Daiwa Capital Markets
Hong Kong Limited

10 July 2026

MEMO

Nanya Technology (2408 TT)

Share price (10 Jul): **TWD435.50** 12-mth rating: **Buy (1)** **Information Technology: Taiwan**

2Q26 review: Intact solid earnings and positive outlook

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Summary: Nanya Technology (Nanya) announced its 2Q26 earnings after market hours on 10 July. Its revenue of TWD82.5bn (+68% QoQ, 684% YoY) and operating profit of TWD60.8bn (+102% QoQ, positive turnaround YoY) were in line with our estimates while outweighing the market consensus by 13% / 16%, respectively. While the DRAM shipment increase remained flat, ASP, which rose > 60%, drove the solid earnings. Management expects the price uptrend to persist through 3Q26, boosting the earnings further. In addition, they mentioned plans to allocate capacity toward DDR3/DDR4, where strong demand persists, to actively respond to customer demand. Though it did not announce a new shareholder return policy, the management expects to sustain a 40% level of dividend payout ratio.

Key highlights

- **2Q26 results review.** Nanya's 2Q26 revenue of TWD82.5bn (+68% QoQ, 684% YoY) and operating profit of TWD60.8bn (+102% QoQ, positive turnaround YoY) were in line with our estimates while outweighing the market consensus by 13% / 16%, respectively. Its rapid earnings growth was mainly driven by a sharp increase in ASP. Its DRAM ASP increased by over 60% QoQ in 2Q26, while its shipments remained flat QoQ. The DDR5 portion accounted for over 10% of 2Q26 revenue with a rising trend. Meanwhile, management also mentioned they will allocate capacity to DDR3/DDR4, where constrained supply continues to make the market attractive. Management guided for sustainable earnings growth in 3Q26 led by strong price increases.

- **Outlook for 3Q26 and cash management.** For 3Q26, management guided for ASP to increase further, sustaining the earnings improvement. While LTA customers' prices will remain stable, management expects the short-term contract ASP to rise more rapidly. Management noted that the 1H26 AI revenue portion accounted for 20% and expects to expand its sales for AI going forward, while also announcing plans to actively respond to non-AI and strong DDR3/DDR4 demand. Its DDR4/LPDDR4 combined portion accounted for c.70%, while DDR3 and DDR5 each held c.10%. For FY2026 capex, Nanya guided for TWD52bn, with wafer equipment accounting for 30%, while guiding to spend USD16bn (c.TWD514bn) for a new 45k/month capacity build-out with the first phase ramp of 30k/month targeted until 2028. Given TWD216.7bn (+151% QoQ) in retained cash by the end of 2Q26, Nanya guided to maintain a 40% level of payout ratio while considering its need for future growth capex.

Recommendation

We have a Buy (1) call on Nanya with a 12M TP of TWD650. We expect the robust 2Q26 earnings and positive earnings outlook to drive positive investor sentiment. Key risk: weaker-than-expected commodity DRAM demand due to delays in data centre build-outs.

To see our 2Q26 preview flash note on Nanya, please ***click here***

Solid 2Q26 revenue: intact earnings momentum

- 2Q26 revenue exceeds Bloomberg consensus on DRAM price hikes
- Further earnings upside in 2H26E; DDR4 price momentum until 2027E
- Reaffirming our Buy (1) rating; raising 12-month TP to TWD 650

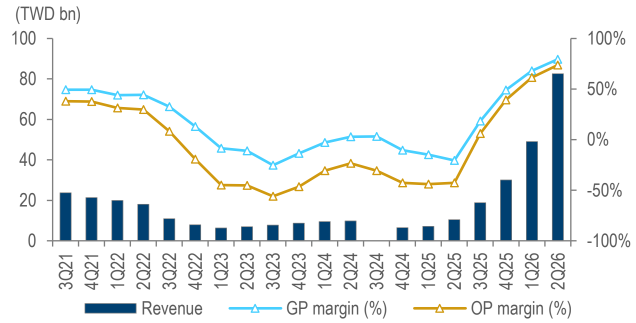
Nanya: 2Q26 results overview

(TWDm)	2Q26	1Q26	*QoQ growth*	2Q25	*YoY growth*	Daiwa estimates	*Diff*	BBG consensus	*Diff*
Revenue	82,549	49,087	*68%*	10,526	*684%*	82,549	*0%*	72,871	*13%*
Operating Profit	60,826	30,111	*102%*	-4,501	*Positive turnaround*	60,570	*0%*	52,272	*16%*
OP margin	*73.7%*	*61.3%*		*-42.8%*		*73.4%*		*71.7%*	

Source: Company, Bloomberg

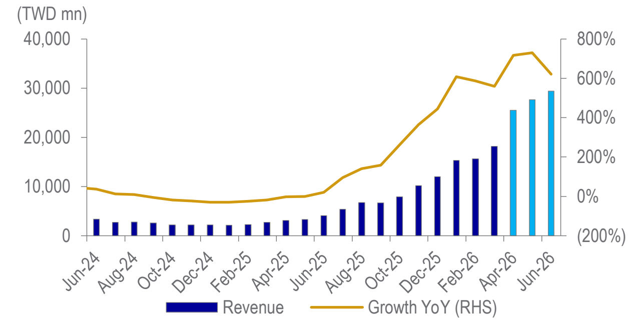
Note: Bloomberg standard consensus as of 10 July 2026

Nanya: revenue and gross/operating margin trend



Source: Company

Nanya: monthly revenue and growth YoY trend



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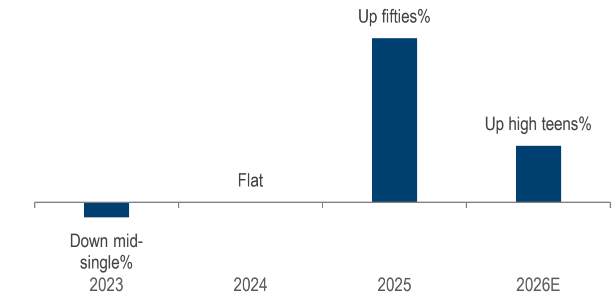
Nanya: bit shipment growth YoY trend



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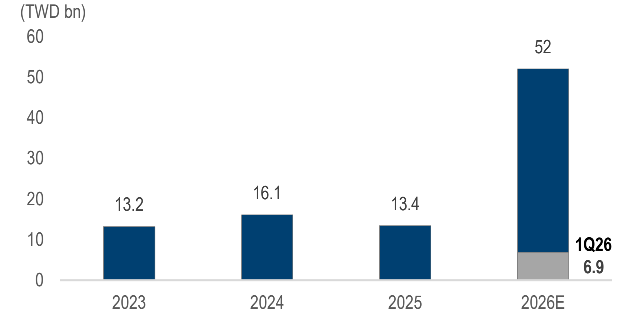
Nanya: annual capex trend



Source: Company

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Hold**	20.53%
Sell***	6.84%

Source: Daiwa

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