Research provided by SinoPac

# Nien Made

## NT$391.00 - OUTPERFORM

12 August 2026

## Taiwan

### Consumer

**Reuters** 8464.TW
**Bloomberg** 8464 TT

**Priced on 12 August 2026**
Taiwan Wtd @ 45,518.0

**12M hi/lo** NT$499.50/306.00

**12M price target** NT$490.00
**±% potential** +25%

**Shares in issue** 293.0m
**Free float (est.)** 54.3%

**Market cap** US$3.6bn

**3M ADV** US$9.6m

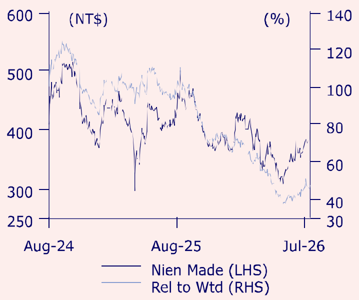
**Foreign s'holding** 40.7%

**Major shareholders**
Nien Family 29.1%
Chuang Family 8.5%


**SinoPac analysts:**
Jimmy Chou, SinoPac


**Stock performance (%)**

| | 1M | 3M | 12M |
|---|---|---|---|
| Absolute | 10.6 | 18.8 | (11.8) |
| Relative | 11.1 | 10.0 | (52.8) |
| Abs (US$) | 10.2 | 16.2 | (18.0) |




Source: Bloomberg

# Record-high GM

## Capacity expansion to drive 2H26 growth

**Nien Made's 2Q26 GM hit a record 60% supported by a better product mix and price hikes. We expect momentum to improve further in 2H26 as capacity constraints ease with new facilities in Mexico and Vietnam. Europe remains strong, while the US is still soft amid macro headwinds. To reflect the 2Q26 results and stronger 2H26 outlook, we trim 26SP EPS by 1% but raise 27SP EPS by 2% and lift our target PE from 16x to 18x, reflecting improved momentum and guidance. Raise TP from NT$425 to NT$490, based on 27SP EPS, and reiterate Outperform.**

### 2Q26 results review

Nien Made's 2Q26 GM hit a record 60%, slightly above our forecast. Earnings missed our estimate by 16%, mainly due to two external factors: 1) higher fuel costs following the spike in oil prices, which lifted the Opex ratio by 4.6ppt YoY; and 2) a one-off retrospective tax payment in China, which reduced EPS by NT$0.3. Despite these impacts, we believe the underlying operations remain solid and Nien Made is well positioned to continue gaining market share.

### 2H26 outlook and capacity expansion

July sales reached a historical high driven by strong international sales and higher ASPs for US custom products. Stock window coverings also showed improving momentum. With Mexico and Vietnam capacity coming online in 2H26, we expect revenue and GM to improve QoQ. Vietnam production will start in September, with revenue contribution beginning in 4Q. Nien Made will also receive tariff refunds in 2H26, providing an additional earnings tailwind.

### Performance by region

Non-US custom window coverings led 2Q26 growth, with Europe sales rising 17% YoY and continuing to gain market share, driven by strong contributions from the Netherlands, Denmark, and Belgium. The Netherlands currently holds the highest market share in Europe at 10% for Nien Made. Management guides for mid-single /high-single-digit growth in the North American and international custom window covering markets (Figure 2).

### Reiterate Outperform with new TP of NT$490

Following the 2Q26 results and given the stronger 2H26 outlook, we cut 26SP EPS by 1% but raise 27SP EPS by 2% and our target PE from 16x to 18x, reflecting improved momentum and guidance. We raise our TP from NT$425 to NT$490, still based on 27SP EPS, and reiterate an Outperform rating.

**Financials**

| Year to 31 December | 24A | 25A | 26SP | 27SP | 28SP |
|---|---|---|---|---|---|
| Revenue (NT$m) | 29,535 | 29,969 | 32,107 | 34,476 | 36,443 |
| *Rev forecast change (%)* | - | - | *1.6* | *1.3* | *1.3* |
| Net profit (NT$m) | 6,903 | 6,601 | 7,142 | 7,983 | 8,632 |
| *NP forecast change (%)* | - | - | *(1.5)* | *2.5* | *1.8* |
| EPS (NT$) | 23.56 | 22.53 | 24.37 | 27.24 | 29.46 |
| SP/consensus (7) (EPS%) | - | - | 96 | 101 | 100 |
| EPS growth (% YoY) | 25.8 | (4.4) | 8.2 | 11.8 | 8.1 |
| PE (x) | 16.6 | 17.4 | 16.0 | 14.4 | 13.3 |
| Dividend yield (%) | 3.7 | 4.1 | 4.5 | 4.9 | 5.2 |
| ROE (%) | 26.8 | 22.9 | 22.9 | 23.6 | 23.4 |
| Net cash per share (NT$) | 51.37 | 53.82 | 56.32 | 63.37 | 71.78 |

Source: SinoPac

Change in target price

*Click to rate this research*
Great
Solid
Meh



**For important disclosures please refer to page 2.**

evalu@tor
The Global Equities Database

Click to rate this research
Great
Solid
Meh

# Financials at a glance

| Year to 31 December | 2024A | 2025A | 2026SP | (% YoY) | 2027SP | 2028SP |
|---|---|---|---|---|---|---|
| **Profit & Loss (NT$m)** | | | | | | |
| **Revenue** | 29,535 | 29,969 | 32,107 | 7.1 | 34,476 | 36,443 |
| Cogs (ex-D&A) | (11,574) | (11,287) | (11,690) | | (12,408) | (13,038) |
| **Gross Profit (ex-D&A)** | 17,961 | 18,682 | 20,417 | 9.3 | 22,068 | 23,405 |
| SG&A and other expenses | (8,537) | (8,706) | (9,836) | | (10,060) | (10,408) |
| **Op Ebitda** | 9,423 | 9,976 | 10,581 | 6.1 | 12,008 | 12,997 |
| Depreciation/amortisation | (1,056) | (1,059) | (1,156) | | (1,276) | (1,393) |
| **Op Ebit** | 8,368 | 8,917 | 9,424 | 5.7 | 10,732 | 11,604 |
| Net interest inc/(exp) | 619 | 555 | 495 | (10.7) | 506 | 506 |
| Other non-Op items | 491 | (256) | 367 | | 0 | 0 |
| **Profit before tax** | 9,477 | 9,215 | 10,286 | 11.6 | 11,238 | 12,110 |
| Taxation | (2,359) | (2,279) | (2,777) | | (2,877) | (3,100) |
| **Profit after tax** | 7,118 | 6,936 | 7,510 | 8.3 | 8,361 | 9,010 |
| Minority interest | (215) | (335) | (368) | | (378) | (378) |
| **Net profit** | 6,903 | 6,601 | 7,142 | 8.2 | 7,983 | 8,632 |
| **Adjusted profit** | 6,903 | 6,601 | 7,142 | 8.2 | 7,983 | 8,632 |
| **Cashflow (NT$m)** | **2024A** | **2025A** | **2026SP** | **(% YoY)** | **2027SP** | **2028SP** |
| **Operating profit** | 8,368 | 8,917 | 9,424 | 5.7 | 10,732 | 11,604 |
| Depreciation/amortisation | 1,056 | 1,059 | 1,156 | 9.2 | 1,276 | 1,393 |
| Working capital changes | 124 | (452) | (1,077) | | (494) | (422) |
| Other items | (1,001) | (2,472) | (1,864) | | (2,321) | (2,543) |
| **Net operating cashflow** | 8,547 | 7,052 | 7,640 | 8.3 | 9,194 | 10,032 |
| Capital expenditure | (1,879) | (1,541) | (2,221) | | (2,000) | (2,000) |
| **Free cashflow** | 6,668 | 5,511 | 5,420 | (1.7) | 7,194 | 8,032 |
| M&A/Others | (599) | (72) | 0 | | 0 | 0 |
| **Net investing cashflow** | (2,478) | (1,613) | (2,221) | | (2,000) | (2,000) |
| Increase in loans | 834 | 333 | (624) | | (48) | (43) |
| Dividends | (3,516) | (4,249) | (4,688) | | (5,128) | (5,567) |
| Net equity raised/other | (331) | (570) | 0 | | - | - |
| **Net financing cashflow** | (3,014) | (4,486) | (5,312) | | (5,176) | (5,610) |
| Incr/(decr) in net cash | 3,055 | 953 | 107 | (88.7) | 2,018 | 2,422 |
| Exch rate movements | (18) | 62 | 0 | | 0 | 0 |
| **Balance sheet (NT$m)** | **2024A** | **2025A** | **2026SP** | **(% YoY)** | **2027SP** | **2028SP** |
| Cash & equivalents | 15,857 | 16,872 | 16,979 | 0.6 | 18,998 | 21,419 |
| Accounts receivable | 2,865 | 3,045 | 3,958 | 30 | 4,251 | 4,493 |
| Other current assets | 5,839 | 5,587 | 5,818 | 4.1 | 6,110 | 6,374 |
| Fixed assets | 10,588 | 11,494 | 12,558 | 9.3 | 13,282 | 13,890 |
| Investments | 10 | 10 | 10 | 0 | 10 | 10 |
| Intangible assets | 0 | 0 | 0 | | 0 | 0 |
| Other non-current assets | 2,700 | 3,017 | 3,319 | 10 | 3,651 | 4,016 |
| **Total assets** | 37,858 | 40,025 | 42,643 | 6.5 | 46,301 | 50,202 |
| Short-term debt | 402 | 571 | - | | - | - |
| Accounts payable | 963 | 749 | 780 | 4 | 831 | 876 |
| Other current liabs | 5,322 | 4,824 | 4,920 | 2 | 5,019 | 5,119 |
| Long-term debt/CBs | 402 | 530 | 477 | (10) | 430 | 387 |
| Provisions/other LT liabs | 2,689 | 2,941 | 3,235 | 10 | 3,559 | 3,915 |
| Shareholder funds | 27,611 | 30,004 | 32,457 | 8.2 | 35,312 | 38,376 |
| Minorities/other equity | 470 | 405 | 773 | 90.9 | 1,151 | 1,529 |
| **Total liabs & equity** | 37,858 | 40,025 | 42,643 | 6.5 | 46,301 | 50,202 |
| **Ratio analysis** | **2024A** | **2025A** | **2026SP** | **(% YoY)** | **2027SP** | **2028SP** |
| Revenue growth (% YoY) | 9.7 | 1.5 | 7.1 | | 7.4 | 5.7 |
| Ebitda margin (%) | 31.9 | 33.3 | 33.0 | | 34.8 | 35.7 |
| Ebit margin (%) | 28.3 | 29.8 | 29.4 | | 31.1 | 31.8 |
| Net profit growth (%) | 25.8 | (4.4) | 8.2 | | 11.8 | 8.1 |
| Op cashflow growth (% YoY) | 24.2 | (17.5) | 8.3 | | 20.3 | 9.1 |
| Capex/sales (%) | 6.4 | 5.1 | 6.9 | | 5.8 | 5.5 |
| Net debt/equity (%) | (53.6) | (51.9) | (49.7) | | (50.9) | (52.7) |
| Net debt/Ebitda (x) | - | - | - | | - | - |
| ROE (%) | 26.8 | 22.9 | 22.9 | | 23.6 | 23.4 |
| ROIC (%) | 42.2 | 40.3 | 36.7 | | 38.6 | 39.0 |

Source: SinoPac

Figure 1

**2Q26 results snapshot**

| (NT$m) | 2Q25 | 1Q26 | 2Q26 | QoQ | YoY | 2Q26SP | Act/SP | 2Q26 Con | Act/Con |
|---|---|---|---|---|---|---|---|---|---|
| Sales | 7,707 | 7,305 | 7,928 | 9% | 3% | 7,928 | 0% | 7,992 | (1%) |
| Gross profit | 4,565 | 4,317 | 4,753 | 10% | 4% | 4,704 | 1% | 4,753 | 0% |
| Opex | 2,169 | 2,263 | 2,593 | 15% | 20% | 2,434 | 7% | 2,355 | 10% |
| Operating profit | 2,396 | 2,053 | 2,160 | 5% | (10%) | 2,270 | (5%) | 2,398 | (10%) |
| Pretax profit | 1,677 | 2,326 | 2,190 | (6%) | 31% | 2,328 | (6%) | 2,539 | (14%) |
| Tax expense | 460 | 594 | 705 | 19% | 53% | 595 | 18% | 727 | (3%) |
| Net profit | 1,153 | 1,647 | 1,391 | (16%) | 21% | 1,649 | (16%) | 1,811 | (23%) |
| EPS (NT$) | 3.93 | 5.62 | 4.75 | (16%) | 21% | 5.63 | (16%) | 6.25 | (24%) |
| Margins | | | | | | | | | |
| Gross margin | 59.2% | 59.1% | 60.0% | 0.9 ppt | 0.7 ppt | 59.3% | 0.6 ppt | 59.5% | 0.5 ppt |
| Opex ratio | 28.1% | 31.0% | 32.7% | 1.7 ppt | 4.6 ppt | 30.7% | 2 ppt | 29.5% | 3.2 ppt |
| OP margin | 31.1% | 28.1% | 27.2% | -0.9 ppt | -3.8 ppt | 28.6% | -1.4 ppt | 30.0% | -2.8 ppt |
| Tax rate | 27.4% | 25.6% | 32.2% | 6.6 ppt | 4.8 ppt | 25.6% | 6.6 ppt | 28.6% | 3.5 ppt |
| Net margin | 15.0% | 22.5% | 17.5% | -5 ppt | 2.6 ppt | 20.8% | -3.3 ppt | 22.7% | -5.1 ppt |

Source: SinoPac, Bloomberg



- ❐ Revenue: NT$7,928m (+9% QoQ, +3% YoY), vs. our forecast of NT$7,928m and consensus of NT$7,992m.
- ❐ GPM: 60.0% vs. our forecast of 59.3% and consensus of 59.5%.
- ❐ OPM: 27.2% vs. our forecast of 28.6% and consensus of 30.0%.
- ❐ Net income: NT$1,391m (-16% QoQ, +21% YoY), vs. our forecast of NT$1,649m and consensus of NT$1,811m.
- ❐ EPS: NT$4.75 vs. our forecast of NT$5.63 and consensus of NT$6.25.

Figure 2

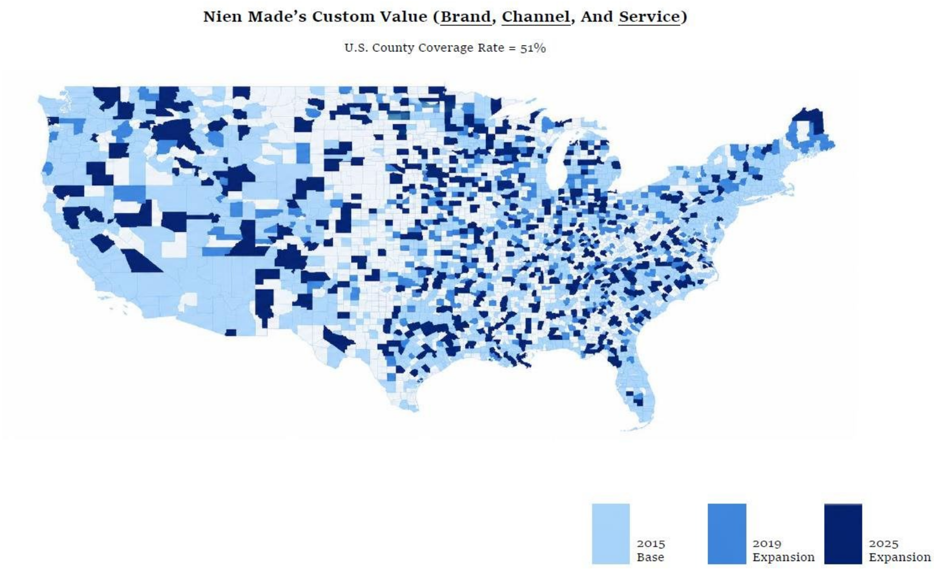
**Nien Made guidance**


Source: SinoPac, company

US county coverage rate of 51%

Figure 3

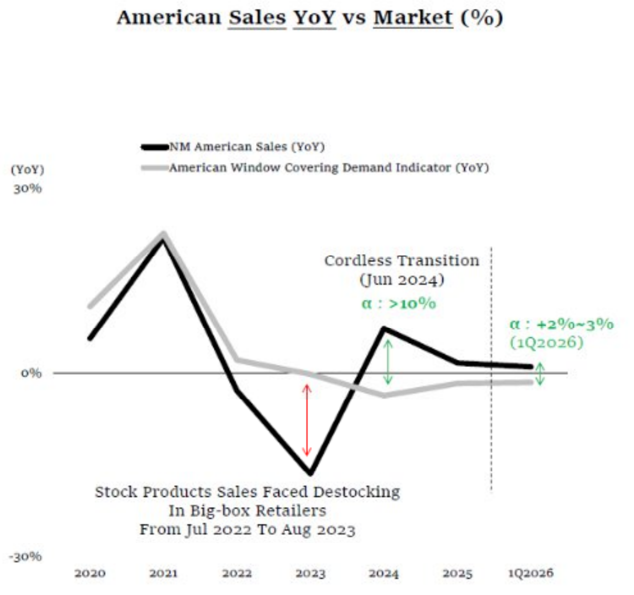
**Nien Made custom value (brand, channel, and service)**




Source: SinoPac, company

Figure 4

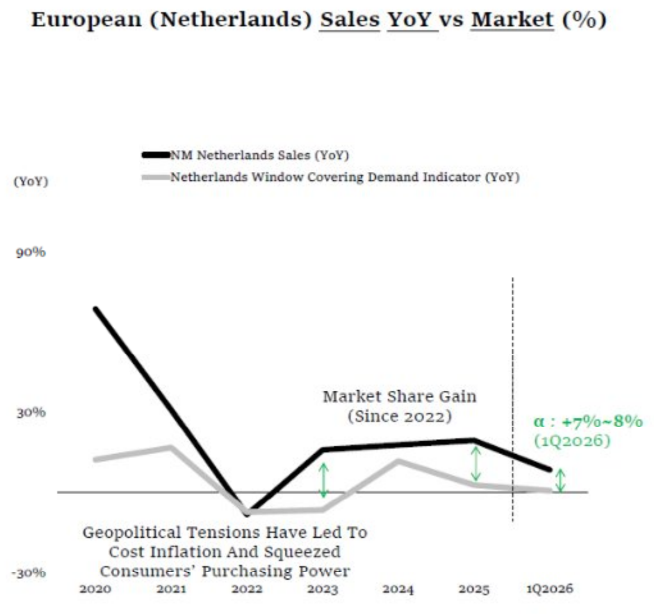
**American sales YoY vs Market (%)**




Source: SinoPac, company

Figure 5

**European (Netherlands) sales YoY vs Market (%)**

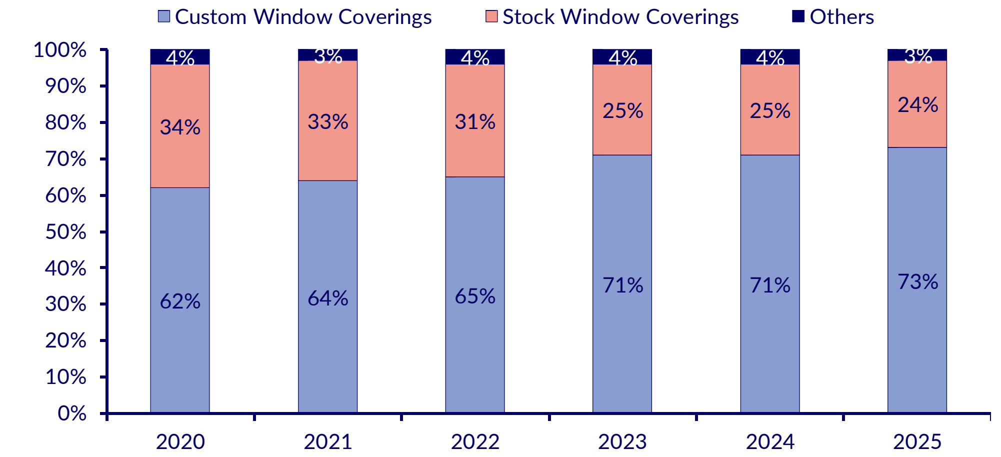



Source: SinoPac, company

**Revenue contribution from custom window coverings continues to increase**

Figure 6

**Sales by product (%)**

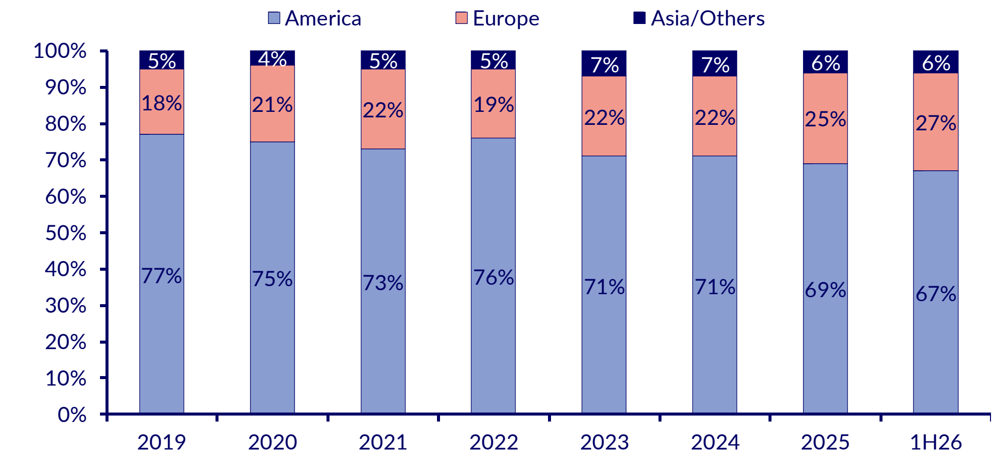



Source: SinoPac

**America contributes roughly 70% of total sales**

Figure 7

**Sales by region (%)**

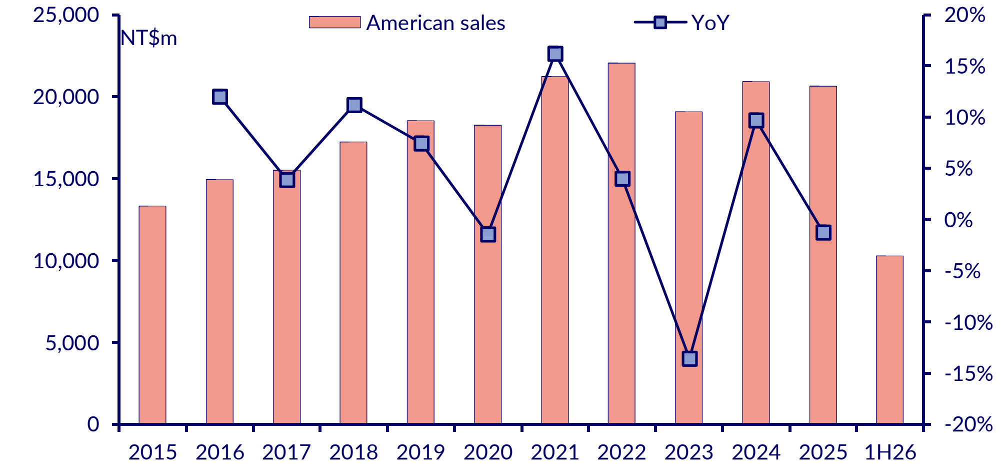



Source: SinoPac

**Sales in the America region down by -1.8% YoY (1H26)**

Figure 8

**American sales YoY (%)**

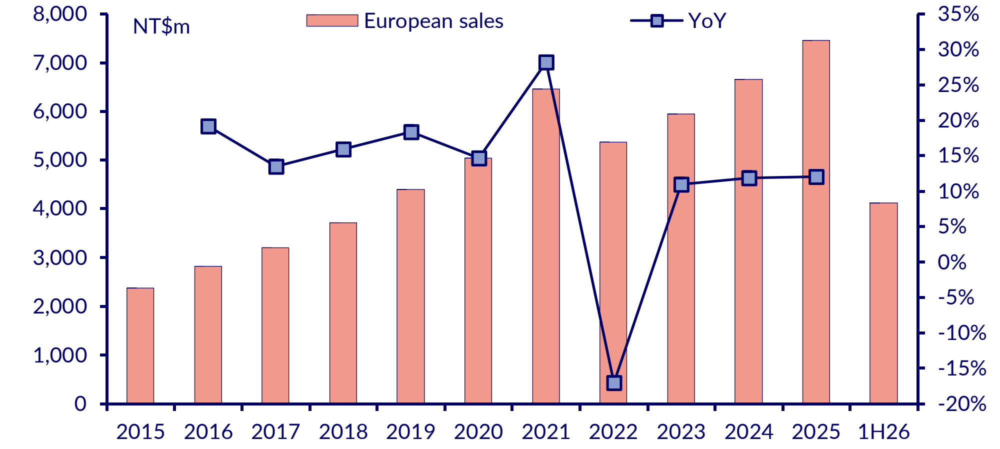



Source: SinoPac

Sales in the European region up by +13.9% YoY (1H26)

Figure 9

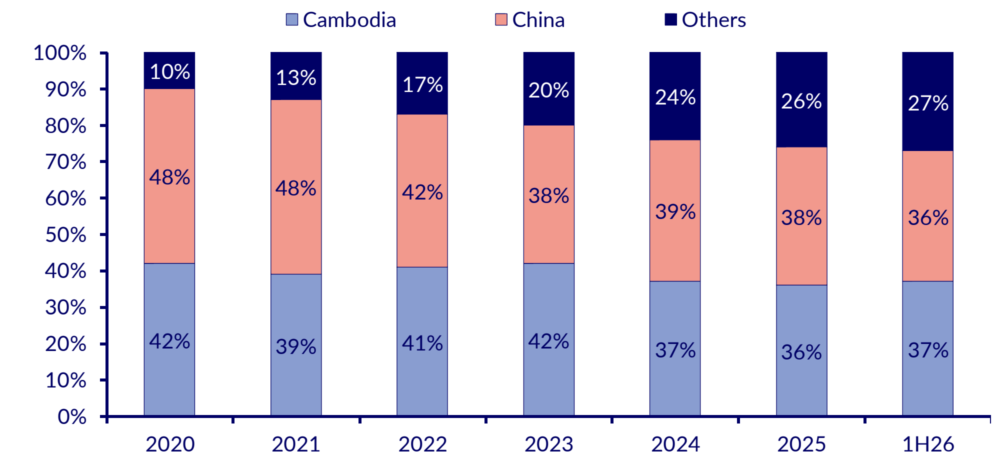
**European sales YoY (%)**




Source: SinoPac

Figure 10

**Nein Made group headcount**




Source: SinoPac

Figure 11

**Nien Made global production locations**

| Product | Location |
|---|---|
| Custom Window Coverings | China, Mexico, and Vietnam |
| Stock Window Coverings | Cambodia |
| Light Assembly Factory | US |

Source: SinoPac

Figure 12

| P&L – quarterly | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (NT$m) | 1Q25 | 2Q25 | 3Q25 | 4Q25 | 1Q26 | 2Q26 | 3Q26SP | 4Q26SP | 1Q27SP | 2Q27SP | 3Q27SP | 4Q27SP |
| Sales | 7,273 | 7,707 | 7,317 | 7,672 | 7,305 | 7,928 | 8,301 | 8,573 | 7,893 | 8,530 | 8,986 | 9,067 |
| Gross profit | 4,234 | 4,565 | 4,297 | 4,527 | 4,317 | 4,753 | 5,005 | 5,186 | 4,752 | 5,147 | 5,420 | 5,474 |
| Opex | 2,154 | 2,169 | 2,163 | 2,220 | 2,263 | 2,593 | 2,433 | 2,548 | 2,322 | 2,482 | 2,580 | 2,677 |
| Operating profit | 2,080 | 2,396 | 2,133 | 2,308 | 2,053 | 2,160 | 2,572 | 2,638 | 2,430 | 2,665 | 2,840 | 2,798 |
| Pretax profit | 2,356 | 1,677 | 2,376 | 2,806 | 2,326 | 2,190 | 2,790 | 2,980 | 2,556 | 2,791 | 2,967 | 2,924 |
| Tax expense | 505 | 460 | 581 | 733 | 594 | 705 | 714 | 763 | 654 | 715 | 759 | 749 |
| Net profit | 1,778 | 1,153 | 1,707 | 1,964 | 1,647 | 1,391 | 1,981 | 2,122 | 1,807 | 1,982 | 2,113 | 2,081 |
| EPS (NT$) | 6.07 | 3.93 | 5.82 | 6.70 | 5.62 | 4.75 | 6.76 | 7.24 | 6.17 | 6.76 | 7.21 | 7.10 |
| Growth | | | | | | | | | | | | |
| Sales QoQ | (9%) | 6% | (5%) | 5% | (5%) | 9% | 5% | 3% | (8%) | 8% | 5% | 1% |
| Sales YoY | 15% | 4% | (7%) | (3%) | 0% | 3% | 13% | 12% | 8% | 8% | 8% | 6% |
| EPS YoY | 24% | (35%) | (4%) | 2% | (7%) | 21% | 16% | 8% | 10% | 43% | 7% | (2%) |
| Margin | | | | | | | | | | | | |
| Gross margin | 58.2% | 59.2% | 58.7% | 59.0% | 59.1% | 60.0% | 60.3% | 60.5% | 60.2% | 60.3% | 60.3% | 60.4% |
| Opex | 29.6% | 28.1% | 29.6% | 28.9% | 31.0% | 32.7% | 29.3% | 29.7% | 29.4% | 29.1% | 28.7% | 29.5% |
| OP margin | 28.6% | 31.1% | 29.2% | 30.1% | 28.1% | 27.2% | 31.0% | 30.8% | 30.8% | 31.2% | 31.6% | 30.9% |
| Net margin | 24.5% | 15.0% | 23.3% | 25.6% | 22.5% | 17.5% | 23.9% | 24.8% | 22.9% | 23.2% | 23.5% | 22.9% |

Source: SinoPac

Figure 13

| P&L – annual | | | | | |
|---|---|---|---|---|---|
| (NT$m) | 2024 | 2025 | 2026SP | 2027SP | 2028SP |
| Sales | 29,535 | 29,969 | 32,107 | 34,476 | 36,443 |
| Gross profit | 16,905 | 17,623 | 19,261 | 20,793 | 22,013 |
| Opex | 8,537 | 8,706 | 9,836 | 10,060 | 10,408 |
| Operating profit | 8,368 | 8,917 | 9,424 | 10,732 | 11,604 |
| Pretax profit | 9,477 | 9,215 | 10,286 | 11,238 | 12,110 |
| Tax expense | 2,359 | 2,279 | 2,777 | 2,877 | 3,100 |
| Net profit | 6,903 | 6,601 | 7,142 | 7,983 | 8,632 |
| EPS (NT$) | 23.56 | 22.53 | 24.37 | 27.24 | 29.46 |
| Growth | | | | | |
| Sales YoY | 10% | 1% | 7% | 7% | 6% |
| EPS YoY | 26% | (4%) | 8% | 12% | 8% |
| Margin | | | | | |
| Gross margin | 57.2% | 58.8% | 60.0% | 60.3% | 60.4% |
| Opex | 28.9% | 29.0% | 30.6% | 29.2% | 28.6% |
| OP margin | 28.3% | 29.8% | 29.4% | 31.1% | 31.8% |
| Net margin | 23.4% | 22.0% | 22.2% | 23.2% | 23.7% |

Source: SinoPac

Figure 14

**Forecast revisions – quarterly**

| | 2Q26SP | | | 3Q26SP | | | 4Q26SP | | |
|---|---|---|---|---|---|---|---|---|---|
| (NT$m) | old | new | % ch | old | new | % ch | old | new | % ch |
| Sales | 7,928 | 7,928 | 0% | 8,055 | 8,301 | 3% | 8,308 | 8,573 | 3% |
| Gross profit | 4,704 | 4,753 | 1% | 4,818 | 5,005 | 4% | 4,986 | 5,186 | 4% |
| Opex | 2,434 | 2,593 | 7% | 2,361 | 2,433 | 3% | 2,469 | 2,548 | 3% |
| Operating profit | 2,270 | 2,160 | (5%) | 2,458 | 2,572 | 5% | 2,517 | 2,638 | 5% |
| Pretax profit | 2,328 | 2,190 | (6%) | 2,676 | 2,790 | 4% | 2,858 | 2,980 | 4% |
| Tax expense | 595 | 705 | 18% | 684 | 714 | 4% | 730 | 763 | 4% |
| Net profit | 1,649 | 1,391 | (16%) | 1,908 | 1,981 | 4% | 2,044 | 2,122 | 4% |
| EPS (NT$) | 5.63 | 4.75 | (16%) | 6.51 | 6.76 | 4% | 6.97 | 7.24 | 4% |
| Margin | | | | | | | | | |
| Gross margin | 59.3% | 60.0% | 0.6 ppt | 59.8% | 60.3% | 0.5 ppt | 60.0% | 60.5% | 0.5 ppt |
| OPEX ratio | 30.7% | 32.7% | 2 ppt | 29.3% | 29.3% | 0 ppt | 29.7% | 29.7% | 0 ppt |
| Operating margin | 28.6% | 27.2% | -1.4 ppt | 30.5% | 31.0% | 0.5 ppt | 30.3% | 30.8% | 0.5 ppt |
| Tax rate | 25.6% | 32.2% | 6.6 ppt | 25.6% | 25.6% | 0 ppt | 25.6% | 25.6% | 0 ppt |
| Net margin | 20.8% | 17.5% | -3.3 ppt | 23.7% | 23.9% | 0.2 ppt | 24.6% | 24.8% | 0.2 ppt |

Source: SinoPac

Figure 15

**Forecast revisions – annual**

| | 2026SP | | | 2027SP | | | 2028SP | | |
|---|---|---|---|---|---|---|---|---|---|
| (NT$m) | old | new | % ch | old | new | % ch | old | new | % ch |
| Sales | 31,596 | 32,107 | 2% | 34,043 | 34,476 | 1% | 35,981 | 36,443 | 1% |
| Gross profit | 18,825 | 19,261 | 2% | 20,376 | 20,793 | 2% | 21,646 | 22,013 | 2% |
| Opex | 9,526 | 9,836 | 3% | 9,934 | 10,060 | 1% | 10,276 | 10,408 | 1% |
| Operating profit | 9,298 | 9,424 | 1% | 10,442 | 10,732 | 3% | 11,371 | 11,604 | 2% |
| Pretax profit | 10,188 | 10,286 | 1% | 10,916 | 11,238 | 3% | 11,844 | 12,110 | 2% |
| Tax expense | 2,604 | 2,777 | 7% | 2,790 | 2,877 | 3% | 3,027 | 3,100 | 2% |
| Net profit | 7,247 | 7,142 | (1%) | 7,789 | 7,983 | 2% | 8,480 | 8,632 | 2% |
| EPS (NT$) | 24.73 | 24.37 | (1%) | 26.58 | 27.24 | 2% | 28.94 | 29.46 | 2% |
| Margin | | | | | | | | | |
| Gross margin | 59.6% | 60.0% | 0.4 ppt | 59.9% | 60.3% | 0.5 ppt | 60.2% | 60.4% | 0.2 ppt |
| OPEX ratio | 30.2% | 30.6% | 0.5 ppt | 29.2% | 29.2% | 0 ppt | 28.6% | 28.6% | 0 ppt |
| Operating margin | 29.4% | 29.4% | -0.1 ppt | 30.7% | 31.1% | 0.5 ppt | 31.6% | 31.8% | 0.2 ppt |
| Tax rate | 25.6% | 27.0% | 1.4 ppt | 25.6% | 25.6% | 0 ppt | 25.6% | 25.6% | 0 ppt |
| Net margin | 22.9% | 22.2% | -0.7 ppt | 22.9% | 23.2% | 0.3 ppt | 23.6% | 23.7% | 0.1 ppt |

Source: SinoPac

Figure 16

**SP vs consensus – quarterly**

| | 2Q26 | | | 3Q26 | | | 4Q26 | | |
|---|---|---|---|---|---|---|---|---|---|
| (NT$m) | SinoPac | Con | % Diff | SinoPac | Con | % Diff | SinoPac | Con | % Diff |
| Sales | 7,928 | 7,992 | (1%) | 8,301 | 8,045 | 3% | 8,573 | 8,268 | 4% |
| Gross profit | 4,753 | 4,753 | 0% | 5,005 | 4,798 | 4% | 5,186 | 4,934 | 5% |
| Opex | 2,593 | 2,355 | 10% | 2,433 | 2,338 | 4% | 2,548 | 2,362 | 8% |
| Operating profit | 2,160 | 2,398 | (10%) | 2,572 | 2,460 | 5% | 2,638 | 2,572 | 3% |
| Pretax profit | 2,190 | 2,539 | (14%) | 2,790 | 2,696 | 4% | 2,980 | 2,765 | 8% |
| Tax expense | 705 | 727 | (3%) | 714 | 743 | (4%) | 763 | 780 | (2%) |
| Net profit | 1,391 | 1,811 | (23%) | 1,981 | 1,953 | 1% | 2,122 | 1,985 | 7% |
| EPS (NT$) | 4.75 | 6.25 | (24%) | 6.76 | 6.68 | 1% | 7.24 | 6.78 | 7% |
| Margin | | | | | | | | | |
| Gross margin | 60.0% | 59.5% | 0.5 ppt | 60.3% | 59.6% | 0.7 ppt | 60.5% | 59.7% | 0.8 ppt |
| Operating margin | 27.2% | 30.0% | -2.8 ppt | 31.0% | 30.6% | 0.4 ppt | 30.8% | 31.1% | -0.3 ppt |
| Tax rate | 32.2% | 28.6% | 3.5 ppt | 25.6% | 27.6% | -2 ppt | 25.6% | 28.2% | -2.6 ppt |
| Net margin | 17.5% | 22.7% | -5.1 ppt | 23.9% | 24.3% | -0.4 ppt | 24.8% | 24.0% | 0.7 ppt |

Source: SinoPac, Bloomberg

Figure 17

**SP vs consensus – annual**

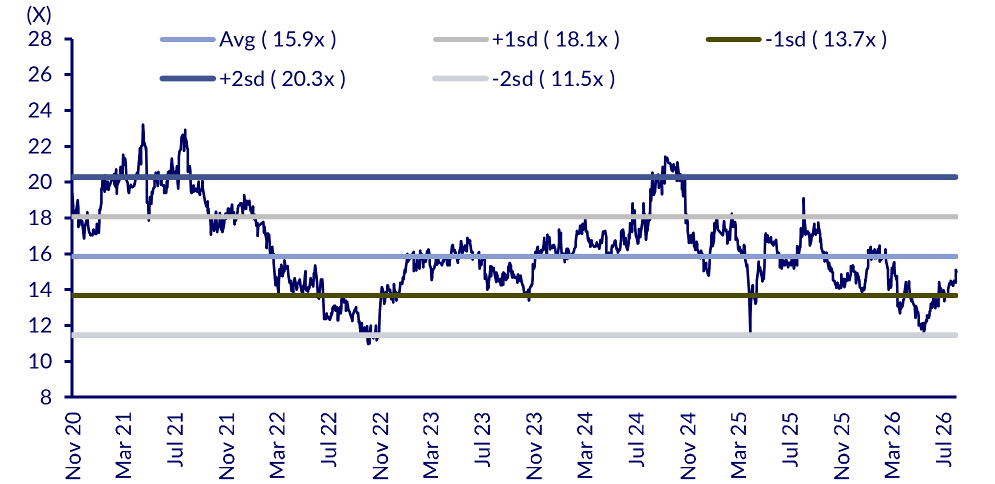
| | 2026 | | | 2027 | | | 2028 | | |
|---|---|---|---|---|---|---|---|---|---|
| (NT$m) | SinoPac | Con | % Diff | SinoPac | Con | % Diff | SinoPac | Con | % Diff |
| Sales | 32,107 | 31,680 | 1% | 34,476 | 33,779 | 2% | 36,443 | 35,950 | 1% |
| Gross profit | 19,261 | 18,835 | 2% | 20,793 | 20,197 | 3% | 22,013 | 21,563 | 2% |
| Opex | 9,836 | 9,243 | 6% | 10,060 | 9,747 | 3% | 10,408 | 10,045 | 4% |
| Operating profit | 9,424 | 9,592 | (2%) | 10,732 | 10,451 | 3% | 11,604 | 11,518 | 1% |
| Pretax profit | 10,286 | 10,379 | (1%) | 11,238 | 11,001 | 2% | 12,110 | 11,904 | 2% |
| Tax expense | 2,777 | 2,957 | (6%) | 2,877 | 3,082 | (7%) | 3,100 | 3,345 | (7%) |
| Net profit | 7,142 | 7,422 | (4%) | 7,983 | 7,919 | 1% | 8,632 | 8,559 | 1% |
| EPS (NT$) | 24.37 | 25.46 | (4%) | 27.24 | 27.03 | 1% | 29.46 | 29.21 | 1% |
| Margin | | | | | | | | | |
| Gross margin | 60.0% | 59.5% | 0.5 ppt | 60.3% | 59.8% | 0.5 ppt | 60.4% | 60.0% | 0.4 ppt |
| Operating margin | 29.4% | 30.3% | -0.9 ppt | 31.1% | 30.9% | 0.2 ppt | 31.8% | 32.0% | -0.2 ppt |
| Tax rate | 27.0% | 28.5% | -1.5 ppt | 25.6% | 28.0% | -2.4 ppt | 25.6% | 28.1% | -2.5 ppt |
| Net margin | 22.2% | 23.4% | -1.2 ppt | 23.2% | 23.4% | -0.3 ppt | 23.7% | 23.8% | -0.1 ppt |

Source: SinoPac, Bloomberg

**Currently trades at 15.0x forward 12M PE**

Figure 18

**Consensus PE**

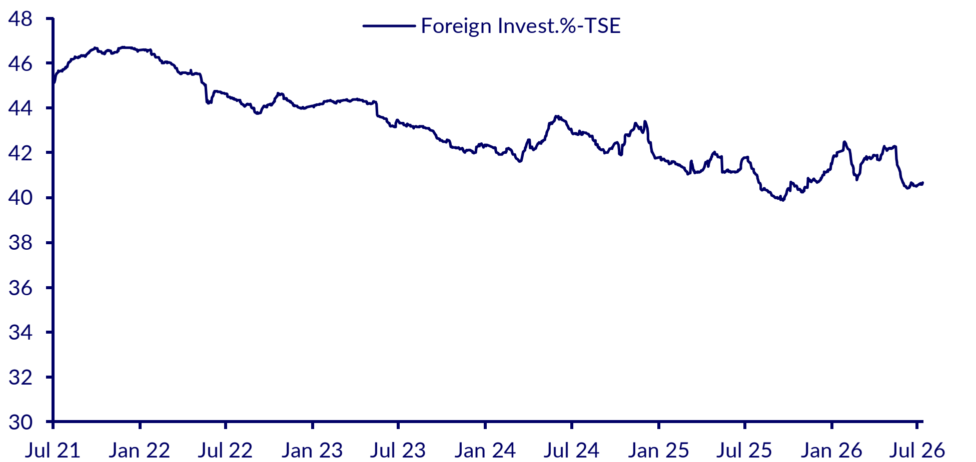



Source: SinoPac, Bloomberg

**Foreign investors hold about 40%**

Figure 19

**QFII holdings**




Source: SinoPac, TEJ

Figure 20

**Target price change (PE based)**

| | Target PE (x) | Valuation period | 12-month rolling EPS (NT$) | Target price (NT$) |
|---|---|---|---|---|
| Old | 16 | 27SP | 26.58 | 425 |
| New | 18 | 27SP | 27.24 | 490 |

Source: SinoPac

## Investment thesis

We believe ongoing market share gains and price increases will help offset macro headwinds. Margins should also improve through capacity expansion and deeper vertical integration. In addition, new motorised cellular shades are expected to enhance consumer appeal while offering safer, more convenient use. Outside the US, Japan, Europe, and Australia are showing strong momentum supported by expansion through D2C channels.

## Catalysts

The 21st Century ROAD to Housing Act signed into law; IEEPA tariff refunds; lower mortgage rates; capacity expansion in Mexico and Vietnam to better serve clients.

## Valuation details

Our target price is based on 18x 2027SP EPS. 18x is approximately +1sd above its five-year average forward PE. We believe that an 18x PE best reflects the recent 2Q26 results and company guidance.

## Investment risks

Risks include: 1) a US housing market decline as Nien Made's revenue growth is highly correlated with new housing starts, existing home sales, and remodeling spending growth; 2) unfavourable FX movements given 70% of the company's revenue is generated in the US and the dollar is its main trading currency; 3) more raw material price fluctuations.

# Detailed financials

## Profit & Loss (NT$m)

| Year to 31 December | 2022A | 2023A | 2024A | 2025A | 2026SP | 2027SP | 2028SP |
|---|---|---|---|---|---|---|---|
| **Revenue** | **28,951** | **26,913** | **29,535** | **29,969** | **32,107** | **34,476** | **36,443** |
| Cogs (ex-D&A) | (12,096) | (11,033) | (11,574) | (11,287) | (11,690) | (12,408) | (13,038) |
| **Gross Profit (ex-D&A)** | **16,855** | **15,881** | **17,961** | **18,682** | **20,417** | **22,068** | **23,405** |
| Research & development costs | (205) | (182) | (172) | (155) | (355) | (245) | (259) |
| Selling & marketing expenses | (5,454) | (4,775) | (5,109) | (5,131) | (5,734) | (6,312) | (6,376) |
| Other SG&A | (2,870) | (3,005) | (3,257) | (3,420) | (3,748) | (3,503) | (3,773) |
| Other Op Expenses ex-D&A | - | 0 | 0 | - | - | - | - |
| **Op Ebitda** | **8,327** | **7,919** | **9,423** | **9,976** | **10,581** | **12,008** | **12,997** |
| Depreciation/amortisation | (959) | (949) | (1,056) | (1,059) | (1,156) | (1,276) | (1,393) |
| **Op Ebit** | **7,368** | **6,970** | **8,368** | **8,917** | **9,424** | **10,732** | **11,604** |
| Interest income | 71 | 448 | 631 | 577 | 529 | 540 | 540 |
| Interest expense | (9) | (5) | (13) | (22) | (34) | (34) | (34) |
| **Net interest inc/(exp)** | 61 | 443 | 619 | 555 | 495 | 506 | 506 |
| Associates/investments | - | - | - | - | - | - | - |
| Forex/other income | 632 | 7 | 600 | (431) | 358 | - | - |
| Asset sales/other cash items | 389 | 613 | (109) | 175 | 9 | - | - |
| Provisions/other non-cash items | - | - | - | - | - | - | - |
| Asset revaluation/Exceptional items | - | - | - | - | - | - | - |
| **Profit before tax** | **8,450** | **8,033** | **9,477** | **9,215** | **10,286** | **11,238** | **12,110** |
| Taxation | (2,375) | (2,383) | (2,359) | (2,279) | (2,777) | (2,877) | (3,100) |
| **Profit after tax** | **6,075** | **5,650** | **7,118** | **6,936** | **7,510** | **8,361** | **9,010** |
| Preference dividends | - | - | - | - | - | - | - |
| **Profit for period** | **6,075** | **5,650** | **7,118** | **6,936** | **7,510** | **8,361** | **9,010** |
| Minority interest | 99 | (162) | (215) | (335) | (368) | (378) | (378) |
| **Net profit** | **6,173** | **5,488** | **6,903** | **6,601** | **7,142** | **7,983** | **8,632** |
| Extraordinaries/others | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Profit avail to ordinary shares** | 6,173 | 5,488 | 6,903 | 6,601 | 7,142 | 7,983 | 8,632 |
| Dividends | (3,223) | (3,223) | (3,516) | (4,249) | (4,688) | (5,128) | (5,567) |
| **Retained profit** | 2,950 | 2,264 | 3,387 | 2,352 | 2,454 | 2,855 | 3,064 |
| **Adjusted profit** | **6,173** | **5,488** | **6,903** | **6,601** | **7,142** | **7,983** | **8,632** |
| EPS (NT$) | 21.1 | 18.7 | 23.6 | 22.5 | 24.4 | 27.2 | 29.5 |
| Adj EPS [pre excep] (NT$) | 21.1 | 18.7 | 23.6 | 22.5 | 24.4 | 27.2 | 29.5 |
| Core EPS (NT$) | 21.1 | 18.7 | 23.6 | 22.5 | 24.4 | 27.2 | 29.5 |
| DPS (NT$) | 11.0 | 12.0 | 14.5 | 16.0 | 17.5 | 19.0 | 20.5 |

## Profit & loss ratios

| Year to 31 December | 2022A | 2023A | 2024A | 2025A | 2026SP | 2027SP | 2028SP |
|---|---|---|---|---|---|---|---|
| **Growth (%)** | | | | | | | |
| Revenue growth (% YoY) | (0.3) | (7.0) | 9.7 | 1.5 | 7.1 | 7.4 | 5.7 |
| Ebitda growth (% YoY) | (3.4) | (4.9) | 19.0 | 5.9 | 6.1 | 13.5 | 8.2 |
| Ebit growth (% YoY) | (5.0) | (5.4) | 20.1 | 6.6 | 5.7 | 13.9 | 8.1 |
| Net profit growth (%) | 16.0 | (11.1) | 25.8 | (4.4) | 8.2 | 11.8 | 8.1 |
| EPS growth (% YoY) | 16.0 | (11.1) | 25.8 | (4.4) | 8.2 | 11.8 | 8.1 |
| Adj EPS growth (% YoY) | 16.0 | (11.1) | 25.8 | (4.4) | 8.2 | 11.8 | 8.1 |
| DPS growth (% YoY) | 0.0 | 9.1 | 20.8 | 10.3 | 9.4 | 8.6 | 7.9 |
| Core EPS growth (% YoY) | 16.0 | (11.1) | 25.8 | (4.4) | 8.2 | 11.8 | 8.1 |
| **Margins (%)** | | | | | | | |
| Gross margin (%) | 58.2 | 59.0 | 60.8 | 62.3 | 63.6 | 64.0 | 64.2 |
| Ebitda margin (%) | 28.8 | 29.4 | 31.9 | 33.3 | 33.0 | 34.8 | 35.7 |
| Ebit margin (%) | 25.4 | 25.9 | 28.3 | 29.8 | 29.4 | 31.1 | 31.8 |
| Net profit margin (%) | 21.3 | 20.4 | 23.4 | 22.0 | 22.2 | 23.2 | 23.7 |
| Core profit margin | 21.3 | 20.4 | 23.4 | 22.0 | 22.2 | 23.2 | 23.7 |
| Op cashflow margin | 23.9 | 25.6 | 28.9 | 23.5 | 23.8 | 26.7 | 27.5 |
| **Returns (%)** | | | | | | | |
| ROE (%) | 31.7 | 24.1 | 26.8 | 22.9 | 22.9 | 23.6 | 23.4 |
| ROA (%) | 17.7 | 15.5 | 17.8 | 17.2 | 16.6 | 18.0 | 17.9 |
| ROIC (%) | 39.3 | 34.2 | 42.2 | 40.3 | 36.7 | 38.6 | 39.0 |
| ROCE (%) | 64.9 | 58.0 | 67.9 | 64.5 | 60.1 | 62.0 | 63.1 |
| **Other key ratios (%)** | | | | | | | |
| Effective tax rate (%) | 28.1 | 29.7 | 24.9 | 24.7 | 27.0 | 25.6 | 25.6 |
| Ebitda/net int exp (x) | - | - | - | - | - | - | - |
| Exceptional or extraord. inc/PBT (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Dividend payout (%) | 52.2 | 64.1 | 61.5 | 71.0 | 71.8 | 69.7 | 69.6 |

Source: SinoPac

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## Balance sheet (NT$m)

| Year to 31 December | 2022A | 2023A | 2024A | 2025A | 2026SP | 2027SP | 2028SP |
|---|---|---|---|---|---|---|---|
| Cash & equivalents | 9,373 | 12,820 | 15,857 | 16,872 | 16,979 | 18,998 | 21,419 |
| Accounts receivable | 2,402 | 2,624 | 2,865 | 3,045 | 3,958 | 4,251 | 4,493 |
| Inventories | 5,718 | 4,104 | 4,066 | 3,678 | 3,872 | 4,124 | 4,349 |
| Other current assets | 1,742 | 1,671 | 1,773 | 1,909 | 1,947 | 1,986 | 2,025 |
| **Current assets** | **19,236** | **21,219** | **24,560** | **25,504** | **26,756** | **29,358** | **32,286** |
| Fixed assets | 8,588 | 9,046 | 10,588 | 11,494 | 12,558 | 13,282 | 13,890 |
| Investments | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Goodwill | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other intangible assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other non-current assets | 2,719 | 2,336 | 2,700 | 3,017 | 3,319 | 3,651 | 4,016 |
| **Total assets** | **30,554** | **32,611** | **37,858** | **40,025** | **42,643** | **46,301** | **50,202** |
| Short term loans/OD | - | - | 402 | 571 | - | - | - |
| Accounts payable | 848 | 804 | 963 | 749 | 780 | 831 | 876 |
| Accrued expenses | - | - | - | - | - | - | - |
| Taxes payable | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other current liabs | 5,727 | 4,917 | 5,322 | 4,824 | 4,920 | 5,019 | 5,119 |
| **Current liabilities** | **6,575** | **5,721** | **6,687** | **6,144** | **5,700** | **5,849** | **5,995** |
| Long-term debt/leases/other | - | - | 402 | 530 | 477 | 430 | 387 |
| Convertible bonds | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Provisions/other LT liabs | 2,196 | 2,460 | 2,689 | 2,941 | 3,235 | 3,559 | 3,915 |
| **Total liabilities** | **8,771** | **8,181** | **9,777** | **9,616** | **9,413** | **9,838** | **10,297** |
| Share capital | 2,930 | 2,930 | 2,930 | 2,930 | 2,930 | 2,930 | 2,930 |
| Retained earnings | 11,274 | 12,928 | 15,744 | 17,405 | 19,858 | 22,713 | 25,777 |
| Reserves/others | 7,279 | 8,115 | 8,937 | 9,669 | 9,669 | 9,669 | 9,669 |
| **Shareholder funds** | **21,483** | **23,973** | **27,611** | **30,004** | **32,457** | **35,312** | **38,376** |
| Minorities/other equity | 300 | 457 | 470 | 405 | 773 | 1,151 | 1,529 |
| **Total equity** | **21,783** | **24,430** | **28,081** | **30,409** | **33,230** | **36,463** | **39,906** |
| **Total liabs & equity** | **30,554** | **32,611** | **37,858** | **40,025** | **42,643** | **46,301** | **50,202** |
| Total debt | 0 | 0 | 804 | 1,101 | 477 | 430 | 387 |
| Net debt | (9,373) | (12,820) | (15,053) | (15,771) | (16,502) | (18,568) | (21,032) |
| Adjusted EV | 104,470 | 101,618 | 98,942 | 97,049 | 96,685 | 94,998 | 92,911 |
| BVPS (NT$) | 73.3 | 81.8 | 94.2 | 102.4 | 110.8 | 120.5 | 131.0 |

## Balance sheet ratios

| Year to 31 December | 2022A | 2023A | 2024A | 2025A | 2026SP | 2027SP | 2028SP |
|---|---|---|---|---|---|---|---|
| **Key ratios** | | | | | | | |
| Current ratio (x) | 2.9 | 3.7 | 3.7 | 4.2 | 4.7 | 5.0 | 5.4 |
| Growth in total assets (% YoY) | 3.9 | 6.7 | 16.1 | 5.7 | 6.5 | 8.6 | 8.4 |
| Growth in capital employed (% YoY) | 20.6 | (6.4) | 12.2 | 12.4 | 14.3 | 7.0 | 5.5 |
| Net debt to operating cashflow (x) | - | - | - | - | - | - | - |
| Gross debt to operating cashflow (x) | - | - | 0.1 | 0.2 | 0.1 | 0.0 | 0.0 |
| Gross debt to Ebitda (x) | - | - | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 |
| Net debt/Ebitda (x) | - | - | - | - | - | - | - |
| **Gearing** | | | | | | | |
| Net debt/equity (%) | (43.0) | (52.5) | (53.6) | (51.9) | (49.7) | (50.9) | (52.7) |
| Gross debt/equity (%) | 0.0 | 0.0 | 2.9 | 3.6 | 1.4 | 1.2 | 1.0 |
| Interest cover (x) | 803.5 | 1,451.3 | 706.9 | 433.1 | 289.3 | 327.6 | 352.9 |
| Debt cover (x) | 0.0 | 0.0 | 10.6 | 6.4 | 16.0 | 21.4 | 25.9 |
| Net cash per share (NT$) | 32.0 | 43.8 | 51.4 | 53.8 | 56.3 | 63.4 | 71.8 |
| **Working capital analysis** | | | | | | | |
| Inventory days | 144.6 | 149.6 | 118.1 | 114.5 | 107.3 | 106.6 | 107.2 |
| Debtor days | 34.0 | 34.1 | 33.9 | 36.0 | 39.8 | 43.5 | 43.8 |
| Creditor days | 23.0 | 25.2 | 25.5 | 25.3 | 21.7 | 21.5 | 21.6 |
| Working capital/Sales (%) | 11.4 | 10.0 | 8.2 | 10.2 | 12.7 | 13.1 | 13.4 |
| **Capital employed analysis** | | | | | | | |
| Sales/Capital employed (%) | 233.3 | 231.8 | 226.7 | 204.7 | 191.9 | 192.7 | 193.1 |
| EV/Capital employed (%) | 841.8 | 875.3 | 759.4 | 663.0 | 578.0 | 530.9 | 492.3 |
| Working capital/Capital employed (%) | 26.5 | 23.1 | 18.6 | 20.9 | 24.4 | 25.2 | 25.8 |
| Fixed capital/Capital employed (%) | 69.2 | 77.9 | 81.3 | 78.5 | 75.1 | 74.2 | 73.6 |
| **Other ratios (%)** | | | | | | | |
| PB (x) | 5.3 | 4.8 | 4.1 | 3.8 | 3.5 | 3.2 | 3.0 |
| EV/Ebitda (x) | 12.5 | 12.8 | 10.5 | 9.7 | 9.1 | 7.9 | 7.1 |
| EV/OCF (x) | 15.1 | 14.8 | 11.6 | 13.8 | 12.7 | 10.3 | 9.3 |
| EV/FCF (x) | 19.5 | 16.8 | 14.8 | 17.6 | 17.8 | 13.2 | 11.6 |
| EV/Sales (x) | 3.6 | 3.8 | 3.3 | 3.2 | 3.0 | 2.8 | 2.5 |
| Capex/depreciation (%) | 163.1 | 86.1 | 178.0 | 145.5 | 192.0 | 156.8 | 143.6 |

Source: SinoPac

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## Cashflow (NT$m)

| Year to 31 December | 2022A | 2023A | 2024A | 2025A | 2026SP | 2027SP | 2028SP |
|---|---|---|---|---|---|---|---|
| **Operating profit** | 7,368 | 6,970 | 8,368 | 8,917 | 9,424 | 10,732 | 11,604 |
| Operating adjustments | (1,195) | (1,482) | (1,465) | (2,315) | (2,283) | (2,750) | (2,973) |
| Depreciation/amortisation | 959 | 949 | 1,056 | 1,059 | 1,156 | 1,276 | 1,393 |
| Working capital changes | 299 | 1,325 | 124 | (452) | (1,077) | (494) | (422) |
| Interest paid / other financial expenses | - | - | - | - | - | - | - |
| Tax paid | - | - | - | - | - | - | - |
| Other non-cash operating items | (506) | (879) | 464 | (157) | 419 | 429 | 430 |
| **Net operating cashflow** | 6,924 | 6,882 | 8,547 | 7,052 | 7,640 | 9,194 | 10,032 |
| Capital expenditure | (1,564) | (817) | (1,879) | (1,541) | (2,221) | (2,000) | (2,000) |
| **Free cashflow** | 5,360 | 6,065 | 6,668 | 5,511 | 5,420 | 7,194 | 8,032 |
| Acq/inv/disposals | (214) | 698 | (599) | (72) | 0 | 0 | 0 |
| Int, invt & associate div | - | - | - | - | - | - | - |
| **Net investing cashflow** | (1,778) | (119) | (2,478) | (1,613) | (2,221) | (2,000) | (2,000) |
| Increase in loans | (2,817) | 0 | 834 | 333 | (624) | (48) | (43) |
| Dividends | (3,223) | (3,223) | (3,516) | (4,249) | (4,688) | (5,128) | (5,567) |
| Net equity raised/others | (124) | (123) | (331) | (570) | 0 | - | - |
| **Net financing cashflow** | (6,165) | (3,346) | (3,014) | (4,486) | (5,312) | (5,176) | (5,610) |
| Incr/(decr) in net cash | (1,019) | 3,417 | 3,055 | 953 | 107 | 2,018 | 2,422 |
| Exch rate movements | (32) | 30 | (18) | 62 | 0 | 0 | 0 |
| **Opening cash** | 10,424 | 9,373 | 12,820 | 15,857 | 16,872 | 16,979 | 18,998 |
| **Closing cash** | 9,373 | 12,820 | 15,857 | 16,872 | 16,979 | 18,998 | 21,419 |
| OCF PS (NT$) | 23.6 | 23.5 | 29.2 | 24.1 | 26.1 | 31.4 | 34.2 |
| FCF PS (NT$) | 18.3 | 20.7 | 22.8 | 18.8 | 18.5 | 24.5 | 27.4 |

## Cashflow ratio analysis

| Year to 31 December | 2022A | 2023A | 2024A | 2025A | 2026SP | 2027SP | 2028SP |
|---|---|---|---|---|---|---|---|
| **Growth (%)** | | | | | | | |
| Op cashflow growth (% YoY) | 14.6 | (0.6) | 24.2 | (17.5) | 8.3 | 20.3 | 9.1 |
| FCF growth (% YoY) | 7.4 | 13.1 | 10.0 | (17.4) | (1.7) | 32.7 | 11.7 |
| Capex growth (%) | 48.9 | (47.8) | 130.0 | (18.0) | 44.1 | (9.9) | 0.0 |
| **Other key ratios (%)** | | | | | | | |
| Capex/sales (%) | 5.4 | 3.0 | 6.4 | 5.1 | 6.9 | 5.8 | 5.5 |
| Capex/op cashflow (%) | 22.6 | 11.9 | 22.0 | 21.9 | 29.1 | 21.8 | 19.9 |
| Operating cashflow payout ratio (%) | 46.6 | 51.1 | 49.7 | 66.5 | 67.1 | 60.6 | 59.9 |
| Cashflow payout ratio (%) | 46.6 | 46.8 | 41.1 | 60.2 | 61.4 | 55.8 | 55.5 |
| Free cashflow payout ratio (%) | 60.1 | 53.1 | 52.7 | 77.1 | 86.5 | 71.3 | 69.3 |

## DuPont analysis

| Year to 31 December | 2022A | 2023A | 2024A | 2025A | 2026SP | 2027SP | 2028SP |
|---|---|---|---|---|---|---|---|
| Ebit margin (%) | 25.4 | 25.9 | 28.3 | 29.8 | 29.4 | 31.1 | 31.8 |
| Asset turnover (x) | 1.0 | 0.9 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| Interest burden (x) | 1.1 | 1.2 | 1.1 | 1.0 | 1.1 | 1.0 | 1.0 |
| Tax burden (x) | 0.7 | 0.7 | 0.8 | 0.8 | 0.7 | 0.7 | 0.7 |
| Return on assets (%) | 17.7 | 15.5 | 17.8 | 17.2 | 16.6 | 18.0 | 17.9 |
| Leverage (x) | 1.5 | 1.4 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 |
| ROE (%) | 31.7 | 24.1 | 26.8 | 22.9 | 22.9 | 23.6 | 23.4 |

## EVA® analysis

| Year to 31 December | 2022A | 2023A | 2024A | 2025A | 2026SP | 2027SP | 2028SP |
|---|---|---|---|---|---|---|---|
| Ebit adj for tax | 5,297 | 4,902 | 6,285 | 6,712 | 6,881 | 7,985 | 8,634 |
| Average invested capital | 13,490 | 14,328 | 14,883 | 16,638 | 18,761 | 20,699 | 22,111 |
| ROIC (%) | 39.3 | 34.2 | 42.2 | 40.3 | 36.7 | 38.6 | 39.0 |
| Cost of equity (%) | 8.9 | 8.9 | 8.9 | 8.9 | 8.9 | 8.9 | 8.9 |
| Cost of debt (adj for tax) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Weighted average cost of capital (%) | 8.9 | 8.9 | 8.9 | 8.9 | 8.9 | 8.9 | 8.9 |
| EVA/IC (%) | 30.4 | 25.3 | 33.3 | 31.4 | 27.8 | 29.7 | 30.1 |
| EVA (NT$m) | 4,096 | 3,627 | 4,960 | 5,230 | 5,210 | 6,142 | 6,665 |

Source: SinoPac

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Nien Made (8464 TT - NT$391.00 - OUTPERFORM)

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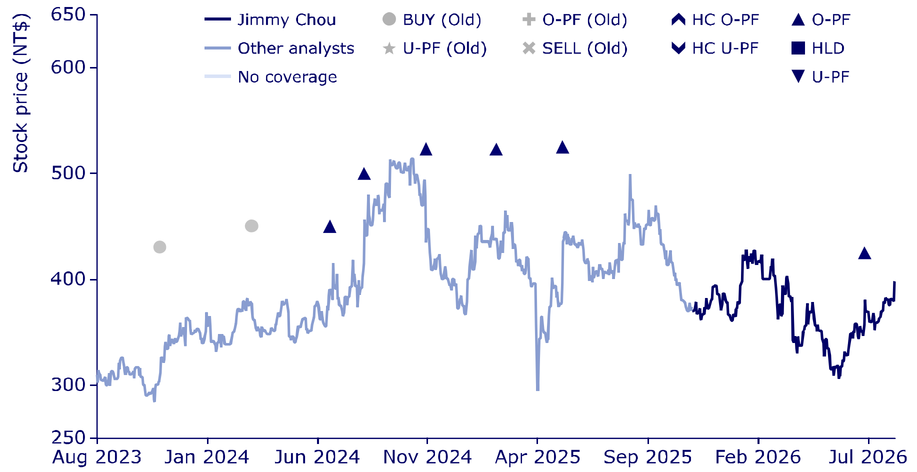


| Date | Rec | Target | Date | Rec | Target |
|---|---|---|---|---|---|
| LATEST | O-PF | 490.00 | 14 Aug 2024 | O-PF | 500.00 |
| 01 Jul 2026 | O-PF | 425.00 | 28 Jun 2024 | O-PF | 450.00 |
| 13 May 2025 | O-PF | 525.00 | 13 Mar 2024 | BUY | 450.00 |
| 11 Feb 2025 | O-PF | 523.00 | 08 Nov 2023 | BUY | 430.00 |
| 07 Nov 2024 | O-PF | 523.22 | | | |

Note: At 6pm (HKT) on 28 June 2024, we changed our ratings to Outperform (O-PF), Hold (HLD) and Underperform (U-PF); and on 16 December 2024, we added the ratings: High-Conviction Outperform (HC O-PF) and High-Conviction Underperform (HC U-PF). Please see Key to CLSA/SinoPac investment rankings below for details. Source: CLSA, SinoPac

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