10 Aug 2026 06:52:57 ET | 11 pages

Yageo (2327.TW)

Jul-26 Continues to Trend Up; Capacitor Price Adjustment Pass-Through Begins

CITI'S TAKE

Yageo reported record Jul-26 revenues of NT$16.1bn (+5% MoM/+52% YoY), with 3Q26 QTD tracking at 33% of Citi/cons estimates, potentially ahead of mgmt's "moderate growth" guidance. We believe Jul marks the first month where capacitor price adjustments begin flowing through, with commodity & distributor business to see earlier effect compared to specialty & direct business (more contract base), adding a ASP tailwind that was largely absent from 2Q26's volume-driven beat. This dynamic, combined with both commodity and specialty UTR now exceeding 90% and an elevated BB ratio of 2.2x, points to a volume and price compounding effect through the remainder of 3Q26. Growing customer interest in LTAs at premium pricing provides further structural upside for 2H26 and beyond. Reiterate Buy.

Buy	
Price (10 Aug 26 13:30)	NT$573.00
Target price	NT$1,450.00
Expected share price return	153.1%
Expected dividend yield	1.8%
Expected total return	154.9%
Market Cap	NT$1,179,653M
	US$36,577M

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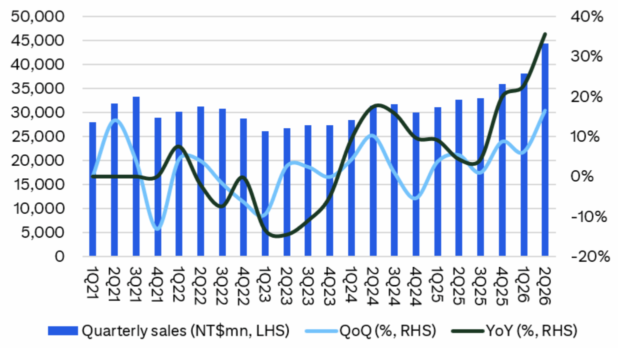
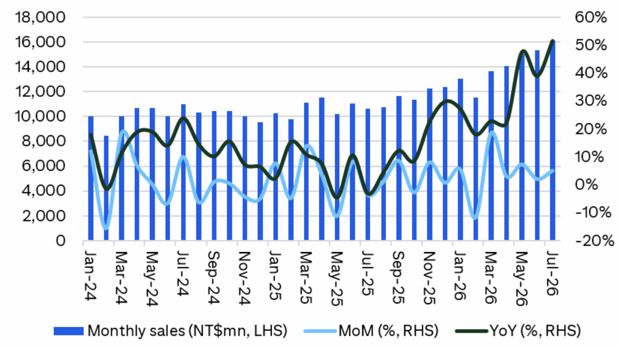
See Appendix A-1 for Analyst Certification, Important Disclosures and Research Analyst Affiliations

Figure 1. Yageo – Quarterly sales trend



Source: Company Reports, Citi Research

Figure 2. Yageo – Monthly sales trend



Source: Company Reports, Citi Research

Yageo

Valuation

We set our target price at NT$1,450, based on 35x 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 35x 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 target price and rating include: 1) slower-than-expected demand recovery; 2) intensified peer and pricing competition; 3) execution risks associated with M&A integration and synergies; and 4) FX and interest rate fluctuations.

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Appendix A-1

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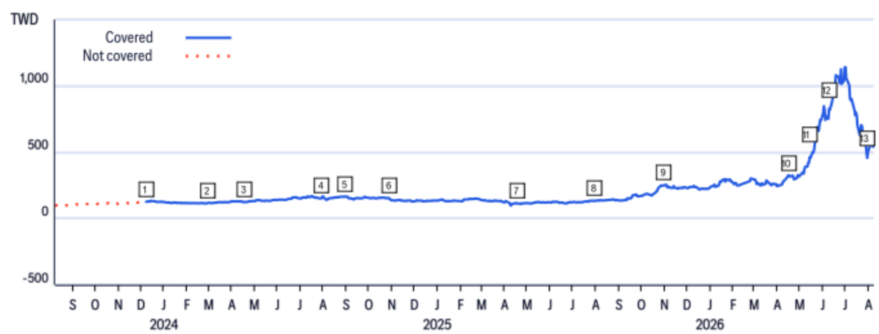
Yageo (2327.TW)

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
13	29-Jul-26 12:38:28	1	*1,450.00	507.00

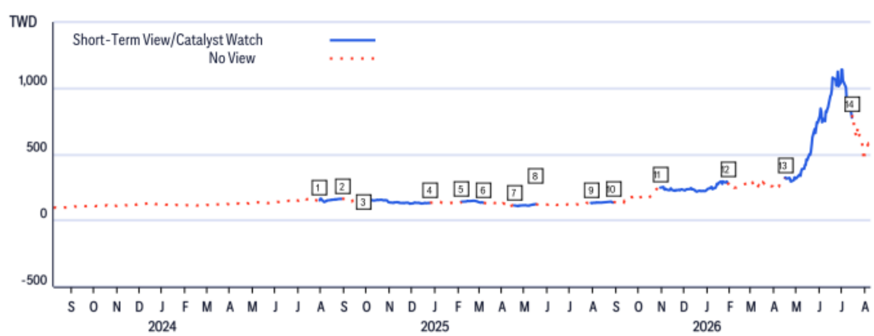
*Indicates Change

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
14	14-Jul-26 21:42:32	Remove STV	Upside	90 Days	778.00

CW - Catalyst Watch , STV - Short-Term View

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