NewStreet Research

Taiwan Monthly Sales Recap

We track 200 Companies that report monthly sales and analyze by sector

Asia Tech

Navigating The Noise

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January 2025: Sales +14% YoY (+4% Ex AI)

12 February 2025

Strongest January since '21 when COVID drove the mother of all upcycles.

AI DROVE the market fueled by suppliers across CoWoS | Switch | ODM's | Semi's

January and February data is tricky: early pull ins due to Chinese New Year or tariffs distort the trends. March will provide a more accurate reflection of underlying demand.

BUT………YoY growth peaked in Dec '24 and is decelerating

Standouts: Mitac on AI Switches, Foxconn Tech on Game console casings & AsRock on AI Server

Laggards: Egalax Empia on Touch, Advanced Wireless on RF Foundry & Dynapack on Li-Ion Battery

Sales

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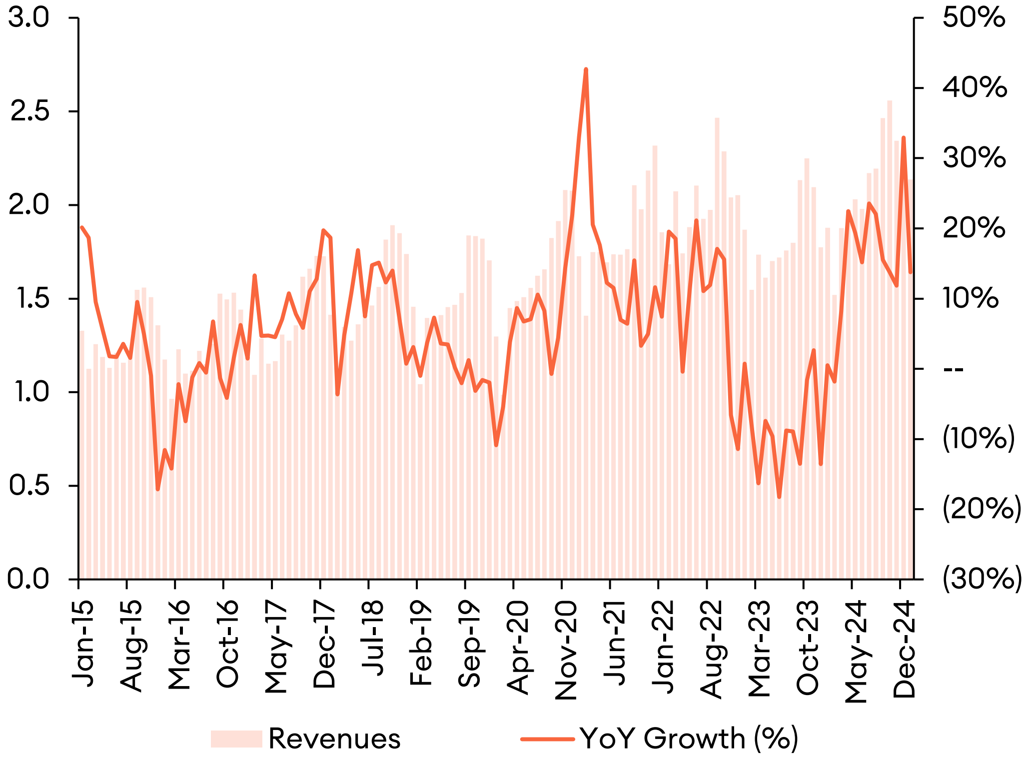
Taiwan monthly sales DECELERATE in January after peaking in Dec

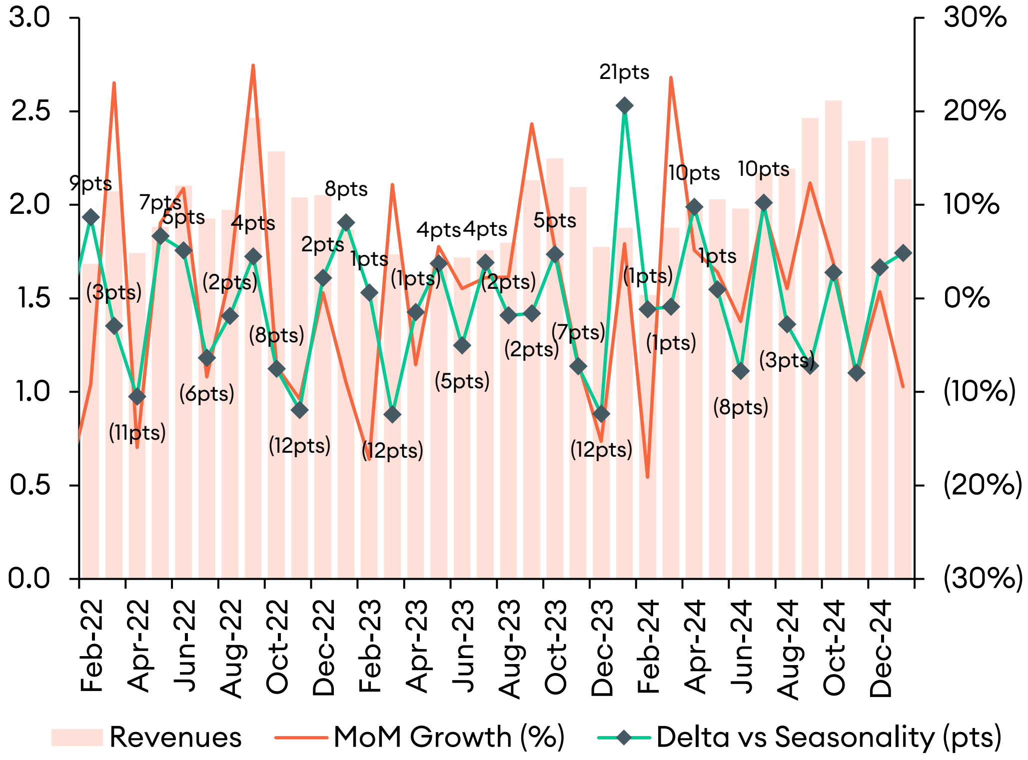
Sales up 14% year-on-year

Taiwan Monthly Sales (TWDtn) & YoY growth (%)



Month-on-month growth 5pts Above seasonality

Taiwan Monthly Sales (TWDtn) & MoM growth (%)

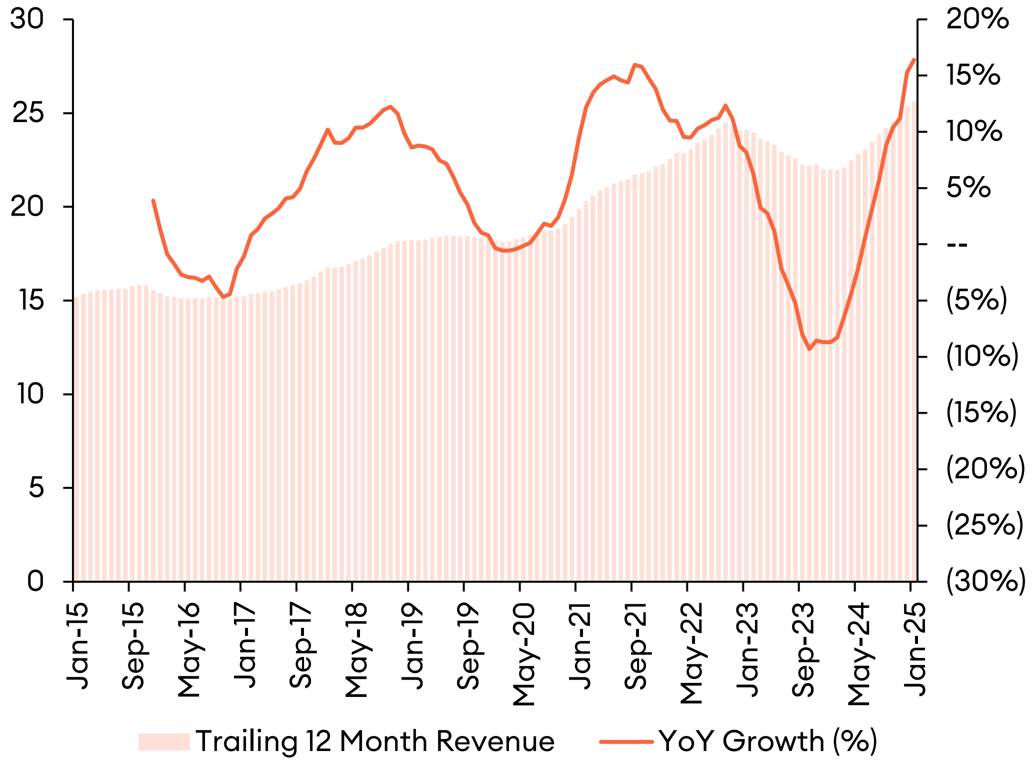


Source: Bloomberg and NSR analysis.

LTM sales likely eclipse prior cycle highs, Trailing 3-Month sales plateauing

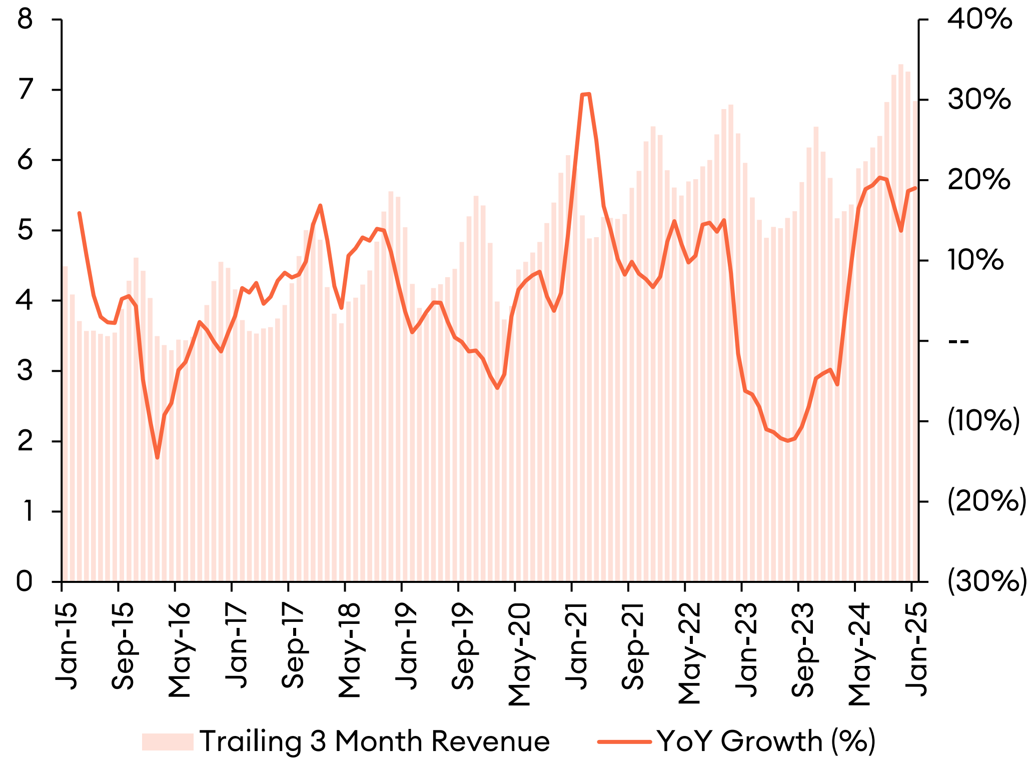
Trailing 12-month sales up 16% YoY

Taiwan TTM Monthly Sales (TWDtn) & YoY growth (%)



Trailing 3-month sales up 19% YoY

Taiwan Monthly Sales (TWDtn) & MoM growth (%)



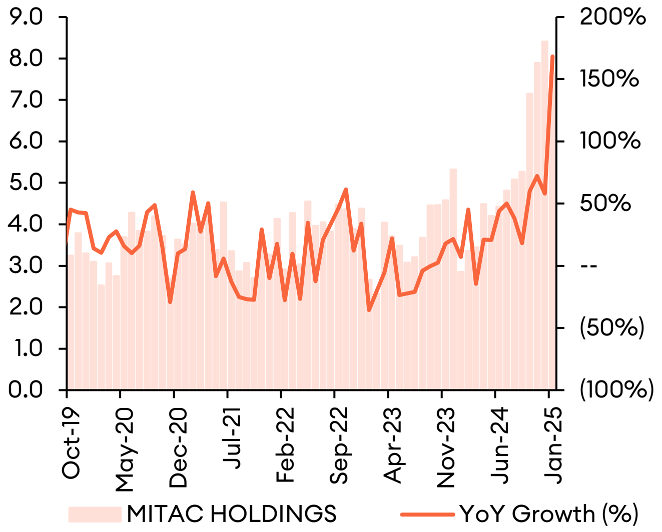
Source: Bloomberg and NSR analysis.

Top 3 performers: Mitac, Foxconn Tech & Asrock

Mitac up 168% YoY

Monthly Sales (TWDtn)

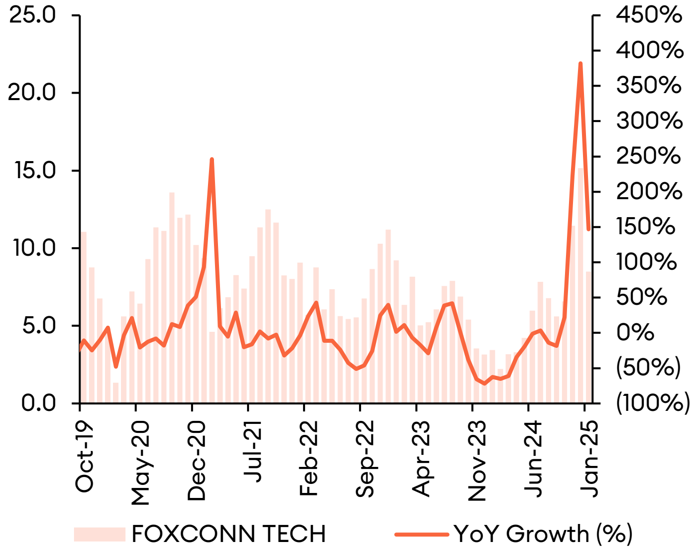
Switch ODM for ORCL



Foxconn Tech up 147% YoY

Monthly Sales (TWDtn)

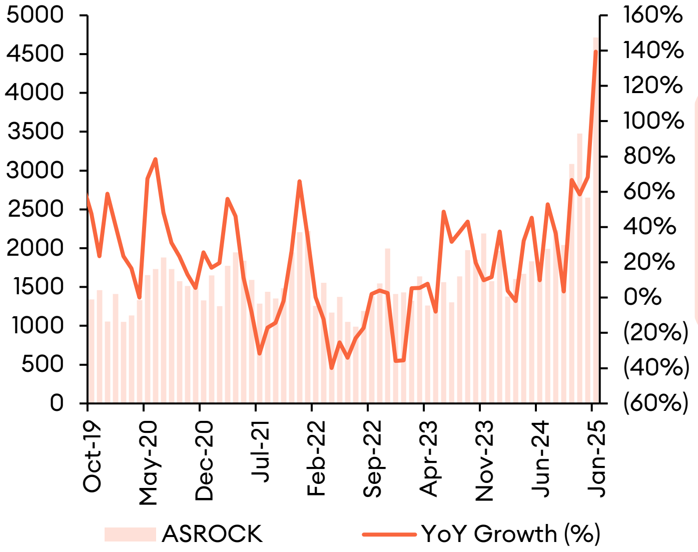
Game Console Casings



Asrock up 139%

Monthly Sales (TWDtn)

AI, HPC, Cloud Servers



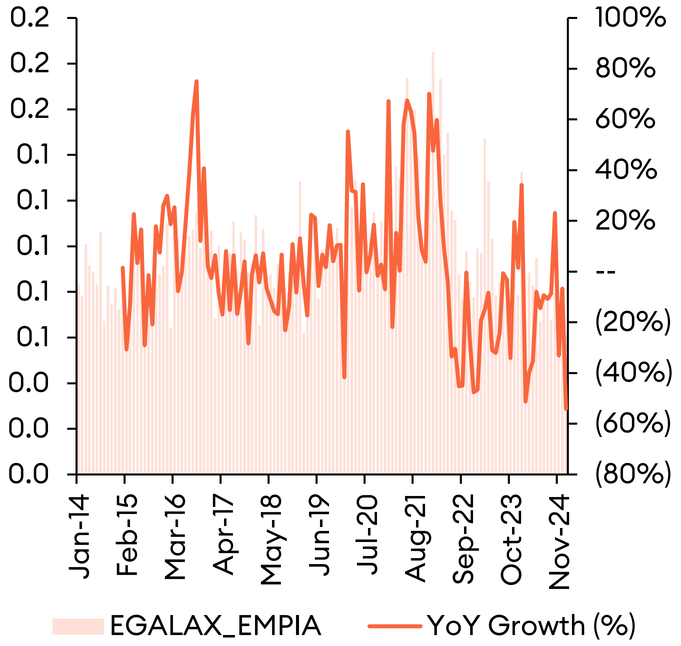
Source: Bloomberg and NSR analysis.

Bottom 3 performers: Egalax Empia, Advanced Wireless, Dynapack

Egalax Empia down 54%YoY

Monthly Sales (TWDtn)

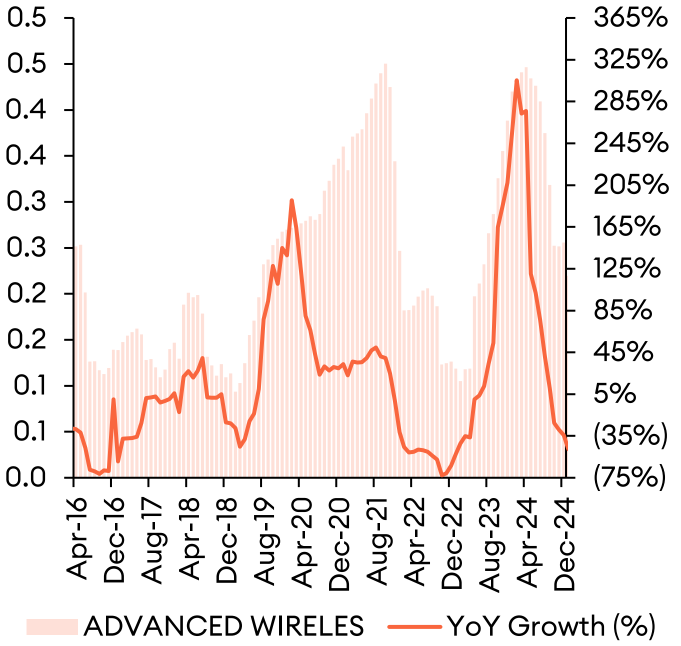
Touch Panel



Advanced Wireless down 48% YoY

Monthly Sales (TWDtn)

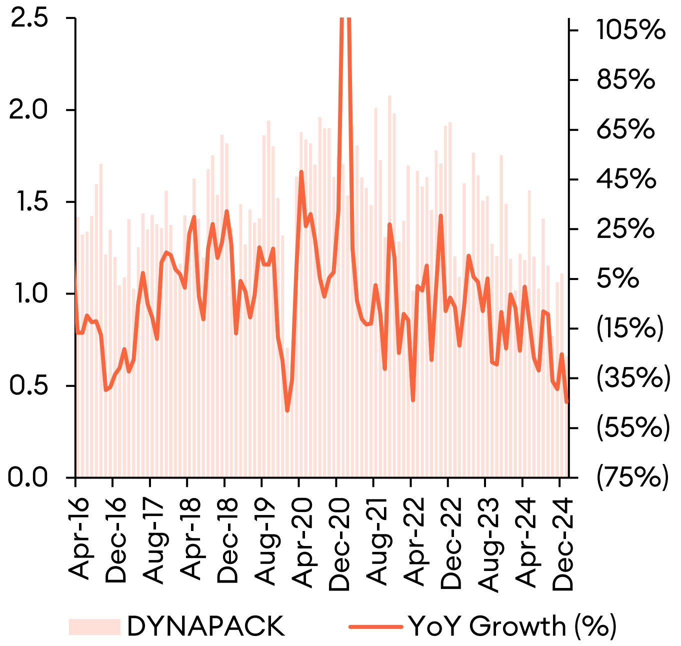
RF Foundry for Smartphone



Dynapack down 45% YoY

Monthly Sales (TWDtn)

Li-Ion Batteries for NB, Smartphones & E-Bikes

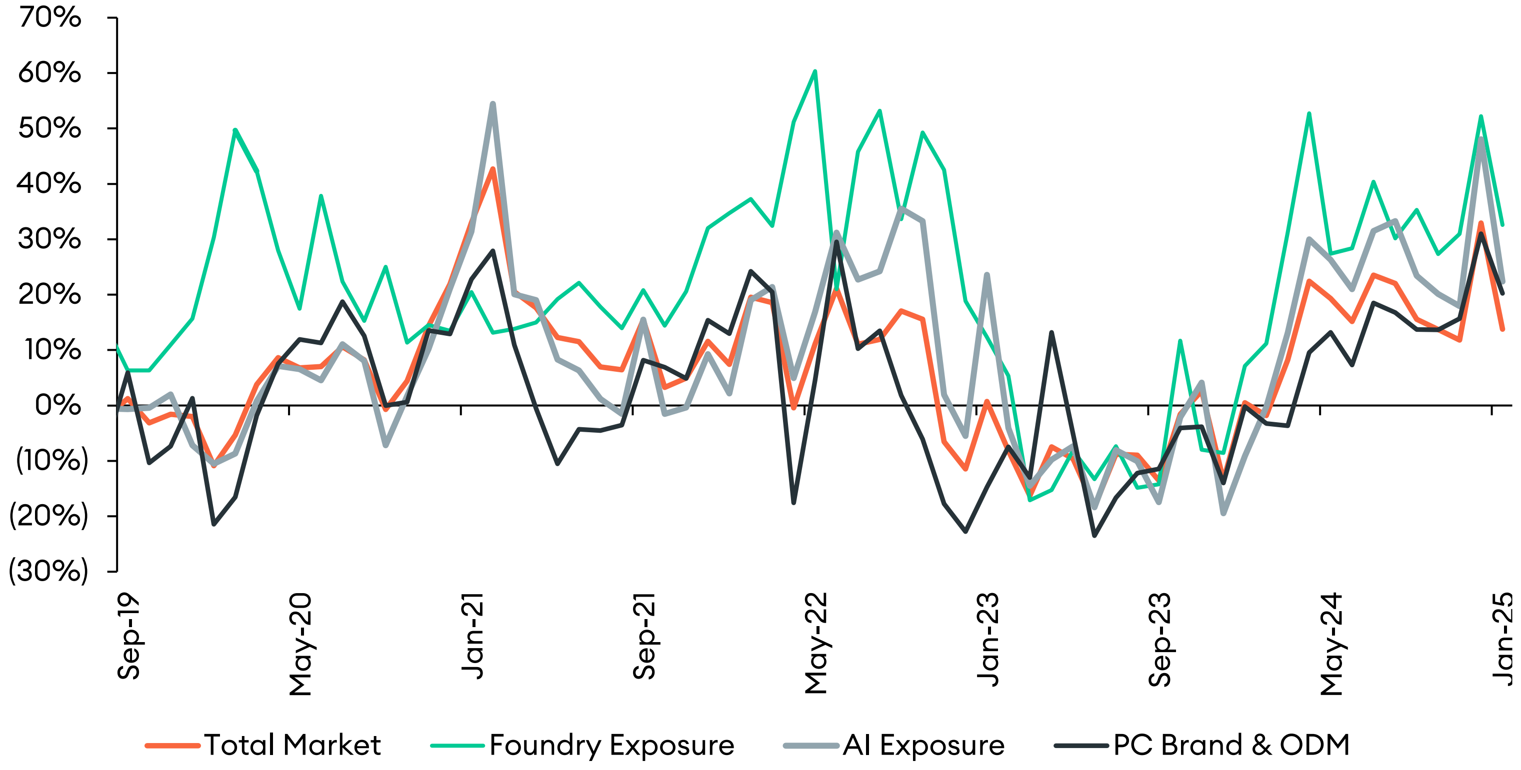


Source: Bloomberg and NSR analysis.

Top 3 segments: Foundry +33%, AI +22%, PC Brands & ODM's +20%

Foundry & AI, outperformed the broader market; AI exposed ODM's drove the PC Brand & ODM sector

Taiwan Monthly Sales YoY growth, by segment (%)



Foundry paced by TSM + 36% YoY / RF foundries continue to roll over after the 2H 23 'replacement cycle' for Smartphones

AI paced by BOTH upstream and downstream suppliers

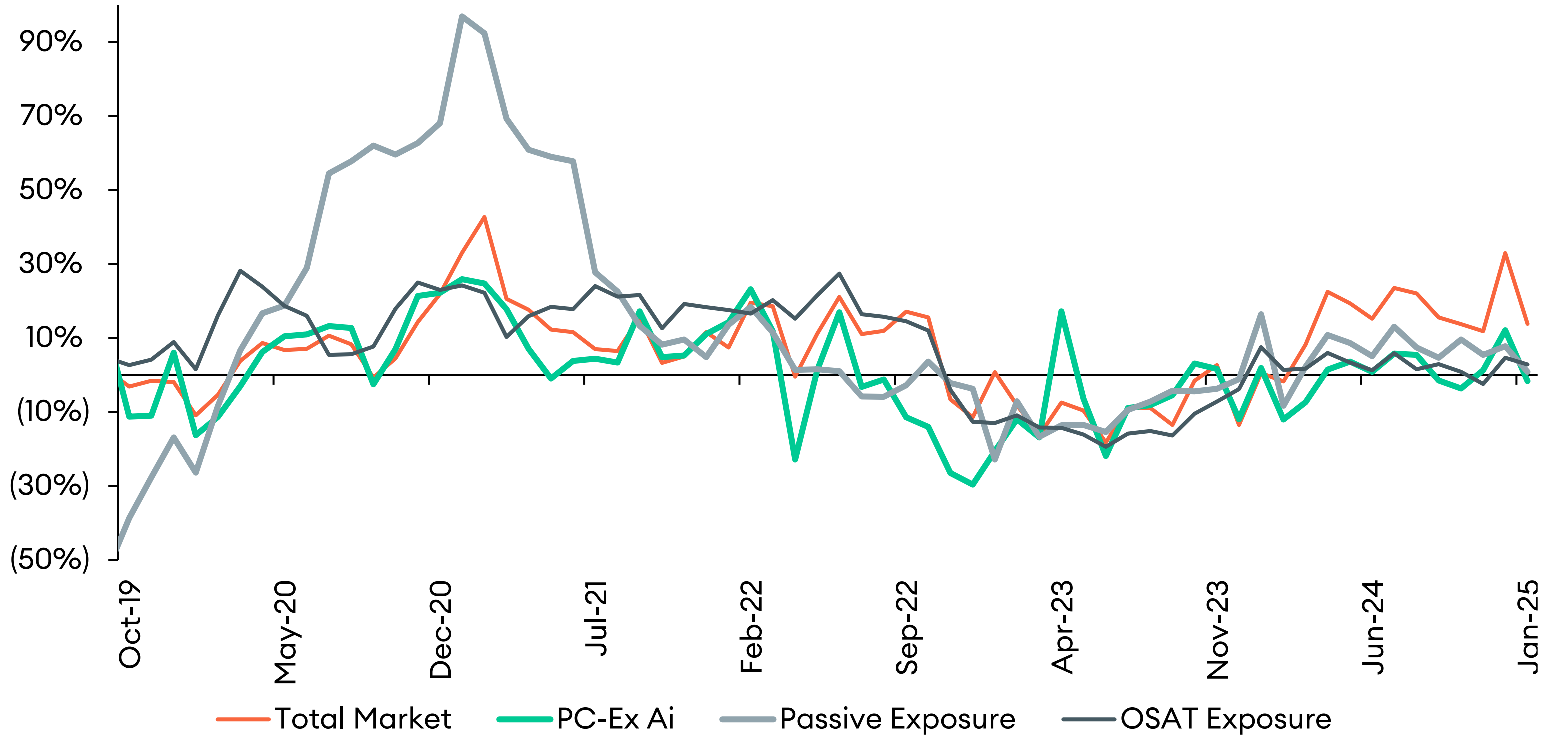
PC Brands & ODM strength is driven by Quanta and Wistron tied to AI while PC centric suppliers were all weak.

Source: Bloomberg and NSR analysis.

Bottom 3 segments: PC Ex AI -2%, Passives +1%, OSAT +3%

Passives, Gaming & PC Ex AI underperformed the broader market

Taiwan Monthly Sales YoY growth, by segment (%)



PC Ex AI weak across the board following a stronger than expected December. Early CNY and Tariff fears likely pulled forward builds.

Passives Yageo accounts for 58% of the segment and growth has been decelerating since July.

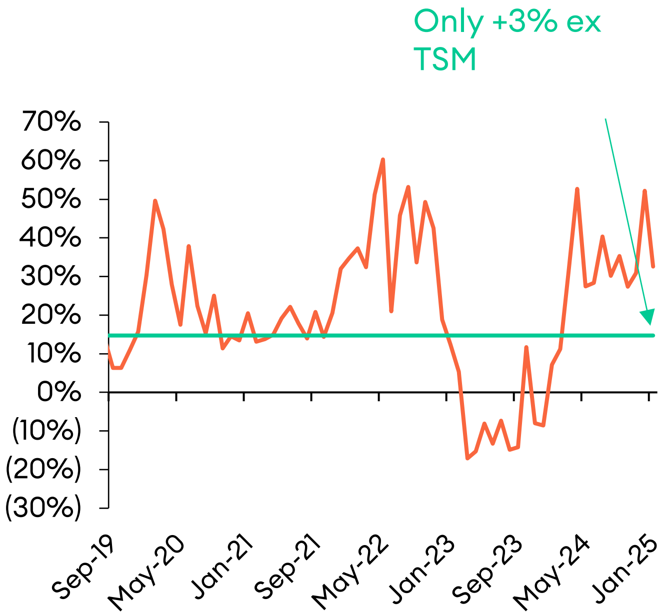
OSAT Powertech (memory packaging) and King Yuan (IC Test) paced the sector lower. ASE continues to bounce along the bottom, weighed down by excess inventory

Source: Bloomberg and NSR analysis.

Foundry & AI reverse post unusually strong Dec & ASIC Design continues to decelerate

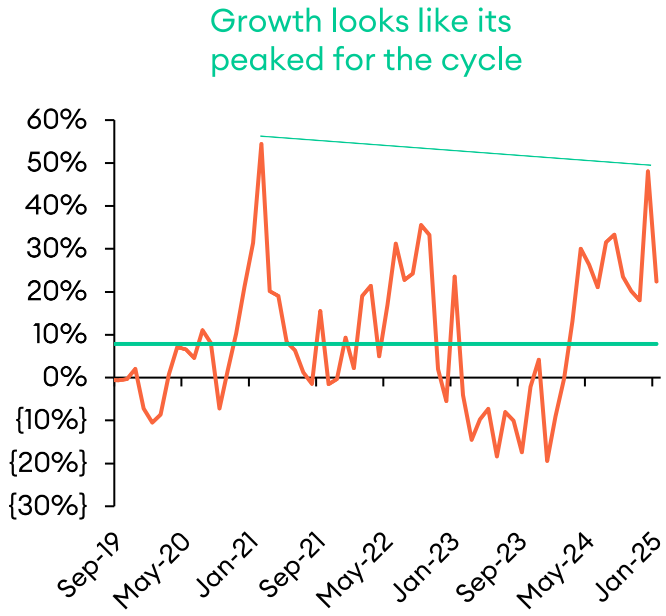
Foundry up 33% YoY

Growth YoY (%)



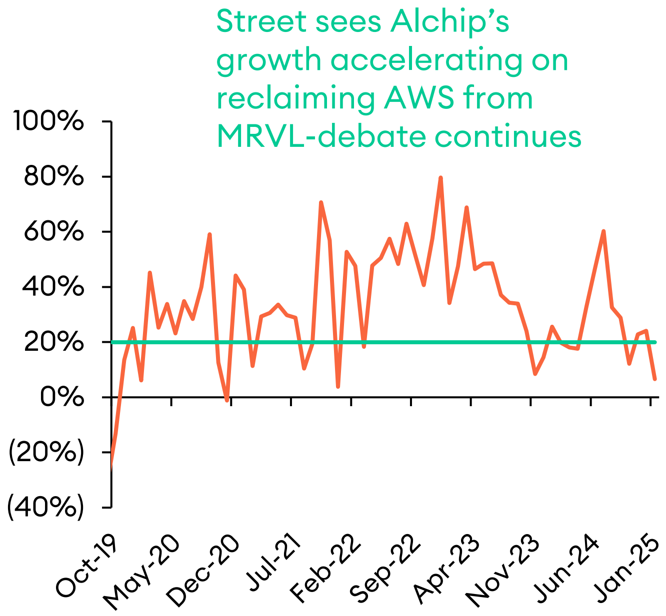
AI up 22% YoY

Growth YoY (%)



ASIC Design up 7% YoY

Growth YoY (%)



YoY Growth (%) Underlying YoY Growth (%)

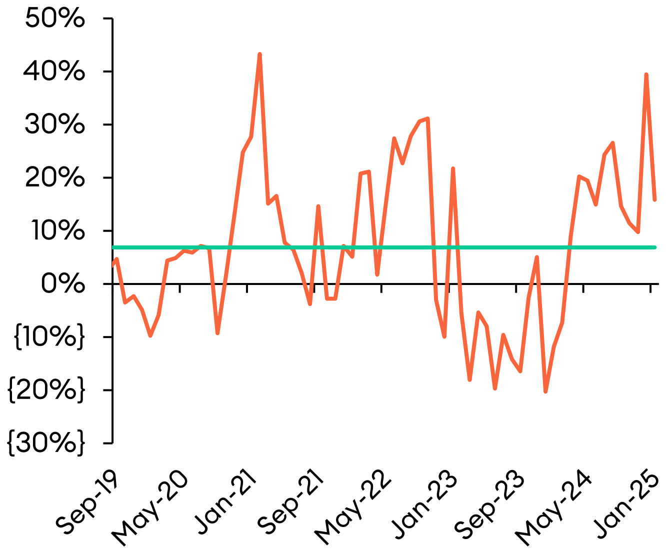
Alchip revenue decline due to end of 5 nm ASIC cycle; Asia analysts betting they win 3 nm from MRVL

Source: Bloomberg and NSR analysis.

AAPL Suppliers Growth inflated by TSM & Quanta where AI is the driver, Not iPhone

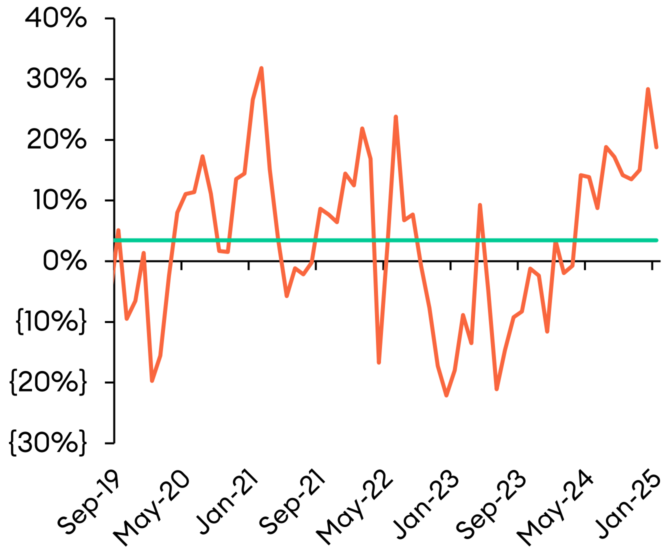
Apple up 16% YoY

Growth YoY (%)



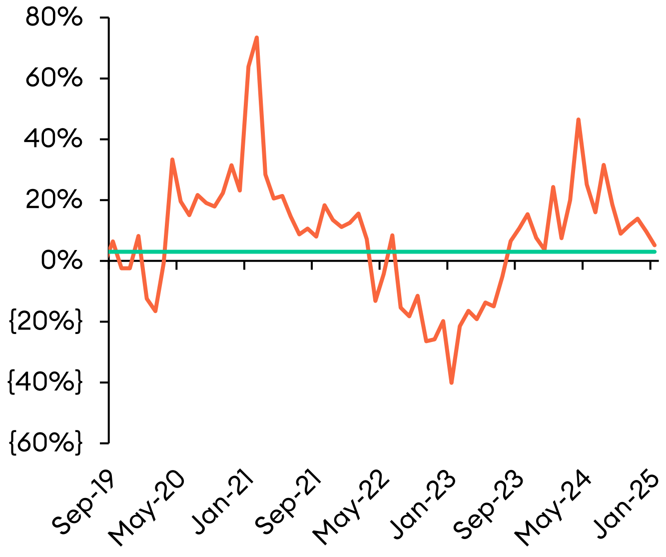
PCs up 19% YoY

Growth YoY (%)



Gaming +5 YoY

Growth YoY (%)



YoY Growth (%) Underlying YoY Growth (%)

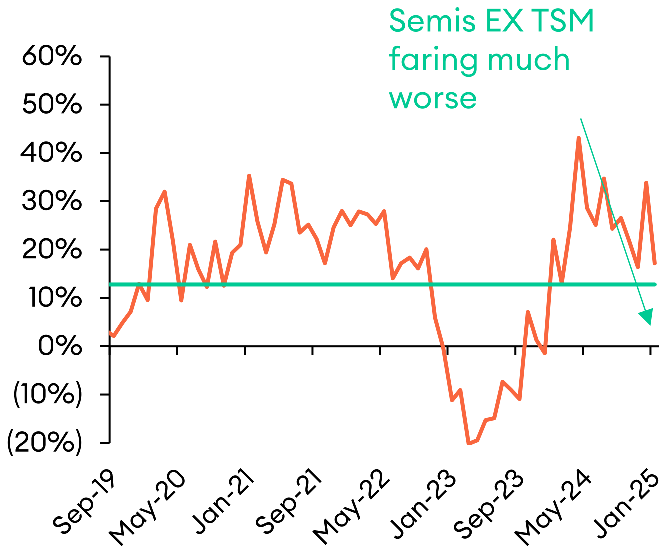
PC Sector is driven by the ODM's with AI exposure; PCs remain quite weak

Source: Bloomberg and NSR analysis.

Semis Decelerate sharply; RF & Passives continue to bounce along the bottom

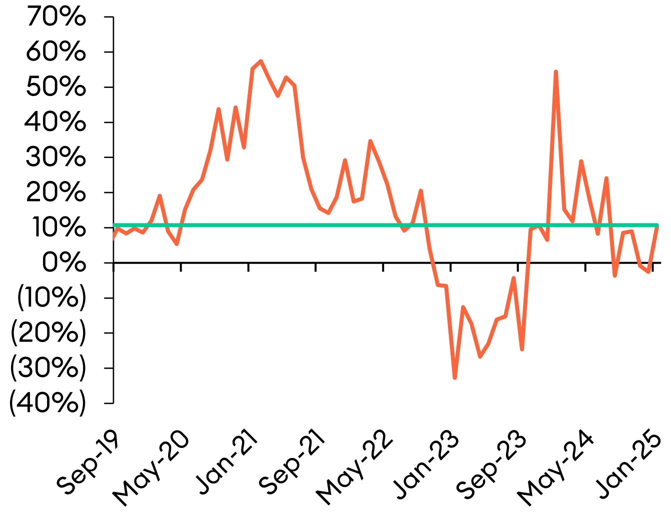
Semis up 17% YoY

Growth YoY (%)



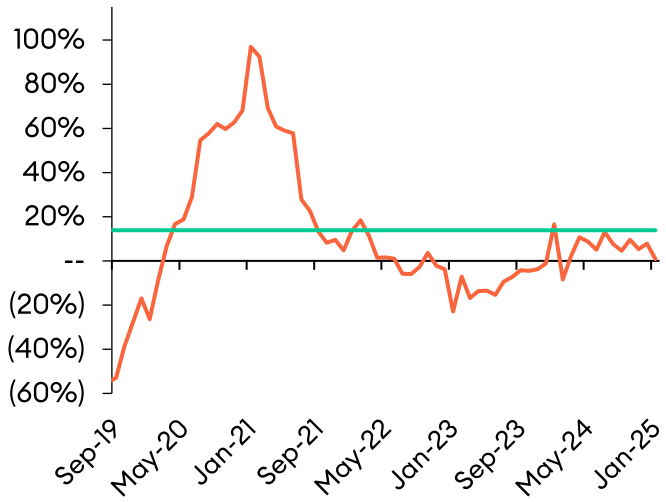
RF +10% YoY

Growth YoY (%)



Passives up 1% YoY

Growth YoY (%)



YoY Growth (%)   Underlying YoY Growth (%)

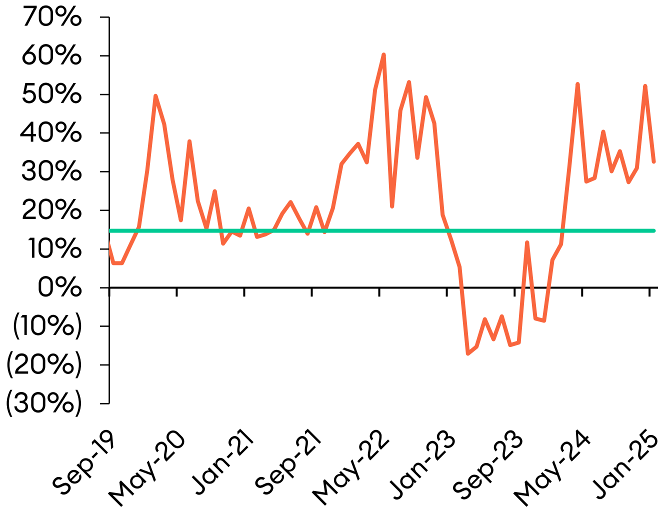
TSM accounts for 11 points of Semi's Growth. EX TSM semi's growing below trend

Source: Bloomberg and NSR analysis.

Foundry/Manufacturing Sector: AI driving growth / Legacy tech (PC & OSAT) weak

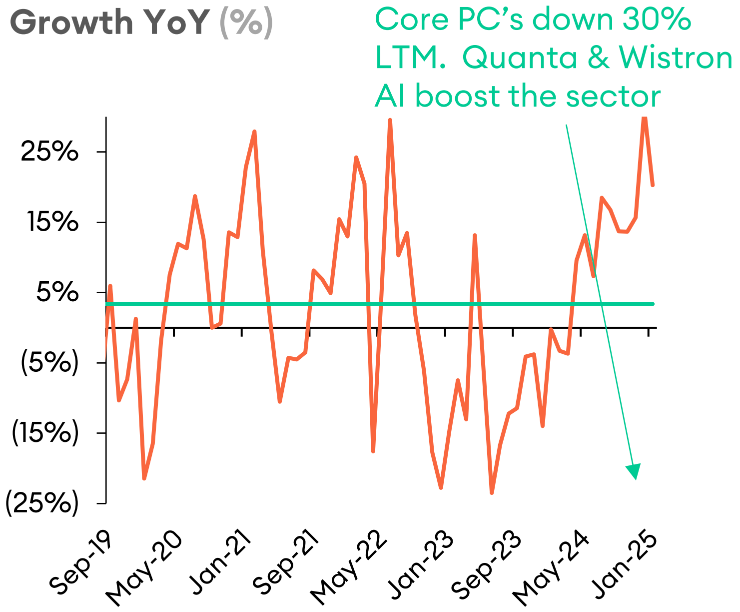
Foundry up 33% YoY

Growth YoY (%)



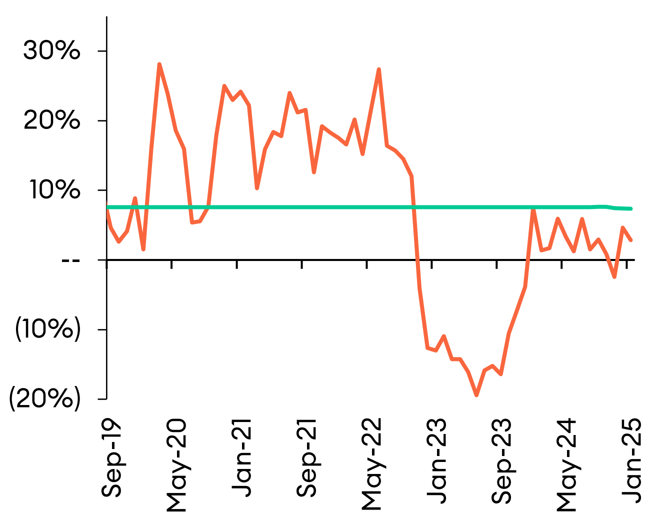
PC Brand & ODM +20% YoY

Growth YoY (%)



OSAT +3% YoY

Growth YoY (%)



YoY Growth (%) Underlying YoY Growth (%)

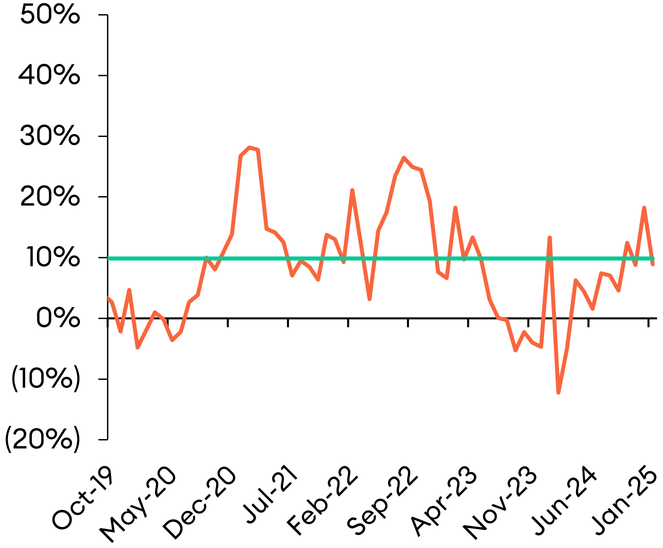
TSM has been outgrowing the overall foundry sector for 2.5 years

Source: Bloomberg and NSR analysis.

Autos/Automation/Display Sector: Accelerating off the bottom

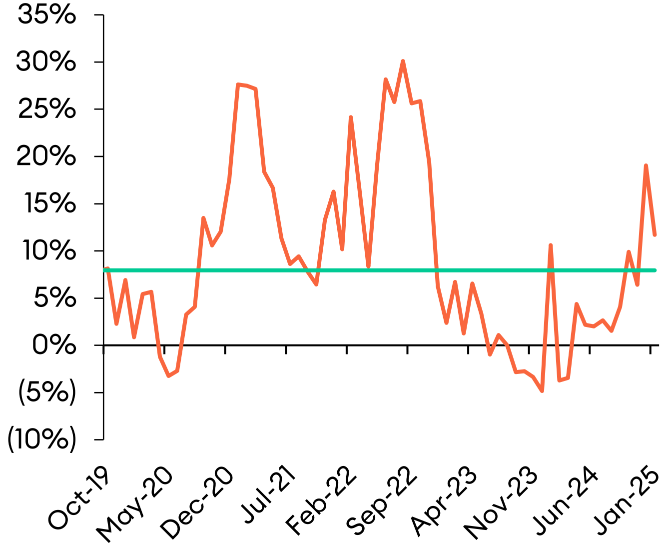
Automation up 9% YoY

Growth YoY (%)



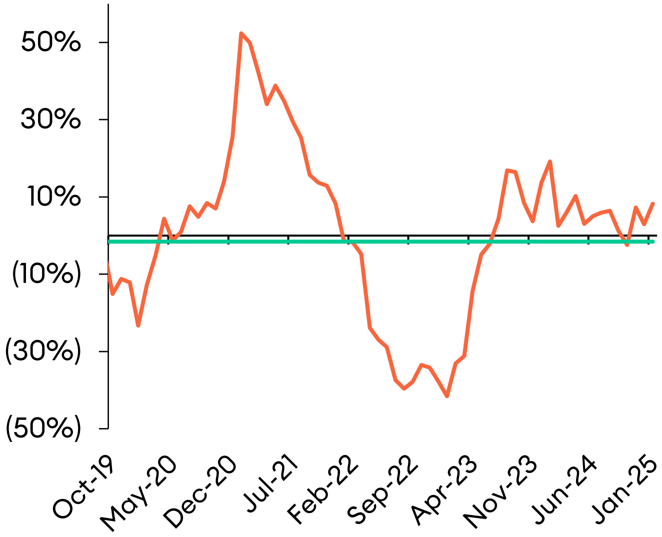
Autos up 12% YoY

Growth YoY (%)



Display up 8% YoY

Growth YoY (%)



YoY Growth (%) Underlying YoY Growth (%)

Auto & Automation bounce off the bottom is fizzling out

Source: Bloomberg and NSR analysis.

Relevant Further Research

- Taiwan Dec Sales +33% YoY, driven by AI (12 January 2025) - Link
- Taiwan Nov Sales +12% YoY, driven by Semis, Thermal & ODM's. (11 December 2024) – Link
- Inventec (2317 TT) Conf. Call wrap up – (15 November 2024) – Link
- Vanguard (5347 TT) Conf. Call wrap up – (13 November 2024) – Link
- Taiwan Oct Sales +14% YoY (AI +21% & EX AI +5%) – (12 November 2024) – Link
- Kinsus (3189 TT) Conf. Call wrap up – (6 November 2024) – Link
- King Slide (2059 TT) Conf. Call wrap up – (31 October 2024) – Link
- Gigabyte (2376 TT) Conf. Call wrap up – (25 October 2024) – Link
- Global Mixed-Mode (8081 TT) Conf. Call Wrap Up – (22 October 2024) – Link
- Taiwan Sep Sales: +16% YoY (50% lower ex AI) – (14 October 2024) – Link
- Asia Tech Tour Takeaways: AI great; Legacy Tech Weak – (23 September 2024) – Link
- Taiwan Monthly Sales Recap: August 2024: Sales + 22% YoY – (16 September 2024) – Link

Disclosures

12 month historical recommendation changes are available on request

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