NOMURA

Elite Material 2383.TW 2383 TT

Global Markets Research
30 June 2026

EQUITY: TECHNOLOGY

Earnings uptrend backed by pricing tailwinds

Google's AI demand in spotlight; industry pricing dynamics remain favorable

Action: Reiterate Buy; raise TP to TWD6,880, implying ~31% upside

Elite Material's (EMC) strong QTD revenue is a clear manifestation of strong AI demand (notably Google Ironwood and AWS Trainium 3), in our view, and more importantly, a smoother-than-expected pricing uplift. We estimate 2Q26 revenue will grow +37% q-q with GM likely to further expand to 32.4%. While AI PCB/CCL industry supply is already tight loaded by existing projects, we note that most new AI platforms (e.g. Google TPU 8t/8i and nVidia VR) **would only start to ramp up production in 3Q26**, spanning not only main boards **but also large peripheral boards carrying content such as CPUs and switches** (usually >20L; *Fig. 1*). This might further worsen the supply/demand imbalance into 2H26F, driving potentially another round of price actions by CCL makers as they strategically allocate more resources to more profitable AI PCB customers. We believe EMC is best positioned to benefit given its large capacity scale, and we observe that the company is mulling extra capacity expansion in China beyond 2027 (subject to the board approval; *Fig. 2*). Although we are aware of EMC's attempts to broaden its business scope by building high standard new capacity to prepare for ABF substrate CCL opportunities amid current industry shortages, we have not yet factored in the potential. We assume it is still focused on high-speed CCL production (the production line is fungible). Net, we raise 2026F/27F/28F EPS by 18%/22%/19% to factor in a stronger AI demand profile (particularly Google) and better profitability, and reiterate Buy with a higher TP of TWD6,880 (from TWD5,285), based on 32x 2027F EPS of TWD215 (from 30x 2027F EPS TWD176), which is at the higher end of EMC's historical band of 8-36x since 2017. We expect a continued re-rating given EMC's dominant position in the AI upcycle and persisting CCL industry shortage. EMC currently trades at 24x 2027F P/E.

Robust Google demand more than offset lukewarm demand for AWS units

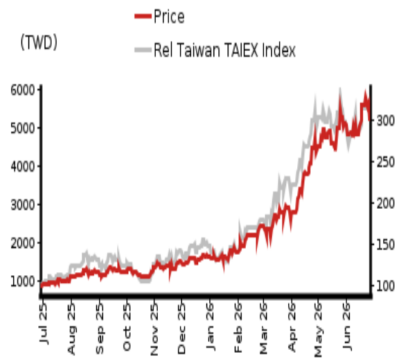
Along with our *Asia AI Semi & Server Anchor Report* , we refresh our unit assumptions of major AI platforms – we anticipate a rather flattish chip unit demand pattern for AWS Trainium but stronger Google TPU/CPU demand backed by more upstream resources secured. We estimate CCL content opportunities from Google's TPU/CPU boards and switches could almost triple in 2027F to make up 58% of EMC's AI revenue in 2027F (vs. 38% in 2026F).

Year-end 31 Dec	FY25	FY26F		FY27F		FY28F	
Currency (TWD)	Actual	Old	New	Old	New	Old	New
Revenue (mn)	94,261	176,103	197,788	270,604	312,625	366,987	418,200
Reported net profit (mn)	14,649	34,879	41,087	63,114	77,024	88,678	105,384
Normalised net profit (mn)	14,649	34,879	41,087	63,114	77,024	88,678	105,384
FD normalised EPS	41.67	97.35	114.67	176.15	214.96	247.50	294.11
FD norm. EPS growth (%)	49.8	133.6	175.2	80.9	87.5	40.5	36.8
FD normalised P/E (x)	126.1	–	45.8	–	24.4	–	17.9
EV/EBITDA (x)	89.7	–	32.1	–	17.6	–	12.7
Price/book (x)	37.3	–	24.5	–	14.6	–	10.1
Dividend yield (%)	0.5	–	1.3	–	2.5	–	3.4
ROE (%)	34.3	57.7	64.6	69.0	75.0	64.5	66.7
Net debt/equity (%)	net cash	net cash	net cash	net cash	net cash	net cash	net cash

Source: Company data, Nomura estimates

Rating Remains	**Buy**
Target price Increased from TWD 5,285.00	**TWD 6,880.00**
Closing price 26 June 2026	**TWD 5,255.00**
Implied upside	**+30.9%**
Market Cap (USD mn)	59,047.8
ADT (USD mn)	393.2

Relative performance chart



Source: LSEG, Nomura

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Key data on Elite Material

Performance

(%)	1M	3M	12M		
Absolute (TWD)	-0.7	78.4	514.6	M cap (USDmn)	59,047.8
Absolute (USD)	-2.0	78.6	459.3	Free float (%)	86.1
Rel to Taiwan TAIEX Index	-3.1	44.7	416.5	3-mth ADT (USDmn)	393.2

Income statement (TWDmn)

Year-end 31 Dec	FY24	FY25	FY26F	FY27F	FY28F
Revenue	64,377	94,261	197,788	312,625	418,200
Cost of goods sold	-46,407	-66,141	-131,625	-199,186	-265,794
Gross profit	17,970	28,120	66,163	113,438	152,406
SG&A	-5,818	-9,012	-11,468	-13,351	-15,487
Employee share expense					
Operating profit	12,152	19,108	54,696	100,087	136,919
EBITDA	13,921	20,958	58,345	105,737	144,568
Depreciation	-1,769	-1,849	-3,649	-5,649	-7,649
Amortisation					
EBIT	12,152	19,108	54,696	100,087	136,919
Net interest expense	-315	-216	-261	-261	-261
Associates & JCEs	0	0	0	0	0
Other income	297	-16	-819	200	200
Earnings before tax	12,133	18,876	53,616	100,026	136,857
Income tax	-2,564	-4,231	-12,532	-23,006	-31,477
Net profit after tax	9,569	14,645	41,083	77,020	105,380
Minority interests	9	4	4	4	4
Other items					
Preferred dividends					
Normalised NPAT	9,578	14,649	41,087	77,024	105,384
Extraordinary items	0	0	0	0	0
Reported NPAT	9,578	14,649	41,087	77,024	105,384
Dividends	-5,894	-8,958	-25,063	-46,985	-64,284
Transfer to reserves	3,685	5,691	16,024	30,039	41,100
Valuations and ratios					
Reported P/E (x)	189.0	126.1	45.8	24.4	17.9
Normalised P/E (x)	189.0	126.1	45.8	24.4	17.9
FD normalised P/E (x)	189.0	126.1	45.8	24.4	17.9
Dividend yield (%)	0.3	0.5	1.3	2.5	3.4
Price/cashflow (x)	249.2	154.4	53.1	31.8	20.4
Price/book (x)	51.9	37.3	24.5	14.6	10.1
EV/EBITDA (x)	135.2	89.7	32.1	17.6	12.7
EV/EBIT (x)	154.9	98.4	34.2	18.6	13.4
Gross margin (%)	27.9	29.8	33.5	36.3	36.4
EBITDA margin (%)	21.6	22.2	29.5	33.8	34.6
EBIT margin (%)	18.9	20.3	27.7	32.0	32.7
Net margin (%)	14.9	15.5	20.8	24.6	25.2
Effective tax rate (%)	21.1	22.4	23.4	23.0	23.0
Dividend payout (%)	61.5	61.2	61.0	61.0	61.0
ROE (%)	30.9	34.3	64.6	75.0	66.7
ROA (pretax %)	23.1	25.6	51.9	65.3	64.7
Growth (%)					
Revenue	55.9	46.4	109.8	58.1	33.8
EBITDA	61.0	50.5	178.4	81.2	36.7
Normalised EPS	70.1	49.8	175.2	87.5	36.8
Normalised FDEPS	70.1	49.8	175.2	87.5	36.8

Source: Company data, Nomura estimates

Cashflow statement (TWDmn)

Year-end 31 Dec	FY24	FY25	FY26F	FY27F	FY28F
EBITDA	13,921	20,958	58,345	105,737	144,568
Change in working capital	-5,974	-4,651	-9,273	-23,438	-20,739
Other operating cashflow	-683	-4,339	-13,609	-23,063	-31,534
Cashflow from operations	7,263	11,968	35,463	59,235	92,294
Capital expenditure	-5,865	-9,488	-18,000	-20,000	-20,000
Free cashflow	1,398	2,480	17,463	39,235	72,294
Reduction in investments	0	0	0	0	0
Net acquisitions	0	0	0	0	0
Dec in other LT assets	0	0	0	0	0
Inc in other LT liabilities	0	0	0	0	0
Adjustments	-36	-400	0	0	0
CF after investing acts	1,363	2,080	17,463	39,235	72,294
Cash dividends	-3,439	-5,894	-8,958	-25,063	-46,985
Equity issue	0	0	0	0	0
Debt issue	1,148	8,721	0	0	0
Convertible debt issue	0	0	0	0	0
Others	6,658	112	0	0	0
CF from financial acts	4,367	2,939	-8,958	-25,063	-46,985
Net cashflow	5,729	5,020	8,505	14,172	25,310
Beginning cash	9,259	14,988	20,008	28,513	42,685
Ending cash	14,988	20,008	28,513	42,685	67,995
Ending net debt	-170	-2,509	-11,015	-25,186	-50,496

Balance sheet (TWDmn)

As at 31 Dec	FY24	FY25	FY26F	FY27F	FY28F
Cash & equivalents	14,988	20,008	28,513	42,685	67,995
Marketable securities	1	0	0	0	0
Accounts receivable	25,897	36,115	61,314	96,914	129,642
Inventories	9,437	16,752	21,060	31,870	42,527
Other current assets	1,171	1,106	1,106	1,106	1,106
Total current assets	51,494	73,980	111,993	172,574	241,269
LT investments	0	0	0	0	0
Fixed assets	21,387	30,864	45,215	59,565	71,916
Goodwill	0	0	0	0	0
Other intangible assets					
Other LT assets	3,199	3,069	-5,780	-5,780	-5,780
Total assets	76,080	107,913	151,427	226,359	307,405
Short-term debt	6,047	9,279	9,279	9,279	9,279
Accounts payable	15,963	24,518	44,752	67,723	90,370
Other current liabilities	8,172	12,434	12,434	12,434	12,434
Total current liabilities	30,182	46,231	66,466	89,437	112,083
Long-term debt	8,772	8,219	8,219	8,219	8,219
Convertible debt					
Other LT liabilities	2,032	3,027	0	0	0
Total liabilities	40,986	57,477	74,685	97,656	120,302
Minority interest					
Preferred stock					
Common stock	3,466	3,583	3,583	3,583	3,583
Retained earnings	31,673	46,250	72,557	124,518	182,917
Proposed dividends					
Other equity and reserves	-45	602	602	602	602
Total shareholders' equity	35,094	50,435	76,742	128,703	187,103
Total equity & liabilities	76,080	107,913	151,427	226,359	307,405
Liquidity (x)					
Current ratio	1.71	1.60	1.68	1.93	2.15
Interest cover	38.5	88.3	209.3	382.9	523.8
Leverage					
Net debt/EBITDA (x)	net cash	net cash	net cash	net cash	net cash
Net debt/equity (%)	net cash	net cash	net cash	net cash	net cash
Per share					
Reported EPS (TWD)	27.81	41.67	114.67	214.96	294.11
Norm EPS (TWD)	27.81	41.67	114.67	214.96	294.11
FD norm EPS (TWD)	27.81	41.67	114.67	214.96	294.11
BVPS (TWD)	101.24	140.75	214.17	359.18	522.16
DPS (TWD)	17.00	25.00	69.95	131.12	179.40
Activity (days)					
Days receivable	122.5	120.1	89.9	92.4	99.1
Days inventory	61.2	72.3	52.4	48.5	51.2
Days payable	104.0	111.7	96.0	103.1	108.8
Cash cycle	79.7	80.6	46.3	37.8	41.5

Source: Company data, Nomura estimates

Company profile

Elite Material manufactures and sells CCLs and PP, and providing the Mass Lam service for the downstream PCB makers. Applications of its products include communication devices, networking infrastructure products and 5G communication products.

Valuation Methodology

Our TP of TWD6,880 is based on 32x 2027F EPS of TWD215. Our target multiple is at the high end of its historical P/E range of 8-36x since 2017. The benchmark of this stock is TAIEX.

Risks that may impede the achievement of the target price

Downside/upside risks: 1) smartphone demand is weaker/stronger than expected; 2) EMC's progress in high speed CCL/RCC is slower/faster than expected; 3) the adoption of HDI in vehicles is slower/faster than expected; and 4) unexpected share loss/gains in AI server/switch, 5) weaker-/stronger-than-expected demand from AI server/switch.

ESG

EMC is committed to sustainability management and minimizing the impact of its operations to the environment. EMC adopts ESH (Environmental, Safety, and Health) philosophy and management system. The waste of the production process is classified, and the materials can be recycled and reused are properly stored and consumed again internally.

Fig. 1: A summary of AI PCB/CCL specs and supply chain

nVidia

Generation	Content	Time	Structure	CCL Material	CCL Supplier(s)	PCB Supplier(s)
H100	OAM	2H23-1Q25	5+8+5 HDI (18L)	M7	EMC	Unimicron (major), VGT, others
	UBB		24L PCB	M7	EMC	WUS, ISU, TTM, others
B200	OAM	2H24~	5+10+5 HDI (20L)	M8+M4	Doosan	Unimicron, VGT, others
	UBB		18L PCB	M7+M4	Doosan	WUS, ISU, TTM, others
B300	OAM	2H25~	5+10+5 HDI (20L)	M8+M4	Doosan	Unimicron, VGT, others
	UBB		22L PCB	M8+M4	Doosan	WUS, ISU, TTM, others
GB200 (Bianca)	Bianca board	2H24~	5+12+5 HDI (22L)	M8 (HVLP3) +M4	Doosan	VGT (major), Unimicron, others
	Switch tray	2H24~	6+12+6 HDI (24L) 22L PCB	M7 (HVLP2)+M2 M8/8.5 (HVLP2) hybrid	EMC EMC, SYTECH	WUS (major), VGT, Unimicron, others
GB300 (Bianca)	Bianca board	2Q25~	5+12+5 HDI (22L)	M8 (HVLP3) +M4	Doosan	VGT (major), Unimicron, others
	Switch tray	2Q25~	22L PCB	M8/8.5 (HVLP2) hybrid	EMC, SYTECH, Doosan	WUS (major), VGT, Unimicron, others
VR200 (Bianca)	Bianca board	2Q26~	6+14+6 HDI (26L)	M8 (HVLP4) +M4	Doosan	VGT (major), Unimicron, others?
	Mid-plane boards in trays (New)	2Q26~	44L PCB	M9K2	EMC, others?	VGT, WUS, Kinwong, Unimicron?
	Switch tray	2Q26~	32L PCB	M8.5 (k2, HVLP4)	EMC, others?	WUS, VGT, others?
Rubin Ultra	Backplane? (New)	2027?	26Lx3=78L?, 104L?	M9Q? PTFE+M8?	EMC, SYTECH?	WUS. Unimicron, VGT, Kinwong. others?
	Compute board	2027?	?			
	Switch board	2027?	?			
?	CoWoP board?	TBD?	HDI/mSAP?	M8? M9Q?	EMC or new materials?	ZDT, Unimicron? Others?

AWS

Generation	Content	Time	Structure	CCL Material	CCL Supplier(s)	PCB Supplier(s)
Trainium 2	OAM	2H24~4Q25	HDI+3	M6? (HVLP2, RTF)	Panasonic	Shengyi
	UBB		26L PCB (2 ASICs per board, air cool)	M8 (HVLP2)	EMC, TUC (starting from June 2025)	GCE, Shengyi, FHE
Trainium 2.5 & 3	OAM		HDI+4 (22L)	M6?M7? (HVLP2, RTF)	Panasonic	Shengyi, ZDT
	UBB	Trn2.5: 1Q26~ Trn3: 2Q26~	26L PCB (2 ASICs - air-cooled, or 4 ASICs - liquid-cooled)	M8 (HVLP4)	EMC, TUC, others?	GCE, Shengyi, FHE
	PDS switch (New)	2Q26~	22L/26L HLC PCB	M8+M4	EMC	WUS, Shengyi, ZDT, GCE?

Google

Generation	Content	Time	Structure	CCL Material	CCL Supplier(s)	PCB Supplier(s)
TPU 7x	TPU UBB	2H25~	34L PCB (16+18, N+M)	M7, HVLP2	Panasonic, EMC	WUS, ISU, TTM, VGT
	CPU board (New) - x86 CPU	4Q25~	16-18L	M6	Panasonic	WUS, TTM, GCE?
TPU 8t, 8i	TPU UBB	mid-26~	36~40L+ PCB	M8+M6, HVLP3	Panasonic, EMC	WUS, ISU, TTM, LCS, VGT?
	CPU board (New) - Axion	2Q26~	22L PCB	M6	EMC, Panasonic	VGT, WUS, ISU, TTM, others?
	8i all-to-all switch (New)	mid-26~	22L PCB	M8?	EMC	GCE, VGT, ZDT, others?
TPU next?	TPU UBB?	2028?	24~26L? HDI?	M8.5? M9Q?	Panasonic? EMC?	WUS, ISU, Unimicron, others?
	More other boards?					

Meta

Generation	Content	Time	Structure	CCL Material	CCL Supplier(s)	PCB Supplier(s)
Athena	OAM, UBB	2Q26?	36L+?	M8+M4	EMC	WUS, ISU, TTM
Iris	OAM, UBB	2H26~	40L+?	M8+M4	EMC	WUS, ISU, TTM

AMD

Generation	Content	Time	Structure	CCL Material	CCL Supplier(s)	PCB Supplier(s)
MI450	OAM, UBB	2H26~	? HDI	M8?	EMC?	Unimicron, others?
	UBB	2H26~	46-48L HDI+HLC PCB, wide size	M8 hybrid	EMC, Doosan	SCC, Others?

Source: Company data, Nomura estimates

Fig. 2: CCL capacity expansion: EMC vs TUC

Company	Production site	2023	2024	2025	2026E	2027E	2028E	Remarks
		Period-end CCL capacity (k sheets/month)						
EMC								
Taiwan								
	HQ	550	600	600	600	600	600	
	Guanyin				300	300	300	Plans to add 300k/month at Guanyin in 2026.
	Guanyin (New)					600	600	EMC acquired a new piece of land in Guanyin in Jan-26 (35,981 sq.m). The board meeting in Mar-26 approved to add 750k/month in 2027; the latest plan is to add 600k/month in 2027.
	Capacity in Taiwan	550	600	600	900	1,500	1,500	
China								
	Kunshan	1,800	1,950	1,950	1,950	3,150	3,150	1) Previously planned to add 600k/month in 2026, but the tool installation timeline is pushed out into 2027. 2) Still keeps the plan to add 600k/month in 2027.
	Kunshan (New)						1,200	Initial planning; pending board approval.
	Zhongshan	950	900	1,500	1,500	2,100	2,100	1) The addition of 600k/month in 2025 fully came online in 1Q26. 2) Previously planned to add 600k/month in 2026, but the tool installation timeline is pushed out into 2027.
	Zhongshan (New)					600	600	The board meeting in Mar-26 approved another 600k/month builds by end-2027.
	Zhongshan (New)						600	Initial planning; pending board approval.
	Huangshi	900	900	1,200	1,200	1,200	1,200	Added 300k/month by 2Q25.
	Capacity in China	3,650	3,750	4,650	4,650	7,050	8,850	
Malaysia								
	Penang	0	0	600	600	750	750	Previously planned to add 150k/month in 2026, but the tool installation timeline is pushed out into 2027.
	Capacity in Malaysia	0	0	600	600	750	750	
	EMC's total capacity	**4,200**	**4,350**	**5,850**	**6,150**	**9,300**	**11,100**	
TUC								
Taiwan								
	HQ	800	800	800	800	800	800	
	Capacity in Taiwan	800	800	800	800	800	800	
China								
	Changshu	600	600	600	600	600	600	
	Changshu (New)					600	600	Plans to build a new factory at Changshu with designed capacity of 900k/month, and tool the site to 600k/month in 2027.
	Zhongshan	600	600	600	600	600	600	
	Capacity in China	1,200	1,200	1,200	1,200	1,800	1,800	
Thailand								
	Thailand (A1)	0	0	300	600	600	600	Plans to add 300k/month in 2026.
	Thailand (New)					600	1,500	Plans to build a new factory with designed capacity of 1.5mn/month, and tool the site to 600k/month in 2027. A2 could add 900k/month in 2028.
	Capacity in Thailand	0	0	300	600	1,200	2,100	
	TUC's total capacity	**2,000**	**2,000**	**2,300**	**2,600**	**3,800**	**4,700**	

Source: Company data, Nomura estimates

Fig. 3: EMC: Earnings estimate revisions

	New forecasts			Previous forecasts			Change (%)		
TWD mn	**2026F**	**2027F**	**2028F**	**2026F**	**2027F**	**2028F**	**2026F**	**2027F**	**2028F**
Revenue	197,788	312,625	418,200	176,103	270,604	366,987	12.3	15.5	14.0
Gross profit	66,163	113,438	152,406	58,069	95,329	130,674	13.9	19.0	16.6
Operating profit	54,696	100,087	136,919	46,633	82,022	115,221	17.3	22.0	18.8
Pretax profit	53,616	100,026	136,857	45,553	81,962	115,161	17.7	22.0	18.8
Net profit	41,087	77,024	105,384	34,879	63,114	88,678	17.8	22.0	18.8
EPS (TWD)	114.7	215.0	294.1	97.3	176.1	247.5	17.8	22.0	18.8
Margins (%)									
Gross margin	33.5	36.3	36.4	33.0	35.2	35.6	0.5	1.1	0.8
Operating margin	27.7	32.0	32.7	26.5	30.3	31.4	1.2	1.7	1.3
Pretax margin	27.1	32.0	32.7	25.9	30.3	31.4	1.2	1.7	1.3
Net margin	20.8	24.6	25.2	19.8	23.3	24.2	1.0	1.3	1.0

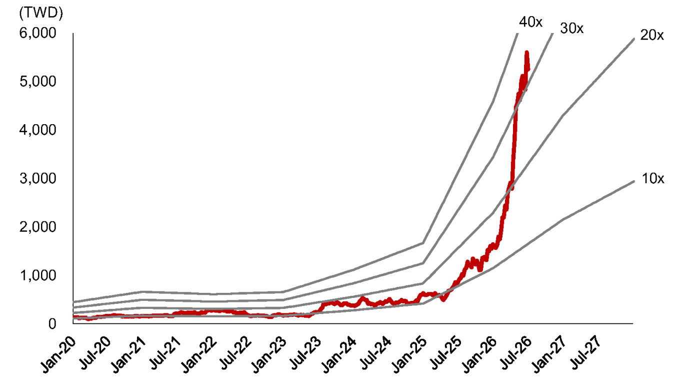
Source: Nomura estimates

Fig. 4: EMC: Quarterly financial report

(TWD mn)	1Q25	2Q25	3Q25	4Q25	2025	1Q26	2Q26F	3Q26F	4Q26F	2026F	1Q27F	2Q27F	3Q27F	4Q27F	2027F	2028F
Net revenue	**21,680**	**22,508**	**25,146**	**24,927**	**94,261**	**33,067**	**45,143**	**55,394**	**64,184**	**197,788**	**67,056**	**74,981**	**83,471**	**87,117**	**312,625**	**418,200**
COGS	15,090	15,678	17,570	17,803	66,141	23,338	30,500	36,411	41,375	131,625	43,019	47,714	53,043	55,411	199,186	265,794
Gross profit	**6,590**	**6,829**	**7,576**	**7,125**	**28,120**	**9,729**	**14,642**	**18,983**	**22,809**	**66,163**	**24,037**	**27,267**	**30,428**	**31,706**	**113,438**	**152,406**
Op expenses	2,051	2,186	2,586	2,190	9,012	2,601	2,826	3,010	3,031	11,468	3,086	3,269	3,485	3,511	13,351	15,487
Op profit	**4,540**	**4,644**	**4,990**	**4,935**	**19,108**	**7,128**	**11,817**	**15,972**	**19,779**	**54,696**	**20,952**	**23,998**	**26,942**	**28,195**	**100,087**	**136,919**
Non-op income	128	(177)	131	(314)	(232)	66	(565)	(565)	(15)	(1,080)	(15)	(15)	(15)	(15)	(61)	(61)
Pretax profit	4,667	4,467	5,121	4,620	18,876	7,194	11,251	15,407	19,763	53,616	20,936	23,983	26,927	28,180	100,026	136,857
Net profit	**3,469**	**3,478**	**3,965**	**3,737**	**14,649**	**5,340**	**8,665**	**11,864**	**15,219**	**41,087**	**16,122**	**18,468**	**20,735**	**21,700**	**77,024**	**105,384**
EPS (TWD)	**10.01**	**10.02**	**11.19**	**10.63**	**41.67**	**14.90**	**24.18**	**33.11**	**42.47**	**114.67**	**44.99**	**51.54**	**57.87**	**60.56**	**214.96**	**294.11**
Operating ratios (%)																
Gross margin	30.4%	30.3%	30.1%	28.6%	29.8%	29.4%	32.4%	34.3%	35.5%	33.5%	35.8%	36.4%	36.5%	36.4%	36.3%	36.4%
Operating margin	20.9%	20.6%	19.8%	19.8%	20.3%	21.6%	26.2%	28.8%	30.8%	27.7%	31.2%	32.0%	32.3%	32.4%	32.0%	32.7%
Pretax profit margin	21.5%	19.8%	20.4%	18.5%	20.0%	21.8%	24.9%	27.8%	30.8%	27.1%	31.2%	32.0%	32.3%	32.3%	32.0%	32.7%
Net profit margin	16.0%	15.5%	15.8%	15.0%	15.5%	16.1%	19.2%	21.4%	23.7%	20.8%	24.0%	24.6%	24.8%	24.9%	24.6%	25.2%
Year-to-year (%)																
Net revenue	68%	46%	44%	34%	46%	53%	101%	120%	157%	110%	103%	66%	51%	36%	58%	34%
Gross profit	76%	61%	61%	35%	56%	48%	114%	151%	220%	135%	147%	86%	60%	39%	71%	34%
Operating profit	79%	59%	58%	40%	57%	57%	154%	220%	301%	186%	194%	103%	69%	43%	83%	37%
Pre-tax profit	79%	50%	61%	37%	56%	54%	152%	201%	328%	184%	191%	113%	75%	43%	87%	37%
Net profit	75%	43%	58%	41%	53%	54%	149%	199%	307%	180%	202%	113%	75%	43%	87%	37%
Qtr-to-Qtr (%)																
Net revenue	17%	4%	12%	-1%		33%	37%	23%	16%		4%	12%	11%	4%		
Gross profit	25%	4%	11%	-6%		37%	51%	30%	20%		5%	13%	12%	4%		
Operating profit	29%	2%	7%	-1%		44%	66%	35%	24%		6%	15%	12%	5%		
Pre-tax profit	38%	-4%	15%	-10%		56%	56%	37%	28%		6%	15%	12%	5%		
Net profit	31%	0%	14%	-6%		43%	62%	37%	28%		6%	15%	12%	5%		

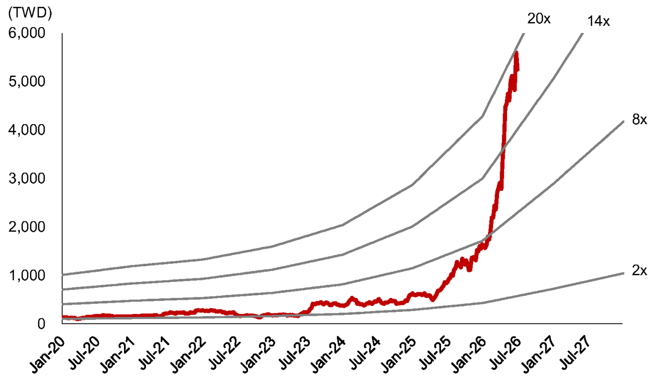
Source: Company data, Nomura estimates

Fig. 5: EMC: forward P/E band



Source: TEJ, Nomura estimates

Fig. 6: EMC: forward P/B band



Source: TEJ, Nomura estimates

Appendix A-1

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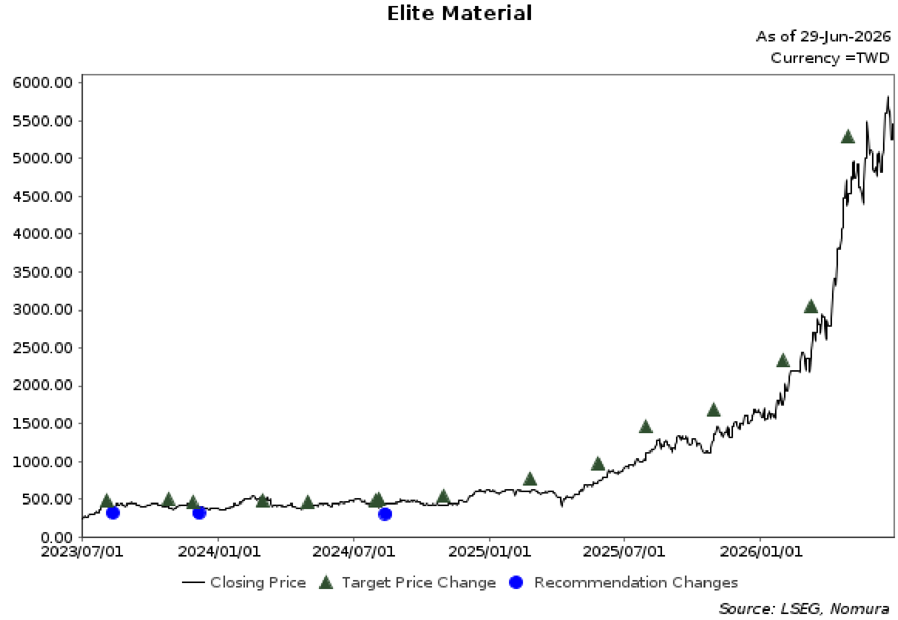
Issuer	Ticker	Price	Price date	Stock rating	Sector rating	Disclosures
Elite Material	2383 TT	TWD 5,255.00	26-Jun-2026	Buy	N/A	

Elite Material (2383 TT) **TWD 5,255.00 (26-Jun-2026)** Buy (Sector rating: N/A)

Rating and target price chart (three year history)



Date	Rating	Target price	Closing price
29-Apr-26		5,285.00	4,440.00
11-Mar-26		3,050.00	2,450.00
31-Jan-26		2,330.00	1,745.00
30-Oct-25		1,680.00	1,275.00
31-Jul-25		1,450.00	1,105.00
28-May-25		975.00	721.00
25-Feb-25		761.00	576.00
30-Oct-24		533.00	419.50
05-Aug-24	Buy		388.00
05-Aug-24		501.50	388.00
31-Jul-24		474.00	438.00
01-May-24		467.90	412.00
29-Feb-24		484.80	495.00
27-Nov-23	Neutral		398.00
27-Nov-23		454.47	398.00
25-Oct-23		493.00	415.50
03-Aug-23	Buy		400.50
03-Aug-23		481.00	400.50

For explanation of ratings refer to the stock rating keys located after chart(s)

Valuation Methodology Our TP of TWD6,880 is based on 32x 2027F EPS of TWD215. Our target multiple is at the high end of its historical P/E range of 8-36x since 2017. The benchmark of this stock is TAIEX.
Risks that may impede the achievement of the target price Downside/upside risks: 1) smartphone demand is weaker/stronger than expected; 2) EMC's progress in high speed CCL/RCC is slower/faster than expected; 3) the adoption of HDI in vehicles is slower/faster than expected; and 4) unexpected share loss/gains in AI server/switch, 5) weaker-/stronger-than-expected demand from AI server/switch.

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