Daiwa Capital Markets
Hong Kong Limited

earnings

31 July 2026

MEMO

Global Unichip (3443 TT)

Share price (31 Jul): **TWD3,805.00** 12-mth rating: **Hold (3)** **Information Technology: Taiwan**

Intact results for intact fundamentals

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Summary: Global Unichip (GUC) reported 2Q26 results in line with our expectation mainly due to a higher-than-expected revenue yet offset by a lower gross margin on unfavourable product mix. Management sounded constructive for 2H26 due to improved support from TSMC's wafer capacity allocation. We continue to see GUC as well positioned to capture the AI-driven ASIC opportunities, while increasing exposure to automotive program offers an additional growth lever. We rate the stock Hold (3) and will be reviewing our model in due course.

Highlight

- **2Q26 results and 2H26 outlook.** GUC reported 2Q26 net profit of c.TWD1.6bn, 1%/13% above our/consensus estimates. Revenue beat our estimate (see our *memo*) thanks to a faster AI CPU ramp on better capacity support from TSMC, and some NRE projects moving into the late stage of their ship-out cycle ahead of schedule. Gross margin (GM), however, came in at 21.5%, 3.6pp below our estimate due to a less favourable product mix, as turnkey revenue and late-stage NRE project ship-out typically carry lower GM. Opex was well managed at 9.4% of revenue despite higher R&D expense. GUC looks well positioned for a robust growth in 2H26, as TSMC wafer capacity allocation has turned out even more positive than in 1H26, supporting our current forecasts for 2H26 revenue to grow 22% comparing to that in 1H26. Management indicated the 2H26 product mix will remain broadly similar to that of 2Q26, with cloud segment revenue continuing to account for around 80% of total, while crypto business gradually subsides and automotive revenue increases.

- **Well positioned in the AI cycle.** Strategically, GUC should continue to benefit from its competitiveness in advanced packaging (AP) and its close relationship with TSMC, which allows it to leverage its AP edge to win new customers and move up the value chain to capture more value-added design content. Management expressed confidence in its capability of securing more projects from major cloud service providers (CSP), and said that it can support alternative AP technologies upon request by customers for customisation. All told, we continue to see GUC as a beneficiary of the AI megatrend, with AI CPU/accelerator and automotive ASIC businesses supporting its growth to back our key thesis centring on its integrated business model of "ADS + APT" (advanced design services, advanced packaging technologies). We will be reviewing our model in due course.

Recommendation

We rate GUC Hold (3) with a 12M TP of TWD4,525, based on our 4-quarter forward PER target of 75x. The stock has corrected more than 30% off its recent peak in May, improving its risk/reward profile on valuation grounds, in our opinion. Key upside/downside risk to our current rating would be any more capacity released by its key foundry partner/weaker-than-expected margin execution.

GUC: 2Q26 results review and 3Q26 outlook

	2Q26			Variance		Growth		3Q26E	
TWDm	**Actual**	**Daiwa**	**Consensus**	**Daiwa**	**Consensus**	**QoQ**	**YoY**	**Guidance**	**Daiwa**
Revenue	13,897	12,130	12,690	15%	10%	21%	128%	na	up 3% QoQ (TWD14.3bn)
Turnkey (MP)	11,586	10,378	na	12%	na	18%	188%		
NRE & other	2,310	1,752	na	32%	na	41%	11%		
Gross profit	2,994	3,039	2,931	-1%	2%	-4%	47%	na	GM = 24.8%
Opex	1,318	1,286	1,354	2%	-3%	2%	21%	na	Opex ratio = 10%
Operating profit	1,676	1,753	1,577	-4%	6%	-8%	78%		
Pretax profit	1,756	1,802	1,666	-3%	5%	-9%	89%		
Net profit	1,555	1,541	1,381	1%	13%	-6%	99%		
FD EPS (TWD)	11.61	11.50	10.31	1%	13%	-6%	100%		
Margin	9.5%								
Gross	21.5%	25.1%	23.1%	-3.5%	-1.6%				
Operating	12.1%	14.5%	12.4%	-2.4%	-0.4%				
Net	11.2%	12.7%	10.9%	-1.5%	0.3%				
Revenue mix*									
NRE & other	17%	14%							
Turnkey (MP)	83%	86%							

Source: Company, Daiwa estimates and forecasts
*Note: * NRE = non-recurring engineering; MP = mass-production; others including mainly intellectual property (IP) licensing*

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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