Daiwa
Capital Markets
Hong Kong Limited

news

6 August 2026

MEMO

Accton Technology (2345 TT)

Share price (6 Aug): **TWD2,410.00** 12-mth rating: **Buy (1)** **Information Technology: Taiwan**

2Q26 results first-take: beat on strong AI card demand

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

Allan Wang
(886) 2 8758 6249
allan.wang@daiwacm-cathay.com.tw

Summary: Accton released its results after market hours on 6 August, with net income of TWD11.05bn (EPS: TWD19.70), beating our and street consensus by 6%/5%, respectively. 2Q26 sales (TWD95.5bn; up 36% QoQ and 58% YoY) was 10-12% higher than the street's expectation due mainly to strength from new generation ASIC AI card ramp from June. Another key highlight is that gross and operating margins also improved QoQ in 2Q26 due mainly to better operating leverage and resilient Meta 800G switch demand. Looking ahead, we still expect a decent QoQ growth in 3Q26 due to on-going new generation ASIC AI card ramp. However, we learned from our channel checks with the supply chain that key end customers lack key components (eg, memory) and are slowing down orders in 3Q26. However, we believe it's just a short-term hiccup and we remain positive on Accton to ride on better-than-expected ASIC AI server demand from 2H26, which tallies with our previous note (link *here*). We reaffirm our Buy (1) call and 12-month TP of TWD3,666, based on an unchanged target PER of 35x applied to our 1-year-forward EPS forecast. Downside risk: worse-than-expected ASIC server and switch demand.

Accton's 2Q26 results highlights

(TWDm)	Actual	QoQ%	YoY%	Daiwa	Diff %	Consensus	Diff %
Revenues	95,538	36%	58%	86,778	10%	85,619	12%
Gross profit	18,823	37%	73%	16,967	11%	16,924	11%
Gross margin (%)	19.7%		.	19.6%		19.8%	
Operating profit	14,331	43%	77%	12,975	10%	13,123	9%
Operating margin (%)	15.0%			15.0%		15.3%	
Pre-tax profit	14,568	41%	120%	13,222	10%	13,410	9%
Net profit	11,053	33%	120%	10,454	6%	10,533	5%
EPS (TWD)	19.70	33%	120%	18.63	6%	18.77	5%

Source: Company data, Daiwa forecasts, Bloomberg

What's the impact:

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

- **2Q26 results first-take: results beat on pull-in demand.** Accton released its results after market hours on 6 August, with net income of TWD11.05bn (EPS: TWD19.70), beating our estimate and street consensus by 6%/5%, respectively. 2Q26 sales (TWD95.5bn; up 36% QoQ and 58% YoY) was 10-12% higher than the street's expectation due mainly to strength from new generation ASIC AI card ramp from June. Despite the rising contribution from ASIC AI servers (lower than blended gross margin), Accton still improved its gross margin by 0.2pp to 19.7% given the resilient contribution from Meta's 800G switches. As such, operating margin expanded 0.7pp to 15% due to better operating leverage and gross margin expansion. However, net profit was dragged by a higher tax rate of 24.2% in 2Q26 (vs. 19.6% in 1Q26).

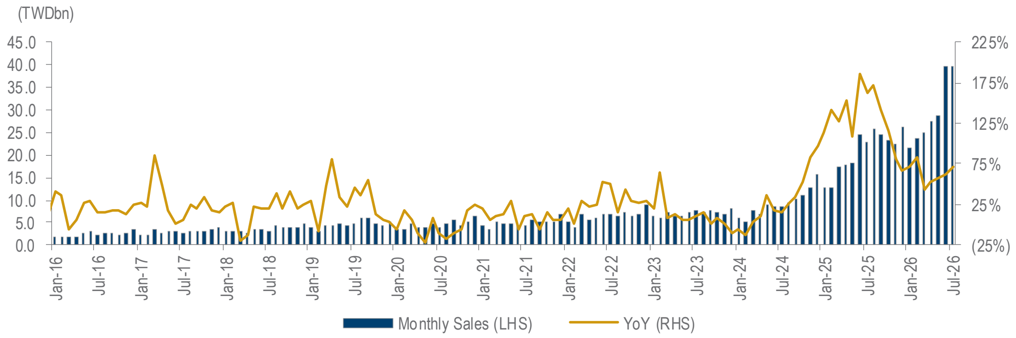
- **Business outlook.** Accton also announced July monthly revenue of TWD39.5bn (flattish % MoM but up 72% YoY), which achieved 37% of our 3Q26 revenue forecast (TWD106.9bn; up 12% QoQ and 47% YoY) and 37% of Bloomberg consensus (TWD106.8bn). We consider the progress to be tracking ahead of expectations, as July sales typically account for 30-33% of its 3Q sales. Despite the run-rate already ahead of expectations, we believe Accton's performance could be even better, as its key AI card customer has slowed down its order placing due to its component shortage (likely from memory). As such, the AI card demand in 3Q26 could be even stronger than what we have seen here, which is tallies with our previous comments (link *here*) that AMZN's ASIC AI servers are going into peak season from June and end demand is stronger than our original expectation.

Accton: Jul-26 monthly sales (TWDbn)

Company	Ticker	Price	Rating	Jul Sales	MoM	YoY	3Q26E Sales	QoQ	YoY	Achieved %	PER 2026E	PER 2027E	3-Yr Range	Release Date	Consensus	Consensus Achieved %
Accton	2345 TT	2,410	Buy	39.5	0%	72%	106.9	12%	47%	37%	29.9	21.5	14-36x	6-Aug	106.8	37%

Source: Company, Daiwa forecasts

Accton: monthly revenue trend and YoY growth



Source: Company

What we recommend:

We reaffirm our Buy (1) call and 12-month TP at TWD3,666, based on an unchanged target PER of 35x applied to our 1-year-forward EPS forecast. Downside risk: worse-than-expected ASIC server and switch demand.

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

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Rating	Percentage of total
Buy*	72.63%
Hold**	20.53%
Sell***	6.84%

Source: Daiwa

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