# Nien Made Enterprise (8464 TT)

Target price: **TWD520.00** (from TWD515.00)

Share price (4 Nov): **TWD361.00** | Up/downside: **+44.0%**

5 4 3 2 **1**

**Buy** (unchanged)

## 3Q26 results: record-high gross margin

- Despite record-high gross margin, 3Q26 net profit missed on opex
- 2027: ongoing product mix optimisation trend
- Reaffirming our Buy (1) rating; raising 12M TP to TWD520

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**What's new:** Nien Made reported its 3Q26 results on 4 November 2026 after market hours. We reaffirm our Buy (1) call (see our previous flash, *2Q26 results: record-high gross margin*, 12 August 2026, for more information).

**What's the impact:** **3Q26 results review: slight miss on higher opex.** Nien Made's 3Q26 revenue was TWD8,482m (+7.0% QoQ, +15.9% YoY), roughly in line with our estimate and the consensus. Its gross margin was 60.8%, a record-high level, up from 60.0% in 2Q26 and 58.7% in 3Q25, beating our estimate (59.6%) and the consensus (59.8%). This was driven by price hikes in its custom-made segment and a lower tariff effect, despite being partially offset by restocking demand from ready-made products. However, its operating margin came in at 29.2%, up from 27.2% in 2Q26 and the same as in 3Q25, lower than our estimate (30.3%) and the consensus (30.1%), due to surging fuel surcharges following oil price hikes in 3Q26. As such, operating profit was TWD2,473m (+14.5% QoQ, +15.9% YoY), missing our estimate and the consensus by 6.3% and 2.5%, respectively. Nien Made's 3Q26 net profit stood at TWD1,870m (+34.5% QoQ, +9.6% YoY), missing our estimate and the Bloomberg consensus by 8.9% and 4.2%, respectively. Its 3Q26 EPS came in at TWD6.38.

**2027: several new initiatives in products and markets.** Nien Made is on track to meet its 2026 target of growing its custom-made revenue in the US by mid-single-digit % YoY, custom-made revenue in non-US markets by high-single-digit % YoY and ready-made revenue by low-single-digit % YoY. Besides, Nien Made will continue to launch new products such as "tool-free, drill-free" easy-install products and new blind programmes, and upgrade its motorised window coverings. Nien Made will continue to invest in its window covering brands, channels and service network (ie, European markets) as well as manufacturing, which should be the key factor to drive more order wins in the long run, in our view. We cut our 2026E EPS by 3%, after factoring in the 3Q26 results and keep our 2027-28E EPS almost unchanged.

**What we recommend:** We reaffirm our Buy (1) call on Nien Made and raise our 12M TP to TWD520 (from TWD515), still based on a target PER of 20x on our 1-year forward EPS vs. its past 3-year PER trading range of 11-21x. Key downside risks: lower-than-expected revenue from custom-made products and macro/tariff uncertainties.

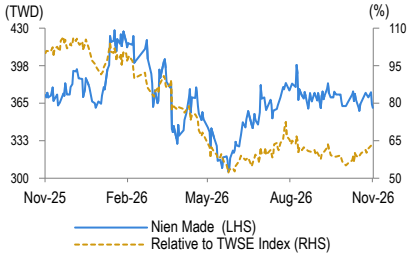
**How we differ:** We are more positive on the company's leading position with share-gain potential. Nien Made is one of our preferred stocks in Taiwan's non-tech sector.

### Forecast revisions (%)

| Year to 31 Dec | 26E | 27E | 28E |
|---|---|---|---|
| Revenue change | (1.1) | (0.7) | (0.4) |
| Net profit change | (3.0) | 0.3 | 0.6 |
| Core EPS (FD) change | (2.9) | 0.4 | 0.7 |

*Source: Daiwa forecasts*

### Share price performance




| | |
|---|---|
| 12-month range | 306.00-428.00 |
| Market cap (USDbn) | 3.22 |
| 3m avg daily turnover (USDm) | 4.86 |
| Shares outstanding (m) | 293 |
| Major shareholder | Nien family (44.0%) |

### Financial summary (TWD)

| Year to 31 Dec | 26E | 27E | 28E |
|---|---|---|---|
| Revenue (m) | 31,791 | 33,827 | 36,016 |
| Operating profit (m) | 9,188 | 10,317 | 11,381 |
| Net profit (m) | 6,849 | 7,600 | 8,482 |
| Core EPS (fully-diluted) | 23.357 | 25.932 | 28.938 |
| EPS change (%) | 3.9 | 11.0 | 11.6 |
| Daiwa vs Cons. EPS (%) | (2.3) | (0.9) | 0.8 |
| PER (x) | 15.5 | 13.9 | 12.5 |
| Dividend yield (%) | 4.5 | 5.0 | 5.6 |
| DPS | 16.4 | 18.2 | 20.3 |
| PBR (x) | 3.3 | 3.0 | 2.7 |
| EV/EBITDA (x) | 8.6 | 7.6 | 6.7 |
| ROE (%) | 22.0 | 22.5 | 22.9 |

*Source: FactSet, Daiwa forecasts*

## Nien Made: revisions to Daiwa's revenue and earnings forecasts

| | 2026E | | | 2027E | | | 2028E | | |
|---|---|---|---|---|---|---|---|---|---|
| (TWDm) | New | Previous | Change | New | Previous | Change | New | Previous | Change |
| **Sales** | **31,791** | **32,157** | -1.1% | **33,827** | **34,082** | -0.7% | **36,016** | **36,161** | -0.4% |
| **Gross profit** | **19,075** | **19,181** | -0.6% | **20,330** | **20,381** | -0.3% | **21,754** | **21,661** | 0.4% |
| *Gross profit margin* | *60.0%* | *59.7%* | *0.4pp* | *60.1%* | *59.8%* | *0.3pp* | *60.4%* | *59.9%* | *0.5pp* |
| **Operating profit** | **9,188** | **9,309** | -1.3% | **10,317** | **10,293** | 0.2% | **11,381** | **11,318** | 0.6% |
| *Operating profit margin* | *28.9%* | *29.0%* | *-0.1pp* | *30.5%* | *30.2%* | *0.3pp* | *31.6%* | *31.3%* | *0.3pp* |
| **Net profit** | **6,849** | **7,062** | -3.0% | **7,600** | **7,581** | 0.3% | **8,482** | **8,434** | 0.6% |
| *Net profit margin* | *21.5%* | *22.0%* | *-0.4pp* | *22.5%* | *22.2%* | *0.2pp* | *23.5%* | *23.3%* | *0.2pp* |
| **EPS (TWD)** | **23.36** | **24.05** | -2.9% | **25.93** | **25.82** | 0.4% | **28.94** | **28.73** | 0.7% |

*Source: Company, Daiwa forecasts*

## Nien Made: 3Q26 results review

| (TWDm) | 3Q26 results | Daiwa forecast | Difference | Consensus | Difference |
|---|---|---|---|---|---|
| Revenue | 8,482 | 8,704 | -2.6% | 8,413 | 0.8% |
| Gross profit | 5,159 | 5,188 | -0.5% | 5,034 | 2.5% |
| Operating profit | 2,473 | 2,638 | -6.3% | 2,536 | -2.5% |
| Pre-tax profit | 2,505 | 2,865 | -12.6% | 2,688 | -6.8% |
| Net profit | 1,870 | 2,054 | -8.9% | 1,953 | -4.2% |
| Basic EPS (TWD) | 6.38 | 7.01 | -8.9% | 6.69 | -4.6% |
| **Margin** | | | | | |
| Gross margin | 60.8% | 59.6% | 1.2pp | 59.8% | 1pp |
| Operating margin | 29.2% | 30.3% | -1.1pp | 30.1% | -1pp |
| Pre-tax margin | 29.5% | 32.9% | -3.4pp | 32.0% | -2.4pp |
| Net margin | 22.0% | 23.6% | -1.5pp | 23.2% | -1.2pp |

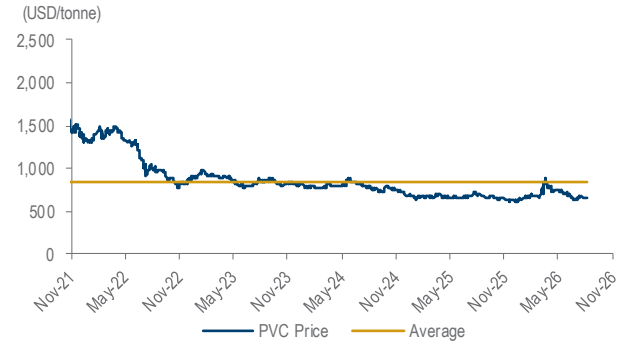
*Source: Company, Daiwa forecasts, Bloomberg*

## Nien Made: quarterly P&L

| | 2026E | | | | 2027E | | | | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|---|---|---|---|---|
| (TWDm) | 1Q26 | 2Q26 | 3Q26 | 4Q26E | 1Q27E | 2Q27E | 3Q27E | 4Q27E | | | |
| Revenue | 7,305 | 7,928 | 8,482 | 8,077 | 7,600 | 8,300 | 9,200 | 8,727 | 31,791 | 33,827 | 36,016 |
| Gross profit | 4,317 | 4,753 | 5,159 | 4,846 | 4,507 | 4,980 | 5,566 | 5,277 | 19,075 | 20,330 | 21,754 |
| Operating profit | 2,053 | 2,160 | 2,473 | 2,501 | 2,057 | 2,475 | 3,061 | 2,724 | 9,188 | 10,317 | 11,381 |
| Pre-tax profit | 2,326 | 2,190 | 2,505 | 2,779 | 2,182 | 2,600 | 3,186 | 2,850 | 9,800 | 10,818 | 11,882 |
| Net profit | 1,647 | 1,391 | 1,870 | 1,940 | 1,525 | 1,829 | 2,258 | 1,989 | 6,849 | 7,600 | 8,482 |
| Basic EPS (TWD) | 5.62 | 4.75 | 6.38 | 6.62 | 5.20 | 6.24 | 7.71 | 6.79 | 23.37 | 25.94 | 28.95 |
| **Margin** | | | | | | | | | | | |
| Gross margin | 59.1% | 60.0% | 60.8% | 60.0% | 59.3% | 60.0% | 60.5% | 60.5% | 60.0% | 60.1% | 60.4% |
| Operating margin | 28.1% | 27.2% | 29.2% | 31.0% | 27.1% | 29.8% | 33.3% | 31.2% | 28.9% | 30.5% | 31.6% |
| Pre-tax margin | 31.8% | 27.6% | 29.5% | 34.4% | 28.7% | 31.3% | 34.6% | 32.7% | 30.8% | 32.0% | 33.0% |
| Net margin | 22.5% | 17.5% | 22.0% | 24.0% | 20.1% | 22.0% | 24.5% | 22.8% | 21.5% | 22.5% | 23.5% |
| **YoY** | | | | | | | | | | | |
| Revenue | 0.4% | 2.9% | 15.9% | 5.3% | 4.0% | 4.7% | 8.5% | 8.0% | 6.1% | 6.4% | 6.5% |
| Gross profit | 2.0% | 4.1% | 20.1% | 7.0% | 4.4% | 4.8% | 7.9% | 8.9% | 8.2% | 6.6% | 7.0% |
| Operating profit | -1.3% | -9.8% | 15.9% | 8.4% | 0.2% | 14.6% | 23.8% | 8.9% | 3.0% | 12.3% | 10.3% |
| Pre-tax profit | -1.3% | 30.6% | 5.4% | -0.9% | -6.2% | 18.7% | 27.2% | 2.5% | 6.4% | 10.4% | 9.8% |
| Net profit | -7.4% | 20.7% | 9.6% | -1.2% | -7.4% | 31.5% | 20.7% | 2.5% | 3.7% | 11.0% | 11.6% |
| **QoQ** | | | | | | | | | | | |
| Revenue | -4.8% | 8.5% | 7.0% | -4.8% | -5.9% | 9.2% | 10.8% | -5.1% | | | |
| Gross profit | -4.7% | 10.1% | 8.6% | -6.1% | -7.0% | 10.5% | 11.8% | -5.2% | | | |
| Operating profit | -11.0% | 5.2% | 14.5% | 1.2% | -17.8% | 20.3% | 23.7% | -11.0% | | | |
| Pre-tax profit | -17.1% | -5.8% | 14.4% | 11.0% | -21.5% | 19.2% | 22.5% | -10.6% | | | |
| Net profit | -16.1% | -15.6% | 34.5% | 3.8% | -21.4% | 20.0% | 23.4% | -11.9% | | | |

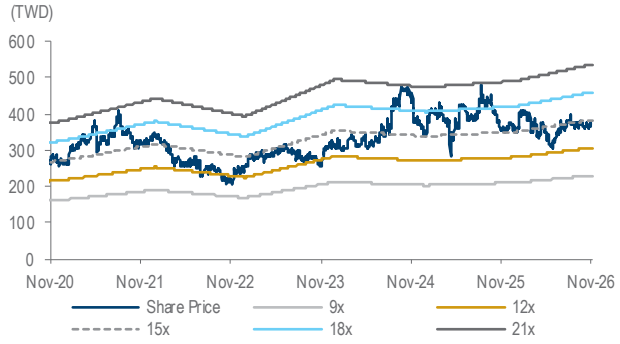
*Source: Company, Daiwa forecasts*

## Global PVC price




*Source: Bloomberg*

## Nien Made: 1-year forward PER




*Source: Bloomberg, Daiwa forecasts*

## Financial summary

### Key assumptions

| Year to 31 Dec | 2021 | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|---|---|
| Ready-Made (TWDm) | 9,438.1 | 8,974.9 | 6,728.3 | 7,383.8 | 7,192.6 | 7,264.5 | 7,409.8 | 7,558.0 |
| Custom-Made (TWDm) | 18,618.3 | 18,818.4 | 19,108.5 | 20,970.0 | 21,877.4 | 23,627.6 | 25,517.8 | 27,559.2 |
| Others (TWDm) | 976.6 | 1,158.1 | 1,076.5 | 1,181.4 | 899.1 | 899.1 | 899.1 | 899.1 |

### Profit and loss (TWDm)

| Year to 31 Dec | 2021 | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|---|---|
| America | 21,190 | 22,042 | 19,049 | 20,897 | 20,639 | 21,671 | 22,754 | 23,892 |
| Europe | 6,456 | 5,358 | 5,945 | 6,653 | 7,454 | 8,572 | 9,430 | 10,373 |
| Other Revenue | 1,379 | 1,552 | 1,919 | 1,985 | 1,876 | 1,548 | 1,643 | 1,752 |
| **Total Revenue** | **29,024** | **28,951** | **26,913** | **29,535** | **29,969** | **31,791** | **33,827** | **36,016** |
| Other income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| COGS | (13,224) | (13,055) | (11,981) | (12,630) | (12,346) | (12,716) | (13,497) | (14,262) |
| SG&A | (7,869) | (8,324) | (7,780) | (8,366) | (8,551) | (9,696) | (9,810) | (10,157) |
| Other op.expenses | (178) | (205) | (182) | (172) | (155) | (191) | (203) | (216) |
| **Operating profit** | **7,754** | **7,368** | **6,970** | **8,368** | **8,917** | **9,188** | **10,317** | **11,381** |
| Net-interest inc./(exp.) | (7) | 61 | 443 | 619 | 555 | 501 | 501 | 501 |
| Assoc/forex/extraord./others | (288) | 1,021 | 620 | 491 | (256) | 112 | 0 | 0 |
| **Pre-tax profit** | **7,459** | **8,450** | **8,033** | **9,477** | **9,215** | **9,800** | **10,818** | **11,882** |
| Tax | (1,896) | (2,375) | (2,383) | (2,359) | (2,279) | (2,597) | (2,813) | (2,971) |
| Min. int./pref. div./others | (243) | 99 | (162) | (215) | (335) | (355) | (405) | (430) |
| **Net profit (reported)** | **5,320** | **6,173** | **5,488** | **6,903** | **6,601** | **6,849** | **7,600** | **8,482** |
| **Net profit (adjusted)** | **5,320** | **6,173** | **5,488** | **6,903** | **6,601** | **6,849** | **7,600** | **8,482** |
| **EPS (reported)(TWD)** | **18.155** | **21.067** | **18.728** | **23.558** | **22.528** | **23.372** | **25.938** | **28.945** |
| **EPS (adjusted)(TWD)** | **18.155** | **21.067** | **18.728** | **23.558** | **22.528** | **23.372** | **25.938** | **28.945** |
| **EPS (adjusted fully-diluted)(TWD)** | **18.155** | **21.020** | **18.682** | **23.493** | **22.477** | **23.357** | **25.932** | **28.938** |
| **DPS (TWD)** | **11.000** | **11.000** | **12.000** | **14.500** | **16.000** | **16.361** | **18.157** | **20.262** |
| **EBIT** | **7,754** | **7,368** | **6,970** | **8,368** | **8,917** | **9,188** | **10,317** | **11,381** |
| **EBITDA** | **8,624** | **8,327** | **7,919** | **9,423** | **9,976** | **10,356** | **11,607** | **12,794** |

### Cash flow (TWDm)

| Year to 31 Dec | 2021 | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|---|---|
| Profit before tax | 7,459 | 8,450 | 8,033 | 9,477 | 9,215 | 9,800 | 10,818 | 11,882 |
| Depreciation and amortisation | 870 | 959 | 949 | 1,056 | 1,059 | 1,168 | 1,289 | 1,413 |
| Tax paid | (1,896) | (2,375) | (2,383) | (2,359) | (2,279) | (2,597) | (2,813) | (2,971) |
| Change in working capital | (1,332) | 299 | 1,325 | 130 | (447) | (253) | (401) | (398) |
| Other operational CF items | 942 | (408) | (1,041) | 243 | (496) | (501) | (501) | (501) |
| **Cash flow from operations** | **6,043** | **6,924** | **6,882** | **8,547** | **7,052** | **7,617** | **8,393** | **9,426** |
| Capex | (1,050) | (1,564) | (817) | (1,879) | (1,541) | (2,000) | (2,000) | (2,000) |
| Net (acquisitions)/disposals | 4 | 90 | 11 | 11 | 142 | 0 | 0 | 0 |
| Other investing CF items | (82) | (305) | 687 | (611) | (214) | 0 | 0 | 0 |
| **Cash flow from investing** | **(1,129)** | **(1,778)** | **(119)** | **(2,478)** | **(1,613)** | **(2,000)** | **(2,000)** | **(2,000)** |
| Change in debt | (2,100) | (2,817) | 0 | 417 | 188 | 0 | 0 | 0 |
| Net share issues/(repurchases) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividends paid | (2,930) | (3,223) | (3,223) | (3,516) | (4,249) | (4,688) | (4,794) | (5,320) |
| Other financing CF items | (249) | (124) | (123) | 86 | (425) | 0 | 0 | 0 |
| **Cash flow from financing** | **(5,279)** | **(6,165)** | **(3,346)** | **(3,014)** | **(4,486)** | **(4,688)** | **(4,794)** | **(5,320)** |
| Forex effect/others | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Change in cash** | **(365)** | **(1,019)** | **3,417** | **3,055** | **953** | **929** | **1,599** | **2,106** |
| Free cash flow | 4,993 | 5,360 | 6,065 | 6,668 | 5,511 | 5,617 | 6,393 | 7,426 |

*Source: FactSet, Daiwa forecasts*

## Financial summary continued …

### Balance sheet (TWDm)

| Year to 31 Dec | 2021 | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|---|---|
| Cash & short-term investment | 10,424 | 9,373 | 12,820 | 15,857 | 16,872 | 17,801 | 19,400 | 21,506 |
| Inventory | 4,625 | 5,718 | 4,104 | 4,066 | 3,678 | 3,941 | 4,102 | 4,377 |
| Accounts receivable | 2,993 | 2,402 | 2,624 | 2,865 | 3,045 | 3,157 | 3,398 | 3,597 |
| Other current assets | 1,320 | 1,742 | 1,671 | 1,773 | 1,909 | 1,909 | 1,909 | 1,909 |
| **Total current assets** | **19,363** | **19,236** | **21,219** | **24,560** | **25,504** | **26,807** | **28,808** | **31,389** |
| Fixed assets | 7,447 | 8,588 | 9,046 | 10,588 | 11,494 | 12,581 | 13,573 | 14,470 |
| Goodwill & intangibles | 105 | 326 | 171 | 78 | 250 | 250 | 250 | 250 |
| Other non-current assets | 2,479 | 2,403 | 2,175 | 2,632 | 2,778 | 2,778 | 2,778 | 2,778 |
| **Total assets** | **29,394** | **30,554** | **32,611** | **37,858** | **40,025** | **42,416** | **45,409** | **48,886** |
| Short-term debt | 2,817 | 0 | 0 | 402 | 571 | 571 | 571 | 571 |
| Accounts payable | 794 | 848 | 804 | 963 | 749 | 871 | 872 | 949 |
| Other current liabilities | 5,781 | 5,727 | 4,917 | 5,322 | 4,824 | 4,824 | 4,824 | 4,824 |
| **Total current liabilities** | **9,393** | **6,575** | **5,721** | **6,687** | **6,144** | **6,266** | **6,267** | **6,344** |
| Long-term debt | 0 | 0 | 0 | 402 | 530 | 530 | 530 | 530 |
| Other non-current liabilities | 2,102 | 2,196 | 2,460 | 2,689 | 2,941 | 2,941 | 2,941 | 2,941 |
| **Total liabilities** | **11,495** | **8,771** | **8,181** | **9,777** | **9,616** | **9,738** | **9,739** | **9,816** |
| Share capital | 2,930 | 2,930 | 2,930 | 2,930 | 2,930 | 2,930 | 2,930 | 2,930 |
| Reserves/R.E./others | 14,570 | 18,553 | 21,043 | 24,681 | 27,074 | 29,344 | 32,335 | 35,735 |
| **Shareholders' equity** | **17,500** | **21,483** | **23,973** | **27,611** | **30,004** | **32,274** | **35,266** | **38,666** |
| Minority interests | 399 | 300 | 457 | 470 | 405 | 405 | 405 | 405 |
| **Total equity & liabilities** | **29,394** | **30,554** | **32,611** | **37,858** | **40,025** | **42,416** | **45,409** | **48,886** |
| EV | 98,572 | 96,707 | 93,417 | 91,197 | 90,414 | 89,485 | 87,886 | 85,780 |
| **Net debt/(cash)** | **(7,607)** | **(9,373)** | **(12,820)** | **(15,053)** | **(15,771)** | **(16,700)** | **(18,299)** | **(20,405)** |
| **BVPS (TWD)** | **59.723** | **73.316** | **81.815** | **94.229** | **102.395** | **110.142** | **120.352** | **131.956** |

### Key ratios (%)

| Year to 31 Dec | 2021 | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|---|---|
| Sales (YoY) | 18.9 | (0.3) | (7.0) | 9.7 | 1.5 | 6.1 | 6.4 | 6.5 |
| EBITDA (YoY) | 11.5 | (3.4) | (4.9) | 19.0 | 5.9 | 3.8 | 12.1 | 10.2 |
| Operating profit (YoY) | 11.4 | (5.0) | (5.4) | 20.1 | 6.6 | 3.0 | 12.3 | 10.3 |
| Net profit (YoY) | 10.9 | 16.0 | (11.1) | 25.8 | (4.4) | 3.7 | 11.0 | 11.6 |
| Core EPS (fully-diluted) (YoY) | 10.9 | 15.8 | (11.1) | 25.8 | (4.3) | 3.9 | 11.0 | 11.6 |
| Gross-profit margin | 54.4 | 54.9 | 55.5 | 57.2 | 58.8 | 60.0 | 60.1 | 60.4 |
| EBITDA margin | 29.7 | 28.8 | 29.4 | 31.9 | 33.3 | 32.6 | 34.3 | 35.5 |
| Operating-profit margin | 26.7 | 25.4 | 25.9 | 28.3 | 29.8 | 28.9 | 30.5 | 31.6 |
| Net profit margin | 18.3 | 21.3 | 20.4 | 23.4 | 22.0 | 21.5 | 22.5 | 23.5 |
| ROAE | 32.4 | 31.7 | 24.1 | 26.8 | 22.9 | 22.0 | 22.5 | 22.9 |
| ROAA | 18.6 | 20.6 | 17.4 | 19.6 | 17.0 | 16.6 | 17.3 | 18.0 |
| ROCE | 37.6 | 34.7 | 30.2 | 31.4 | 29.5 | 28.1 | 29.2 | 29.6 |
| ROIC | 57.5 | 46.7 | 40.8 | 51.0 | 48.5 | 44.1 | 45.8 | 47.4 |
| Net debt to equity | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Effective tax rate | 25.4 | 28.1 | 29.7 | 24.9 | 24.7 | 26.5 | 26.0 | 25.0 |
| Accounts receivable (days) | 36.2 | 34.0 | 34.1 | 33.9 | 36.0 | 35.6 | 35.4 | 35.4 |
| Current ratio (x) | 2.1 | 2.9 | 3.7 | 3.7 | 4.2 | 4.3 | 4.6 | 4.9 |
| Net interest cover (x) | 1,070.1 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Net dividend payout | 60.6 | 52.2 | 64.1 | 61.5 | 71.0 | 70.0 | 70.0 | 70.0 |
| Free cash flow yield | 4.7 | 5.1 | 5.7 | 6.3 | 5.2 | 5.3 | 6.0 | 7.0 |

*Source: FactSet, Daiwa forecasts*

## Company profile

Founded in July 2007 and listed on Taiwan's main board in December 2015, Nien Made Enterprise (Nien Made) produces window coverings such as venetian blinds, shutters and shades (ie, cellular shades, roller blinds and roman blinds). Its major clients include dealers, designers and small specialty stores as well as big box retailers (ie, Home Depot and Wal-Mart).

# ESG analysis

## ESG risks

| Risks | | Management | Analyst comments |
|---|---|---|---|
| G | Executive/board quality | 2 | Its CEO and Chairman is the same person. Also, 3 brothers, with 1 being the CEO (Chairman) and 2 being Vice President, are in charge of different divisions, managing and collaborating collectively, which we view as a positive sign for solid corporate governance. |
| | Capital management | 2 | Nien Made's dividend payout ratio was c.80% before 2019, but dropped to 52-71% from 2019 to 2025, which we attribute to its capacity expansion plans in Mexico and some adjustment for COVID-19. |
| | Related party & transaction | 2 | Revenue from related-party transactions stood at c.60% of total revenue over 2022-25, with majority from Norman International Inc. and its subsidiary. We see no evidence of suspicious activities. |
| E | Product design & lifecycle management | 1 | We note Nien Made has improved its quality, safety and efficiency throughout its product lifecycle. The company has developed its own B2B platform for its customers for a better user experience and efficiency. Nien Made's products have a lifespan ranging from 10 to 20 years. Therefore, in addition to controlling production conditions through equipment such as drying kilns and controlled-environment storage, Nien Made also focus on mitigating consumers' health and safety risks. |
| S | Supply chain management | 2 | Nien Made's overall local-to-local raw material sourcing was at 71% in 2023, which we believe will help reduce transportation costs in the long term. Moreover, Nien Made established supplier management policies and relevant regulations, and its 234 suppliers signed the Supplier Code of Conduct as of 2023. |

*Note: Management score represents a company's ability to manage/benefit from certain ESG topics. The scores range from 1 to 3, with 1 being the strongest.*

*Update Date: 24 Jun 2026*

*Source: Daiwa, Company*

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|---|---|
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