Daiwa Capital Markets
Hong Kong Limited

news

6 August 2026

MEMO

Nan Ya Printed Circuit Board Corp (8046 TT)

Share price (6 Aug): **TWD1,105.00** 12-mth rating: **Buy (1)** **Information Technology: Taiwan**

2Q26 results first take: largely in-line with our expectations

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Summary: NYPCB released its 2Q26 results after market hours on 6 August. The earnings of TWD2.26bn (EPS: TWD3.50) are slightly lower than our expectation on a higher tax rate (24% vs. 18% in 1Q26). That said, core business was on track with our expectations. Looking ahead, we expect NYPCB to continuously increase its ASP (especially for BT substrate), which would lead to both revenue increase and margin expansion in 2H26. We currently forecast c.20%/10% revenue QoQ growth in 3Q26/4Q26 with gross margins expanding to c.30/35%. Separately, NYPCB also announced it will invest TWD46.8bn to construct a high body size and high layer count of substrate, which we believe to be on-line from 2029. We are currently reviewing our model and would provide updates in due course. We have a Buy (1) rating on NYPCB, with a 12-month TP of TWD2,444, based on a target PER of 49x, applied on 1-year-forward EPS.

NYPCB's 2Q26 results highlights

(TWDm)	Actual	QoQ%	YoY%	Daiwa	Diff %	Consensus	Diff %
Revenues	13,575	21%	42%	13,575	0%	13,496	1%
Gross profit	3,360	90%	337%	3,293	2%	2,879	17%
Gross margin (%)	24.7%			24.3%		21.3%	
Operating profit	2,899	114%	692%	2,868	1%	2,507	16%
Operating margin (%)	21.4%			21.1%		18.6%	
Pre-tax profit	2,976	86%	-1,413%	2,981	0%	2,559	16%
Net profit	2,262	73%	-1,307%	2,441	-7%	2,174	4%
EPS (TWD)	3.50	73%	-1,307%	3.78	-7%	3.36	4%

Source: Company data, Daiwa forecasts, Bloomberg

What's the impact:

Below are our read-throughs from NYPCB's 2Q26 results (released on 6 August).

- **2Q26 results first-take: results beat on pull-in demand.** NYPCB released its results after market hours on 6 Aug, with net income of TWD2.26bn (EPS: TWD3.50), missing our expectations by 7% due mainly to a higher-than-expected tax rate. 2Q26 sales (TWD13.6bn; +21% QoQ; +42% YoY) was largely on track with our and street's expectations due to price hikes. As such, gross margin also improved by 8.9pp QoQ to 24.7% in 2Q26 (largely on-track with our estimate of 24.3%). With slightly better operating leverage, operating margin improved by 9.3pp QoQ to 21.4%. That said, net profit was dragged by a higher tax rate of 24% (vs. 18% in 1Q26).

- **Business outlook.** Looking ahead, we remain positive on the substrate industry given the current S-D situation. We expect NYPCB to continuously increase its ASP (especially for BT substrate), which would lead to both revenue increase and margin expansion in 2H26. We currently forecast c.20%/10% revenue QoQ growth in 3Q26/4Q26 with gross margins expanding to c.30/35%. Separately, NYPCB also announced it will invest TWD46.8bn to construct a high body size and high layer count of substrate, which we believe to be on-line from 2029. We are currently reviewing our model and would provide updates in due course.

What we recommend:
We have a Buy (1) rating on NYPCB, with 12-month TP of TWD2,444, based on a target PER of 49x, applied on 1-year-forward EPS. Downside risk: weaker-than-expected demand for switches/PCs/smartphones.

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

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Sell***	6.84%

Source: Daiwa

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