,934)	(20,829)	(32,086)
Minorities	-	-	-	-	-
Extraordinary items	-	(0)	(0)	-	-
Net profit	**12,044**	**22,776**	**51,118**	**78,358**	**120,704**
EBITDA	**16,873**	**30,103**	**66,608**	**108,761**	**166,356**
EPS (NT$)	68.88	126.57	275.06	140.35	214.19

Cash flow

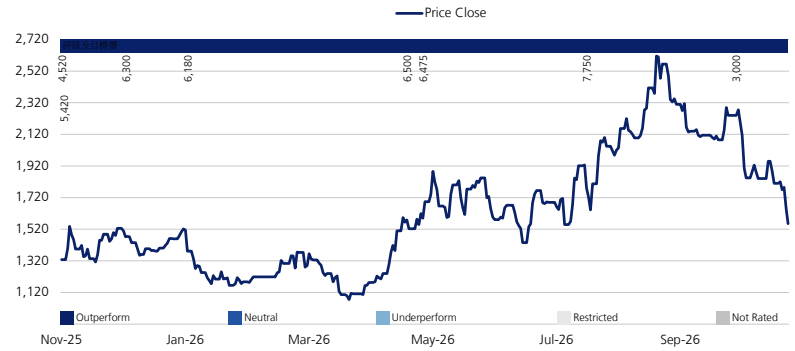
NT$mn	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
Operations cash flow	**23,060**	**(19,993)**	**(624)**	**43,884**	**27,821**
Net profit	12,044	22,776	51,118	78,358	120,704
Depreciation & amortisation	1,002	2,005	2,690	3,764	4,361
Decrease in working capital	8,928	(47,806)	(64,430)	(38,419)	(97,295)
Other 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)**	**30,071**	**16,820**
Financing cash flow	**(7,115)**	**36,316**	**56,188**	**123,053**	**6,903**
Increase in short term debt	393	940	66,473	-	-
Increase in long term loans	1,500	16,945	4,706	150,000	50,000
New ordinary shares issued	-	27,068	-		
Ordinary dividends paid	(8,742)	(7,343)	(13,752)	(26,947)	(43,097)
Other financing cashflow	(265)	(1,294)	(1,240)	0	-
Forex effects	**13**	**166**	**(192)**		
Total cash generated	**11,263**	**10,834**	**41,605**	**148,715**	**16,502**

ROIC

	Dec-23A	Dec-24A	Dec-25A	Dec-26F	Dec-27F
1 - COGS/revenue					
- Operating exp./revenue	2.8%	2.6%	1.5%	1.5%	1.3%
= Operating margin	**6.6%**	**7.8%**	**6.7%**	**7.1%**	**6.2%**
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**	**8.7**	**10.1**
Operating margin	6.6%	7.8%	6.7%	7.1%	6.2%
x Capital turnover	16.2	5.5	7.2	8.7	10.1
x (1 - tax rate)	78.0%	79.0%	77.4%	79.0%	79.0%
= After-tax ROIC	**82.7%**	**33.8%**	**37.3%**	**49.0%**	**49.8%**

Source: Company data; KGI Research estimates

Wiwynn – Recommendation & target price history



Date	Rating	Target	Price
2026-10-11	Outperform	3,000	2,240
2026-07-28	Outperform	7,750	1,782
2026-05-07	Outperform	6,475	1,590
2026-04-29	Outperform	6,500	1,579
2026-02-27	Outperform	6,180	1,303
2026-01-09	Outperform	6,180	1,381
2025-12-09	Outperform	6,300	1,473
2025-11-08	Outperform	5,420	1,328
2025-09-09	Outperform	4,520	981
2025-08-09	Outperform	3,550	942

Source: TEJ; KGI Research

KGI Locations

China	Shanghai	Room 1507, Park Place, 1601 Nanjing West Road, Jingan District, Shanghai, PRC 200040
Taiwan	Taipei	700 Mingshui Road, Taipei, Taiwan Telephone 886.2.2181.8888 · Facsimile 886.2.8501.1691
Hong Kong		41/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong Telephone 852.2878.6888 Facsimile 852.2878.6800
Thailand	Bangkok	8th - 11th floors, Asia Centre Building 173 South Sathorn Road, Bangkok 10120, Thailand Telephone 66.2658.8888 Facsimile 66.2658.8014
Singapore		4 Shenton Way #13-01 SGX Centre 2 Singapore 068807 Telephone 65.6202.1188 Facsimile 65.6534.4826
Indonesia		Sona Topas Tower Fl.11 Jl. Jend. Sudirman kav.26 JakartaSelatan 12920 Indonesia Telephone 62 21 250 6337

Disclaimer

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

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.