Daiwa Capital Markets
Hong Kong Limited

earnings

7 August 2026

MEMO

E Ink (8069 TT)

Share price (7 Aug): **TWD196.00** 12-mth rating: **Buy (1)** **Information Technology: Taiwan**

2Q26 results beat one non-op income; July revenue fell behind

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Summary: E Ink released its 2Q26 results and the monthly revenue for July 2026 on 7 August after market hours. Overall, its 2Q26 net profit of TWD3,733m (+34.1% QoQ, +25.6% YoY) beat our and the consensus estimates by 17.0% and 11.3%, respectively. Its 2Q26 EPS came in at TWD3.24. However, its monthly revenue for July 2026 was TWD2,876m (-28.8% MoM and -26.2% YoY; -3.8% YoY for 7M26), which accounted for 25.2% and 23.7% of our and Bloomberg consensus estimates for 3Q26 revenue. E Ink plans to hold its 2Q26 results call on 13 August 2026 and we will provide an update then.

We have a Buy (1) rating on E Ink with a 12-month TP of TWD225, based on a target PER of 18x applied to our 1-year forward EPS forecast. For more information on the company, please refer to our latest flash, *Upgrading: stronger-than-expected margin profile*, on 8 May 2026.

What's the impact

- **2Q26 results beat on non-op income.** E Ink's 2Q26 revenue of TWD10,216m (+18.3% QoQ, -3.9% YoY) beat our estimate by 3.6% but was in line with the market consensus estimates. Its 2Q26 gross margin of 58.7% (vs. 59.7% in 1Q26 and 60.3% in 2Q25) missed our estimate of 60.0% but was in line with the consensus estimates. Its operating margin of 34.7% (vs. 32.6% in 1Q26 and 39.5% in 2Q25) was also slightly lower than our estimate of 35.1% and the consensus estimate of 34.8%. Thus, its operating profit of TWD3,542m (+25.9% QoQ, -15.7% YoY) was roughly in line with our and the consensus estimates. Likely due to some investment gains, its net profit of TWD3,733m (+34.1% QoQ, +25.6% YoY) beat our and the consensus estimates by 17.0% and 11.3%, respectively. Its 2Q26 EPS came in at TWD3.24.

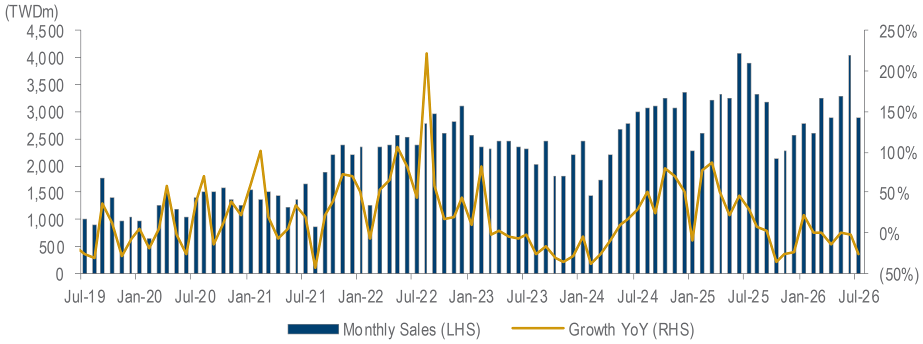
E Ink: 2Q26 results review

(TWDm)	2Q26 results	Our forecast	Differ	Bloomberg consensus	Differ
Revenue	10,216	9,862	3.6%	10,227	-0.1%
Gross profit	5,999	5,917	1.4%	6,001	0.0%
Operating profit	3,542	3,462	2.3%	3,561	-0.6%
Profit before tax	4,575	3,951	15.8%	4,113	11.2%
Net profit	3,733	3,190	17.0%	3,353	11.3%
Basic EPS	3.24	2.76	17.2%	2.87	12.9%
Margin					
Gross margin	58.7%	60.0%	-1.3pp	58.7%	0pp
Operating margin	34.7%	35.1%	-0.4pp	34.8%	-0.2pp
Pre-tax margin	44.8%	40.1%	4.7pp	40.2%	4.6pp
Net margin	36.5%	32.3%	4.2pp	32.8%	3.8pp

Source: Company, Bloomberg, Daiwa forecasts

- **July revenue fell behind the estimates.** E Ink posted July 2026 revenue of TWD2,876m (-28.8% MoM and -26.2% YoY; -3.8% YoY for 7M26), which accounted for 25.2% and 23.7% of our (TWD11,418m, +15.8% QoQ and +9.6% YoY) and Bloomberg consensus estimates for 3Q26 revenue, respectively.

E Ink: consolidated monthly sales



Source: Company

What we recommend

We have a Buy (1) rating on E Ink with a 12-month TP of TWD225, based on a target PER of 18x applied to our 1-year forward EPS forecast. Based on our 2026/27E EPS, the stock is currently trading at PERs of 16.9x/14.4x, vs. its past-3-year trading range of 11-34x. Key downside risks: 1) weaker-than-expected ESL demand, 2) weaker-than-expected eReader sales on macroeconomic headwinds, and 3) progress on capacity expansion being delayed.

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

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Rating	Percentage of total
Buy*	72.63%
Hold**	20.53%
Sell***	6.84%

Source: Daiwa

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