Largan Precision Co Ltd

Downgrade to Neutral; As good as it gets

▼ Neutral
Previous: Overweight

3008.TW, 3008 TT
Price (10 Jun 26):NT$4,130.00

▲ Price Target (Dec-26):NT$3,600.00
Prior (Dec-26):NT$3,200.00

Technology

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After Largan's 50% share price rise in the past 1M (45% outperformance vs Taiex), we downgrade to Neutral, as we think the company's growth potential from variable aperture lens upgrade and solid iPhone demand has been priced in, and the market has somewhat turned too positive on its co-packaged optics (CPO) progress. Longer term, we still like the company's efforts into CPO, as this is a new addressable market for Largan and would require Largan's expertise in precision requirements. However, we think there are still uncertainties on how Largan could turn this opportunity into real earnings (at least not in the next 1-2 years, in our view) given the high competition and the incompatibility of Largan's FAU product with the current chip design ecosystem; we suggest waiting on the sidelines for more concrete progress. Our new 2026E/27E EPS are still 7%/5% above BBGe due to better iPhone demand estimates, but we think valuation would become demanding for further re-rating (currently already trading at 20x 12M fwd P/E, above historical avg. of 16-17x) as CPO is at least 1.5-2 years away for Largan.

- **Silicon Photonics or CPO**. Although Largan declined to comment, we believe the company is trying to make the Fiber Array Unit (FAU) with in-house components for IC design vendors, based on our latest industry checks. According to the Chairman's public comments at the AGM yesterday (link), Largan will invite potential customers to the fab in September to see Largan's products. In our view, this indicates that no customer has signed a contract or MOU with Lagan's FAU to date. We agree that Largan's strength could be its solid manufacturing capabilities with high precision requirements, while a weakness could be its lack of track record and customer relationships as a newcomer into silicon photonics. Lastly, Largan showcased its FAU during the latest Computex, which we consider very innovative. However, this design is not compatible with the current ecosystem of chip design. Thus, Largan will need IC design companies to change/adjust/create ICs that can be compatible with its FAU. This leads us to believe it will take a long time for its FAU business to bear fruit, even if customers agree to do so.
- **iPhone lens upgrade**. Largan is a major beneficiary of the upcoming iPhone camera upgrade to the iPhone 18 Pro and Pro Max, as the variable aperture camera adoption will be one of the highlights. We estimate Largan's content could see a meaningful increase (including lens and blade) compared to the main camera of the iPhone 17 Pro and Pro Max. However, we don't think the foldable iPhone would benefit Largan much, as there will be no periscope camera in it, and the rear camera will still pop up (less precision requirement).
- **Implications**. We increase our EPS estimates by 8% and 12% in 2026E and 2027E to factor in stronger iPhone demand vs our previous assumptions. However, we downgrade our rating to Neutral as we believe these have been priced in, and its CPO progress is still too early to see any real contribution. Our new Dec-26 PT of NT$3,600 is still based on a 17x 2027E P/E, in line with the average P/E since 2012. We believe it is too early to call a share price re-rating.

Key Changes (FYE Dec)

	Prev	Cur	Δ
Adj. EPS - 26E (NT$)	185.34	200.82	8.4%
Adj. EPS - 27E (NT$)	188.46	211.49	12.2%

Quarterly Forecasts (FYE Dec)

Adj. EPS (NT$)	2025A	2026E	2027E
Q1	48.28	46.63A	47.83
Q2	7.73	38.36	42.28
Q3	53.05	56.84	60.35
Q4	50.35	58.99	61.02
FY	159.41	200.82	211.49

Style Exposure

Quant	Current	Hist %Rank (1=Top)			
Factors	%Rank	6M	1Y	3Y	5Y
Value	16	9	11	19	24
Growth	68	57	79	79	80
Momentum	50	52	31	26	96
Quality	44	29	55	47	53
Low Vol	39	43	50	60	57
ESGQ	23	97	95	24	97

Sources for: Style Exposure – J.P. Morgan Global Markets Strategy; all other tables are company data and J.P. Morgan estimates.

See page 8 for analyst certification and important disclosures, including non-US analyst disclosures.

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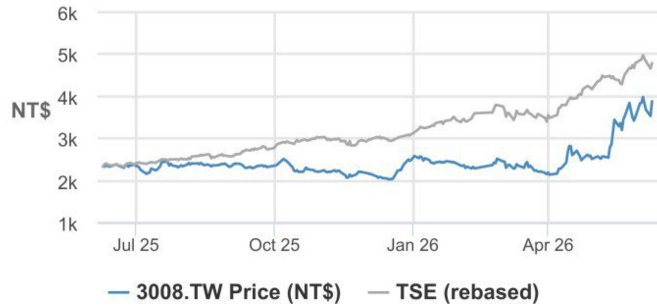
Price Performance



	YTD	1m	3m	12m
Abs	55.7%	51.2%	70.0%	66.4%
Rel	1.4%	43.7%	30.8%	-38.8%

Company Data

Shares O/S (mn)	131
52-week range (NT$)	4,270.00-2,020.00
Market cap ($ mn)	17,074
Exchange rate	31.64
Free float (%)	58.1%
3M ADV (mn)	1.72
3M ADV ($ mn)	161.1
Volatility (90 Day)	62
Index	TAIEX
BBG ANR (Buy | Hold | Sell)	10|12|1

Key Metrics (FYE Dec)

NT$ in millions	FY25A	FY26E	FY27E
Financial Estimates			
Revenue	61,148	72,082	73,872
Adj. EBIT	23,558	27,482	29,174
Adj. EBITDA	31,290	36,143	38,144
Adj. net income	21,275	26,371	27,772
Adj. EPS	159.41	200.82	211.49
BBG EPS	156.30	186.81	200.54
Cashflow from operations	27,820	34,576	36,665
FCFF	12,006	25,697	28,745
Margins and Growth			
Revenue Growth Y/Y (%)	2.8%	17.9%	2.5%
EBIT margin	38.5%	38.1%	39.5%
EBIT Growth Y/Y (%)	(2.0%)	16.7%	6.2%
EBITDA margin	51.2%	50.1%	51.6%
EBITDA Growth Y/Y (%)	3.4%	15.5%	5.5%
Net margin	34.8%	36.6%	37.6%
Adj. EPS growth	(18.8%)	26.0%	5.3%
Ratios			
Adj. tax rate	16.8%	17.3%	17.6%
Interest cover	NM	NM	NM
Net debt/Equity	NM	NM	NM
Net debt/EBITDA	NM	NM	NM
ROE	11.3%	13.6%	13.6%
Valuation			
FCFF yield	2.2%	4.7%	5.3%
Dividend yield	1.9%	2.4%	2.6%
EV/Revenue	6.7	5.6	5.2
EV/EBITDA	13.1	11.1	10.0
Adj. P/E	25.9	20.6	19.5

Summary Investment Thesis and Valuation

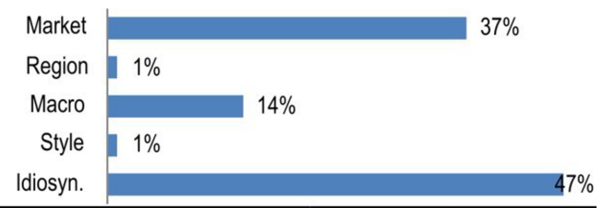
Investment Thesis

We have a Neutral rating on the shares, as we think the company's stable sales growth from the variable aperture lens upgrade and resilient iPhone demand has been priced in, and the market has somewhat turned too positive on its CPO progress. We think there are still uncertainties on how quickly Largan could turn this opportunity into real earnings (at least not in the next 1-2 years) given the high competition and the company's lack of track record (vs comps), so we would suggest waiting on the sidelines for more concrete progress.

Valuation

Our Dec-26 PT of NT$3,600 is based on a 17x 2027E P/E, in line with the average P/E since 2012.

Performance Drivers



Factors	6M Corr	1Y Corr
Market: MSCI Asia Pac ex JP	0.43	0.57
Region: Taiwan	0.07	0.16
Macro:		
US 10 Year Yield	-0.14	-0.37
JP Morgan EMBI Global Spread	0.39	0.32
HSI Volatility Index	-0.25	-0.30
Quant Styles:		
Momentum	0.17	0.17
DivYld	-0.22	-0.14
Growth	0.21	0.12

Source: J.P. Morgan Global Markets Strategy for Performance Drivers; company data, Bloomberg Finance L.P. and J.P. Morgan estimates for all other tables. Note: Price history may not be complete or exact.

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Estimate revisions

Table 1: J.P. Morgan estimates: New vs old

NT$mn, NT$, %	Revised				Prior				Change			
	2Q26E	3Q26E	2026E	2027E	2Q26E	3Q26E	2026E	2027E	2Q26E	3Q26E	2026E	2027E
Sales	14,702	20,241	72,082	73,872	13,828	17,838	64,389	64,492	6%	13%	12%	15%
Gross profit	7,316	10,088	35,745	37,614	6,883	8,902	32,025	32,802	6%	13%	12%	15%
Gross margin	49.8%	49.8%	49.6%	50.9%	49.8%	49.9%	49.7%	50.9%	-1 bps	-7 bps	-15 bps	5 bps
OP profit	5,522	7,861	27,482	29,174	5,127	6,940	24,549	25,339	8%	13%	12%	15%
OP margin	37.6%	38.8%	38.1%	39.5%	37.1%	38.9%	38.1%	39.3%	49 bps	-7 bps	0 bps	20 bps
Net income	5,037	7,464	26,371	27,772	4,818	6,808	24,337	25,152	5%	10%	8%	10%
EPS (NT$)	**38.4**	**56.8**	**200.8**	**211.5**	**36.7**	**51.8**	**185.3**	**188.5**	**5%**	**10%**	**8%**	**12%**

Source: J.P. Morgan estimates.

Table 2: J.P. Morgan estimates vs. Bloomberg consensus

NT$mn, NT$, %	JPMe				Bloomberg				Differences			
	2Q26E	3Q26E	2026E	2027E	2Q26E	3Q26E	2026E	2027E	2Q26E	3Q26E	2026E	2027E
Sales	14,702	20,241	72,082	73,872	13,248	18,439	65,874	69,808	11%	10%	9%	6%
Gross profit	7,316	10,088	35,745	37,614	6,598	9,214	33,221	36,055	11%	9%	8%	4%
Gross margin	49.8%	49.8%	49.6%	50.9%	49.8%	50.0%	50.4%	51.6%	-5 bps	-13 bps	-84 bps	-73 bps
OP profit	5,522	7,861	27,482	29,174	5,023	7,102	25,646	27,984	10%	11%	7%	4%
OP margin	37.6%	38.8%	38.1%	39.5%	37.9%	38.5%	38.9%	40.1%	-36 bps	32 bps	-81 bps	-60 bps
Net income	5,037	7,464	26,371	27,772	4,736	6,846	24,828	26,522	6%	9%	6%	5%
EPS (NT$)	**38.4**	**56.8**	**200.8**	**211.5**	**35.8**	**51.8**	**186.8**	**201.0**	**7%**	**10%**	**7%**	**5%**

Source: Bloomberg Finance L.P., J.P. Morgan estimates.

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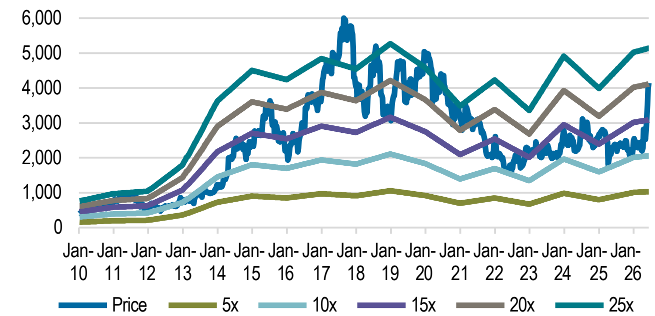
Valuation

Our Dec-26 PT of NT$3,600 is based on a 17x 2027E P/E, in line with the average P/E since 2012.

Figure 1: Largan's share price vs 1yr forward P/E

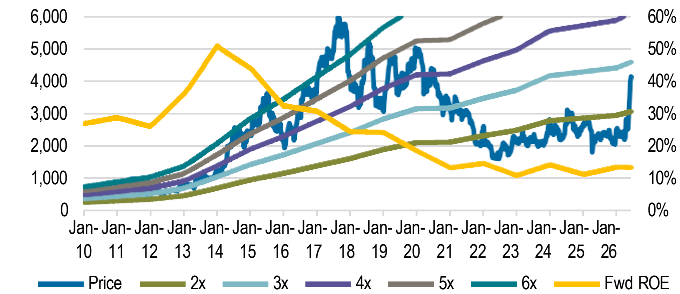
NT$



Source: Bloomberg Finance L.P.

Figure 2: Largan's share price vs 1yr forward P/B and 1yr forward ROE

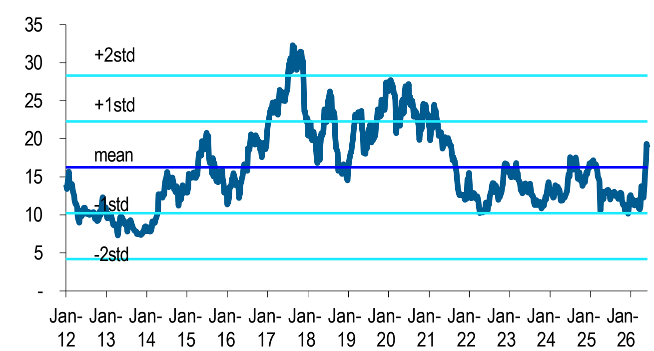
NT$, %



Source: Bloomberg Finance L.P.

Figure 3: Largan's share price vs historical mean 1yr forward P/E

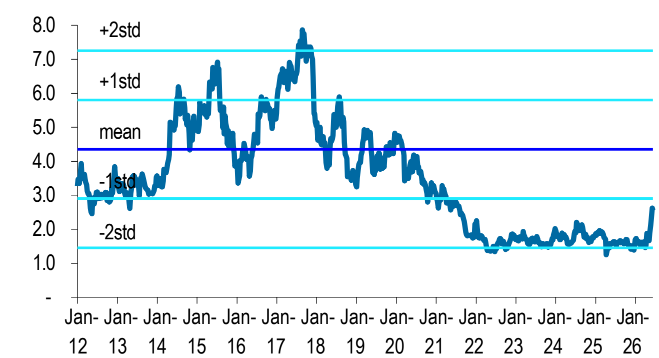
x



Source: Bloomberg Finance L.P.

Figure 4: Largan's share price vs historical mean 1yr forward P/B

x



Source: Bloomberg Finance L.P.,

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Table 3: Earnings table

	2023				2024				2025				2026E				2027E				2021	2022	2023	2024	2025	2026E	2027E
NT$mn, NT$, %	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**2QE**	**3QE**	**4QE**	**1QE**	**2QE**	**3QE**	**4QE**							
Revenue	9,136	8,194	13,629	17,883	11,313	10,985	18,949	18,210	14,579	11,673	17,677	17,219	15,544	14,702	20,241	21,594	16,794	15,547	20,557	20,974	46,962	47,675	48,842	59,458	61,148	72,082	73,872
Depreciation	1,326	1,342	1,368	1,385	1,452	1,475	1,533	1,770	1,772	1,847	1,971	2,142	2,136	2,156	2,175	2,194	2,214	2,233	2,252	2,272	4,745	5,118	5,422	6,230	7,732	8,661	8,971
COGS	4,623	4,156	7,828	8,441	5,750	5,669	9,433	7,396	6,615	5,413	9,325	8,958	7,865	7,386	10,154	10,932	8,326	7,573	10,092	10,267	18,813	21,593	25,049	28,248	30,311	36,337	36,258
Gross Profit	4,513	4,039	5,801	9,442	5,563	5,316	9,516	10,814	7,965	6,260	8,352	8,260	7,680	7,316	10,088	10,662	8,467	7,973	10,465	10,708	28,150	26,083	23,794	31,209	30,837	35,745	37,614
Operating Expense	1,244	1,287	1,919	1,541	1,602	1,426	1,715	2,433	1,878	1,381	2,088	1,932	1,867	1,794	2,227	2,375	2,032	1,943	2,220	2,244	5,002	5,704	5,991	7,177	7,279	8,263	8,440
EBIT	3,269	2,751	3,882	7,900	3,961	3,890	7,801	8,381	6,086	4,879	6,265	6,329	5,812	5,522	7,861	8,287	6,435	6,030	8,245	8,463	23,148	20,379	17,802	24,033	23,558	27,482	29,174
Net Interest Income	923	990	1,023	996	1,098	1,101	1,072	1,133	1,137	1,061	1,031	1,029	970	1,020	1,025	958	1,042	1,180	1,190	1,099	949	1,690	3,934	4,404	4,259	3,973	4,512
Net Other Income	-283	1,281	2,138	-2,775	2,371	815	-1,024	1,575	493	-4,146	859	878	505	0	0	0	0	0	0	0	-1,073	5,702	361	3,738	-1,917	505	0
Pre Tax Profit	3,909	5,023	7,043	6,122	7,430	5,806	7,849	11,089	7,716	1,794	8,155	8,236	7,288	6,542	8,886	9,244	7,477	7,210	9,435	9,563	23,024	27,771	22,097	32,174	25,900	31,960	33,686
Tax	620	1,328	1,093	1,159	1,319	1,308	1,219	2,117	1,173	738	996	1,434	1,112	1,505	1,422	1,498	1,196	1,658	1,510	1,549	4,355	5,202	4,200	5,963	4,340	5,536	5,914
Net Profit (reported)	3,289	3,695	5,951	4,963	6,111	4,498	6,630	8,972	6,443	1,032	7,080	6,720	6,123	5,037	7,464	7,747	6,281	5,552	7,926	8,014	18,668	22,569	17,897	26,211	21,275	26,371	27,772
EPS (NT$)	**24.6**	**27.7**	**44.6**	**37.2**	**45.8**	**33.7**	**49.7**	**67.2**	**48.28**	**7.73**	**53.05**	**50.35**	**46.6**	**38.4**	**56.8**	**59.0**	**47.8**	**42.3**	**60.4**	**61.0**	**139.2**	**169.1**	**134.1**	**196.4**	**159.4**	**200.8**	**211.5**
Margins (%)																											
Gross Margin	49.4	49.3	42.6	52.8	49.2	48.4	50.2	59.4	54.6	53.6	47.2	48.0	49.4	49.8	49.8	49.4	50.4	51.3	50.9	51.1	59.9	54.7	48.7	52.5	50.4	49.6	50.9
Opex ratio	13.6	15.7	14.1	8.6	14.2	13.0	9.1	13.4	12.9	11.8	11.8	11.2	12.0	12.2	11.0	11.0	12.1	12.5	10.8	10.7	10.7	12.0	12.3	12.1	11.9	11.5	11.4
Operating Margin	35.8	33.6	28.5	44.2	35.0	35.4	41.2	46.0	41.7	41.8	35.4	36.8	37.4	37.6	38.8	38.4	38.3	38.8	40.1	40.4	49.3	42.7	36.4	40.4	38.5	38.1	39.5
Net Margin	36.0	45.1	43.7	27.8	54.0	40.9	35.0	49.3	44.2	8.8	40.1	39.0	39.4	34.3	36.9	35.9	37.4	35.7	38.6	38.2	39.8	47.3	36.6	44.1	34.8	36.6	37.6
Sequential Growth (%)																											
Revenue	-37	-10	66	31	-37	-3	72	-4	-20	-20	51	-3	-10	-5	38	7	-22	-7	32	2							
Gross Profit	-44	-11	44	63	-41	-4	79	14	-26	-21	33	-1	-7	-5	38	6	-21	-6	31	2							
EBIT	-52	-16	41	104	-50	-2	101	7	-27	-20	28	1	-8	-5	42	5	-22	-6	37	3							
EPS (reported)	-18	12	61	-17	23	-26	47	35	-28	-84	586	-5	-7	-18	48	4	-19	-12	43	1							
YoY Growth (%)																											
Revenue	-10	-15	1	24	24	34	39	2	29	6	-7	-5	7	26	15	25	8	6	2	-3	-16	2	2	22	3	18	2
Gross Profit	-17	-25	-20	17	23	32	64	15	43	18	-12	-24	-4	17	21	29	10	9	4	0	-25	-7	-9	31	-1	16	5
EBIT	-18	-32	-30	16	21	41	101	6	54	25	-20	-24	-5	13	25	31	11	9	5	2	-28	-12	-13	35	-2	17	6
EPS (reported)	-40	-25	-27	23	86	22	11	81	5	-77	7	-25	-3	396	7	17	3	10	6	3	-24	21	-21	46	-19	26	5
Sales mix (%)																											
iPhone camera lens	57	46	42	42	40	37	42	40	43	41	46	44	45	43	49	50	51	48	50	51	60	56	46	40	44	47	50
Android camera lens	32	41	39	29	40	42	29	28	34	38	26	27	30	31	24	21	27	30	26	24	34	32	35	33	31	26	26
iPad camera lens	3	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	2	1	0	0	0	0
iPhone VCM	6	4	3	4	3	3	2	2	2	1	1	3	2	2	1	3	1	1	1	2	1	3	4	2	2	2	2
iPhone periscope assembly	0	0	7	19	14	14	23	28	19	17	22	23	19	20	22	24	17	17	20	21	0	0	9	21	21	22	19
Others	3	6	6	6	3	4	4	2	2	2	4	3	5	3	4	2	4	3	4	2	3	7	5	3	3	3	3

Source: Company data, J.P. Morgan estimates.

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Investment Thesis, Valuation and Risks

Largan Precision Co Ltd *(Neutral; Price Target: NT$3,600.00)*

Investment Thesis

We have a Neutral rating on the shares, as we think the company's stable sales growth from the variable aperture lens upgrade and resilient iPhone demand has been priced in, and the market has somewhat turned too positive on its CPO progress. We think there are still uncertainties on how quickly Largan could turn this opportunity into real earnings (at least not in the next 1-2 years) given the high competition and the company's lack of track record (vs comps), so we would suggest waiting on the sidelines for more concrete progress.

Valuation

Our Dec-26 PT of NT$3,600 is based on a 17x 2027E P/E, in line with the average P/E since 2012.

Risks to Rating and Price Target

Key upside risks to our rating and price target include: 1) faster progress in the new CPO/FAU business; and 2) better-than-feared smartphone demand.

Key downside risks to our rating and price target include: 1) a much-faster-than-expected loss of market share to rivals, especially in the high-end lens market; 2) weaker smartphone sell-through; and 3) slower camera lens spec migration.

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Largan Precision Co Ltd: Summary of Financials

Income Statement	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	**59,458**	**61,148**	**72,082**	**73,872**	**-**
COGS	(28,248)	(30,311)	(36,337)	(36,258)	-
Gross profit	**31,209**	**30,837**	**35,745**	**37,614**	**-**
SG&A	(1,930)	(1,985)	(2,162)	(2,286)	-
Adj. EBITDA	**30,262**	**31,290**	**36,143**	**38,144**	**-**
D&A	(6,230)	(7,732)	(8,661)	(8,971)	-
Adj. EBIT	**24,033**	**23,558**	**27,482**	**29,174**	**-**
Net Interest	4,404	4,259	3,973	4,512	-
Adj. PBT	**32,174**	**25,900**	**31,960**	**33,686**	**-**
Tax	(5,963)	(4,340)	(5,536)	(5,914)	-
Minority Interest	0	(285)	(53)	0	-
Adj. Net Income	**26,211**	**21,275**	**26,371**	**27,772**	**-**
Reported EPS	196.38	159.41	200.82	211.49	-
Adj. EPS	**196.38**	**159.41**	**200.82**	**211.49**	**-**
DPS	**98.85**	**79.14**	**100.78**	**106.14**	**-**
Payout ratio	50.3%	49.6%	50.2%	50.2%	-
Shares outstanding	133	133	131	131	-

Cash Flow Statement	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operating activities	**28,678**	**27,820**	**34,576**	**36,665**	**-**
o/w Depreciation & amortization	6,230	7,732	8,661	8,971	-
o/w Changes in working capital	(3,763)	(2,059)	(587)	(78)	-
Cash flow from investing activities	**(16,176)**	**(3,471)**	**(6,074)**	**(4,200)**	**-**
o/w Capital expenditure	(12,031)	(12,269)	(5,594)	(4,200)	-
as % of sales	*20.2%*	*20.1%*	*7.8%*	*5.7%*	-
Cash flow from financing activities	**(5,679)**	**(16,674)**	**(20,904)**	**(13,451)**	**-**
o/w Dividends paid	(9,009)	(12,728)	(10,486)	(13,451)	-
o/w Shares issued/(repurchased)	0	0	0	0	-
o/w Net debt issued/(repaid)	203	(203)	0	(0)	-
Net change in cash	**6,823**	**7,675**	**7,598**	**19,014**	**-**
Adj. Free cash flow to firm	**13,060**	**12,006**	**25,697**	**28,745**	**-**
y/y Growth	*51.4%*	*(8.1%)*	*114.0%*	*11.9%*	-

Balance Sheet	FY24A	FY25A	FY26E	FY27E	FY28E
Cash and cash equivalents	123,620	131,295	138,893	157,907	-
Accounts receivable	10,360	10,462	13,016	12,642	-
Inventories	5,733	6,713	8,192	7,694	-
Other current assets	6,051	5,816	8,638	8,390	-
Current assets	**145,764**	**154,285**	**168,738**	**186,633**	**-**
PP&E	46,936	51,472	48,406	43,635	-
LT investments	12,460	8,517	9,924	9,924	-
Other non current assets	11,367	6,512	5,586	5,586	-
Total assets	**216,527**	**220,787**	**232,653**	**245,777**	**-**
Short term borrowings	203	0	0	0	-
Payables	1,855	1,728	2,873	2,629	-
Other short term liabilities	28,520	28,021	33,222	32,268	-
Current liabilities	**30,578**	**29,749**	**36,095**	**34,897**	**-**
Long-term debt	0	0	0	0	-
Other long term liabilities	561	171	226	226	-
Total liabilities	**31,139**	**29,919**	**36,321**	**35,123**	**-**
Shareholders' equity	185,388	190,868	196,332	210,653	-
Minority interests	-	-	-	-	-
Total liabilities & equity	**216,527**	**220,787**	**232,653**	**245,777**	**-**
BVPS	**1,389.00**	**1,430.06**	**1,471.00**	**1,604.15**	**-**
y/y Growth	*12.0%*	*3.0%*	*2.9%*	*9.1%*	-
Net debt/(cash)	(123,416)	(131,295)	(138,893)	(157,907)	-

Ratio Analysis	FY24A	FY25A	FY26E	FY27E	FY28E
Gross margin	52.5%	50.4%	49.6%	50.9%	-
EBITDA margin	50.9%	51.2%	50.1%	51.6%	-
EBIT margin	40.4%	38.5%	38.1%	39.5%	-
Net profit margin	44.1%	34.8%	36.6%	37.6%	-
ROE	14.9%	11.3%	13.6%	13.6%	-
ROA	12.7%	9.7%	11.6%	11.6%	-
ROCE	11.2%	10.4%	11.7%	11.8%	-
SG&A/Sales	3.2%	3.2%	3.0%	3.1%	-
Net debt/Equity	NM	NM	NM	NM	-
Net debt/EBITDA	NM	NM	NM	NM	-
Sales/Assets (x)	0.3	0.3	0.3	0.3	-
Assets/Equity (x)	1.2	1.2	1.2	1.2	1.2
Interest cover (x)	NM	NM	NM	NM	-
Operating leverage	161.0%	(69.4%)	93.2%	247.8%	-
Tax rate	18.5%	16.8%	17.3%	17.6%	-
Revenue y/y Growth	21.7%	2.8%	17.9%	2.5%	-
EBITDA y/y Growth	30.3%	3.4%	15.5%	5.5%	-
EPS y/y Growth	46.5%	(18.8%)	26.0%	5.3%	-

Valuation	FY24A	FY25A	FY26E	FY27E	FY28E
P/E (x)	21.0	25.9	20.6	19.5	-
P/BV (x)	3.0	2.9	2.8	2.6	-
EV/EBITDA (x)	13.8	13.1	11.1	10.0	-
Dividend Yield	2.4%	1.9%	2.4%	2.6%	-

Source: Company reports and J.P. Morgan estimates.
Note: NT$ in millions (except per-share data).Fiscal year ends Dec. o/w - out of which

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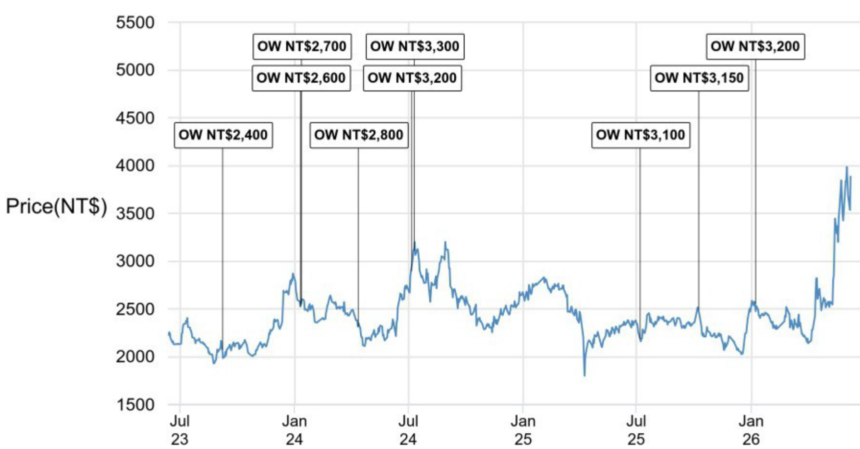

Source: Bloomberg Finance L.P. and J.P. Morgan; price data adjusted for stock splits and dividends.
Initiated coverage Aug 03, 2004. All share prices are as of market close on the previous business day.

Date	Rating	Price (NT$)	Price Target (NT$)
08-Sep-23	OW	2070.00	2,400
11-Jan-24	OW	2525.00	2,600
12-Jan-24	OW	2550.00	2,700
12-Apr-24	OW	2315.00	2,800
07-Jul-24	OW	2895.00	3,200
11-Jul-24	OW	3110.00	3,300
08-Jul-25	OW	2185.00	3,100
09-Oct-25	OW	2485.00	3,150
08-Jan-26	OW	2550.00	3,200

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