Company update | IC design · Taiwan

MediaTek

(2454.TW/2454 TT)

2Q26 results preview – Positive progress in new orders

Outperform · Maintained

Price as of July 23 (NT$)	3,875
12M target price (NT$)	6,150
Previous target price (NT$)	6,150
Unchanged (%)	0.0
Upside (%)	58.7

Key message

1. We expect 2Q26F results to be in line with guidance; few strong catalysts in 3Q26.
2. AI ASIC visibility likely extends to 2029F.
3. Continued market share expansion in smartphone.

Trading data

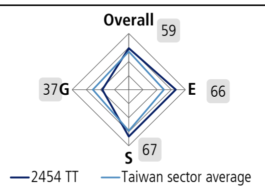
Mkt cap (NT$bn/US$mn)	6,215/191,506
Outstanding shares (mn)	1,604
Foreign ownership (mn)	921
3M avg. daily trading (mn)	8.06
52-week trading range (NT$)	1,145 –4,640

Performance	3M	6M	12M
Absolute (%)	74.9	137.7	171
Relative (%)	56	97.4	78.7

Quarterly EPS

NT$	1Q	2Q	3Q	4Q
2025	18.43A	17.50A	15.84A	14.40A
2026	15.17A	14.55F	15.80F	23.46F
2027	24.67F	26.64F	29.60F	31.69F

ESG score card



Source: Refinitiv

Event

MediaTek will host an analyst meeting and release 2Q26 results on July 31.

Impact

We expect 2Q26F results to be in line with guidance; limited catalysts in 3Q26F. MediaTek reported 2Q26F revenue that was 2% ahead of the higher-end of guidance, which we attribute to a strong smart edge business offsetting smartphone weakness and to a lower-than-expected decline in smartphone demand. We expect gross and operating margins to be in line with guidance. In 3Q26F, we expect management to guide low-to mid-single digit QoQ revenue growth, with gross margin up slightly due to price increases, a better product mix and operating leverage.

AI ASIC demand visibility likely extends to 2029F. Currently, MediaTek's key AI ASIC projects are Google's (US) TPU v8x Zebrafish (from 4Q26F) and v9 Humufish (from 4Q27F). We expect MediaTek will secure v10 Icefish business (from 4Q28F), together with a new project at Space X (US) (2028F) and Meta (US; pending). Thus, AI ASIC demand visibility is likely to extend to 2029F. In addition, with Pumafish (Broadcom's (US) project) cancellation, we expect MediaTek's AI ASIC market share at Google to expand significantly in 2028F (we estimate a 50:50 even split with Broadcom). Assuming that Humufish AI ASIC ASP will rise by at least 200% versus the previous generation (due to more I/O dies and N2 production) and that 4mn units are shipped in 2028F, coupled with the expected addition of a second ASIC customer as well as the Zebrafish project, we maintain our 2028F AI ASIC revenue forecast of US$50bn (or 67% of sales).

Continued market share expansion in smartphone. With most 2026F AI ASIC revenue contribution coming in 4Q26F, we see limited drivers for the next two months. MediaTek expects the global smartphone market to decline by 15% this year amid the memory price surge, and we don't expect a recovery in 2027F due to a still-worse memory shortage. However, due to tight foundry supply, Samsung's (KR) System LSI is likely unable to secure sufficient capacity to fulfill Galaxy phone demand, and we therefore expect MediaTek to expand its market share in Samsung smartphones from the mid-/ low-end to the high-end (S-Series) from 2027F.

Valuation & Action

We maintain our target price of NT$6,150, based on a PE of 25x (cycle peak) in 2028F. MediaTek is one of our top picks in the semiconductor space. Maintain Outperform.

Risks

Smartphone shipments decline; slow progress in AI chip.

Key financials and valuations

	Dec-24A	Dec-25A	Dec-26F	Dec-27F	Dec-28F
Revenue (NT$mn)	530,586	595,966	678,026	1,110,805	2,362,787
Gross profit (NT$mn)	263,386	283,080	312,760	501,380	1,040,367
Operating profit (NT$mn)	102,412	103,470	108,168	185,212	422,744
Net profit (NT$mn)	106,387	105,319	109,846	179,334	392,754
EPS (NT$)	66.92	66.16	68.97	112.60	246.60
Cash DPS (NT$)	54.00	53.50	67.50	69.86	105.20
EPS growth (%)	38.0	(1.1)	4.2	63.3	119.0
PE (x)	57.9	58.6	56.2	34.4	15.7
PB (x)	15.6	15.5	16.0	13.9	8.0
EV/EBITDA (x)	27.7	27.2	24.4	16.9	9.9
Net debt to equity (%)	Net cash	Net cash	Net cash	Net cash	Net cash
Dividend yield (%)	1.4	1.4	1.7	1.8	2.7
Return on average equity (%)	27.8	26.4	27.9	42.9	64.4

Source: Company data, KGI Research estimates

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

	2Q26F							3Q26F						
NT$mn	Revision	Previous	Chg. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)	Revision	Previous	Chg. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)
Revenue	152,183	144,271	5.5	2.0	1.2	145,516	4.6	153,555	149,707	2.6	0.9	8.1	150,944	1.7
Gross profit	70,145	66,426	5.6	1.6	(5.1)	67,138	4.5	71,264	69,534	2.5	1.6	7.8	69,510	2.5
Operating profit	22,816	21,558	5.8	(0.3)	(22.3)	21,613	5.6	24,429	23,874	2.3	7.1	10.1	22,892	6.7
Net profit	23,172	22,077	5.0	(4.1)	(16.8)	22,242	4.2	25,157	24,668	2.0	8.6	(0.3)	23,617	6.5
EPS (NT$)	14.55	13.87	4.9	(4.1)	(16.9)	13.87	4.9	15.80	15.50	1.9	8.6	(0.3)	14.74	7.2
Gross margin (%)	46.1	46.0	0.0 ppts	(0.2)ppts	(3.0)ppts	46.1	(0.0)ppts	46.4	46.4	(0.0)ppts	0.3 ppts	(0.1)ppts	46.1	0.4 ppts
OP margin (%)	15.0	14.9	0.0 ppts	(0.4)ppts	(4.5)ppts	14.9	0.1 ppts	15.9	15.9	(0.0)ppts	0.9 ppts	0.3 ppts	15.2	0.7 ppts
Net margin (%)	15.2	15.3	(0.1)ppts	(1.0)ppts	(3.3)ppts	15.3	(0.1)ppts	16.4	16.5	(0.1)ppts	1.2 ppts	(1.4)ppts	15.6	0.7 ppts

Source: Company data; Bloomberg; KGI Research estimates

Figure 2: Breakdown of 2027-28 forecast revisions vs. consensus

	2027F						2028F					
NT$mn	Revision	Previous	Chg. (%)	YoY (%)	Consensus	Diff. (%)	Revision	Previous	Chg. (%)	YoY (%)	Consensus	Diff. (%)
Revenue	1,110,805	1,102,218	0.8	63.8	1,051,909	5.6	2,362,787	2,353,031	0.4	112.7	1,874,777	26.0
Gross profit	501,380	497,671	0.7	60.3	466,963	7.4	1,040,367	1,036,156	0.4	107.5	814,928	27.7
Operating profit	185,212	183,948	0.7	71.2	221,119	(16.2)	422,744	421,109	0.4	128.2	466,802	(9.4)
Net profit	179,334	178,221	0.6	63.3	203,435	(11.8)	392,754	391,315	0.4	119.0	407,608	(3.6)
EPS (NT$)	112.60	111.95	0.6	63.3	128.12	(12.1)	246.60	245.81	0.3	119.0	254.44	(3.1)
Gross margin (%)	45.1	45.2	(0.0)ppts	(1.0)ppts	44.4	0.7 ppts	44.0	44.0	(0.0)ppts	(1.1)ppts	43.5	0.6 ppts
OP margin (%)	16.7	16.7	(0.0)ppts	0.7 ppts	21.0	(4.3)ppts	17.9	17.9	(0.0)ppts	1.2 ppts	24.9	(7.0)ppts
Net margin (%)	16.1	16.2	(0.0)ppts	(0.1)ppts	19.3	(3.2)ppts	16.6	16.6	(0.0)ppts	0.5 ppts	21.7	(5.1)ppts

Source: Bloomberg; KGI Research estimates

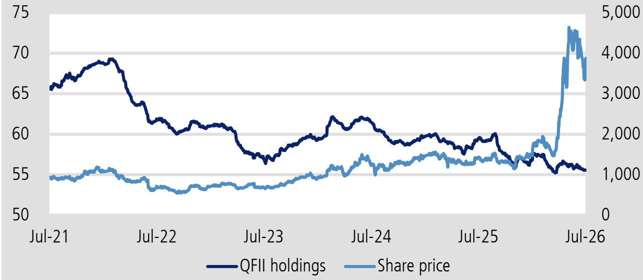
Figure 3: Company profile

MediaTek was founded in 1997 as a top-five fabless design house specializing in SoC solutions for wireless communications and digital multimedia. It holds a leading position in cutting-edge SoC system solutions for wireless communications, high-definition TV, optical storage, DVD and Blu-ray products. It also offers related product design, testing, maintenance and technology consulting services. MediaTek is headquartered in Hsinchu Science Park, Taiwan, with sales and research subsidiaries in China, Singapore, India, Japan, South Korea, the US, Denmark and the UK. Employees numbered around 20,000 in 2021.

Source: Company data; KGI Research

Figure 4: MediaTek's QFII holdings vs. share price

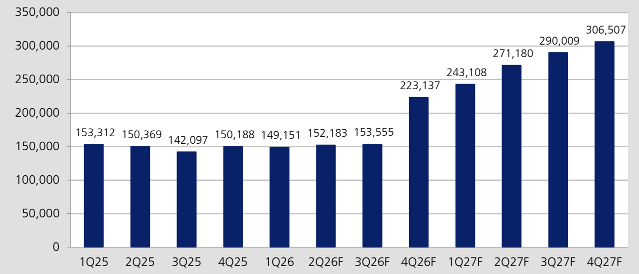
QFII holdings, percent (LHS); share price, NT$ (RHS)



Source: TEJ; KGI Research

Figure 5: Sales

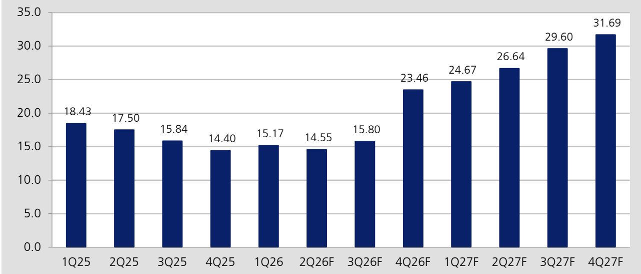
Sales, NT$mn



Source: KGI Research

Figure 6: EPS

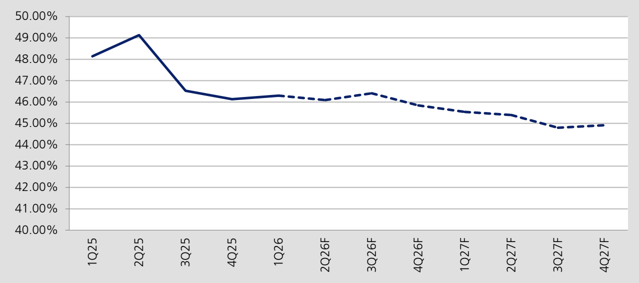
EPS, NT$



Source: KGI Research

Figure 7: Gross Margin

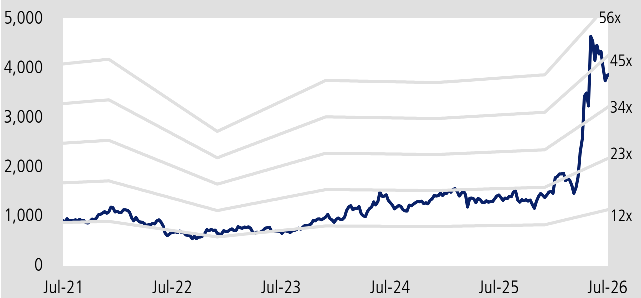
Gross margin, percent



Source: KGI Research

Figure 8: 12M forward PE band

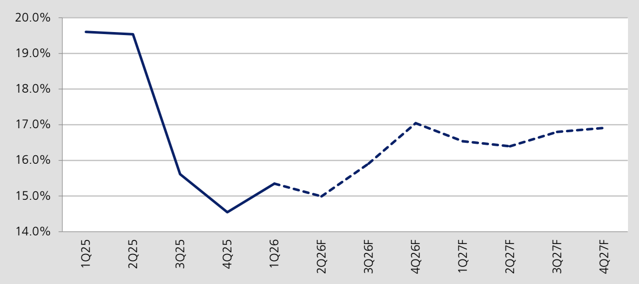
Share price, NT$ (LHS); PE ratio, x (RHS)



Source: TEJ; KGI Research estimates

Figure 9: Operating Margin

Operating margin, percent



Source: KGI Research

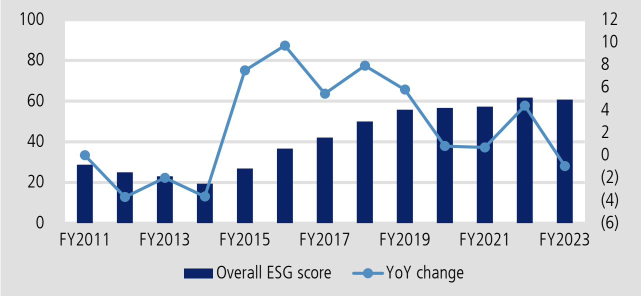
Figure 10: 12M forward PB band

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

Source: TEJ; KGI Research estimates

Figure 11: Overall ESG score

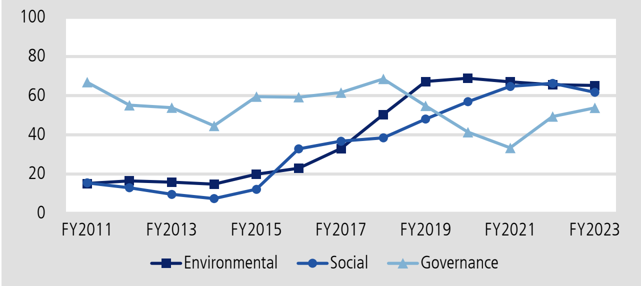
ESG score (LHS); YoY change (RHS)



Source: Refinitiv; Company data

Figure 12: ESG scores

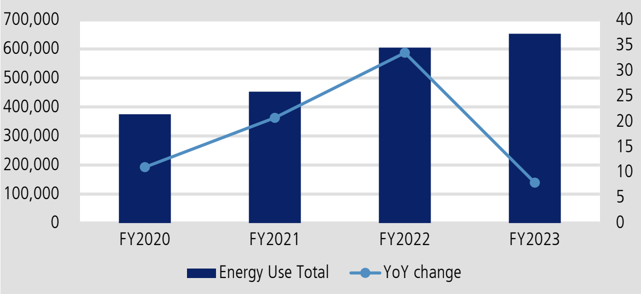
ESG score



Source: Refinitiv; Company data

Figure 13: Energy use

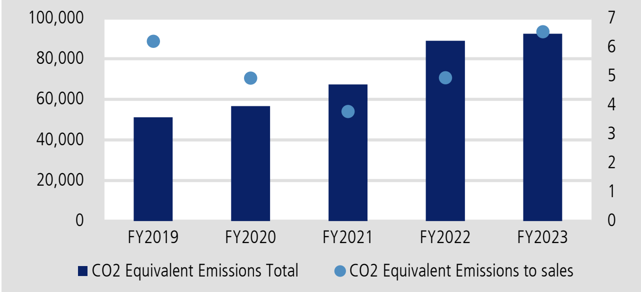
Energy use, gigajoules (LHS); YoY change, percent (RHS)



Source: Refinitiv; Company data

Figure 14: CO2 equivalent emissions

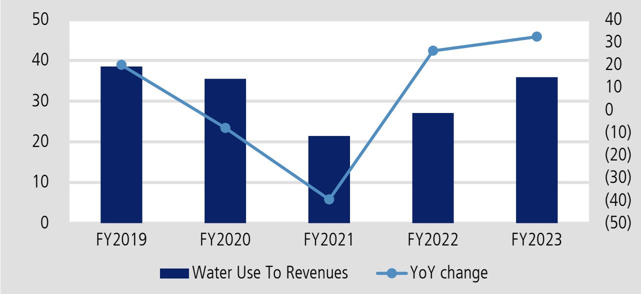
CO2 equivalent emissions, metric tons (LHS); emissions to revenue, metric tons per US$mn (RHS)



Source: Refinitiv; Company data

Figure 15: Water use to revenue

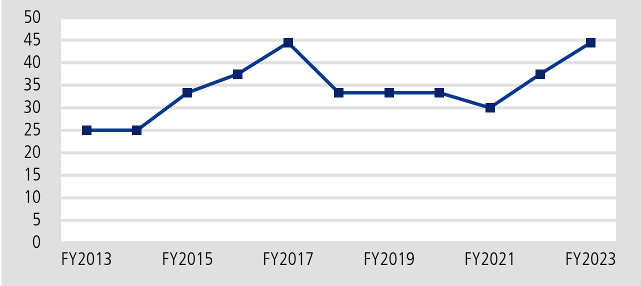
Water use to revenue, cubic meters/ US$mn (LHS); YoY change, percent (RHS)



Source: Refinitiv; Company data

Figure 16: Independent board members

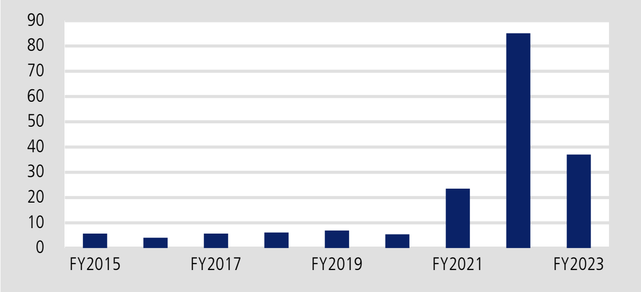
Independent Board Members, percent



Source: Refinitiv; Company data

Figure 17: Employee training

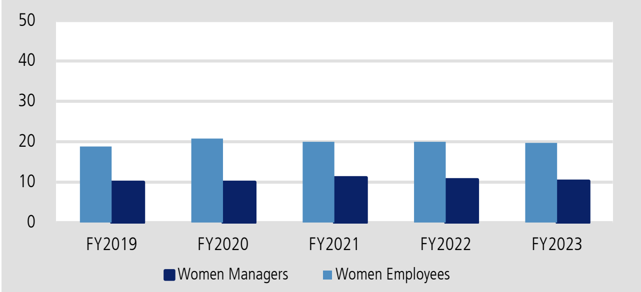
Average annual training hours per employee, annual hours/ employee



Source: Refinitiv; Company data

Figure 18: Gender diversification

Women managers and women employees, percent



Source: Refinitiv; 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	MediaTek has conducted carbon footprint verification on its office buildings and its internal administration process.
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	Has disclosed the retention rate in 2019-20, and its HR has launched inventive program with better compensation to keep its talents.
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; Company data; KGI Research

Income statement

	Quarterly								Annually		
	Mar-26A	Jun-26F	Sep-26F	Dec-26F	Mar-27F	Jun-27F	Sep-27F	Dec-27F	Dec-26F	Dec-27F	Dec-28F
Income statement (NT$mn)											
Revenue	**149,151**	**152,183**	**153,555**	**223,137**	**243,108**	**271,180**	**290,009**	**306,507**	**678,026**	**1,110,805**	**2,362,787**
Cost of goods sold	(80,095)	(82,038)	(82,292)	(120,842)	(132,403)	(148,080)	(160,090)	(168,852)	(365,267)	(609,425)	(1,322,420)
Gross profit	**69,055**	**70,145**	**71,264**	**102,295**	**110,705**	**123,100**	**129,919**	**137,656**	**312,760**	**501,380**	**1,040,367**
Operating expenses	(46,165)	(47,329)	(46,834)	(64,264)	(70,501)	(78,642)	(81,203)	(85,822)	(204,591)	(316,168)	(617,623)
Operating profit	**22,891**	**22,816**	**24,429**	**38,032**	**40,204**	**44,458**	**48,717**	**51,833**	**108,168**	**185,212**	**422,744**
Depreciation of fixed assets	(3,349)	(3,555)	(3,555)	(3,761)	(4,349)	(4,349)	(4,349)	(4,349)	(14,219)	(17,395)	(22,979)
Amortisation of intangible assets	(2,652)	(3,430)	(3,430)	(4,208)	(2,851)	(2,851)	(2,851)	(2,851)	(13,721)	(11,403)	(13,069)
EBITDA	**28,892**	**29,801**	**31,414**	**46,001**	**47,403**	**51,657**	**55,916**	**59,033**	**136,108**	**214,009**	**458,792**
Interest income	2,396	2,792	3,131	2,919	3,324	3,180	3,727	3,745	11,238	13,975	18,367
Investment income	759	800	800	800	900	900	900	900	3,159	3,600	3,600
Other non-op income	189	500	500	500	500	500	500	500	2,559	2,000	2,000
Non-operating income	**3,345**	**4,092**	**4,431**	**4,219**	**4,724**	**4,580**	**5,127**	**5,145**	**16,956**	**19,575**	**23,967**
Interest expense	(86)	(102)	(102)	(102)	(102)	(102)	(102)	(102)	(391)	(407)	(407)
Investment loss	-	-	-	-	-	-	-	-	-	-	-
Other non-op expenses	870	-	-	-	-	-	-	-	-	-	-
Non-operating expenses	**784**	**(102)**	**(102)**	**(102)**	**(102)**	**(102)**	**(102)**	**(102)**	**(391)**	**(407)**	**(407)**
Pre-tax profit	**27,019**	**26,807**	**28,758**	**42,149**	**44,826**	**48,936**	**53,742**	**56,876**	**124,733**	**204,380**	**446,304**
Current taxation	(2,643)	(3,485)	(3,451)	(4,636)	(5,379)	(6,362)	(6,449)	(6,256)	(14,215)	(24,446)	(52,949)
Minorities	(222)	(150)	(150)	(150)	(150)	(150)	(150)	(150)	(672)	(600)	(600)
Normalised net profit	**24,154**	**23,172**	**25,157**	**37,363**	**39,297**	**42,424**	**47,143**	**50,470**	**109,846**	**179,334**	**392,754**
Extraordinary items	(0)	-	-	-	-	-	-	-	-	-	-
Net profit	**24,154**	**23,172**	**25,157**	**37,363**	**39,297**	**42,424**	**47,143**	**50,470**	**109,846**	**179,334**	**392,754**
EPS (NT$)	15.17	14.55	15.80	23.46	24.67	26.64	29.60	31.69	68.97	112.60	246.60
Margins (%)											
Gross profit margin	46.3	46.1	46.4	45.8	45.5	45.4	44.8	44.9	46.1	45.1	44.0
Operating margin	15.3	15.0	15.9	17.0	16.5	16.4	16.8	16.9	16.0	16.7	17.9
EBITDA margin	19.4	19.6	20.5	20.6	19.5	19.0	19.3	19.3	20.1	19.3	19.4
Pretax profit margin	18.1	17.6	18.7	18.9	18.4	18.0	18.5	18.6	18.4	18.4	18.9
Net profit margin	16.2	15.2	16.4	16.7	16.2	15.6	16.3	16.5	16.2	16.1	16.6
Sequential growth (%)											
Revenue growth	(0.7)	2.0	0.9	45.3	9.0	11.5	6.9	5.7			
Gross profit growth	(0.3)	1.6	1.6	43.5	8.2	11.2	5.5	6.0			
Operating profit growth	4.8	(0.3)	7.1	55.7	5.7	10.6	9.6	6.4			
EBITDA growth	4.4	3.1	5.4	46.4	3.0	9.0	8.2	5.6			
Pretax profit growth	(0.5)	(0.8)	7.3	46.6	6.4	9.2	9.8	5.8			
Net profit growth	5.4	(4.1)	8.6	48.5	5.2	8.0	11.1	7.1			
YoY growth (%)											
Revenue growth	(2.7)	1.2	8.1	48.6	63.0	78.2	88.9	37.4	13.8	63.8	112.7
Gross profit growth	(6.4)	(5.1)	7.8	47.7	60.3	75.5	82.3	34.6	10.5	60.3	107.5
Operating profit growth	(23.8)	(22.3)	10.1	74.1	75.6	94.9	99.4	36.3	4.5	71.2	128.2
EBITDA growth	(19.0)	(15.2)	12.4	66.2	64.1	73.3	78.0	28.3	7.6	57.2	114.4
Pretax profit growth	(21.8)	(19.3)	(4.0)	55.3	65.9	82.6	86.9	34.9	(0.1)	63.9	118.4
Net profit growth	(17.6)	(16.8)	(0.3)	63.0	62.7	83.1	87.4	35.1	4.3	63.3	119.0

Source: Company data, KGI Research estimates

Balance sheet

NT$mn	Dec-24A	Dec-25A	Dec-26F	Dec-27F	Dec-28F
Total assets	**697,868**	**743,785**	**856,759**	**1,038,361**	**1,883,786**
Current assets	**351,025**	**397,456**	**488,898**	**646,320**	**1,380,087**
Cash & ST securities	219,624	247,709	213,429	264,876	305,473
Inventory	58,414	67,235	128,952	180,184	512,778
Accounts receivable	44,713	62,121	118,559	162,856	454,628
Other current assets	28,274	20,392	27,958	38,404	107,208
Non-current assets	**346,842**	**346,329**	**367,861**	**392,041**	**503,699**
LT investments	172,525	171,501	176,413	178,413	180,413
Net fixed assets	56,917	60,427	67,326	81,659	126,168
Other assets	117,400	114,400	124,123	131,970	197,118
Total liabilities	**292,812**	**334,590**	**460,035**	**582,029**	**1,101,090**
Current liabilities	**266,902**	**303,350**	**422,729**	**537,078**	**1,005,783**
Accounts payable	40,777	48,710	74,772	104,478	297,331
Interest bearing ST liabilities	8,919	4,481	19,981	19,981	19,981
Other current liabilities	217,207	250,159	327,976	412,619	688,472
Non-current liabilities	**25,910**	**31,240**	**37,306**	**44,951**	**95,306**
Long-term debt	2,681	6,795	6,855	6,855	6,855
Other L-T liabilities	14,853	16,279	22,286	29,931	80,286
Total equity	**405,055**	**409,195**	**396,724**	**456,332**	**782,697**
Share capital	16,017	16,039	16,039	16,039	16,039
Retained earnings reserve	210,599	219,519	337,064	396,072	721,837
Minority interests	8,428	8,594	8,617	9,217	9,817
Preferred shareholders funds	-	-	-	-	-

Key ratios

	Dec-24A	Dec-25A	Dec-26F	Dec-27F	Dec-28F
Growth					
Revenue growth	22.4%	12.3%	13.8%	63.8%	112.7%
Operating profit growth	42.6%	1.0%	4.5%	71.2%	128.2%
EBITDA growth	37.1%	2.5%	7.6%	57.2%	114.4%
Net profit growth	38.2%	(1.0%)	4.3%	63.3%	119.0%
EPS growth	38.0%	(1.1%)	4.2%	63.3%	119.0%
Profitability					
Gross profit margin	49.6%	47.5%	46.1%	45.1%	44.0%
Operating margin	19.3%	17.4%	16.0%	16.7%	17.9%
EBITDA margin	23.2%	21.2%	20.1%	19.3%	19.4%
Net profit margin	20.1%	17.7%	16.2%	16.1%	16.6%
Return on average assets	16.0%	14.6%	13.7%	18.9%	26.9%
Return on average equity	27.8%	26.4%	27.9%	42.9%	64.4%
Stability					
Gross debt to equity	2.9%	2.8%	6.8%	5.9%	3.4%
Net debt to equity	Net cash	Net cash	Net cash	Net cash	Net cash
Interest coverage (x)	264.7	192.5	319.8	502.9	1,097.0
Interest & ST debt coverage (x)	0.9	1.0	0.9	0.9	1.0
Cash flow interest coverage(x)	344.3	249.7	158.7	455.9	686.5
Cash flow/int. & ST debt (x)	16.7	31.7	3.0	9.1	13.7
Current ratio (x)	1.3	1.3	1.2	1.2	1.4
Quick ratio (x)	1.1	1.1	0.9	0.9	0.9
Net debt (NT$mn)	(192,095)	(224,014)	(177,828)	(231,275)	(273,872)
Per share data					
EPS (NT$)	66.92	66.16	68.97	112.60	246.60
CFPS (NT$)	98.17	102.26	38.98	116.58	175.51
BVPS (NT$)	247.63	249.76	241.98	278.77	481.87
Adj BVPS (NT$)	249.50	251.64	243.68	280.73	485.27
SPS (NT$)	333.77	374.36	425.71	697.44	1,483.52
EBITDA/share (NT$)	77.59	79.43	85.46	134.37	288.06
Cash DPS (NT$)	54.00	53.50	67.50	69.86	105.20
Activity					
Sales / avg assets	0.80	0.83	0.85	1.17	1.62
Days receivable	30.8	38.0	63.8	53.5	70.4
Days inventory	80.0	78.4	128.9	107.9	141.9
Days payable	55.9	56.8	74.7	62.6	82.3
Cash cycle	55.0	59.7	118.0	98.9	130.1

Source: Company data, KGI Research estimates

Profit & loss

NT$mn	Dec-24A	Dec-25A	Dec-26F	Dec-27F	Dec-28F
Revenue	**530,586**	**595,966**	**678,026**	**1,110,805**	**2,362,787**
Cost of goods sold	(267,200)	(312,886)	(365,267)	(609,425)	(1,322,420)
Gross profit	**263,386**	**283,080**	**312,760**	**501,380**	**1,040,367**
Operating expenses	(160,974)	(179,610)	(204,591)	(316,168)	(617,623)
Operating profit	**102,412**	**103,470**	**108,168**	**185,212**	**422,744**
Non-operating income	**15,600**	**17,549**	**16,956**	**19,575**	**23,967**
Interest income	11,150	10,819	11,238	13,975	18,367
Investment income	3,938	5,994	3,159	3,600	3,600
Other non-op income	512	736	2,559	2,000	2,000
Non-operating expenses	**1,506**	**3,869**	**(391)**	**(407)**	**(407)**
Interest expense	(453)	(652)	(391)	(407)	(407)
Investment loss	-	-	-	-	-
Other non-op expenses	1,960	4,521	-	-	-
Pre-tax profit	**119,519**	**124,888**	**124,733**	**204,380**	**446,304**
Current taxation	(12,378)	(18,770)	(14,215)	(24,446)	(52,949)
Minorities	(754)	(798)	(672)	(600)	(600)
Extraordinary items	-	(0)	(0)	-	-
Net profit	**106,387**	**105,319**	**109,846**	**179,334**	**392,754**
EBITDA	**123,348**	**126,444**	**136,108**	**214,009**	**458,792**
EPS (NT$)	66.92	66.16	68.97	112.60	246.60

Cash flow

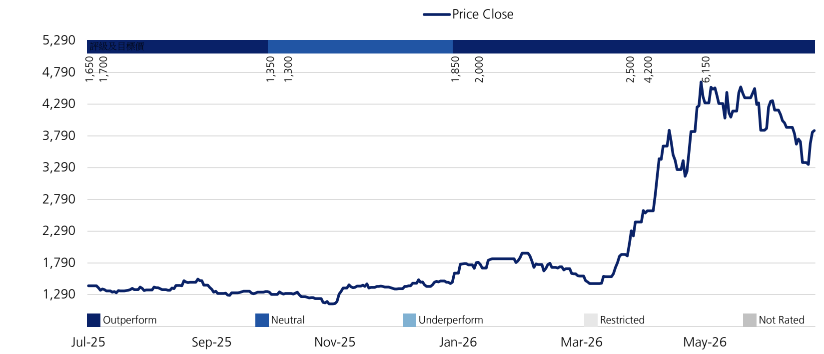
NT$mn	Dec-24A	Dec-25A	Dec-26F	Dec-27F	Dec-28F
Operations cash flow	**156,055**	**162,793**	**62,081**	**185,669**	**279,538**
Net profit	106,387	105,319	109,846	179,334	392,754
Depreciation & amortisation	20,936	22,974	27,940	28,798	36,048
Decrease in working capital	(1,001)	(19,508)	(92,093)	(65,822)	(431,513)
Other operating cash flow	29,733	54,007	16,389	43,360	282,249
Investing cash flow	**(35,928)**	**(37,754)**	**(24,383)**	**(42,620)**	**(90,658)**
Sale of ST investment	(14,697)	(9,762)	3,306	2,000	2,000
New investments	26	(887)	(1,707)	(2,000)	(2,000)
Capital expenditure	(13,787)	(15,059)	(19,366)	(31,728)	(67,488)
Others investing cashflow	(7,471)	(12,046)	(6,616)	(10,892)	(23,169)
Free cash flow	**89,578**	**66,687**	**(1,400)**	**82,903**	**(103,433)**
Financing cash flow	**(90,119)**	**(87,675)**	**(70,433)**	**(89,602)**	**(146,283)**
Increase in short term debt	(1,260)	-	15,500	-	-
Increase in long term loans	-	60	60	-	-
New ordinary shares issued	-	-	-	-	-
Ordinary dividends paid	(87,551)	(86,070)	(85,583)	(89,602)	(146,283)
Other financing cashflow	(1,309)	(1,665)	(410)	-	-
Forex effects	**8,292**	**(5,770)**	**2,110**	**-**	**-**
Total cash generated	**38,300**	**31,594**	**(30,626)**	**53,447**	**42,597**

ROIC

	Dec-24A	Dec-25A	Dec-26F	Dec-27F	Dec-28F
1 - COGS/revenue					
- Operating exp./revenue	30.3%	30.1%	30.2%	28.5%	26.1%
= Operating margin	**19.3%**	**17.4%**	**16.0%**	**16.7%**	**17.9%**
1 / (Working capital/revenue	(0.2)	(0.3)	(0.2)	(0.1)	0.0
+ 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	**(9.2)**	**(7.2)**	**(18.0)**	**(47.7)**	**7.9**
Operating margin	19.3%	17.4%	16.0%	16.7%	17.9%
x Capital turnover	(9.2)	(7.2)	(18.0)	(47.7)	7.9
x (1 - tax rate)	89.6%	85.0%	88.6%	88.0%	88.1%
= After-tax ROIC	**(158.8%)**	**(106.2%)**	**(255.0%)**	**(700.8%)**	**123.9%**

Source: Company data, KGI Research estimates

MediaTek – Recommendation & target price history



Date	Rating	Target	Price
2026-05-29	Outperform	6,150	4,310
2026-04-30	Outperform	4,200	2,610
2026-04-21	Outperform	2,500	2,090
2026-02-04	Outperform	2,000	1,800
2026-01-23	Outperform	1,850	1,630
2025-10-31	Neutral	1,300	1,310
2025-10-22	Neutral	1,350	1,330
2025-07-30	Outperform	1,700	1,380
2025-07-23	Outperform	1,650	1,430
2025-06-19	Outperform	1,700	1,265

Source: TEJ, KGI Research

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