08 Jul 2026 08:48:54 ET | 12 pages

Yageo (2327.TW)

2Q26 Revenue Exceeded Guidance; Upcycle Intact

CITI'S TAKE

Yageo reported Jun-26 revenue of NT$15.4bn (+2% MoM/+39% YoY), capping a record 2Q26 at NT$44.5bn (+16% QoQ/+36% YoY). 2Q26 revenue beat Citi/cons forecasts by 10%/6%, significantly higher than previous guidance of "moderate growth". The strong result was broad-based across both standard and specialty products, highlighting the broader scope of demand during this upcycle, rather than being concentrated in a single product line. With the BB ratio sustained well above 1.0 and AI-related orders tracking higher, we believe forward visibility remains solid. Yageo's 1H26 revenue of NT$82.6bn already represent 47% of cons 2026 forecasts, implying potential upside to full-year cons estimates as price adjustments accelerate in 2H26 alongside the next-gen AI GPU/ASIC platforms ramp. Maintain Buy.

Buy	
Short-Term View: Upside, expires 15-JUL-26	
Price (08 Jul 26 13:30)	NT$891.00
Target price	NT$1,500.00
Expected share price return	68.4%
Expected dividend yield	0.7%
Expected total return	69.0%
Market Cap	NT$1,845,676M
	US$57,784M

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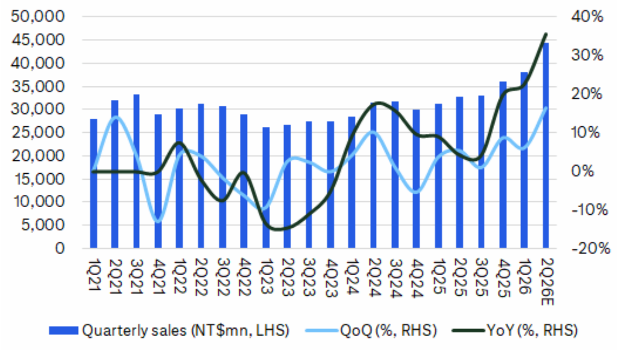
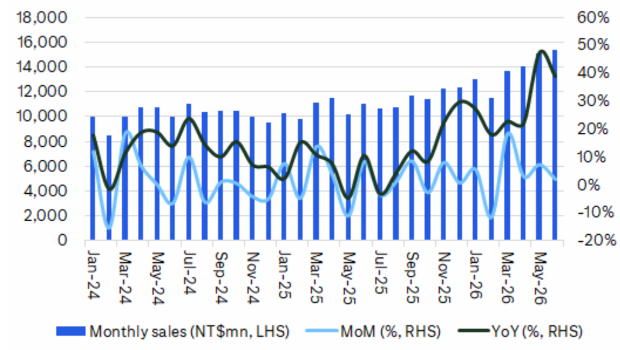
Figure 1. Yageo – Quarterly sales trend



Source: Company Reports, Citi Research

Figure 2. Yageo – Monthly sales trend



Source: Company Reports, Citi Research

Short-Term View on Yageo (2327.TW)

Direction:	**Upside**
Duration:	Within 90 Days (expires 15 Jul 2026)
Date Added:	15 Apr 2026
Category:	Earnings

We expect the shares to react positively to stronger-than-expected 1Q26 results and positive 2Q26E guidance. The improving demand outlook for 2026E and consolidation of Shibaura should enhanced the product portfolio and drive further re-rating of the stock.

Yageo

Valuation

We set our target price at NT$1,500, based on 40x average 2027E-28E earnings. We value Yageo based on PE as we believe the company's earnings performance and industry dynamics would be the key focuses of the market. Our target multiple of 40x is at the higher end of the trading range since 2022. During this period the company has gone through the cycles, successfully integrated the acquired business to enhance its product offerings, and started to deliver stable margins and earnings.

Risks

Key downside risks to our taget price and rating include: 1) slower-than-expected demand recovery; 2) intensified peer and pricing competition; 3) execution risks associated with M&A inetgration and synergies; and 4) FX and interest rate fluctuations.

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Appendix A-1

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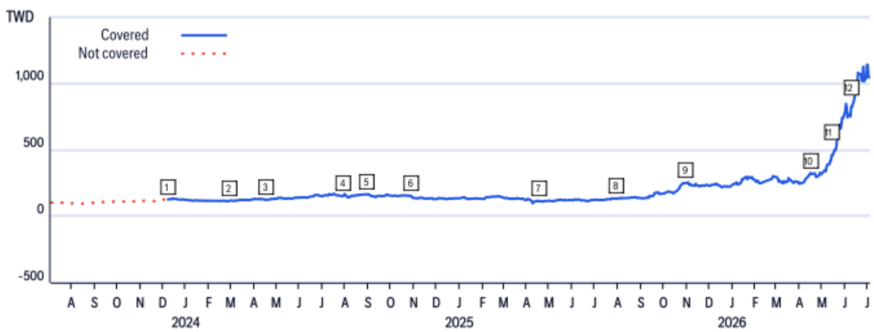
Yageo (2327.TW)
Ratings and Target Price History
Fundamental Research

Analyst: Michael Hung



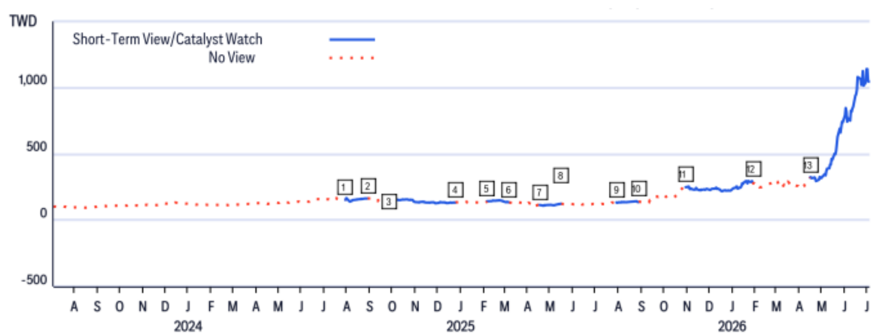
#	Date	Rating	Target Price	Closing Price
1	08-Dec-23 06:05:24	*1	*170.53	125.75
2	29-Feb-24 11:30:38	1	*155.88	116.75
3	18-Apr-24 10:39:34	1	*166.34	124.08
4	30-Jul-24 09:42:26	1	*189.36	152.74
5	29-Aug-24 07:49:40	1	*190.00	164.25
6	29-Oct-24 14:57:08	1	*175.00	147.75
7	17-Apr-25 08:52:57	1	*172.50	114.25
8	29-Jul-25 08:39:27	1	*161.25	133.75
9	30-Oct-25 15:11:47	1	*290.00	249.00
10	15-Apr-26 09:52:44	1	*400.00	322.00
11	13-May-26 07:29:40	1	*495.00	420.00
12	08-Jun-26 11:56:35	1	*1,500.00	751.00

*Indicates Change

Rating/target price changes above reflect Eastern Time

Yageo (2327.TW)
Short-Term View/Catalyst Watch Research

Analyst: Michael Hung



#	Date	Action	Expected Direction	Duration	Closing Price
1	30-Jul-24 05:42:26	Add STV	Upside	30 Days	152.74
2	29-Aug-24 21:41:46	Remove STV	Upside	30 Days	164.25
3	26-Sep-24 07:17:25	Add STV	Upside	90 Days	163.00
4	25-Dec-24 19:58:15	Remove STV	Upside	90 Days	133.25
5	05-Feb-25 03:13:59	Add STV	Upside	30 Days	142.25
6	07-Mar-25 12:14:51	Remove STV	Upside	30 Days	133.75
7	17-Apr-25 04:52:57	Add STV	Upside	30 Days	114.25
8	16-May-25 14:27:03	Remove STV	Upside	30 Days	124.50
9	29-Jul-25 04:39:27	Add STV	Downside	30 Days	133.75
10	28-Aug-25 21:46:17	Remove STV	Downside	30 Days	137.00
11	30-Oct-25 11:11:47	Add STV	Upside	90 Days	249.00
12	28-Jan-26 19:41:59	Remove STV	Upside	90 Days	285.50
13	15-Apr-26 05:52:44	Add STV	Upside	90 Days	322.00

CW - Catalyst Watch , STV - Short-Term View

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