Daiwa Capital Markets Hong Kong Limited

news

7 October 2026

MEMO

Jentech Precision Industrial (3653 TT)

Share price (7 Oct): **TWD6,805.00** 12-mth rating: **Buy (1)** **Information Technology: Taiwan**

3Q26 revenue: roughly in line

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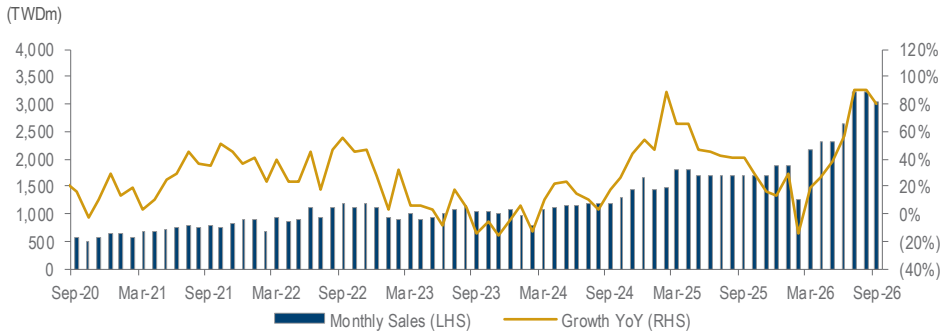
Summary: Jentech reported September 2026 revenue of TWD3,054m (-5.3% MoM and +80.0% YoY; +47.1% YoY for 9M26), after market hours on 7 October 2026. Its 3Q26 revenue of TWD9,493m (+30.5% QoQ and +87.3% YoY) accounted for a respective 98.4% and 97.4% of our and Bloomberg consensus estimates for 3Q26 revenue, respectively.

We have a Buy (1) call, with a 12-month TP of TWD10,000, based on a target PER of 73x applied to our 1-year-forward EPS. For more information on the company, please refer to our latest flash note, *3Q26 preview: impressive rising ASP trend*, on 29 September 2026.

What's the impact

- **3Q26 revenue: roughly in line.** Jentech reported September 2026 revenue of TWD3,054m (-5.3% MoM and +80.0% YoY; +47.1% YoY for 9M26). Its 3Q26 revenue of TWD9,493m (+30.5% QoQ and +87.3% YoY) accounted for a respective 98.4% and 97.4% of our (TWD9,650m, +32.7% QoQ and +90.4% YoY) and Bloomberg consensus estimates for 3Q26 revenue, respectively. Revenue mix in September 2026 is: heat spreader (79.7%; +94.2% YoY), lead frame (7.8%; +47.9% YoY), electronic components (4.0%; -12.4% YoY), communications (0.7%; +53.8% YoY) and others (7.7%; +70.8% YoY); revenue mix in 3Q26 is: heat spreader (79.3%; +107.1% YoY), lead frame (7.2%; +43.0% YoY), electronic components (3.8%; -4.5% YoY), communication (0.7%; -13.5% YoY) and others (8.9%; +64.1% YoY).

Jentech: consolidated monthly sales



Source: Company

- **Promising rising ASP trend given higher TDP and warpage concerns.** Due to rising thermal design power (TDP) and warpage risk, we expect rising revenue contribution from removable lids in 2027, with these being implemented in Vera Rubin and Rubin Ultra from 1Q27E to prevent warpage and increase thermal efficiency. We expect removable lids to be adopted largely in the next 2-3 years by both GPU and ASIC clients.

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What we recommend

We have a Buy (1) call, with a 12-month TP of TWD10,000, based on a target PER of 73x applied to our 1-year-forward EPS. Based on our 2026/27E EPS, the stock is currently trading at PERs of 98.5x/38.7x, vs. its past-3-year trading range of 16-53x. Key downside risks: weaker-than-expected global AI server demand; slower-than-expected thermal spec upgrades.

In the interests of timeliness, this document has not been edited.

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Rating	Percentage of total
Buy*	73.96%
Hold**	19.58%
Sell***	6.46%

Source: Daiwa

Notes: data is for single-branded Daiwa research in Asia (ex Japan) and correct as of 30 September 2026.
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