29 Jun 2026 12:49:53 ET | 11 pages

NYPCB (8046.TW)

Unaudited May results suggest meaningful GM expansion MoM

CITI'S TAKE

NYPCB reported unaudited May results with pre-tax margin expanding 5.2ppt MoM. Non-op should be clean in May with limited FX G/L recognized. Similar to Kinsus, NYPCB benefited from enhanced product mix in either ABF or BT substrate products, along with improving UTR and price hikes, in our view. Though overall 2Q26 sales are likely capped by T glass constraints and more capacity-consuming products (i.e., declining output), the GM profile has seen meaningful improvement MoM. We expect the company to be aggressive about pricing in the coming quarters, which would serve as a key driver to both its top line and GM profiles. Thus, we see upside potential to NYPCB's GM profile/profitability in the coming quarters.

Buy	
Price (29 Jun 26 13:30)	NT$1,080.00
Target price	NT$1,100.00
Expected share price return	1.9%
Expected dividend yield	0.2%
Expected total return	2.0%
Market Cap	NT$697,859M
	US$22,029M

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See Appendix A-1 for Analyst Certification, Important Disclosures and Research Analyst Affiliations

Figure 1. NYPCB's unaudited monthly earnings

NYPCB						
(NT$mn)	1Q26	Jan	Feb	Implied March	April	May
Sales	11,177	3,720	3,166	4,291	4,451	4,440
Pre-tax earnings	1,598	450	369	779	746	977
Pre-tax margin %	*14.3%*	*12.1%*	*11.7%*	*18.2%*	*16.8%*	*22.0%*
EPS (NT$)	2.03	0.56	0.46	1.01	0.92	1.21

Source: Citi Research, MOPS

NYPCB

Valuation

Our DCF-based TP for NYPCB is NT$1,100. With a risk-free rate of 4.30% (10-year government bond rate), a market risk premium of 7% and an equity beta of 1.22 (YTD weekly share price), we calculate NYPCB's WACC as 12.8%. Our TP is equivalent to 78x/30x 2026E EPS/BVPS, which reflects its high P/E multiple during upcycles. NYPCB traded at 15-20x P/E during its 2003-2008 upcycle driven by PC/NB demand strength. In 2010-11 when the market was recovering from the global financial crisis, NYPCB traded at 25-35x P/E. In the last 2019-22 upcycle when ABF was in shortage, NYPCB traded at 30-40x P/E.

Risks

Key downside risks that could prevent the NYPCB shares from reaching our target price include: 1) weaker-than-expected ABF demand from key customers; 2) BT business seasonality weakness and fewer-than-expected price hikes; and 3) severe T glass shortages that cause a bottleneck to its production.

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Appendix A-1

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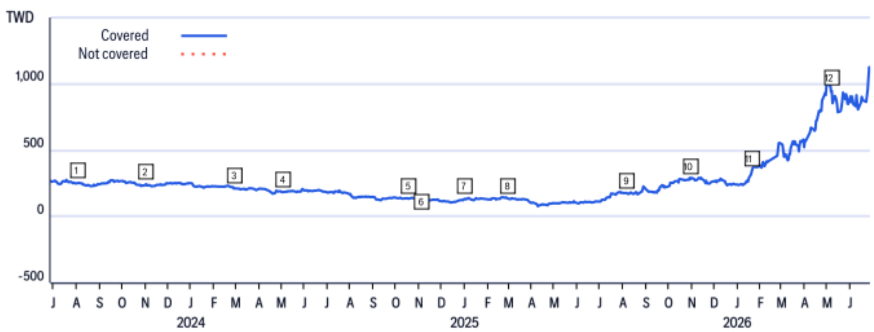
NYPCB (8046.TW)
Ratings and Target Price History
Fundamental Research

Analyst: Jack Chen



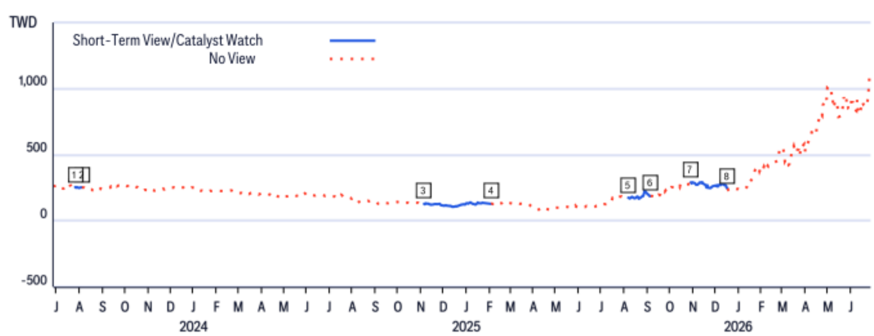
	Date	Rating	Target Price	Closing Price
1	03-Aug-23 11:47:20	2	*250.00	251.50
2	02-Nov-23 15:26:11	2	*241.00	243.00
3	29-Feb-24 14:01:07	2	*210.00	211.50
4	05-May-24 18:46:33	2	*200.00	184.50
5	20-Oct-24 21:10:34	2	*140.00	133.50
6	05-Nov-24 09:06:51	*3	*93.00	127.50
7	31-Dec-24 04:46:50	3	*85.00	130.50
8	28-Feb-25 11:17:59	3	*83.00	136.00
9	06-Aug-25 09:00:30	*2	*175.00	174.00
10	30-Oct-25 03:44:03	*1	*360.00	282.00
11	20-Jan-26 10:55:31	1	*450.00	341.50
12	07-May-26 19:18:42	1	*1,100.00	947.00

*Indicates Change

Rating/target price changes above reflect Eastern Time

NYPCB (8046.TW)
Short-Term View/Catalyst Watch Research

Analyst: Jack Chen



	Date	Action	Expected Direction	Duration	Closing Price
1	26-Jul-23 22:12:57	Add CW	Downside	30 Days	254.50
2	06-Aug-23 10:33:00	Remove CW	Downside	30 Days	252.50
3	05-Nov-24 04:06:51	Add CW	Downside	90 Days	127.50
4	03-Feb-25 19:44:35	Remove CW	Downside	90 Days	127.50
5	06-Aug-25 05:00:30	Add STV	Upside	30 Days	174.00
6	05-Sep-25 14:02:30	Remove STV	Upside	30 Days	187.50
7	29-Oct-25 23:44:03	Add CW	Upside	90 Days	290.50
8	17-Dec-25 23:32:09	Remove CW	Upside	90 Days	243.50

CW - Catalyst Watch , STV - Short-Term View

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