Flash | Citi Research

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Chroma ATE (2360.TW)

July Revenue Exceeded NT$5.4bn, Bright Outlook Remains Intact

CITI'S TAKE

Chroma ATE began 3Q26 with another record-breaking monthly revenue of NT$5,434mn (+175% YoY /+32% MoM) for July, already reaching 39% BBG consensus/Citi est. for 3Q26 revenue. The ParentCo revenue also came in at record-high of NT$4,180mn (+145% YoY /+22% MoM) indicating strong tester demand and battery revenue. While 2Q26 margin miss and market share debate weighed on the share price lately, we believe Chroma's AI testing growth thesis and robust 2027-28 growth outlook remain intact. CPO revenue began in July and could expand several times next year. New products in metrology, FT handler, burn-in system could see more meaningful contribution starting 2027. The expanded revenue scale should lead to better operating leverage going forward. We maintain our positive view and Buy rating for Chroma. Progress in CPO tester and new metrology tools are likely positive share catalysts.

Buy	
Price (06 Aug 26 13:30)	NT$1,975.00
Target price	NT$2,500.00
Expected share price return	26.6%
Expected dividend yield	1.0%
Expected total return	27.6%
Market Cap	NT$839,860M
	US$26,020M

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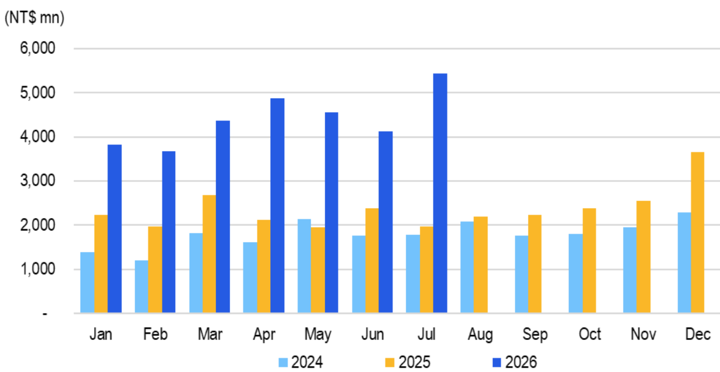
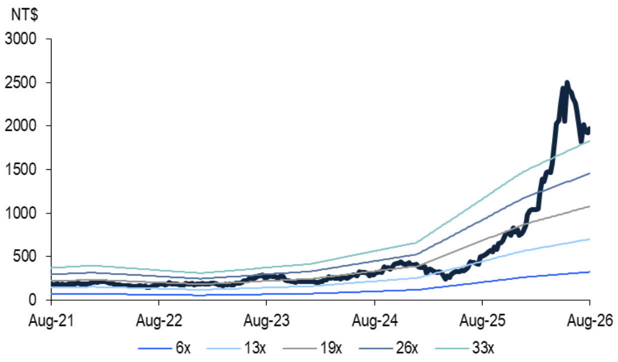
Figure 1. Chroma ATE – Monthly Revenue Trend



Source: Company Reports, Citi Research

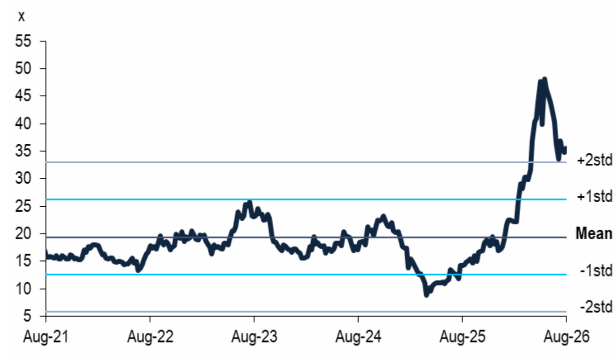
See Appendix A-1 for Analyst Certification, Important Disclosures and Research Analyst Affiliations

Figure 2. Chroma ATE – 12M Fwd. P/E Band



Source: dataCentral, Citi Research

Figure 3. Chroma ATE – 12M Fwd. P/E Chart



Source: dataCentral, Citi Research

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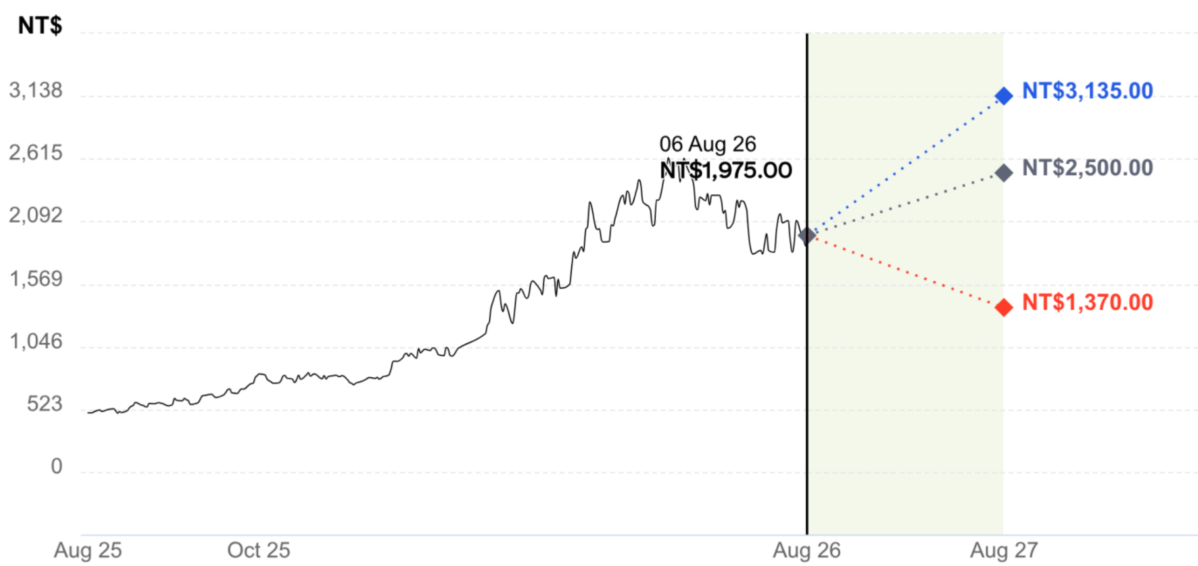
Bull/Bear: Chroma ATE

NT$ 3,135.00 ▲59% Upside	NT$ 2,500.00 ▲27% Upside	NT$ 1,370.00 ▼31% Downside



Spread 89pp
Current Price and expected returns (upside/downside) as of 06 Aug 2026

BULL Assumptions

- Revenue growth to NT$57bn/75bn in 2026E/27E
- Net profit growth to NT$21.1bn/29.5bn in 2026E/27E
- Valuation re-rating to 45x 2027E P/E

BASE Assumptions

- Revenue growth to NT$52bn/69bn in 2026E/27E
- Net profit growth to NT$18.8bn/26.5bn in 2026E/27E
- Valuation re-rating to 40x 2027E P/E

BEAR Assumptions

- Revenue growth to NT$50bn/65bn in 2026E/27E
- Net profit growth to NT$17.5bn/24.3bn in 2026E/27E
- Valuation re-rating to 25x 2027E P/E

Chroma ATE

Valuation

Our target price of NT$2,500 is based on 40x 2027E P/E, at close to 1x PEG. Chroma shares have re-rated above its historical range as its growth outlook is now strongly tied to AI infrastructure build out. We estimate 60%+ of its revenue are now AI-related, with strong growth across product segments including power testers, SLT, metrology, and photonics. Chroma has a commanding market share in most of these segments and well positioned to capitalized on the global AI expansion.

Risks

Downside risks to our target price include: 1) softer AI/CPO growth expectation due to changes in capex outlook or production bottleneck; 2) fewer SLT needed as a result of shortened cycle time as GPU yield rate improves; 3) disappointing metrology shipment due to changes at ramp-up schedule; 4) testing process change leading to loss in market share; 5) FX risks (50-60% of Chroma's sales are in US$, 10-20% in Rmb).

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Appendix A-1

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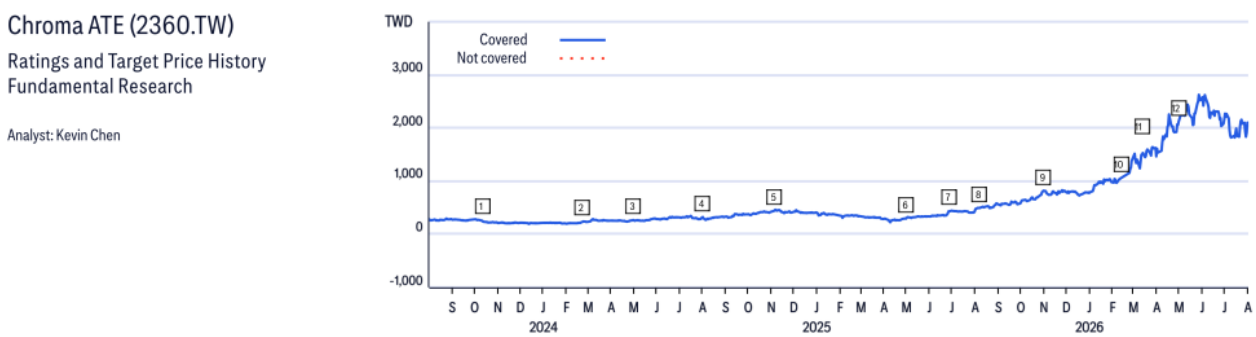
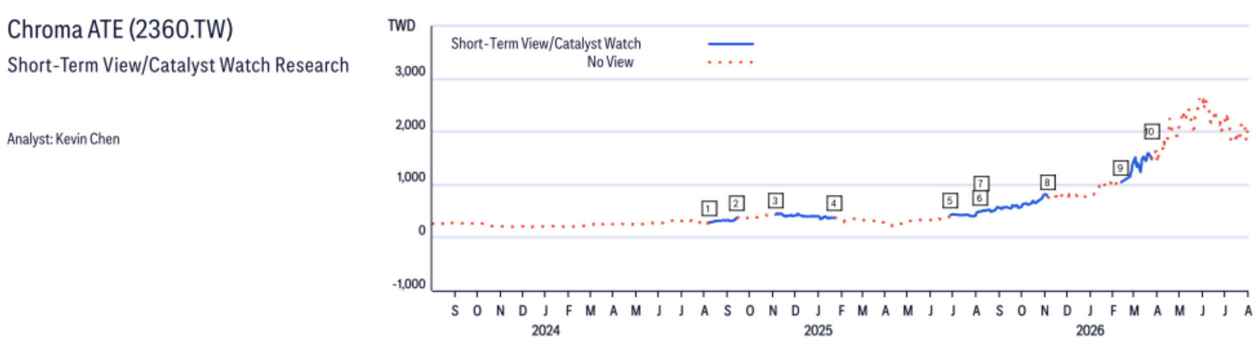


#	Date	Rating	Target Price	Closing Price
1	11-Oct-23 14:29:57	1	*330.00	253.00
2	21-Feb-24 11:50:58	1	*280.00	227.50
3	30-Apr-24 13:48:08	1	*320.00	266.50
4	31-Jul-24 15:19:03	1	*360.00	301.00
5	04-Nov-24 17:53:01	1	*500.00	437.00
6	30-Apr-25 14:29:54	1	*425.00	292.50
7	29-Jun-25 19:17:54	1	*500.00	429.50
8	06-Aug-25 09:55:28	1	*550.00	494.50
9	30-Oct-25 18:40:38	1	*900.00	804.00
10	22-Feb-26 19:26:56	1	*1,200.00	1,050.00
11	11-Mar-26 02:42:34	1	*1,650.00	1,495.00
12	03-May-26 18:43:42	1	*2,500.00	2,120.00

*Indicates Change

Rating/target price changes above reflect Eastern Time



#	Date	Action	Expected Direction	Duration	Closing Price
1	07-Aug-24 18:28:11	Add CW	Upside	90 Days	292.00
2	13-Sep-24 00:34:47	Remove CW	Upside	90 Days	380.00
3	04-Nov-24 12:53:01	Add STV	Upside	90 Days	437.00
4	02-Feb-25 19:44:53	Remove STV	Upside	90 Days	379.50
5	29-Jun-25 15:17:54	Add STV	Upside	90 Days	429.50
6	06-Aug-25 05:55:28	Remove STV	Upside	90 Days	494.50
7	06-Aug-25 05:55:28	Add CW	Upside	90 Days	494.50
8	04-Nov-25 19:35:17	Remove CW	Upside	90 Days	776.00
9	22-Feb-26 14:26:56	Add CW	Upside	30 Days	1,050.00
10	24-Mar-26 21:33:21	Remove CW	Upside	30 Days	1,480.00

CW - Catalyst Watch , STV - Short-Term View

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	12 Month Rating			Catalyst Watch		
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% of companies in each rating category that are investment banking clients	38%	42%	27%	42%	37%	36%

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