Daiwa
Capital Markets
Hong Kong Limited

news

7 August 2026

MEMO

Wiwynn Corp (6669 TT)

Share price (7 Aug): **TWD6,100.00** 12-mth rating: **Buy (1)** **Information Technology: Taiwan**

2Q26 results: largely on track with our expectation

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Summary: Wiwynn released its 2Q26 results after market hours on 7 August, with net income of TWD15.0bn (EPS: TWD80.6), largely in line with our expectation. 2Q26 sales (TWD278.2bn; +1% QoQ and +26% YoY) was largely on track with street expectations. As such, gross margin improved by 1.7pp QoQ to 9.3% in 2Q26, 0.4pp higher than our estimate due to a stronger-than-expected impact from accounting policy change. Overall, net profit was in line with our expectation. Looking ahead, we identify new upside potential from a new CSP ASIC AI server, expected to launch in 2H27 (separate from Trainium AI servers). Following this new model launch, we anticipate Wiwynn will capture a 10-15% market share in the L11 process, with rack shipments reaching 7.5k units. Assuming an ASP of c.USD1m for this new CSP AI server, reflecting the use of an in-house ASIC, we project this new ASIC project will contribute TWD200bn in revenue in 2027, representing 7% of 2027E sales. Lastly, to support growth and the USD0.9bn 2H26 capex expansion, Wiwynn announced a c.USD0.5bn convertible bond issuance (dilution: c.1.3%) and a USD1.5bn syndicated loan. We have a Buy (1) rating on this stock, with 12-M TP of TWD8,100, based on a target PER multiple of 18x, applied to 1-year-forward EPS. Key risk: weaker-than-expected server demand and capex from CSPs.

Wiwynn's 2Q26 results highlights

(TWDm)	Actual	QoQ%	YoY%	Daiwa	Diff %	Consensus	Diff %
Revenues	278,153	1%	26%	278,153	0%	281,009	-1%
Gross profit	25,763	23%	36%	24,692	4%	23,504	10%
Gross margin (%)	9.3%			8.9%		8.4%	
Operating profit	20,218	16%	27%	20,575	-2%	19,354	4%
Operating margin (%)	7.3%			7.4%		6.9%	
Pre-tax profit	18,974	6%	21%	19,665	-4%	19,037	0%
Net profit	14,969	6%	23%	15,339	-2%	14,718	2%
EPS (TWD)	80.55	6%	23%	82.54	-2%	79.20	2%

Source: Company data, Daiwa forecasts, Bloomberg

What's the impact:

Below are our read-throughs from Wiwynn's 2Q26 results (released on 7 August).

- **2Q26 results first-take: results beat on pull-in demand.** Wiwynn released its results after market hours on 7 Aug, with net income of TWD15.0bn (EPS: TWD80.6), largely in line with our expectation. 2Q26 sales (TWD278.2bn; +1% QoQ and +26% YoY) was largely on track with street expectations. As such, gross margin improved by 1.7pp QoQ to 9.3% in 2Q26, 0.4pp higher than our estimate due to a stronger-than-expected impact from accounting policy change mentioned in our previous note (link). Accordingly, operating margin improved by 1pp QoQ to 7.3%. Overall, net profit was in line with our expectation.

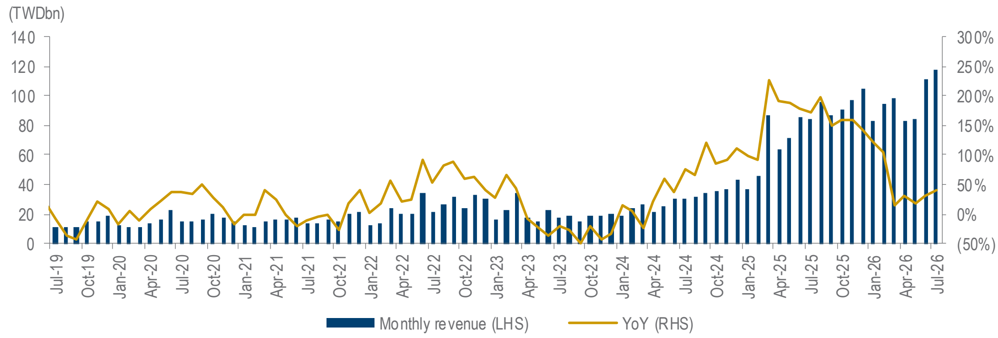
  Business outlook. Wiwynn also announced July monthly revenue of TWD117.7bn (up 6% MoM and 39% YoY), which achieved 29% of our 3Q26 revenue forecast (TWD408.5bn; up 47% QoQ and 53% YoY) and 34% of Bloomberg consensus (TWD342.0bn). We consider the progress to be tracking in line with expectations, as July sales typically account for 27-33% of its 3Q sales. Looking ahead, we identify new upside potential from a new CSP ASIC AI server, expected to launch in 2H27 (separate from Trainium AI servers). Following this new model launch, we anticipate Wiwynn will capture a 10-15% market share in the L11 process, with rack shipments reaching 7.5k units. Assuming an ASP of c.USD1m for this new CSP AI server, reflecting the use of an in-house ASIC, we project this new ASIC project will contribute TWD200bn in revenue in 2027, representing 7% of 2027E sales. As such, we see this new CSP ASIC AI server as an important growth pillar for Wiwynn heading into 2027. Lastly, to support growth and the USD0.9bn 2H26 capex expansion, Wiwynn announced a c.USD0.5bn convertible bond issuance (dilution: c.1.3%) and a USD1.5bn syndicated loan.

Wiwynn: Jul-26 monthly sales (TWDbn)

Company	Ticker	Price	Rating	Jul Sales	MoM	YoY	3Q26E Sales	QoQ	YoY	Achieved %	PER		3-Yr Range	Release Date	Consensus	Consensus Achieved %
											2026E	2027E				
Wiwynn	6669 TT	6,100	Buy	117.7	6%	39%	408.5	47%	53.11%	29%	15.4	10.3	9-23x	7-Aug	342.0	34%

Source: Company, Daiwa forecasts

Wiwynn: monthly revenue trend and YoY growth



Source: Company

What we recommend:

We have a Buy (1) rating on this stock, with 12-M TP of TWD8,100, based on a target PER multiple of 18x, applied to 1-year-forward EPS. Key risk: weaker-than-expected server demand and capex from CSPs.

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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