MACQUARIE

Nanya Technology

Outperform

GPM continues to expand

Semicons & Semicon Equip
Taiwan


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What's new

- After the market close on 12 October, Nanya Technology released its 3Q26 results and hosted an analyst meeting. Earnings were in line with Bloomberg consensus estimates, which had already been raised after previously released 3Q26 sales beat expectations. The company expects the upward pricing trend to continue into 4Q26 and undersupply to persist throughout 2027; it also raised its 2026 capex to NT$69.7bn.

GPM continues to expand

- 3Q26 GPM rose 620bps QoQ to 85.7% after a 60%+ QoQ increase in ASP (bit shipments fell mid-single digits QoQ).
- 3Q ASP growth outpaced major global competitors due to several resets of semi-annual pricing contracts.
- The company expects positive ASP momentum to continue into 4Q26 and DRAM shortages to persist throughout 2027.
- AI infrastructure already accounts for 20%+ of sales, and the company expects this to approach 50% by 2030.
- Capex increased to NT$69.7bn (~half equipment) from prior guidance of NT $52bn.
- The company guided to 2026 bit shipment growth in the high teens, with no QoQ growth until 2H27.
- New fab equipment move-in is scheduled for 1Q27, with a ramp to 30kwpm by end-2028 and a target up to 50K WSPM by 2030.
- Net cash increased ~NT$70bn to NT$270bn at 3Q26-end.

Maintain Outperform and NT$681.4 TP (5.5x 2027E PER)

- We remain bullish on the DRAM industry long term and believe Nanya's launch of 10nm-class products should improve its product mix and support cost and profitability long term.
- Our target price of NT$681.4 is based on a 5.5x 2027 PER.

2408 TT	**Outperform**
Price (at 12 Oct 2026)	**TWD527.00**
12-month target	**TWD681.40**
12-month TSR (%)	**33.1**
Volatility Index	**Very High**
Market Cap (Local) (m)	1,818,258
Market Cap (USD) (m)	56,944
Free Float (%)	64
30-day avg turnover (USD) (m)	652.8

Investment Fundamentals

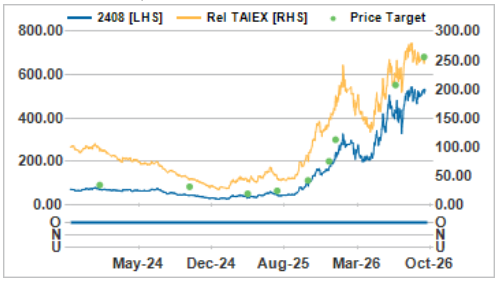
Year end 31 Dec	2025A	2026E	2027E	2028E
Revenue (bn)	66.6	404.4	613.2	804.5
Revenue growth (%)	95.1	507.3	51.7	31.2
EBIT (bn)	5.2	313.0	500.7	661.0
EBIT growth (%)	NM	5,870.0	60.0	32.0
Reported profit (bn)	6.6	267.0	424.1	560.1
EPS rep [TWD]	2.1	79.9	123.9	163.6
EPS rep growth (%)	NM	3,643.1	55.1	32.1
Net debt/equity (%)	(22.8)	(53.8)	(59.8)	(64.6)
ROA (%)	2.5	80.2	66.0	55.4
ROE (%)	3.9	78.6	61.0	49.7
PER rep (x)	246.9	6.6	4.3	3.2
EV/EBITDA (x)	71.6	4.9	3.1	2.4
P/BV (x)	9.6	3.5	2.0	1.3
Total div yield (%)	0.3	2.8	3.8	4.7

Nanya Technology - 3Q26 results review

NT$m	3Q26	2Q26	3Q25	QoQ %	YoY %	MACQ	Diff %	BBG	Diff %
Revenue	133,649	82,549	18,779	61.9%	611.7%	133,649	0.0%	133,354	0.2%
Gross profit	114,482	65,619	3,465	74.5%	3204.1%	113,602	0.8%	113,837	0.6%
GM %	*85.7%*	*79.5%*	*18.5%*			*85.0%*		*85.4%*	
Operating profit	106,894	60,826	1,119	75.7%	9451.3%	108,761	-1.7%	107,724	-0.8%
OPM %	*80.0%*	*73.7%*	*6.0%*			*81.4%*		*80.8%*	
Pretax income	109,332	62,329	2,023	75.4%	5304.6%	109,890	-0.5%	109,629	-0.3%
Net income	87,627	50,192	1,563	74.6%	5505.1%	93,406	-6.2%	88,266	-0.7%
Net margin	*65.6%*	*60.8%*	*8.3%*			*69.9%*		*66.2%*	
EPS (NT$)	25.40	14.66	0.50	73.3%	4980.0%	27.29	-6.9%	25.65	-1.0%

Source: Company data, Bloomberg, Macquarie Research, October 2026

2408 TT rel TAIEX performance, & rec history



Source: FactSet, Macquarie Research, Oct 2026 (all figures in TWD unless noted, TP in TWD)

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Recommendation definitions	Volatility index definition	Financial definitions
Macquarie – Asia and USA Outperform – expected return >10% Neutral – expected return from -10% to +10% Underperform – expected return <-10% **Macquarie – Australia/New Zealand** Outperform – expected return >10% Neutral – expected return from 0% to 10% Underperform – expected return <0% During periods of share price volatility, recommendations and target prices may occasionally and temporarily be inconsistent with the above definitions. **Recommendations** – 12 months **12-month target** – Expected share price in 12 months **Valuation** – The company's estimated fair value share price based on the disclosed valuation methodology **Note**: Quant recommendations may differ from Fundamental Analyst recommendations	This is calculated from the volatility of historical price movements. **Very high** – highest risk – Stock should be expected to move up or down 60–100% in a year – investors should be aware this stock is highly speculative. **High** – stock should be expected to move up or down at least 40–60% in a year – investors should be aware this stock could be speculative. **Medium** – stock should be expected to move up or down at least 25–40% in a year. **Low** – stock should be expected to move up or down at least 15–25% in a year. * Applicable to select stocks in Asia/Australia/NZ **Note:** expected return is reflective of a Medium Volatility stock and should be assumed to adjust proportionately with volatility risk	All "Adjusted" data items have had the following adjustments made: **Added back:** goodwill amortisation, provision for catastrophe reserves, IFRS derivatives & hedging, IFRS impairments & IFRS interest expense Excluded: non recurring items, asset revals, property revals, appraisal value uplift, preference dividends & minority interests **EPS** = adjusted net profit / efpowa* **ROA** = adjusted ebit / average total assets **ROA Banks/Insurance** = adjusted net profit /average total assets **ROE** = adjusted net profit / average shareholders funds **Gross cashflow** = adjusted net profit + depreciation *equivalent fully paid ordinary weighted average number of shares All Reported numbers for Australian/NZ listed stocks are modelled under IFRS (International Financial Reporting Standards).

Recommendation proportions for quarter ending 30 Sept 2026

	AU/NZ	Asia	USA	
Outperform	62.24%	73.44%	63.24%	(for global coverage by Macquarie, 1.61% of stocks followed are investment banking clients)
Neutral	30.77%	14.98%	36.76%	(for global coverage by Macquarie, 0.41% of stocks followed are investment banking clients)
Underperform	6.99%	11.58%	0.00%	(for global coverage by Macquarie, 0.82% of stocks followed are investment banking clients)

Company-Specific Disclosures

Company Name	Disclosure
Nanya Technology (2408 TT) **Outperform** 12-month target: TWD681.40 - PER Valuation: TWD 681.40 - PER Price: TWD527.00	None

Target Price Risk Disclosures

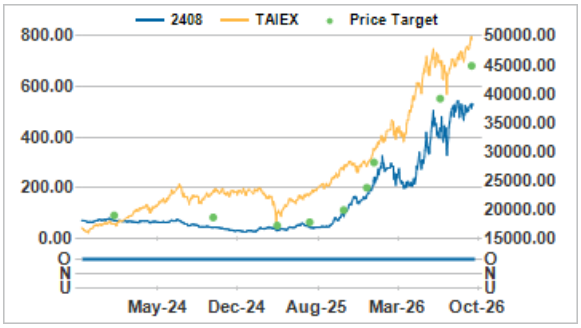
Company Name	Risk Disclosure
Nanya Technology (2408 TT)	• Shorter-than-expected upcycle due to negative demand shocks for PCs/smartphones/servers. • Major yield or cost issues ramping up for the company's self-developed 1B (and later) technology. • Aggressive competitor (capex) expansion or parent company share sell-down that may affect the share price.

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Recommendation history

Company name	Date	Recommendation	Target price
Nanya Technology (2408 TT)	7-Oct-2026	Outperform	TWD 681.40
	11-Jul-2026	Outperform	TWD 552.00
	7-Jan-2026	Outperform	TWD 300.00



18-Dec-2025	Outperform	TWD 200.00
14-Oct-2025	Outperform	TWD 112.00
11-Jul-2025	Outperform	TWD 64.20
11-Apr-2025	Outperform	TWD 51.00
14-Oct-2024	Outperform	TWD 83.00
11-Jan-2024	Outperform	TWD 91.00

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