Daiwa Capital Markets
Hong Kong Limited

news

6 August 2026

MEMO

Chenbro Micom (8210 TT)

Share price (6 Aug): **TWD1,235.00** 12-mth rating: **Buy (1)** **Information Technology: Taiwan**

2Q26 results: largely on track with street's consensus

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Summary: Chenbro released its 2Q26 results after market hours on 6 August. 2Q26 results were largely on track with Bloomberg consensus. Key highlights include gross margin came in 1pp higher than expectations due likely to on-going NRE recognition as new ASIC AI servers gradually entered mass production in 2Q26. Looking ahead, July sales only achieved 26% of our 3Q26 revenue forecast (TWD9.6bn; up 23% QoQ and 69% YoY). Based on our understanding, we attribute the weakness to 1) freight issues and 2) memory shortage from the client side, which caused them to slow down shipments from the hub). That said, the end demand should be largely on track with original expectations. Over the longer term, we expect Chenbro to continuously ride on decent regular and AI server demand, while the rising rack-level products (eg, CDU rack, power rack, switches rack, etc) would be new growth opportunities. We have a Buy (1) rating on this stock, with a 12-month TP of TWD1,888, based on a target PER multiple of 34x, applied to 1-year-forward EPS. Chenbro will hold a 2Q26 results call on 7 August at 14:00 and we will provide updates in due course. Key risk: worse-than-expected AI server demand.

Chenbro's 2Q26 results highlights

(TWDm)	Actual	QoQ%	YoY%	Daiwa	Diff %	Consensus	Diff %
Revenue	7,821	10%	44%	8,374	-7%	7,734	1%
Gross profit	2,553	9%	57%	2,663	-4%	2,441	5%
Gross margin (%)	32.6%			31.8%		31.6%	
Operating profit	1,926	8%	55%	2,043	-6%	1,831	5%
Operating margin (%)	24.6%			24.4%		23.7%	
Pre-tax profit	1,904	6%	67%	2,017	-6%	1,832	4%
Net profit	1,383	4%	67%	1,533	-10%	1,374	1%
EPS (TWD)	11.03	4%	67%	12.23	-10%	10.96	1%

Source: Company data, Daiwa forecasts, Bloomberg

What's the impact:

Below are our read-throughs from Chenbro's 2Q26 results. While Chenbro will host their earnings call on 7 August at 14:00, we will update in due course.

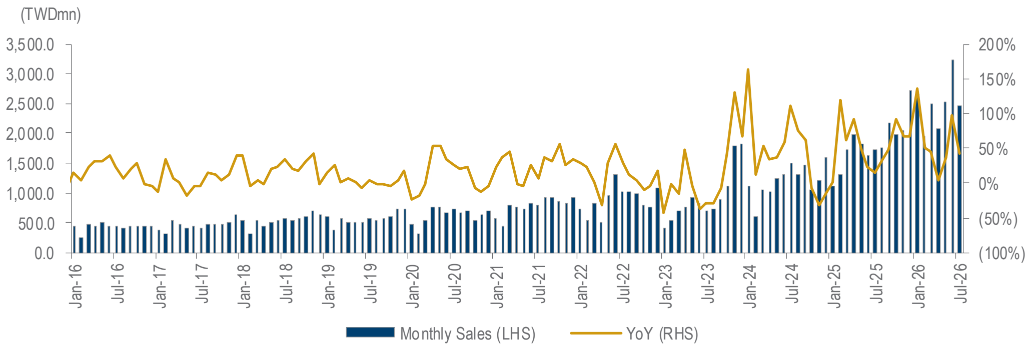
- **2Q26 results largely on track with expectations.** Chenbro's 2Q26 earnings came in at TWD1.38bn (EPS: TWD11.03), which was 10% below our expectation but largely on track with the Bloomberg consensus. Chenbro's 2Q26 revenue came in at TWD7.8bn (10% QoQ and 44% YoY). Although the number was largely on track with the Bloomberg consensus, we believe we overestimated both the HGX and ASIC AI server chassis contributions in 2Q26 to be the key reasons for the 7% gap between our estimate and the actual number. As for profitability, while gross and operating margins came in largely on track QoQ, we attribute the strength to on-going NRE recognition. Lastly, net income was negatively impacted by a higher tax rate in 2Q26 (26.3% vs. 23.8% in 1Q26).

Chenbro: Jul-26 monthly sales (TWDbn)

Company	Ticker	Price	Rating	Jul Sales	MoM	YoY	3Q26E Sales	QoQ	YoY	Achieved %	PER		3-Yr Range	Release Date	Consensus	Consensus Achieved %
											2026E	2027E				
Chenbro	8210 TT	1,235	Buy	2.5	-24%	42%	9.6	23%	69%	26%	24.0	18.9	7-25x	6-Aug	9.2	27%

Source: Company, Daiwa forecasts

Chenbro: monthly revenue trend and YoY growth



Source: Company

- **Business outlook.** Chenbro also announced July monthly revenue of TWD2.5bn (down 24% MoM but up 42% YoY), which achieved 26% of our 3Q26 revenue forecast (TWD9.6bn; up 23% QoQ and 69% YoY) and 27% of the Bloomberg consensus (TWD9.2bn). We consider the progress to be tracking behind expectations, as July sales typically account for 30-35% of its 3Q sales. Based on our understanding, management indicates shipments were impacted by logistics issues and clients' pushing out demand given they are short of memory. That said, end demand should be still largely on track with our expectation. For Chenbro, we still expect decent sales of regular and AI servers to be key growth drivers, while the rising rack-level products (eg, CDU rack, power rack, switches rack, etc) would be new growth.

What we recommend:

We have a Buy (1) rating on this stock, with a 12-month TP of TWD1,888, based on a target PER multiple of 34x, applied to 1-year-forward EPS. Chenbro will hold a 2Q26 results call on 7 August at 14:00 and we will provide updates in due course. Key risk: worse-than-expected AI server demand.

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

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

Source: Daiwa

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