Daiwa Capital Markets Hong Kong Limited

earnings

5 November 2026

MEMO

Nan Ya Printed Circuit Board Corp (8046 TT)

Share price (5 Nov): **TWD972.00** 12-mth rating: **Buy (1)** **Information Technology: Taiwan**

3Q26 results first-take: progress largely on track

Sheng Cheng
(886) 2 8758 6253
sheng.cheng@daiwacm-cathay.com.tw

Thomas Kim
(886) 2 8758 6249
thomas.kim@daiwacm-cathay.com.tw

Summary: NYPCB released its 3Q26 results after market hours on 5 November. Net profit was TWD3.30bn (EPS: TWD5.10), 9% below our estimate and the Bloomberg consensus. Revenue rose 21% QoQ and 49% YoY to TWD16.38bn, in line with expectations. GM was 29.3%, 1.0ppt below our estimate and 0.7ppt below consensus, reflecting yield losses during the Kunshan ramp-up and a more modest BT substrate margin uplift than we had assumed. OPM was 26.4%, versus our 27.5% estimate and 26.5% consensus. Despite operating profit being broadly in line, net profit was weighed down by a higher tax rate (26% vs. our 22% estimate), reflecting increased profitability at NYPCB's China factories.

Looking ahead, we expect modest BT and c.10% ABF price hikes in 4Q26, which would result in mid-teens % QoQ growth in 4Q26E. This is consistent with its October revenue of TWD6.29bn (released 2 November, up 13% MoM and 70% YoY), equivalent to 34% of our 4Q26 forecast (historic range being 33-39%). Per management, the Kunshan plant's UTR has increased to 90-95% in October (vs. 80-85% in 3Q26 and 65-70% in 2Q26). As NYPCB is unwilling to accept LTAs with end clients (compared with its competitors), we believe its bargaining power should be the highest among TW substrate vendors. We have a Buy (1) rating on NYPCB, with a 12-month TP of TWD2,460, based on a target PER of 49x applied to our 1-year forward EPS forecast. Key downside risk: weaker-than-expected demand for switches.

NYPCB's 3Q26 results highlights

(TWDm)	Actual	QoQ%	YoY%	Daiwa	Diff %	Consensus	Diff %
Revenue	16,378	21%	49%	16,326	0%	16,345	0%
Gross profit	4,801	43%	357%	4,948	-3%	4,899	-2%
Gross margin (%)	29.3%			30.3%		30.0%	
Operating profit	4,323	49%	597%	4,488	-4%	4,330	0%
Operating margin (%)	26.4%			27.5%		26.5%	
Pre-tax profit	4,454	50%	391%	4,658	-4%	4,548	-2%
Net profit	3,298	46%	355%	3,633	-9%	3,623	-9%
EPS (TWD)	5.10	46%	355%	5.62	-9%	5.61	-9%

Source: Company data, Daiwa forecasts, Bloomberg

What's the impact:

Below is our first take on NYPCB's 3Q26 results, released on 5 November.

- **3Q26 net profit missed expectations.** Net profit came in at TWD3.30bn (EPS: TWD5.10), 9% below both our estimate (TWD3.63bn) and the Bloomberg consensus (TWD3.62bn). 3Q26 revenue of TWD16.38bn (up 21% QoQ and 49% YoY) was in-line with expectations, while the gross margin reached 29.3%, 1ppt/0.7ppt below our/Bloomberg consensus estimates due to loss on the yield rate as the Kunshan plant ramped up; our gross margin expansion assumption for BT substrate was also too bullish. Operating margin reached 26.4%, versus our 27.5% estimate and the street's 26.5%, mainly on the lower-than-expected gross margin. However, while the operating profit was largely on track with expectations, net profit was dragged down by a higher-than-expected tax rate (26% vs. our 22% estimate) due to rising profitability from factories in China.

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- **Business outlook.** Looking ahead, we expect modest BT and c.10% ABF price hikes in 4Q26, which would result in mid-teens % QoQ growth in 4Q26. This aligns with NYPCB's October revenue announced on 2 November of TWD6.29bn (up 13% MoM and up 70% YoY), achieving 34% of our 4Q26 revenue forecast (historic range being 33-39%). Per management, the Kunshan plant's UTR has increased to 90-95% in October (vs. 80-85% in 3Q26 and 65-70% in 2Q26). As NYPCB is unwilling to accept LTAs with end clients (compared with its competitors), we believe its bargaining power should be the highest among TW substrate vendors.

What we recommend:

We have a Buy (1) rating on NYPCB, with a 12-month TP of TWD2,460, based on a target PER of 49x applied to our 1-year forward EPS forecast. Key downside risk: weaker-than-expected demand for switches.

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

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Rating	Percentage of total
Buy*	73.96%
Hold**	19.58%
Sell***	6.46%

Source: Daiwa

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