

ASMPT (522 HK)

3Q26: Record Bookings And SMT Strength Underpin Solid Outlook

Highlights

- Revenue and margins were solid, while share-based incentives weighed on reported net profit; record bookings provide a strong foundation for the subsequent quarters.
- Strong 4Q26 guidance suggests that robust SMT demand should offset delayed TCB revenue recognition.
- Maintain BUY with a target price of HK\$184.00

3Q26 Results

Year to 31 Dec (HK\$m)	3Q25	2Q26	3Q26	yoy (%)	qoq (%)
Revenue	3,528	4,936	5,247	48.7	6.3
Semi solutions	1,747	2,892	2,934	68.0	1.5
SMT solutions	1,781	2,044	2,313	29.8	13.2
Gross profit	1,252	2,092	2,209	76.4	5.6
Net profit	(286)	418	533	n.a.	27.6
Adjusted net profit	118	638	690	486.3	8.2
Margins (ppt chg)					
Gross margin (%)	35.5	42.4	42.1	6.6	(0.3)
Semi solutions	41.5	46.5	46.6	5.1	0.1
SMT solutions	33.9	36.8	38.2	4.3	1.4
Net margin	(8.1)	8.5	10.2	18.3	1.7
Adjusted net margin	3.3	12.9	13.1	9.8	0.2

Source: ASMPT, UOB Kay Hian

Analysis

- Solid top-line and margins in 3Q26 while bottom line weighed by share-based payments.** ASMPT's 3Q26 revenue grew 48.7% yoy and 6.3% qoq to HK\$5,247m, which is 3.8%/0.9% above our/consensus estimates. Gross margins expanded 6.6ppt yoy but moderated 0.3ppt qoq to 42.1%, which is a very slight beat to consensus. At the bottom line, a share-based incentives payment of HK\$92.4m weighted on opex, which resulted in a slight miss on reported net profit which still turned around from a loss yoy and grew 27.6% qoq to HK\$533m. Note that 3Q's booking was exceptionally strong, growing 137.8% yoy and 24.7% qoq to HK\$8,845m, which is the highest level since 2021 and the book-to-bill ratio continued to expand to 1.69x.

Key Financials

Year to 31 Dec (HK\$m)	2024	2025	2026F	2027F	2028F
Net turnover	12,483	13,736	19,561	22,441	24,234
EBITDA	1,356	1,377	3,621	4,305	4,974
Operating profit	648	727	2,877	3,567	4,236
Net profit (rep./act.)	291	1,085	1,850	2,415	2,895
Net profit (adj.)	426	501	2,238	2,415	2,895
EPS (HK cents)	69.9	260.5	444.2	579.8	695.3
PE (x)	169.3	45.4	26.6	20.4	17.0
P/B (x)	3.2	2.9	2.7	2.5	2.3
EV/EBITDA (x)	49.1	48.3	18.4	15.5	13.4
Dividend yield (%)	0.6	1.8	1.9	2.5	2.9
Net margin (%)	3.4	3.6	11.4	10.8	11.9
Net debt/(cash) to equity (%)	(3.6)	(8.5)	15.5	(5.6)	6.9
Interest cover (x)	9.5	9.1	25.5	30.4	42.6
ROE (%)	2.8	3.1	12.7	12.7	14.3
Consensus net profit	-	-	1,819	2,625	3,312
UOBKH/Consensus (x)	-	-	1.23	0.92	0.87

Source: ASMPT, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	HK\$118.30
Target Price	HK\$184.00
Upside	55.5%
Previous TP	HK\$211.00

Stock Data

Sector	Backend Equipment
Bloomberg ticker	522 HK
Shares issued (m)	419
Market cap (HK\$m)	49,567
Market cap (US\$m)	6,355
3-mth avg daily t'over (US\$m)	56.2

Price Performance (%)

52-week high/low		HK\$244.40/HK\$68.90		
1mth	3mth	6mth	1yr	YTD
(25.3)	(27.8)	(30.3)	35.6	52.3

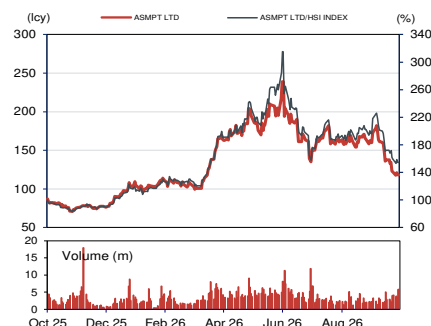
Major Shareholders (%)

ASM International NV	24.85
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Balance Sheet Metrics

2026 NAV/Share (HK\$)	44.03
2026 Net Debt/Share (HK\$)	6.82

Price Chart



Source: Bloomberg

Company Description

ASMPT provides semiconductor assembly and packaging services, as well as surface mount technology solutions, to customers worldwide. The company designs, manufactures and markets machines, tools, and materials used in the semiconductor and electronics assembly industries.

- **4Q26 guidance is better than expected.** Revenue guidance for 4Q26: US\$670m-730m, up 4.6% qoq and 37.5% yoy, at the mid-point of US\$700m – a slight 2.7% beat to consensus estimates. 4Q26 revenue should be mainly contributed by the surface mount technology solutions segment (SMT), as the semiconductor solutions segment's (semi) revenue might remain flattish given that there is a delay in delivery for memory-related thermal compression bonding (TCB) tools.
- **Key updates on advanced packaging:** a) ASMPT received the highest number of C2S application orders for TCB during the quarter; b) continued C2W orders from the leading integrated device manufacturer (IDM) customer for advanced CPU applications; c) HBM4 TCB tools order recognition is pushed back as memory customers are re-evaluating the specifications of upcoming products; d) photonics-related sales are progressing well with a breakthrough near-packaged optics (NPO) bulk order on AMICRA's ultra-high precision bonding solution; e) ASMPT is now actively working with the leading advanced logic customer and a leading IDM on the development of TCB tools for panel-level-packaging applications; f) hybrid bonders are likely to see commercialised orders in 12-18 months' time; g) logic applications are likely to remain the larger contributor vs memory in the following years given the expanded application; and h) order lead times for advanced packaging tools remained stable at 6-9 months, indicating that the supply side is catching up with the robust orders received in the previous quarter.
- **Mainstream tools momentum will remain elevated.** Management stated that current mainstream tools orders growth is primarily supported by power management-related application, which is seeing sustained, strong demand from AI-infrastructure investments. Consumer electronics-related customers also remained resilient, with no order cuts yet, and as such the strong momentum in mainstream tools is expected to continue into 2027.

Valuation/Recommendation

- **Maintain BUY. Trim target price to HK\$184.00.** ASMPT's share price had corrected sharply over the past three months, due to a combination of unwinding AI trade, macro uncertainties, and volatile changes in HBM4 specs and competition dynamics. That said, we believe the AI hardware correction is close to the end, and we expect SK Hynix – ASMPT's major TCB memory client, to pass HBM4 qualification for the NVIDIA supply chain. As such, the recent correction is viewed as a window to accumulate shares for the upcoming recovery. Our target price is based on 3.92x 2027F P/B, slightly lowered from the peak valuation of 4.6x but still pegged to 2SD above mean.

Earnings Revision/Risk

- We are adjusting our 2026-28 earnings estimates by +6.6%/+0.8%/-4.8% to Rmb1850m/Rmb2,415m/Rmb2,895m respectively. We have raised our revenue and gross profit assumptions, and lowered our operating expenses assumption, which is partially offset by a higher tax rate assumption.

Changes to 2026-28 estimates

Year to 31 Dec	----- Old estimates -----			----- New estimates -----			----- Change (%) -----		
(HK\$m)	2026F	2027F	2028F	2026F	2027F	2028F	2026F	2027F	2028F
Revenue	18,932	20,396	22,217	19,561	22,441	24,234	3.3	10.0	9.1
Gross profit	7,789	8,698	9,678	8,180	9,494	10,443	5.0	9.1	7.9
Operating profit	2,278	3,087	3,877	2,877	3,567	4,236	26.3	15.5	9.3
Net profit	1,736	2,395	3,041	1,850	2,415	2,895	6.6	0.8	(4.8)
Adjusted net profit	1,736	2,395	3,041	2,238	2,415	2,895	28.9	0.8	(4.8)
GPM (%)	41.1	42.6	43.6	41.8	42.3	43.1	0.7	(0.3)	(0.5)
OPM (%)	12.0	15.1	17.4	14.7	15.9	17.5	2.7	0.8	0.0
NPM (%)	9.2	11.7	13.7	9.5	10.8	11.9	0.3	(1.0)	(1.7)
Adjusted NPM (%)	9.2	11.7	13.7	11.4	10.8	11.9	2.3	(1.0)	(1.7)

Source: ASMPT, UOB Kay Hian

Profit & Loss

Year to 31 Dec (HK\$m)	2025	2026F	2027F	2028F
Net turnover	13,736	19,561	22,441	24,234
EBITDA	1,377	3,621	4,305	4,974
Deprec. & amort.	(649)	(744)	(738)	(738)
EBIT	727	2,877	3,567	4,236
Total other non-operating income	501	(121)	-	-
Associate contributions	60	-	-	-
Net interest income/(expense)	(80)	(113)	(117)	(100)
Pre-tax profit	1,216	2,643	3,450	4,136
Tax	(131)	(793)	(1,035)	(1,241)
Minorities	-	-	-	-
Net profit	1,085	1,850	2,415	2,895
Net profit (adj.)	501	2,238	2,415	2,895

Cash Flow

Year to 31 Dec (HK\$m)	2025	2026F	2027F	2028F
Operating	1,697	(2,751)	5,770	(511)
Pre-tax profit	1,216	2,643	3,450	4,136
Tax	(131)	(793)	(1,035)	(1,241)
Depreciation/amortization	649	744	738	738
Associates	(60)	-	-	-
Working capital changes	(115)	(5,475)	2,499	(4,243)
Non-cash items	-	-	-	-
Other operating cashflows	138	130	117	100
Investing	(413)	(410)	(415)	(397)
Capex (growth)	(501)	(501)	(501)	(501)
Investments	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Others	87	90	86	104
Financing	(1,035)	(1,128)	(1,410)	(1,651)
Dividend payments	(868)	(925)	(1,207)	(1,448)
Issue of shares	-	-	-	-
Proceeds from borrowings	500	500	500	500
Loan repayment	(500)	(500)	(500)	(500)
Others/interest paid	(167)	(203)	(203)	(203)
Net cash inflow (outflow)	248	(4,290)	3,944	(2,559)
Beginning cash & cash equivalent	4,418	4,666	376	4,321
Changes due to forex impact	-	-	-	-
Ending cash & cash equivalent	4,666	376	4,321	1,762

Balance Sheet

Year to 31 Dec (HK\$m)	2025	2026F	2027F	2028F
Fixed assets	2,186	2,300	2,276	2,228
Other LT assets	1,048	1,048	1,048	1,048
Cash/ST investment	4,666	376	4,321	1,762
Other current assets	18,264	24,665	21,722	26,517
Total assets	26,163	28,388	29,366	31,555
ST debt	169	169	169	169
Other current liabilities	4,720	5,899	5,669	6,411
LT debt	2,250	2,250	2,250	2,250
Other LT liabilities	62	62	62	62
Shareholders' equity	17,026	18,338	19,546	20,994
Minority interest	107	107	107	107
Total liabilities & equity	26,163	28,655	29,632	31,822

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	10.0	18.5	19.2	20.5
Pre-tax margin	8.9	13.5	15.4	17.1
Net margin	3.6	11.4	10.8	11.9
ROA	2.0	8.2	8.4	9.5
ROE	3.1	12.7	12.7	14.3
Growth				
Turnover	10.0	42.4	14.7	8.0
EBITDA	1.6	163.0	18.9	15.5
Pre-tax profit	166.8	117.3	30.5	19.9
Net profit	272.7	70.6	30.5	19.9
Net profit (adj.)	17.7	346.3	7.9	19.9
EPS	272.7	70.6	30.5	19.9
Leverage				
Debt to total capital	9.1	8.4	8.2	7.6
Debt to equity	14.1	13.1	12.2	11.4
Net debt/(cash) to equity	(8.5)	15.5	(5.6)	6.9
Interest cover (x)	9.1	25.5	30.4	42.6

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