Kevin SW Chen, SinoPac

King Slide

NT$7,750.00 - OUTPERFORM

Kevin SW Chen, SinoPac. 20-Jul-2026. 13 pages

Article display language English

Original Language

Click here to see all of this analyst's research

SECTOR
Technology

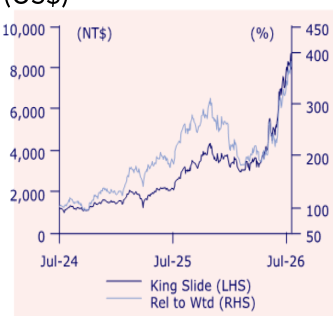
MARKET
Taiwan

KEY COMPANIES
King Slide (2059 TT)

12M px tgt	NT$10,000.00
+/-% potential	+29%

Stock performance (%)

	1M	3M	12M
Absolute	12.9	106.9	220.9
Relative	22.9	78.5	75.9
Abs (US$)	10.4	100.8	191.3



Price chart and Financials table as at publication date.

A step change in growth

Trainium3 ramp and broad-based server demand driving earnings upside

King Slide's preliminary 2Q26 sales significantly exceeded expectations, supported by robust demand across general and AI servers. Growth should remain strong into 2H26 as Trainium3 rack shipments accelerate, SpaceX GPU orders increase, and next-generation CPU platforms drive higher rail-kit penetration and content value. We raise our 2026-28 EPS forecasts by 23-38% and lift our TP from NT$7,480 to NT$10,000, based on an unchanged 30x 2H27-1H28SP PE. Reiterate Outperform.

Revenue almost doubled in a single quarter

King Slide reported 2Q26 sales of NT$10.8bn (+99% QoQ, +156% YoY), exceeding our and consensus forecasts by 26% and 41%, respectively. June sales reached a record high of NT$4.4bn (+17% MoM, +221 % YoY). We attribute the exceptional 2Q26 performance primarily to robust shipments of general-purpose and GPU servers, highlighting stronger-than-expected demand across King Slide's key end markets.

Poised to benefit from the Trainium3 ramp

Our supply-chain checks suggest King Slide remains the dominant rail-kit supplier for both air- and liquid-cooled Trainium3 racks. Based on ODM shipment schedules, Trainium3's contribution should become increasingly meaningful from 3Q26. We expect the ramp to support both revenue growth and margin expansion, given the platform's higher customisation requirements and content value. We forecast OPM of 70.8% in 2026, and expanding to 71.7%/72.0% in both 2027 and 2028.

Broad-based server strength lifting content value

Rising GPU server orders from SpaceX should primarily benefit King Slide given its leading position in the associated rail-kit supply chain. Meanwhile, agentic AI continues to drive strong general-purpose server demand. Increasing adoption of new and upgraded CPU platforms, including Intel Birch Stream and AMD Venice, should further increase rail-kit content and margins into 2H26.

Raise target price to NT$10,000

We lift our 2026-28 EPS forecasts by 23-38% to reflect the strong 2Q26 preliminary sales, increasing demand for Trainium3, general servers, and GPU servers. This sees us raise our target price from NT$7,480 to NT$10,000, still based on 30x 2H27-1H28SP PE, and we reiterate Outperform.

Financials

Year to 31 December	**24A**	**25A**	**26SP**	**27SP**	**28SP**
Revenue (NT$m)	10,129	17,501	38,753	48,325	59,696
Rev forecast change (%)	-	-	*23.4*	*27.9*	*38.0*
Net profit (NT$m)	6,156	9,837	22,615	27,862	34,560
NP forecast change (%)	-	-	*22.9*	*27.7*	*37.8*
EPS (NT$)	64.59	103.23	237.31	292.37	362.65
SP/consensus (13) (EPS%)	-	-	125	127	138
EPS growth (% YoY)	127.6	59.8	129.9	23.2	24.0
PE (x)	120.0	75.1	32.7	26.5	21.4
Dividend yield (%)	0.4	0.7	1.5	1.9	2.3
ROE (%)	32.7	39.9	61.3	51.6	47.6
Net cash per share (NT$)	175.74	226.43	349.22	496.64	677.50

Click to rate this research

For a printable version of the full 13 page note and for important disclosures, click PDF.

For a mobile-friendly version, click HTML. Please note the HTML version may not include all elements of the report.