Daiwa Capital Markets Hong Kong Limited

Ta Liang Technology (3167 TT)

Target price: **n.a.**

Share price (22 May): **TWD831.00** | Up/downside: **-**

5 4 3 2 1

No Rating

High-precision moat in PCB machines

- Sole Chinese PCB machine maker with an in-house CCD controller
- Capacity fully booked through 2026
- TM machine bundles drive deeper wallet share from customers

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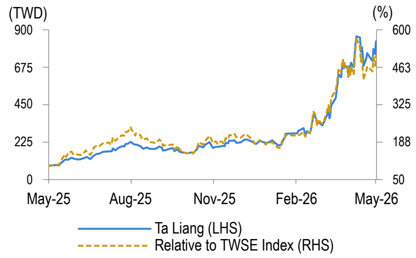
Background: Ta Liang Technology is a PCB routing and drilling machine maker serving PCB manufacturers, with high-end Charge-Coupled Devices (CCDs) commanding more than 2x the ASP of regular machines. The company operates production facilities in Taoyuan, Lianshui, and Nanjing, with a combined monthly capacity of c.300 units. CCDs are primarily adopted for back-drilling, though through-hole precision demand is increasingly emerging as an incremental growth driver. Ta Liang is also launching a patent-protected PCB inner layer thickness metrology (TM) machine to complement CCDs at an ideal TM:CCD ratio of 1:8, while additionally serving the semiconductor industry with metrology, AOI, and automation solutions.

Highlights: Ta Liang and Schmoll (not listed, Germany) are the only machine makers globally owning in-house controllers, creating a strong technology moat in the CCD market. Ta Liang continues to gain share from Schmoll through competitive pricing, solid brand recognition among PCB makers, and favourable domestic policy tailwinds supporting China-made equipment. In standard drilling and routing, Chinese competitors Vega CNC (not listed) and Hans Laser (002008 CH, NR) hold significantly larger capacity, though the competitive landscape in this segment has remained relatively stable. The patent-protected TM machine, which bundles naturally with CCDs, provides an additional lever to deepen customer relationships and reinforce share gains in the high-end segment.

Looking ahead, we see multiple growth catalysts supporting Ta Liang's growth trajectory. Demand for CCDs is expanding beyond back-drilling into through-hole processes where precision requirements are increasing, while the TM machine serves as a natural bundle driver to further accelerate CCD adoption and deepen wallet share per customer. CCDs carry high ASPs and deliver more than double the margins of regular machines, driving a favourable product mix shift alongside steady growth in regular machine demand underpinned by PCB makers’ expanding capex cycle. Reflecting strong commercial momentum, Ta Liang has secured orders at full capacity through 2026, with near-term upside from outsourced capacity additions of c.50 incremental units for regular machines and a potential expansion from the current single working shift to a maximum of three shifts in Nan Jing Plant.

Valuation: The stock is trading at 108x PER and 23x PBR for 2025 (vs. its PBR range of 1-10x prior to 2026), reflecting the market’s recognition of Ta Liang’s high-end product transition and earnings upside potential from CCDs and TM machine.

Share price performance



12-month range	85.50-861.00
Market cap (USDbn)	2.34
3m avg daily turnover (USDm)	48.80

Source: FactSet, Daiwa forecasts

See important disclosures, including any required research certifications, beginning on page 3

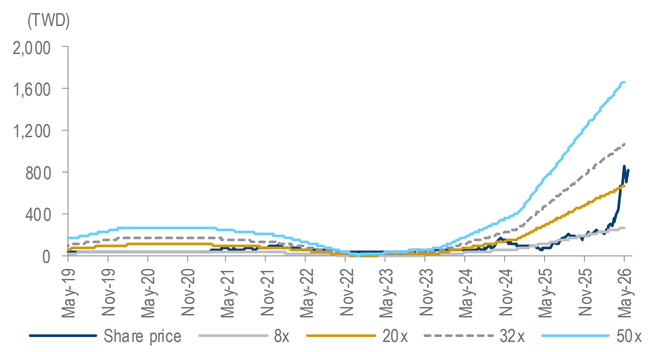
Flash

Ta Liang: quarterly and annual P&L statement

(TWDm)	2024 1Q	2024 2Q	2024 3Q	2024 4Q	2025 1Q	2025 2Q	2025 3Q	2025 4Q	2022	2023	2024	2025
Net revenue	**399**	**490**	**721**	**989**	**844**	**1,271**	**1,415**	**1,549**	**2,370**	**1,292**	**2,599**	**5,078**
COGS	-332	-350	-496	-670	-555	-777	-861	-897	-1,774	-965	-1,849	-3,089
Gross profit	**67**	**140**	**225**	**319**	**289**	**494**	**554**	**652**	**596**	**327**	**751**	**1,989**
Operating expenses	-124	-131	-178	-246	-193	-247	-263	-370	**-489**	**-373**	**-679**	**-1,073**
Operating profit	**-57**	**9**	**47**	**74**	**96**	**247**	**291**	**282**	**107**	**-46**	**72**	**916**
Non-operating profit	36	14	5	21	22	-4	5	31	**257**	**64**	**77**	**54**
Pre-tax profit	**-21**	**23**	**52**	**94**	**119**	**243**	**296**	**313**	**363**	**18**	**149**	**971**
Income taxes	5	3	-9	-23	-29	-68	-81	-77	-50	-5	-24	-255
Net profit	**-16**	**26**	**43**	**72**	**90**	**175**	**215**	**236**	313	13	124	716
Net EPS (TWD)	**-0.19**	**0.31**	**0.52**	**0.81**	**1.02**	**1.98**	**2.43**	**2.67**	**3.91**	**0.16**	**1.41**	**8.11**
Operating Ratios												
Gross margin	16.8%	28.5%	31.2%	32.3%	34.3%	38.9%	39.1%	42.1%	25.1%	25.3%	28.9%	39.2%
Operating margin	-14.4%	1.7%	6.6%	7.4%	11.4%	19.4%	20.6%	18.2%	4.5%	-3.6%	2.8%	18.0%
Pre-tax margin	-5.3%	4.7%	7.3%	9.5%	14.1%	19.1%	20.9%	20.2%	15.3%	1.4%	5.7%	19.1%
Net margin	-4.0%	5.2%	6.0%	7.2%	10.7%	13.8%	15.2%	15.2%	13.2%	1.0%	4.8%	14.1%
YoY (%)												
Net revenue	55%	91%	134%	110%	112%	159%	96%	57%	-47%	-45%	101%	95%
Gross profit	106%	117%	186%	110%	333%	253%	146%	104%	-48%	-45%	129%	165%
Operating profit	68%	-143%	-352%	177%	-	2789%	513%	284%	-81%	-143%	-256%	1171%
Pre-tax profit	-24%	84%	726%	248%	-	956%	464%	232%	-36%	-95%	726%	553%
Net profit	-30%	337%	367%	245%	-	585%	396%	230%	-29%	-96%	870%	476%
QoQ (%)												
Net revenue	-15%	23%	47%	37%	-15%	51%	11%	9%				
Gross profit	-56%	109%	61%	42%	-9%	71%	12%	18%				
Operating profit	-	-	455%	55%	31%	156%	18%	-3%				
Pre-tax profit	-	-	128%	80%	26%	105%	22%	6%				
Net profit	-	-	69%	65%	26%	95%	23%	10%				

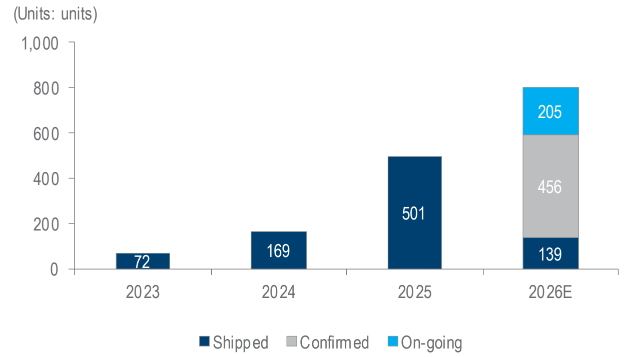
Source: Company

Ta Liang: 1-year forward PER



Source: TEJ, Bloomberg

Ta Liang: 2023-2023 CCD shipments and orders

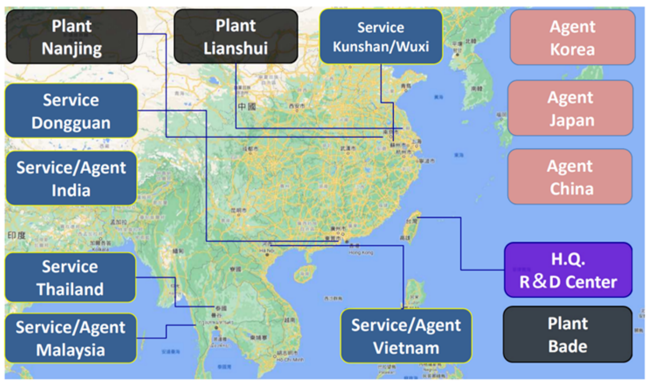


Source: Company

Ta Liang: product portfolio

Source: Company

Ta Liang: production and service sites



Source: Company

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Rating	Percentage of total
Buy*	73.51%
Hold**	19.39%
Sell***	7.10%

Source: Daiwa

Notes: data is for single-branded Daiwa research in Asia (ex Japan) and correct as of 31 March 2026.
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