NOMURA

Global Markets Research
30 April 2026

Victory Giant 2476.HK 2476 HK

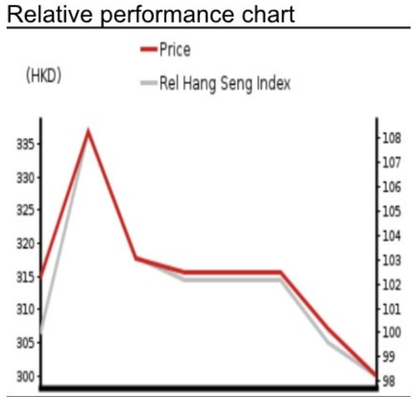
EQUITY: TECHNOLOGY

Eyeing a new AI PCB upgrade cycle; initiate coverage at Buy

HK IPO augurs well for global expansion

Rating Starts at	Buy
Target price Starts at	HKD 479.00
Closing price 29 April 2026	HKD 321.00
Implied upside	+49.2%
Market Cap (USD mn)	4,515.2
ADT (USD mn)	393.9

Relative performance chart



Source: LSEG, Nomura

Action: Initiate coverage at Buy with TP of HKD479, implying 49% upside

As one of the global leaders in the AI PCB market, Victory Giant (300476 CH, Buy / 2476 HK, Buy, VGT) is well positioned to benefit from global AI customers' intensive infrastructure investment, and an accelerated product upgrade cycle, in our view. According to Frost & Sullivan, VGT was ranked **No.1 by revenue in global AI PCB market in 1H25 with 13.8% market share (up from only 1.7% in 2024)**. We believe the company's recent HK IPO (21 April) marks a key milestone for its global expansion and will help the company to maintain its leading position. We estimate 54%/61% revenue/earnings CAGRs over FY26-28F, and expect the **AI & HPC (High Performance Computing) sector to deliver a 65% revenue CAGR** over FY26-28F, contributing **69% of total sales in FY28F**. We initiate coverage of VGT (2476 HK) at Buy, with TP of HKD479, based on 27x FY27F EPS of CNY15.44, in line with the A-share historical median P/E. The stock is currently trading at 20.8x FY27F EPS.

Global AI leaders' ambitious tech roadmap, and China's AI innovation cycle to augur well for the company's AI PCB demand

We think VGT is the key beneficiary of the NVIDIA's (NVDA US, Not rated) proactive technology roadmap (*Fig. 13*), including high-end HDI, mid plane and back plane. We estimate **50-55% wallet share in the Rubin platform in FY26-28F**, and expect the **key customer to contribute ~38-40% of total sales** (*Fig. 14*). Moreover, we think the company's penetration into the ASIC customer market will unlock long-term growth potential, and we estimate VGT's **AI PCB revenue from non-NVIDIA customers may grow faster in 2027-28F, delivering a 71% revenue CAGR over FY26-28F** (*Fig. 16*).

Effective supply-chain management to strengthen VGT's leadership

Thanks to strong demand for AI PCB including HDI (high-density interconnect) and HLC (high layer count) and supply shortage of key equipment (i.e., laser equipment) and material (i.e., glass fiber), we believe VGT's effective supply chain management will help strengthen its market leadership. We estimate the company's **HDI capacity to increase from 0.56mn sqm to 2.97mn sqm**, and **HLC capacity to grow from 8.60mn sqm to 10.25mn in FY25-28F** (*Fig. 19*), leading to business expansion in the global AI PCB market, in our view.

Key risks: geopolitical tensions, intensified competition and cost pressure

We think geopolitical tensions and more intensive competitions are key risks. Moreover, recent price hikes on upstream materials may also test the company's ability to pass down cost pressure to the end market.

Year-end 31 Dec	FY25	FY26F		FY27F		FY28F	
Currency (CNY)	Actual	Old	New	Old	New	Old	New
Revenue (mn)	19,292	0	31,948	0	52,317	0	75,880
Reported net profit (mn)	4,312	0	8,698	0	15,174	0	22,509
Normalised net profit (mn)	4,312	0	8,698	0	15,174	0	22,509
FD normalised EPS	4.98		9.39		15.44		22.90
FD norm. EPS growth (%)	271.9		88.6		64.5		48.3
FD normalised P/E (x)	54.5	–	28.9	–	17.6	–	11.8
EV/EBITDA (x)	4.2	–	1.3	–	0.4	–	-0.3
Price/book (x)	14.2	–	6.3	–	4.7	–	3.4
Dividend yield (%)	0.1	–	0.2	–	0.3	–	0.5
ROE (%)	33.8		29.5		30.5		33.2
Net debt/equity (%)	net cash		net cash		net cash		net cash

Source: Company data, Nomura estimates

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Key data on Victory Giant

Performance

(%)	1M	3M	12M		
Absolute (HKD)				M cap (USDmn)	4,515.2
Absolute (USD)				Free float (%)	62.0
Rel to Hang Seng Index				3-mth ADT (USDmn)	393.9

Income statement (CNYmn)

Year-end 31 Dec	FY24	FY25	FY26F	FY27F	FY28F
Revenue	10,731	19,292	31,948	52,317	75,880
Cost of goods sold	-8,293	-12,497	-18,865	-29,260	-41,059
Gross profit	2,439	6,795	13,083	23,057	34,822
SG&A	-1,013	-1,631	-2,717	-4,999	-8,047
Employee share expense					
Operating profit	1,425	5,164	10,365	18,058	26,774
EBITDA	2,142	6,047	12,143	20,360	29,249
Depreciation	-717	-883	-1,778	-2,303	-2,475
Amortisation					
EBIT	1,425	5,164	10,365	18,058	26,774
Net interest expense	-114	-142	-236	-386	-560
Associates & JCEs	0	0	0	0	0
Other income	0	0	0	0	0
Earnings before tax	1,312	5,022	10,129	17,672	26,214
Income tax	-157	-710	-1,432	-2,498	-3,705
Net profit after tax	1,154	4,312	8,698	15,174	22,509
Minority interests	0	0	0	0	0
Other items	0	0	0	0	0
Preferred dividends					
Normalised NPAT	1,154	4,312	8,698	15,174	22,509
Extraordinary items					
Reported NPAT	1,154	4,312	8,698	15,174	22,509
Dividends	-163	-258	-520	-906	-1,345
Transfer to reserves	991	4,054	8,178	14,268	21,165
Valuations and ratios					
Reported P/E (x)	202.6	54.5	28.9	17.6	11.8
Normalised P/E (x)	202.6	54.5	28.9	17.6	11.8
FD normalised P/E (x)	202.6	54.5	28.9	17.6	11.8
Dividend yield (%)	0.1	0.1	0.2	0.3	0.5
Price/cashflow (x)	112.9	50.9	36.1	13.9	12.7
Price/book (x)	26.2	14.2	6.3	4.7	3.4
EV/EBITDA (x)	12.2	4.2	1.3	0.4	-0.3
EV/EBIT (x)	18.4	4.9	1.6	0.4	-0.3
Gross margin (%)	22.7	35.2	40.9	44.1	45.9
EBITDA margin (%)	20.0	31.3	38.0	38.9	38.5
EBIT margin (%)	13.3	26.8	32.4	34.5	35.3
Net margin (%)	10.8	22.4	27.2	29.0	29.7
Effective tax rate (%)	12.0	14.1	14.1	14.1	14.1
Dividend payout (%)	14.1	6.0	6.0	6.0	6.0
ROE (%)	13.9	33.8	29.5	30.5	33.2
ROA (pretax %)	8.7	20.9	24.8	30.1	36.1
Growth (%)					
Revenue	35.3	79.8	65.6	63.8	45.0
EBITDA	41.7	182.3	100.8	67.7	43.7
Normalised EPS	2.2	271.9	88.6	64.5	48.3
Normalised FDEPS	2.2	271.9	88.6	64.5	48.3

Source: Company data, Nomura estimates

Cashflow statement (CNYmn)

Year-end 31 Dec	FY24	FY25	FY26F	FY27F	FY28F
EBITDA	2,142	6,047	12,143	20,360	29,249
Change in working capital	184	2,128	-3,556	1,609	-4,068
Other operating cashflow	-255	-3,555	-1,627	-2,843	-4,225
Cashflow from operations	2,071	4,620	6,960	19,126	20,957
Capital expenditure	-1,116	-6,364	-15,000	-10,000	-5,000
Free cashflow	955	-1,744	-8,040	9,126	15,957
Reduction in investments	0	0	0	0	
Net acquisitions					
Dec in other LT assets	-5,263	0	0	0	
Inc in other LT liabilities	1,869	0	0	0	
Adjustments	469	666	0	0	0
CF after investing acts	1,424	-4,471	-8,040	9,126	15,957
Cash dividends	-163	-258	-258	-520	-906
Equity issue	0	1,876	17,300	0	0
Debt issue	-935	2,119	2,441	0	0
Convertible debt issue	0	0	0	0	0
Others	1,186	2,351	0	0	0
CF from financial acts	89	6,089	19,483	-520	-906
Net cashflow	1,513	1,618	11,443	8,606	15,050
Beginning cash	749	1,662	3,280	14,723	23,330
Ending cash	2,262	3,280	14,723	23,330	38,380
Ending net debt	927	-806	-9,809	-18,415	-33,465

Balance sheet (CNYmn)

As at 31 Dec	FY24	FY25	FY26F	FY27F	FY28F
Cash & equivalents	1,662	3,280	14,723	23,330	38,380
Marketable securities					
Accounts receivable	4,272	6,561	11,378	17,998	24,609
Inventories	2,045	3,162	4,699	7,494	9,616
Other current assets	101	511	511	511	511
Total current assets	8,080	13,514	31,311	49,332	73,116
LT investments					
Fixed assets	7,477	12,876	26,098	33,796	36,321
Goodwill	615	588	547	507	466
Other intangible assets					
Other LT assets	3,004	8,267	8,267	8,267	8,267
Total assets	19,175	35,244	66,223	91,901	118,170
Short-term debt	1,908	2,474	4,915	4,915	4,915
Accounts payable	5,473	11,144	13,942	24,966	29,631
Other current liabilities	155	429	429	429	429
Total current liabilities	7,537	14,047	19,286	30,309	34,975
Long-term debt	0	0	0	0	0
Convertible debt					
Other LT liabilities	2,711	4,580	4,580	4,580	4,580
Total liabilities	10,247	18,627	23,866	34,889	39,555
Minority interest	0	0	0	0	0
Preferred stock					
Common stock	863	870	18,170	18,170	18,170
Retained earnings	8,065	15,747	24,187	38,842	60,445
Proposed dividends					
Other equity and reserves					
Total shareholders' equity	8,928	16,618	42,358	57,012	78,615
Total equity & liabilities	19,175	35,244	66,223	91,901	118,170
Liquidity (x)					
Current ratio	1.07	0.96	1.62	1.63	2.09
Interest cover	12.5	36.2	43.9	46.7	47.8
Leverage					
Net debt/EBITDA (x)	0.43	net cash	net cash	net cash	net cash
Net debt/equity (%)	10.4	net cash	net cash	net cash	net cash
Per share					
Reported EPS (CNY)	1.34	4.98	9.39	15.44	22.90
Norm EPS (CNY)	1.34	4.98	9.39	15.44	22.90
FD norm EPS (CNY)	1.34	4.98	9.39	15.44	22.90
BVPS (CNY)	10.35	19.09	43.10	58.01	79.99
DPS (CNY)	0.19	0.30	0.53	0.92	1.37
Activity (days)					
Days receivable	132.5	102.5	102.5	102.5	102.8
Days inventory	75.5	76.1	76.1	76.1	76.3
Days payable	213.3	242.7	242.7	242.7	243.3
Cash cycle	-5.3	-64.1	-64.1	-64.1	-64.3

Source: Company data, Nomura estimates

Company profile

VGT is a key player in advanced printed circuit board (PCB) products for AI and high-performance computing.

Valuation Methodology

Our TP of HKD479.00 is based on 27x 2027F EPS of CNY15.44, in line with its A-share historical median P/E. The benchmark index is Hang Seng Index.

Risks that may impede the achievement of the target price

Downside risks: 1) lower-than-expected PCB demand in downstream sectors such as servers and auto electronics; 2) more fierce competition in the high-end PCB market leading to pressure on margins; 3) higher-than-expected raw material cost pressure, and 4) worse-than-expected geopolitical tensions in global AI value chain.

ESG

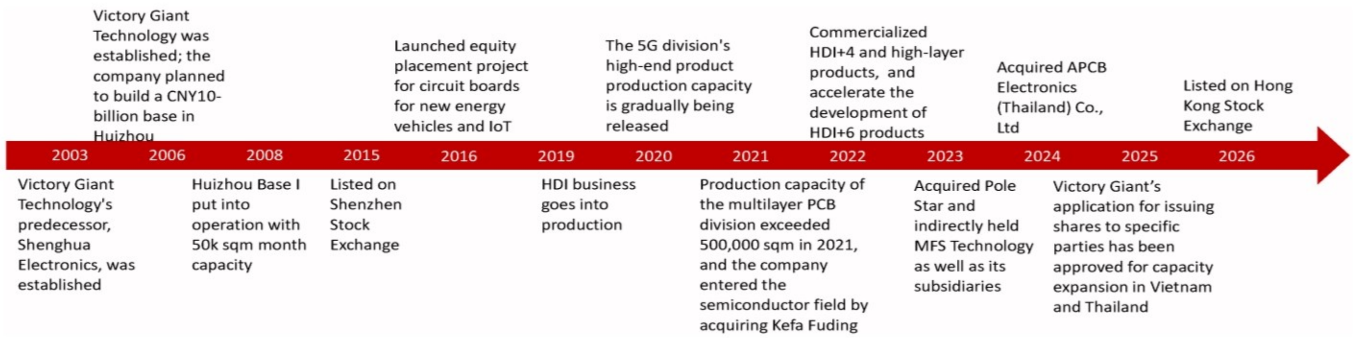
VGT is a leading PCB maker, who shares social responsibility by offering PCB products for network hardware such as server and switch. The PCB manufacturing may have impact on the environment while factory automation may help to improve the environmental friendliness.

Company updates

Company history: HK listing to start a new journey as a global AI PCB leader

Established in 2003 (as "Shenghua Electronics"), Victory Giant Technology (VGT) is a key player in the global AI PCB (artificial intelligence printed circuit board) market. The company was listed on the ChiNext Market of Shenzhen Stock Exchange in 2015, and completed its Hong Kong IPO in April 2026. Owing to strong AI PCB demand and the company's commitment to investment, VGT has increased its AI PCB exposure meaningfully over the past two years. According to Frost & Sullivan, VGT ranked first globally by sales revenue in the AI PCB market in 1H25 with a market share of 13.8%, which increased from only 1.7% in 2024.

Fig. 1: Development history of Victory Giant



Source: Company data, Nomura research

According to the company's announcement, VGT offered 95,850,000 shares in Hong Kong, at HKD209.88 per share, raising approximately HKD20.12bn after the HK IPO was completed on 21 April 2026. The funds raised are mainly to be used for plant construction, renovation and production equipment purchase, according to management. Moreover, the Sponsor and Overall Coordinator exercised the overallotment option in full, involving a total of 14,377,500 H Shares, representing ~15% of the total number of Offer Shares under the Global Offering, with net proceeds of ~HKD2.99bn, according to the company's announcement. After completing the overallotment, the total number of VGT H shares has reached 110,227,500.

Fig. 2: Scale and use of VGT H-share fundraising

Proportion		Amount (HKD mn)	Purpose	Increases in annual production capacity
59.3%	47.3%	8,177	Further enhancing smart factory infrastructure in Huizhou	~1,020K Sqm of high-layer-count MLPCBs
	6.7%	1,158	Further enhancing smart factory infrastructure in Changsha and Yiyang	~1,392K Sqm of single- and double-layer PCBs; 72K Sqm of HDIs; and ~360K Sqm of MLPCBs
	5.3%	916	Upgrade and transformation of existing production lines in Huizhou to expand production capacity	~150K Sqm of high-layer-count MLPCBs; and ~100K Sqm of high-build-up HDIs
14.7%		2,541	Construction of production and ancillary facilities, as well as other related expenses	
7.0%		1,210	Purchase smart manufacturing equipment for mSAP and other machines, include: 1) ~250 laser and mechanical drilling-related machines (~HKD516.6mn); 2) 100 photo-imaging and patterning-related machines (HKD138.0mn); 3) 50 plating and surface treatment-related machines (HKD255.3mn); 4) 150 lamination-related machines (HKD264.8mn); 5) 150 machines used in other production processes (HKD35.4mn)	
9.0%	4.2%	726	Purchase R&D materials such as advanced laminates and substrates, conductive elements, imaging and protective chemicals, and essential consumables	
	3.0%	519	Recruit and train globally leading talents and experienced R&D personnel	
10.0%		1,729	Used for working capital and general corporate purposes	

Source: VGT IPO document, Nomura research

Core technology, product and capacity updates

VGT's headquarters is in Huizhou, Guangdong province, and the company has production centers in (1) Huizhou, Guangdong, China; (2) Changsha, Hunan, China; (3) Yiyang, Hunan, China; (4) Phra Nakhon Si Ayutthaya, Thailand; and (5) Melaka, Malaysia. Currently, the company is moving ahead quickly with its two new factories in Dongguan City (Factory 10 & 11), which may start production gradually from 2Q26, on our estimates. We also expect the Vietnam production base and new facilities in Thailand are to commence operations from 2026. The additional capacities from these new factories will primarily focus on the production of MLPCBs and HDIs.

Fig. 3: Summary of production bases as of Dec. 2025

Production center	Primary products	Total gross floor area (sqm)
Huizhou, Guangdong, China	Single- and double-layer PCB, MLPCB, HDI	351,104
Changsha, Hunan, China	MLPCB, FPC	47,064
Yiyang, Hunan, China	FPC	30,181
Phra Nakhon Si Ayutthaya, Thailand	MLPCB	91,654
Melaka, Malaysia	FPC	31,583

Source: Company data, Nomura research

Fig. 4: Details of production capacity

	2023			2024			2025		
	Capacity (k sqm)	Utilization (%)	Output (k sqm)	Capacity (k sqm)	Utilization (%)	Output (k sqm)	Capacity (k sqm)	Utilization (%)	Output (k sqm)
Single- and double-layer PCB, and MLPCBs	8,255	88%	7,298	8,652	90%	7,822	8,603	82%	7,017
HDI	710	72%	508	930	70%	647	564	98%	552
FPC	54	60%	32	660	73%	482	655	80%	521
Total	9,019	87%	7,838	10,242	87%	8,951	9,822	82%	8,090

Source: Company data, Nomura research

We estimate the company's total PCB capacity (excluding mSAP) to grow from 9.82mn sqm in 2025 to 14.27mn sqm in 2028F, and HDI capacity would record stronger growth momentum, from 0.56mn sqm in 2025 to 2.97mn sqm in 2028F, clocking a 74% CAGR, thanks to strong demand from key global AI customers.

Fig. 5: Production capacity estimate

	2023	2024	2025	2026F	2027F	2028F
Single&double-layer PCB & MLPCB	*8.26*	*8.65*	*8.60*	*9.05*	*9.50*	*10.25*
HDI	*0.71*	*0.93*	*0.56*	*1.61*	*2.22*	*2.97*
FPC	*0.05*	*0.66*	*0.66*	*0.95*	*1.04*	*1.04*
Total Capacity (mn sqm)	9.02	10.24	9.82	11.61	12.77	14.27
y-y %		14%	-4%	18%	10%	12%
Single&double-layer PCB & MLPCB	*7.30*	*7.82*	*7.02*	*7.69*	*8.55*	*9.74*
HDI	*0.51*	*0.65*	*0.55*	*1.13*	*1.78*	*2.52*
FPC	*0.03*	*0.48*	*0.52*	*0.76*	*0.83*	*0.83*
Total Output (mn sqm)	7.84	8.95	8.09	9.58	11.16	13.10
y-y %		14%	-10%	18%	17%	17%

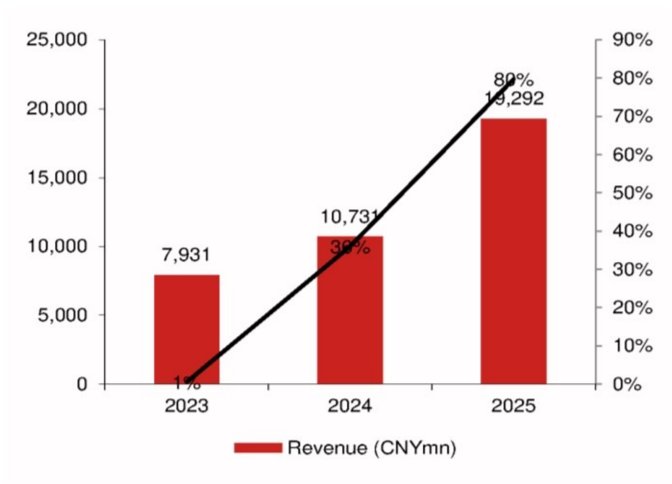
Source: Company data, Nomura estimates

Operating performance update

The company recorded operating revenue of CNY19.3bn in 2025, a y-y increase of 79.8%, while the company's net profit attributable to the parent company was CNY4.8bn, a y-y increase of 273.5%. We think the solid performance is primarily attributable to strong demand for AI PCB and the company's strong commitment of capacity investment for the leading global AI customers, which underpin the content value growth and margin expansion for AI PCBs. VGT's gross margin has been on an upward trajectory, mainly driven by improved gross margin of MLPCB and HDI, thanks to increasing yield rate and production capacity ramp-up, in our view.

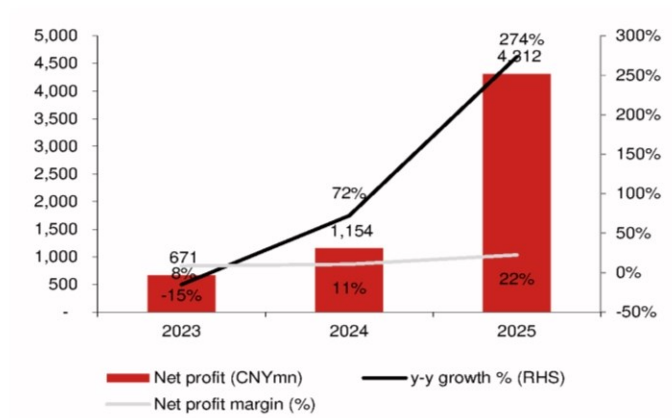
By Segment, Smart Devices used to be the biggest revenue driver, which accounted for 47.4%/33.9% of total revenue in 2023/2024, respectively. However, the AI and High-Performance Computing sector is now becoming the key growth engine, which has seen a significant increase in revenue share, from 6.6% in FY24 to 43.2% in FY25, owing to strong AI infra demand, in our view. By geography, top-line growth was mainly attributable to overseas market (+127% y-y in FY25), which accounted for 77% of total revenue.

Fig. 6: VGT – Total revenue trend



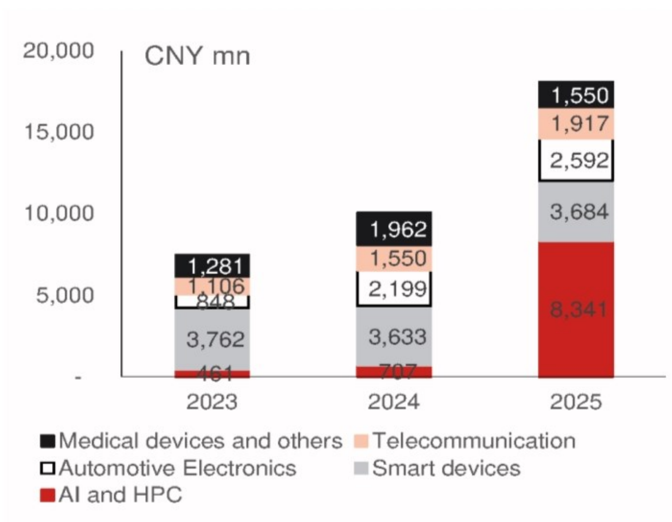
Source: Company data, Nomura research

Fig. 7: VGT – Net profit and NPM trends



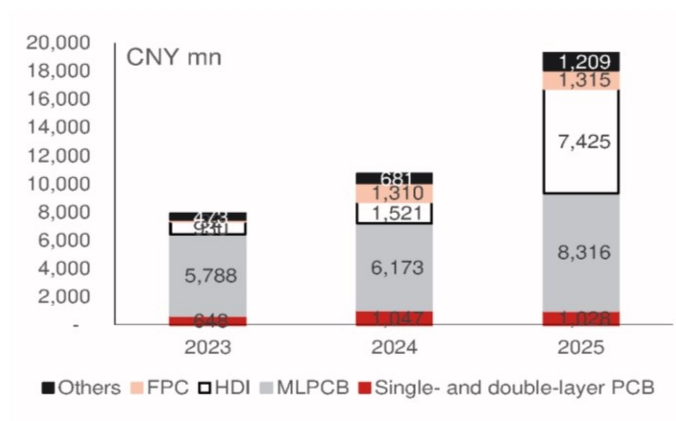
Source: Company data, Nomura research

Fig. 8: VGT – Revenue breakdown by applications



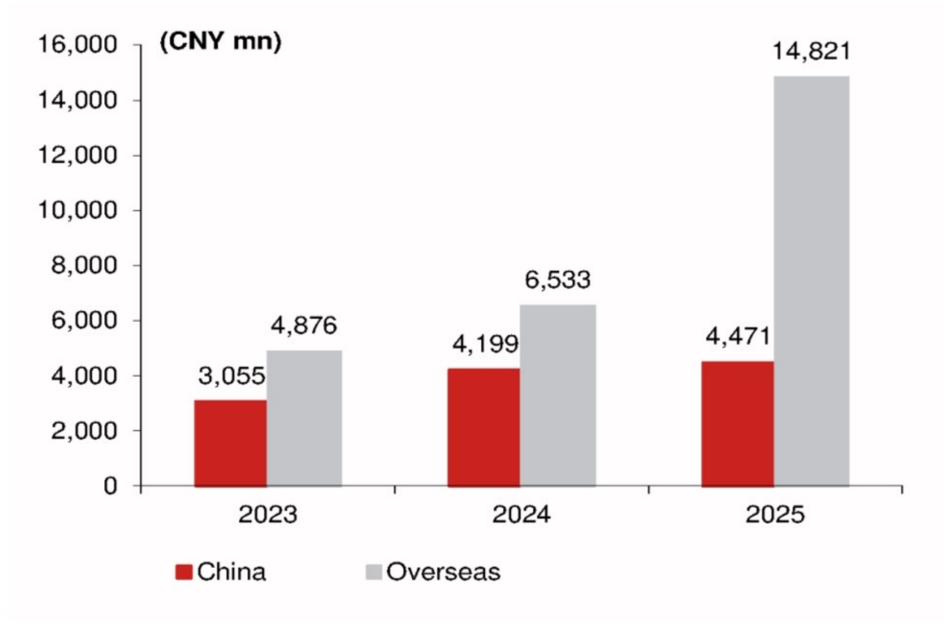
Source: Company data, Nomura research

Fig. 9: VGT – Revenue breakdown by products



Source: Company data, Nomura research

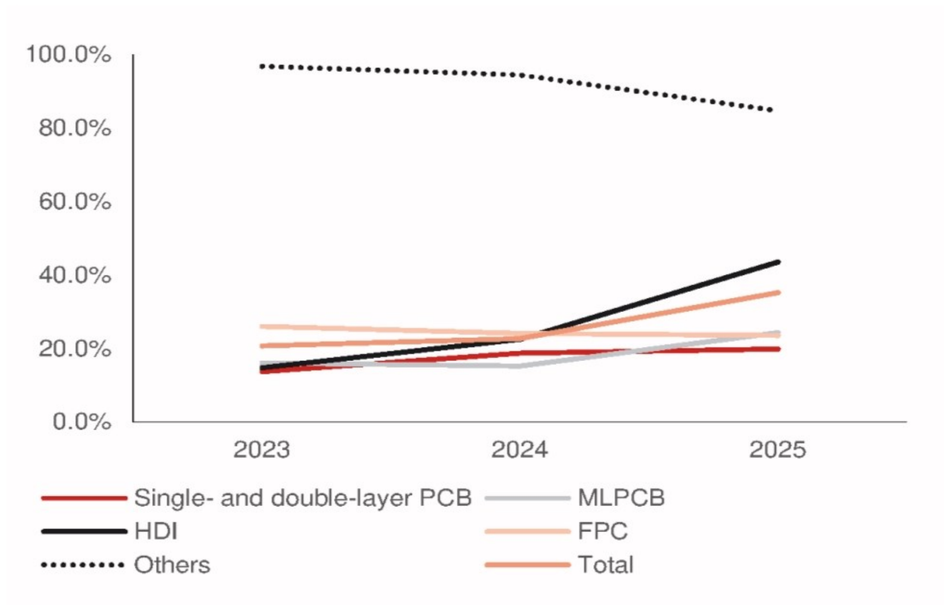
Fig. 10: VGT – Revenue breakdown by geography



Source: Company data, Nomura research

VGT's gross margin improved by 12.5pp in FY25, driven by a shift toward higher-margin products such as HLC (High Layer Count) PCBs and HDIs, as well as better utilization rates fulfilled by robust AI PCB demand, in our view. By product, the gross margin of single- and double-layer PCB, MLPCB and HDI improved by 1.2pp, 9.1pp, and 31.0pp, respectively, in FY25.

Fig. 11: VGT – GPM by product



Source: Company data, Nomura research

Key customers

VGT's top five customers accounted for 27.1%/25.1%/51.0% of total revenue in FY23/FY24/FY25, respectively, which were mostly OEM/ODM partners of global AI customers, in our view.

Fig. 12: VGT – Key customer background and revenue contribution

Key customers	Customer Background	2023	2024	2025
Customers A	Original equipment manufacturers for electronics; listed on the Taiwan Stock Exchange	452.4	886.4	5737.9
Customers B	Manufacturing of information and communications technology products; listed on the Taiwan Stock Exchange			2030.3
Customers C	Manufacturing and sales of display products, related materials, equipment; listed on the Shenzhen Stock Exchange		614.2	686.5
Customers E	Focuses on accelerated computing and AI infrastructure; headquartered in the U.S.; listed on NASDAQ Stock Market			747.1
Customers F	Manufacturer of personal and industrial computers, servers and integrated cloud hardware and software solutions; listed on the Taiwan Stock Exchange	445.6	439.4	
Customers G	Focuses on smartphones, smart hardware and IoT platforms; headquartered in Beijing; listed on the Hong Kong Stock Exchange		417.9	
Customers H	Focuses on computers, communication devices, and consumer electronics products; listed on the Taiwan Stock Exchange	303.6	332.6	
Customers I	Electronics manufacturing solutions provider; headquartered in the U.S.; listed on the New York Stock Exchange	503.5		645.8
Customers J	Specialized in design and manufacturing of computer peripheral devices, telecommunication devices and consumer electronics; listed on the Taiwan Stock Exchange	440.5		
Total		2145.6	2690.5	9847.6

Source: Company data, Nomura research

Investment thesis #1: Global AI leader's ambitious tech roadmap augurs well for the company's AI PCB demand

We believe NVIDIA (NVDA US, Not rated) will continue to be the key AI PCB technology enabler in the global AIDC market. By adopting a cableless design inside compute trays and NVL switch trays, we believe extra mid-plane PCBs will likely be required to replace connectivity cables in Vera Rubin (e.g., PCIe, MCIO cables, etc.) inside the trays. Given the slim shape, the midplane design of Rubin rack may likely use 44L+ HLC, with M8 or M9 CCL materials, in our view. The computer board of the Rubin rack may adopt 6+14+6 HDI, while the switch board adopts 32L PCB. The midplane used on the Rubin platform have increased processing cost due to the increase in the number of layers, and the potential usage of higher-end CCL materials on midplane, as well as for LPUs (language processing unit) could also result in higher content value for PCB. Moreover, we estimate the potential adoption of LPUs (language processing unit) on NVIDIA's next-gen platforms , and the computing board in the LPU rack may use a 52-layer high-layer-count PCB, with M9Q CCL material. We think the increasing shipments for Rubin series and LPU will bring value increment to CCL and PCB manufacturers.

In addition, NVIDIA revealed more details about the upcoming Kyber rack architecture at GTC 2026, which it will start deploying from Rubin Ultra (2027E). According to NVIDIA, a blade-like compute node (4 Rubin Ultra GPUs + 2 Vera CPUs) slides into the Kyber rack vertically to connect into the "backplane". Meanwhile, the new NVLink switch blades (6 NVLink switches on one) connect to the back of the backplane and together form a system with 144 Rubin Ultra GPUs. (see our report, *GTC 2026: nVidia guiding a stronger 2027*) The backplane for Rubin ultra may use 78L PCB, which needs to be pressed together by three 26-layer PCBs, and it may use M9+Q CCL or PTFE and stacked PCB designs.

Other than the M9 or M9Q CCL, we think leading PCB & CCL players are now working on next-gen M10 CCL, preparing for NVIDIA's new AI server and switch products, which may further increase the content value for AI PCBs, and raise the technology barriers for new entrants in this market.

Over a longer time horizon, NVIDIA's PCB roadmap includes the CoWoP, which targets to remove the IC substrate in the middle and integrate the wafer-level interposer with the chip directly onto the printed board, upgrading the PCB to a high-precision "carrier-like board". This CoWoP has extremely serious technology challenges for the physical properties of the PCB, which may need to use the mSAP process in the manufacture of wires with more precise dimensions and to improve the integrity of high-frequency signals. According to VGT, the company has developed a high-order mSAP process, but given the difficulty of improving the yield of the CoWoP process, we believe that it is less likely to be applied to the Rubin Ultra platform.

Fig. 13: NVIDIA's AI PCB roadmap

Generation	Content	Time	Structure	CCL Material	CCL Supplier(s)	PCB Supplier(s)
H100	OAM	2H23-1Q25	5+8+5 HDI (18L)	M7	EMC	Unimicron (major), VGT, others
	UBB		24L PCB	M7	EMC	WUS, ISU, TTM, others
B200	OAM	2H24~	5+10+5 HDI (20L)	M8+M4	Doosan	Unimicron, VGT, others
	UBB		18L PCB	M7+M4	Doosan	WUS, ISU, TTM, others
B300	OAM	2H25~	5+10+5 HDI (20L)	M8+M4	Doosan	Unimicron, VGT, others
	UBB		22L PCB	M8+M4	Doosan	WUS, ISU, TTM, others
GB200 (Bianca)	Bianca board	2H24~	5+12+5 HDI (22L)	M8 (HVLP3) +M4	Doosan	VGT (major), Unimicron, others
	Switch tray	2H24~	6+12+6 HDI (24L) 22L PCB	M7 (HVLP2)+M2 M8/8.5 (HVLP2) hybrid	EMC EMC, SYTECH	WUS (major), VGT, Unimicron, others
GB300 (Bianca)	Bianca board	2Q25~	5+12+5 HDI (22L)	M8 (HVLP3) +M4	Doosan	VGT (major), Unimicron, others
	Switch tray	2Q25~	22L PCB	M8/8.5 (HVLP2) hybrid	EMC, SYTECH, Doosan	WUS (major), VGT, Unimicron, others
VR200 (Bianca)	Bianca board	2Q26~	6+14+6 HDI (26L)	M8 (HVLP4) +M4	Doosan	VGT (major), Unimicron, others?
	Mid-plane boards in trays (New)	2Q26~	44L PCB	M9K2	EMC, others?	VGT, WUS, Kinwong, Unimicron?
	Switch tray	2Q26~	32L PCB	M8.5 (k2, HVLP4)	EMC, others?	WUS, VGT, others?
Rubin Ultra	Backplane? (New)	2027?	26Lx3=78L?, 104L?	M9Q? PTFE+M8?	EMC, SYTECH?	WUS. Unimicron, VGT, Kinwong. others?
	Compute board	2027?	?			
	Switch board	2027?	?			
?	CoWoP board?	TBD?	HDI/mSAP?	M8? M9Q?	EMC or new materials?	ZDT, Unimicron? Others?

Source: Company data, Nomura estimates

We think VGT is now the No.1 PCB supplier to NVIDIA, and we believe the company may take about 50%/55% for Rubin/Rubin ultra in FY26-28. Although competitors are striving to tap into the lucrative market, especially for high-end HDI, we think the advanced state of the company's technology, as well as effective supply chain management, has established a strong moat for VGT to maintain its leading position. Specifically, due to tightness in high-end materials (i.e., M9 CCL) and equipment (i.e., laser equipment), the company's early investment on HDI capacity would become a strategic asset for building the strong relationship with key customers. The HK IPO and fundraising may help the company to secure its new capacity expansion plan and guarantee its position in NVIDIA's new PCB projects such as midplane, backplane, as well as CoWoP in the future, in our view. We think the company will benefit from both volume growth with NVIDIA's next-gen GPU products, as well as content value growth thanks to material upgrades, as well as more advanced production technology. We estimate NVIDIA's PCB content value per GPU may increase from USD400 in Blackwell to USD1000+ for Rubin Ultra, and revenue contribution from NVIDIA to VGT may increase from 9% in 2024 to 38% in 2028F.

Fig. 14: VGT's revenue forecast from NVIDIA

NVDA GPU Shipment (k units)	2024	2025F	2026F	2027F	2028F
Amper	134	-	-	-	-
Hopper	4,932	476	-	-	-
Blackwell	236	2,106	510	459	367
Blackwell Ultra	0	3,159	4,590	4,131	3,305
Rubin	-	-	2,468	1,678	1,888
Rubin Ultra				2,517	4,405
NVIDIA Total	5,302	5,741	7,568	8,786	9,965

NVDA PCB content value per GPU (USD)	2024	2025F	2026F	2027F	2028F
Amper	150	150	150	150	150
Hopper	250	250	250	250	250
Blackwell	400	400	400	400	400
Blackwell Ultra		400	400	400	400
Rubin	-	-	650	715	787
Rubin Ultra				930	1,022
NVIDIA average	200	240	370	474	501

VGT revenue from NVDA (USD mn) - by GPU	2024	2025F	2026F	2027F	2028F
Amper	0	0	0	0	0
Hopper	123	12	0	0	0
Blackwell	19	337	92	92	81
Blackwell Ultra	0	569	918	909	793
Rubin	0	0	802	600	742
Rubin Ultra	0	0	0	1,287	2,477
Total revenue from NVDA (USD)	142	917	1,812	2,888	4,094
Total revenue from NVDA (RMB)	**995**	**6,422**	**12,683**	**20,213**	**28,656**
Total VGT revenue	10,731	19,292	31,948	52,317	75,880
NVIDIA % of total revenue	**9%**	**33%**	**40%**	**39%**	**38%**

VGT share in NVDA - by GPU	2024	2025F	2026F	2027F	2028F
Amper	0%	0%	0%	0%	0%
Hopper	10%	10%	10%	10%	10%
Blackwell	20%	40%	45%	50%	55%
Blackwell Ultra	0%	45%	50%	55%	60%
Rubin	0%	0%	50%	50%	50%
Rubin Ultra	0%	0%	55%	55%	55%

Source: Company data, Nomura estimates

Investment thesis #2: Global and China CSP PCB demand may become emerging growth drivers

As the token consumption from AI application grows exponentially thanks to accelerated adoption of powerful AI agents, i.e., OpenClaw, demand for AI inference chips significantly increases, in our view. Global cloud service providers (CSPs), including Google (GOOG US, Not rated), Meta (META US, Not rated) and AWS (AMZN US, Not rated), as well as their counterparts in China, such as Alibaba (BABA US, Buy, covered by Jialong Shi) and Bytedance (Unlisted) will continue to invest intensively to develop their own ASICs for inference workloads, in our view. We expect and accelerated ASIC product upgrade starting as early as 2Q26, which would drive strong demand for AI PCB, especially HLC products. For instance, we think that AWS's Trainium3 may start large-scale shipments in 1H26, which will use 22L and 26L PCB, as well as 4-order HDI. On April 23, Google released the eighth-generation TPU at the Google Next conference, including the TPU v8t training chip and the TPU v8i inference chip. For Google TPU, we estimate 36-40L+ PCB will be used for TPU v8's UBB and 22-24L PCB will be used for its CPU board and PCIe switch board, while HDI may be adopted in TPU v9, in our view. We think VGT has already penetrated into Google's TPU/CPU supply chain, as a small player in 2026, and we expect the company to gain traction in 2027, as it delivers more capacity for HLC/HDI products.

Fig. 15: Global CSPs' AI PCB/CCL specs and supply chain

AWS

Generation	Content	Time	Structure	CCL Material	CCL Supplier(s)	PCB Supplier(s)
Trainium 2	OAM	2H24~4Q25	HDI+3	M6? (HVLP2, RTF)	Panasonic	Shengyi
	UBB		26L PCB (2 ASICs per board, air cool)	M8 (HVLP2)	EMC, TUC (starting from June 2025)	GCE, Shengyi, FHE
Trainium 2.5 & 3	OAM		HDI+4 (22L)	M6?M7? (HVLP2, RTF)	Panasonic	Shengyi, ZDT
	UBB	Trn2.5: 1Q26~ Trn3: 2Q26~	26L PCB (2 ASICs - air-cooled, or 4 ASICs - liquid-cooled)	M8 (HVLP4)	EMC, TUC, others?	GCE, Shengyi, FHE
	PDS switch (New)	2Q26~	22L/26L HLC PCB	M8+M4	EMC	WUS, Shengyi, ZDT, GCE?

Google

Generation	Content	Time	Structure	CCL Material	CCL Supplier(s)	PCB Supplier(s)
TPU 7x (Ironwood)	TPU UBB	2H25~	34L PCB (16+18, N+M)	M7, HVLP2	Panasonic, EMC	WUS, ISU, TTM, VGT
	CPU board (New) - x8	4Q25~	16-18L	M6	Panasonic	WUS, TTM, GCE?
TPU 8t, 8i	TPU UBB	mid-26~	36~40L+ PCB	M8+M6, HVLP3	Panasonic, EMC	WUS, ISU, TTM, LCS, VGT?
	CPU board (New) - Ax	2Q26~	22L PCB	M6	EMC, Panasonic	VGT, WUS, ISU, TTM, others?
	8i all-to-all switch (New	mid-26~	22L PCB	M8?	EMC	GCE, VGT, ZDT, others?
TPU next?	TPU UBB? More other boards?	2028?	24~26L? HDI?	M8.5? M9Q?	Panasonic? EMC?	WUS, ISU, Unimicron, others?

Meta

Generation	Content	Time	Structure	CCL Material	CCL Supplier(s)	PCB Supplier(s)
Athena	OAM, UBB	2Q26?	36L+?	M8+M4	EMC	WUS, ISU, TTM
Iris	OAM, UBB	2H26~	40L+?	M8+M4	EMC	WUS, ISU, TTM

AMD

Generation	Content	Time	Structure	CCL Material	CCL Supplier(s)	PCB Supplier(s)
MI450	OAM, UBB	2H26~	? HDI	M8?	EMC?	Unimicron, others?
	UBB	2H26~	46-48L HDI+HLC PCB, wide size	M8 hybrid	EMC, Doosan	SCC, Others?

Source: Company data, Nomura research

The main PCBs used in Google TPU are 24L and 26L currently, and major suppliers with the ability to produce these layers include WUS, ISU, and VGT. In addition, we expect that TPU v8 may start to use HDI, and VGT is expected to accelerate the expansion of its share in Google's supply chain with its advantages in HDI technology and production capacity, in our view. According to our estimates, VGT's AI PCB revenue from non-NVIDIA customers may grow faster in 2027-28F, delivering a 71% revenue CAGR over FY26-28F.

Fig. 16: VGT's non-NVIDIA customer revenue forecast breakdown

(CNY mn)	2024	2025F	2026F	2027F	2028F
MLPCB	**6,173**	**8,316**	**10,244**	**14,762**	**20,012**
YtoY %		35%	23%	44%	36%
MLPCB from NVDA	**25**	**1,327**	**3,639**	**6,423**	**9,592**
YtoY %			174%	77%	49%
MLPCB from other clients	**6,148**	**6,989**	**6,605**	**8,339**	**10,420**
YtoY %		14%	-5%	26%	25%
HDI	**1,521**	**7,425**	**16,705**	**31,590**	**49,394**
YtoY %		388%	125%	89%	56%
HDI from NVDA	**124**	**5,307**	**8,925**	**13,169**	**17,551**
YtoY %		4183%	68%	48%	33%
HDI from other clients	**1,397**	**2,118**	**7,780**	**18,421**	**31,843**
YtoY %		52%	267%	137%	73%
AI revenue from NVDA (HLC + HDI)	149	6,634	12,564	19,592	27,143
YtoY %		4362%	89%	56%	39%
AI revenue from other clients (HLC+H	7,545	9,107	14,385	26,760	42,263
YtoY %		21%	58%	86%	58%

Source: Company data, Nomura estimates

Investment thesis #3: Effective supply chain management and supply-demand gap to strengthen VGT's leadership

Thanks to global hyperscale AI customers' strong AI infra investment, and the acceleration of the product upgrade cycle, we think high-end AI PCB, including HDI and HLC products, will continue to enjoy strong demand in the next few years. Moreover, the shortage of supply of key materials (i.e., high-end CCL, glass fiber, as well as copper foil) and equipment (i.e., laser drilling, laminating, micro etching) may become major obstacles for new players in their quest to challenge incumbent leaders, in our view. According to Prismark, the output value of the global PCB market is expected to reach USD95.78bn in 2026E, a y-y increase of 12.5%, with the output value growth rate of 18L+ MLPCBs (or HLC PCB) and HDI growing at 62.4%/14.5% y-y, and the total value reaching USD8bn/USD18bn in 2026E. PCB market output value is expected to reach USD123.3bn in 2030E, with a five-year CAGR of 7.7% from 2025 to 2030E, and the total value for 18L+ MLPCB and HDI would reach USD13bn/USD24.5bn, respectively.

Fig. 17: Global PCB production value forecast, 2026E (USD mn)

Production value (USD mn)	MLPCBs			HDI	Substrate	FPC	Others	Total
	4-6L	8 -16L	18L+					
America	766	1,382	552	495	23	485	326	4,029
Europe	596	218	82	245	89	359	403	1,993
Japan	910	822	270	478	3,543	934	300	7,257
China	1 2,509	7,735	5,529	12,173	4,371	6,550	6,401	55,269
Asia exl. China	2,227	2,562	1,568	4,664	9,920	4,967	1,325	27,233
Total	17,008	12,719	8,002	18,055	17,947	13,295	8,754	95,780

Source: Prismark, Nomura research

Fig. 18: Global PCB production value forecast, 2030E (USD mn)

Production value (USD mn)	MLPCBs			HDI	Substrate	FPC	Others	Total
	4-6L	8 -16L	18L+					
America	913	1,599	727	591	44	556	351	4,781
Europe	695	262	108	310	120	379	432	2,307
Japan	1,006	955	359	562	5,218	1,055	313	9,468
China	14,322	9,475	8,098	16,126	5,980	7,654	6,881	68,535
Asia exl. China	2,555	3,694	3,866	6,902	13,624	5,883	1,733	38,257
Total	19,493	15,985	13,159	24,490	24,986	15,527	9,709	123,348

Source: Prismark, Nomura research

Technology-wise, VGT has achieved a series of notable breakthroughs in both high-build-up HDIs and high-layer-count MLPCBs. For high-build-up HDIs, VGT has commercialized 24-layer HDIs with a 6+12+6 build-up and has initiated R&D for 36-layer HDIs with a 14+8+14 build-up with the line width/spacing of 40/40μm. VGT's 28-layer HDIs with an 8+12+8 build-up provides 2-3x the wiring density of traditional PCBs, supporting ultra-high-density interconnection, high-speed signal transmission and high integration for AI chips. Moreover, VGT is advancing R&D for 36-layer HDIs with a 14+8+14 build-up, pushing the limits of line width, via size, and high-precision back drilling. For high-layer-count MLPCBs, VGT has mass production capabilities for HLC PCB with more than 70L and has the technical capability to produce more than 100L PCB, primarily used in AI servers and high-end switches. Moreover, VGT's high-precision back-drilling technology has reached an accuracy of 4±2 mil in mass production, significantly reducing signal loss. It is actively developing a 0-stub processes to meet the requirements of next-generation ultra-high-speed signal transmission. In addition, VGT has completed electrical and thermal validation for the use of M8- and M9-grade materials in PCB products, and is working toward certification of materials above M9-grade. We believe these advanced technologies could help VGT retain global key customers such as NVIDIA and Google, as the PCB used by them trends towards higher layers that have more difficulties in keeping up high-quality transmission signals. Besides advanced technologies, VGT is building AI-powered smart factories, which it expects will shorten lead time by three to five days, reduce manpower needs by ~50% and increase production capacity by ~40% compared to traditional factories.

Based on its advanced technology, we think VGT's HDI and HLC PCB expansion projects at its bases in Huizhou, Thailand, and Vietnam will help the company expand its business frontiers in the global AI PCB market, and take more wallet shares in key customers such as NVIDIA and Google amid a global shortage of high-end PCB production capacity. We estimate the company's HDI capacity will increase from 0.56mn sqm in 2025 to 2.97mn sqm in 2028F, while HLC (including single & double-layer board) capacity will grow from 8.60mn sqm in 2025 to 10.25mn sqm in 2028F, which we believe will expand its business in the global AI infra market.

Fig. 19: Production capacity estimates

	2023	2024	2025	2026F	2027F	2028F
Single&double-layer PCB & MLPCB	*8.26*	*8.65*	*8.60*	*9.05*	*9.50*	*10.25*
HDI	*0.71*	*0.93*	*0.56*	*1.61*	*2.22*	*2.97*
FPC	*0.05*	*0.66*	*0.66*	*0.95*	*1.04*	*1.04*
Total Capacity (mn sqm)	9.02	10.24	9.82	11.61	12.77	14.27
y-y %		14%	-4%	18%	10%	12%
Single&double-layer PCB & MLPCB	*7.30*	*7.82*	*7.02*	*7.69*	*8.55*	*9.74*
HDI	*0.51*	*0.65*	*0.55*	*1.13*	*1.78*	*2.52*
FPC	*0.03*	*0.48*	*0.52*	*0.76*	*0.83*	*0.83*
Total Output (mn sqm)	7.84	8.95	8.09	9.58	11.16	13.10
y-y %		14%	-10%	18%	17%	17%

Source: Company data, Nomura estimates

Major PCB companies' capacity updates

We noted there are multiple global PCB companies expanding HDI and HLC PCB production capacities, which include companies such as VGT, WUS, Shennan Circuits, Dongshan Precision (DSBJ), and Kinwong. Based on our checks, total investments may exceed CNY104bn over the next three years from these major suppliers, which may double the capacity available in late 2025. However, due to buoyant demand from AIDC market, we think the supply-demand gap might not be closed in the near term.

Fig. 20: Production capacity expansion projects of major PCB suppliers

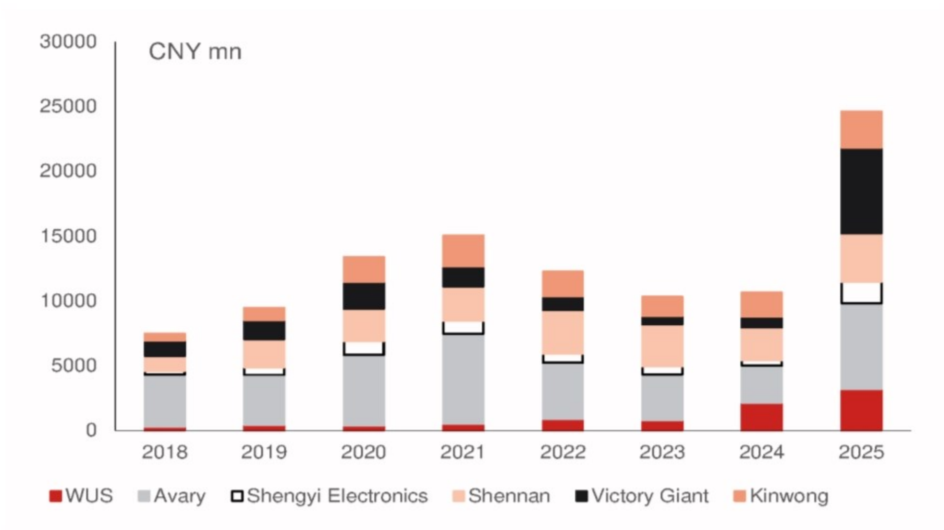
Company	Project	Product category	Total investment amount (CNY mn)	Planned capacity (mn sqm/year)	Progress
Victory Giant	Vietnam Victory Giant AI HDI Project	HDI	1,815	0.15	Phase I production starts in 2H26, Phase II target 2027-2030
	Thailand high-layer PCB project	HLC	1,402	1.5	Acquired the site from APCB on Sep 30, 2024. A1 has been put into operation, A2 is planned to test equipment in 2H26
	Huizhou base capacity expansion	HDI	2,400	0.12	Volume production starts in 3Q25
	Huizhou base capacity expansion	HLC	188	0.36	Volume production starts in 3Q25
	Huizhou base factory 10&11	HDI, HLC, mSAP	4,400	2	Expected to start production at end-2026
WUS	AI chip supporting high-end PCB production expansion project in Kunshan	HDI, HLC	4,300	0.29	The project started in June 2025, planned to be completed in two phases and will trail-produce in 2H26 for first phase
	Technology upgrade	HDI, HLC	300	-	The projects has started in 1Q25
	AI PCB project in Huangshi	HLC?	3,600	-	Expected to start production in 3Q26
	Changzhou	CoWop, mSAP	2,100	1.3mn units PCB (incremental est. annual revenue of CNY2bn)	Not constructed yet, will be constructed in 2 phases
	Kunshan - high-end PCB	HDI?, HLC?	3,300	0.14 (incremental est. aunnal revenue of CNY3050mn)	Not constructed yet, construction period is about 2 years
	Kunshan - new PCB plant project I	MLPCB	5,500	Annual new output value is about CNY6.5bn	Not constructed yet
	Kunshan - new PCB plant project II	MLPCB	6,800	-	Not constructed yet
	Thailand base	HLC, HDI	2,300	-	Small-scale volume production has been achieved from 2Q25
Shennan Circuits	Nantong IV	HDI, FPC	1,860	0.66	Expecting trail production starting in 4Q25
	Wuxi	HLC, HDI	4,600	-	Not constructed yet, construction period is about 12 months
	Thailand base	HLC, HDI	1,274	-	Started trial production in July 2025
Kinwong	Ganzhou, Jiangxi PCB project	HLC	3,000	Total optput value is CNY5+bn	Has been in production in 1Q25
	Shenzhen headquarter plant	PCB, FPC, HDI	2,000	-	Has been in production in 1Q26
	Zhuhai Jinwan Base production expansion	HDI, HLC, SLP	5,000	0.8	The project construction period is from 2025 to 2027. The new high-end HDI production line for AI servers is expected to be put into operation in 2H25, while the new high-end HDI factory is expected to be put into production in mid-2026
	Zhuhai Jinwan Base HDI project	HDI	2,873	0.84	Plans to start production in 2027
	Thailand base I	40L HLC, HDI	2,000	1.2	It is expected to be put into production in 2026
Shengyi Electronics	Intelligent Manufacturing HLC PCB Project	HLC	1,900	0.7	Trial production is expected to begin in 2026 and 2027, with an annual capacity of 0.35mn sqm in each phase
	Thailand base	-	1,224	-	It is expected to start trail production in 2026
	Intelligent Computing Center High-Layer HDI Construction Project	HDI	1,400	0.25	The first phase is expected to start trial production in 2025, and the second phase is planned for trial production in 2027.
Zhen Ding / Avary	Taiwan Kaohsiung Industrial Park	ABF substrate	1,840	-	Trial production by end-2025. Small volume poduction from 1Q26; ABF substrates will start first.
	Taiwan Kaohsiung Industrial Park	HLC, HDI	460	-	
	Huaian base	HDI, HLC	8,000	-	Investment from 2H25 to 2028. Plans to build two factories: one for mSAP, and the other for HLC PCB.
	Thailand base I	RPCB, HDI	1,800	-	Mass production to start from 4Q25.
	Huaian HD park	HLC, mSAP, AI server PCB	11,000	-	Started construction in April 2026
DSBJ	Thailand	FPC	350	-	Production to start from 4Q25.
	Zhuhai	HLC, HDI, mSAP	10,000	-	Plans for capacity ramp-up from 1H26.
	Thailand	HLC, HDI, mSAP	700	-	Expected to ramp-up since 2H26
GCE	Thailand base I	HLC	-	-	Volume production to start from 4Q25.
	Thailand base II	HLC	282	-	Volume production to start from 2H26.
	Taiwan	HLC?	-	-	Release capacity since 3Q26
	Renewal of Taiwan plant	-	1,562	-	Expected to start production in 2028
	Suzhou base	-	-	0.17	Finished construction
Dynamic	Thailand	Phase I (HLC, HDI)	-	0.56	In production from 4Q24;capacity is 500k square feet / month, including 150k for HDI
ISU	South Korea base capacity expansion	HLC	800	-	Volume production is expected start in 2025
	South Korea newly built base	HLC	1,600	-	Volume production is expected start in 2028/2029
Total			103,930	9.60	

Source: Company data, Nomura research

In 2025, capex by six major PCB companies reached CNY24.6bn, a y-y increase of 131.7%. We expect their proactive capacity expansion will continue in 2026, which should help them to catch the demand upsurge over the next two years, driven by expanding AI clusters, as well as GPU/ASIC upgrades. Despite concerns on intensified competition, we think VGT has first-mover advantage in key AI PCB products including HDI and HLC, which could help it maintain leading wallet share in key global AI customers, in our view.

Strong and effective supply chain management could also strengthen VGT's competitive edge, in our view. Due to the strong demand for AI PCBs and higher usage of raw materials, we see a strong demand uptick and supply tightness for upstream materials, including copper-clad laminate (CCL), resin and copper foils. Management noted that the company has established and maintains stable, long-term partnerships with major material suppliers. In terms of production equipment, major equipment in PCB production processes include laser drilling machines, pressing machines, and etching machines, and high-end products have been controlled by a select few global makers, which have not been able to fully meet the demand from the rapidly expanding AI PCB market. We think VGT has locked in large orders from key equipment suppliers, which will prevent competitors from narrowing the gaps with VGT, in our view.

Fig. 21: Capex trend for major Chinese PCB suppliers



Source: Company data, Nomura research

Financial analysis, earnings forecasts and valuation

Revenue forecasts

We estimate the company will deliver 54%/61% revenue/earnings CAGRs over FY26-28F, driven by robust demand for high-end PCBs from upgraded AI servers (both GPUs and ASICs) and switches. We assume 66% y-y revenue growth in 2026F for the PCB segment, accounting for 94% of total revenue.

Fig. 22: VGT – Summary of financial forecasts

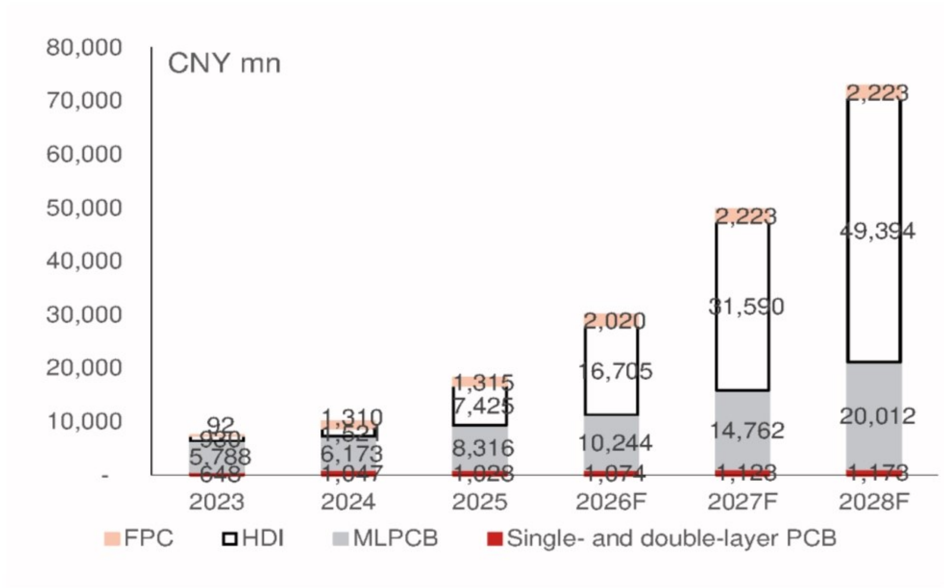
CNYmn	2023	2024	2025	2026F	2027F	2028F
	A	A	A	NOM	NOM	NOM
Turnover	7,931	10,731	19,292	31,948	52,317	75,880
% chg yoy		35%	79.8%	65.6%	63.8%	45.0%
COGS	(6,288)	(8,293)	(12,497)	(18,865)	(29,260)	(41,059)
Gross Profit	1,643	2,439	6,795	13,083	23,057	34,822
SG&A	(126)	(208)	(43)	(184)	222	1,081
R&D	(348)	(450)	(778)	(1,175)	(2,448)	(4,309)
EBIT	1,142	1,825	5,869	11,549	20,545	31,179
% chg yoy		60%	222%	97%	78%	52%
Pretax income	749	1,312	5,022	10,129	17,672	26,214
% chg yoy		75%	283%	102%	74%	48%
Taxes	(78)	(157)	(710)	(1,432)	(2,498)	(3,705)
Minority adj.	0	0	0	0	0	0
Perpetual capital adj.						
Reported NPAT	671	1,154	4,312	8,698	15,174	22,509
% chg yoy		72%	274%	101.7%	74.5%	48.3%
EPS (diluted)	0.8	1.3	5.0	9.4	15.4	22.9
Ratio Analysis						
Gross Profit	20.7%	22.7%	35.2%	40.9%	44.1%	45.9%
SG&A	1.6%	1.9%	0.2%	0.6%	-0.4%	-1.4%
R&D	4.4%	4.2%	4.0%	3.7%	4.7%	5.7%
Net Income	8.5%	10.8%	22.4%	27.2%	29.0%	29.7%

(CNY mn)	2023	2024	2025	2026F	2027F	2028F
Revenue by segment						
PCB	7,459	10,051	18,084	30,044	49,697	72,801
y-y growth		35%	80%	66%	65%	46%
% in total	94%	94%	94%	94%	95%	96%
Others	473	681	1,209	1,904	2,619	3,079
y-y growth		44%	78%	58%	38%	18%
% in total	6%	6%	6%	6%	5%	4%
GPM						
PCB	15.9%	17.9%	31.9%	38.2%	41.9%	44.2%
Others	96.8%	94.5%	84.7%	84.7%	84.7%	84.7%

Source: Company data, Nomura estimates

By product, we estimate the single- and double-layer PCB/MLPCB/HDI/FPC segments will deliver 5%/40%/72%/5% revenue CAGRs over FY26-28F, as HDI demand from its key AI GPU customer remains the biggest revenue driver. We expect the AI & HPC segment to account for 60% of revenue share in FY26F, further increasing to 69% in FY28F, owing to strong demand for high-end PCBs from both GPU and ASIC servers, in our view.

Fig. 23: VGT – Revenue forecasts by product (CNY mn)

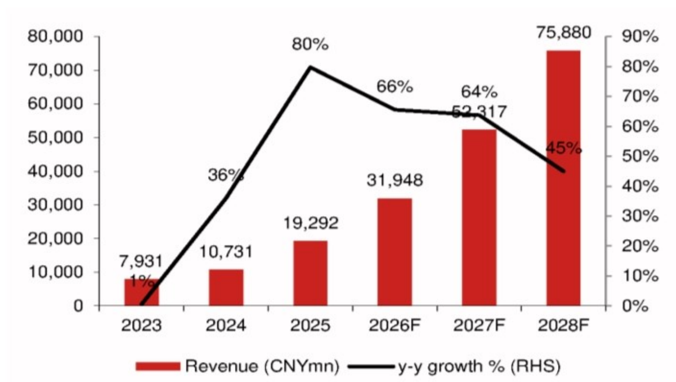


Source: Company data, Nomura estimates

Financial analysis

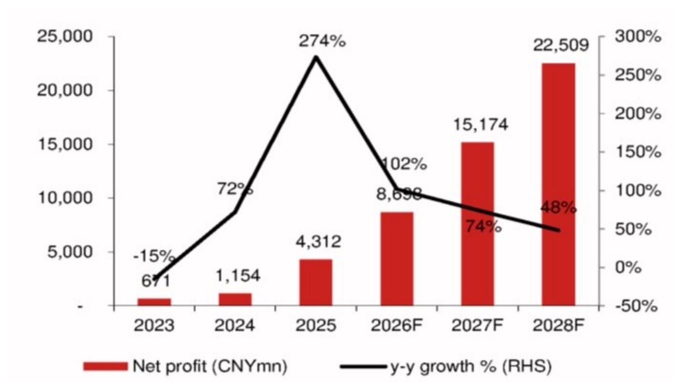
VGT recorded a 56% revenue CAGR over 2023-25, which has benefited from the AI infrastructure investment cycle since 2024, in our view. The company delivered a net profit attributable to shareholders CAGR of 153% CAGR over 2023-25, with an acceleration to 273.5% y-y growth in 2025, thanks to higher contribution from high-margin PCB products and an improved utilization rate, in our view. Driven by the new investment cycle around AI data centers and intelligent driving, we expect revenue growth to accelerate, recording 66%/102% y-y growth in FY26F, and 61%/54% revenue/earnings CAGRs over FY26-28F.

Fig. 24: VGT – Revenue forecasts and growth trend



Source: Company data, Nomura estimates

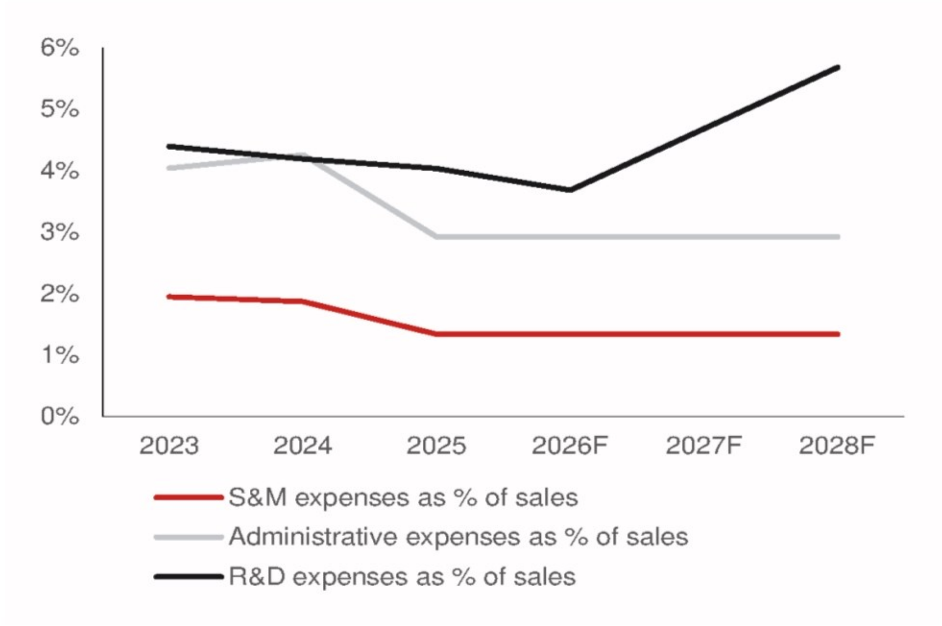
Fig. 25: VGT – Earnings forecasts and growth trend



Source: Company data, Nomura estimates

The company's sales and marketing (S&M) expense ratios were stable at 1-2%, while its administrative expense ratio declined in FY25, thanks to better scale effect, in our view. We estimate the company's S&M and administrative expense to likely remain stable in FY26-27F. R&D expenses amounted to CNY348.3mn/CNY449.8mn/ CNY777.6mn in FY23/FY24/FY25, accounting for 4.4%, 4.2% and 4.0% of total revenue. We estimate the company's R&D expenses will be on an upward trend in FY26-28F, as the company is proactively developing high-end AI products to maintain its competitive advantages.

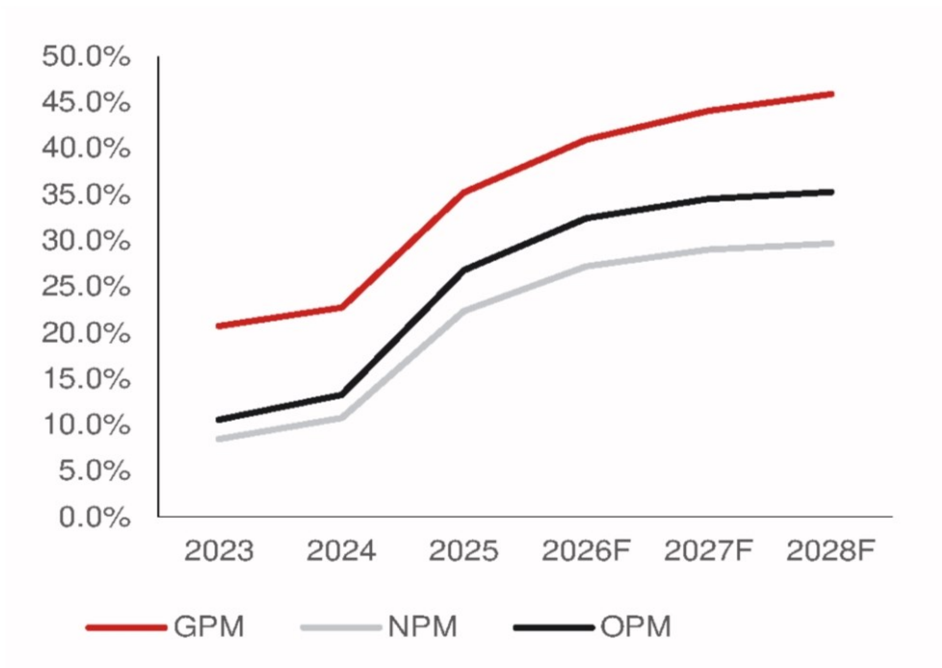
Fig. 26: VGT – Expense ratios forecast



Source: Company data, Nomura estimates

The company's gross profit margin (GPM) has improved since 2023 thanks to increased contribution from high-margin products such as HDI and high-layer-count PCBs, as well as high production yield and utilization rates, in our view. We estimate the company's GPM to continue to increase in FY26-27F, led by: 1) its changing product mix (more contribution from AI servers and switches); 2) content value upgrades at leading AI customers and high-end AI products; and 3) an improving utilization rate driven by buoyant demand, in our view. The net profit margin (NPM) trend should be in line with GPM, and we estimate VGI could achieve 25%+ NPM over FY26-28F with increasing contribution from AI PCB as well as the expansion of its production capacity.

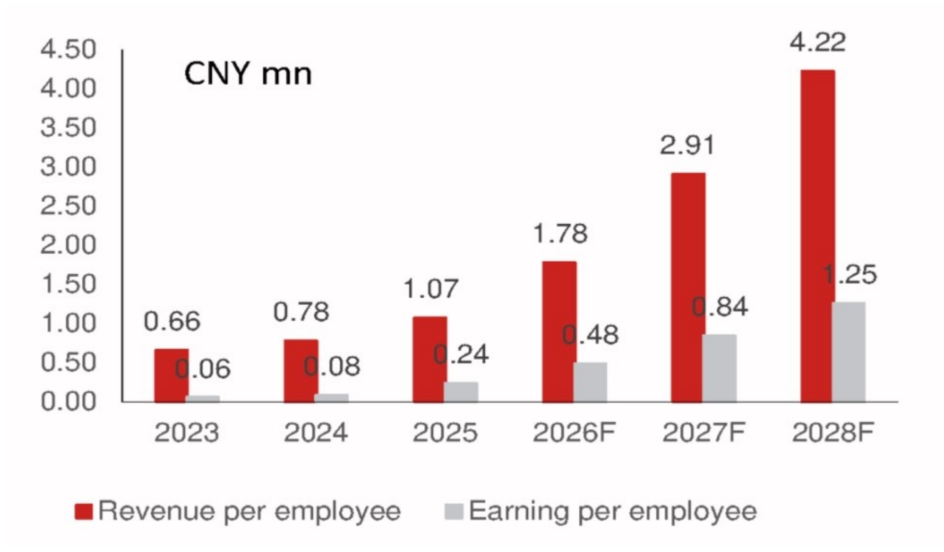
Fig. 27: VGT – GPM, OPM and NPM



Source: Company data, Nomura estimates

We believe an acceleration of revenue growth should drive higher operating efficiency. We estimate revenue/earnings per employee to increase from CNY1.78mn in FY25 to CNY4.22mn in FY28F, and from CNY0.24mn to CNY1.25mn, respectively.

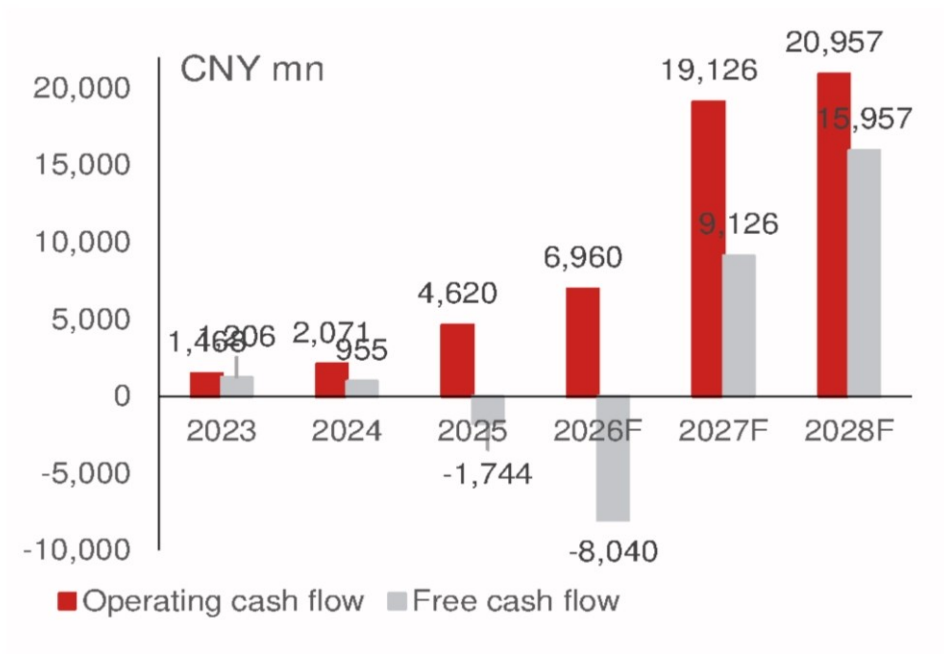
Fig. 28: VGT – Revenue & earnings per employee



Source: Company data, Nomura estimates

The company's operating cash flow should also record an upward trend, in line with revenue growth, in our view. Meanwhile, given the company's intensive investments in capacity expansion, FCF remained negative in FY25. We expect OCF to remain positive in FY26F, while FCF may remain negative in FY26F due to an increase in capex,.

Fig. 29: VGT – OCF & FCF trends

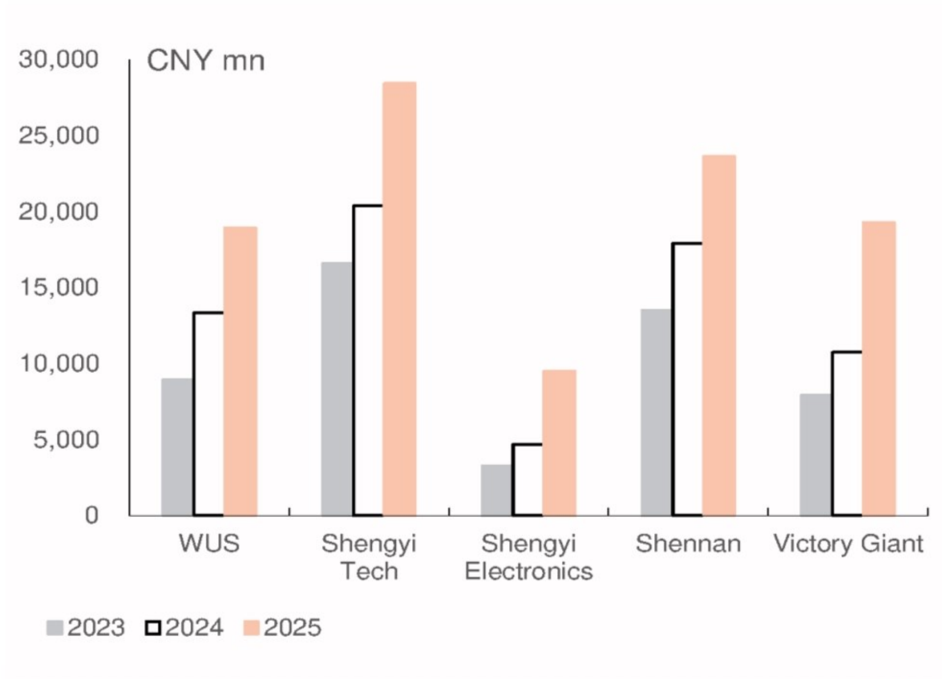


Source: Company data, Nomura estimates

Peer comparison

We consider Wus Printed Circuit (002463 CH, Buy, covered by Anne Lee), Shengyi Tech (600183 CH, Buy), Shengyi Electronics (688183 CH, Buy), Shennan Circuits (002916 CH, Buy) to be peer companies of VGT. From a revenue perspective, we observe that most peers have recorded a significant increase in revenue since 2024, due to strong demand for AI PCB and their high exposures to key AI customers, in our view.

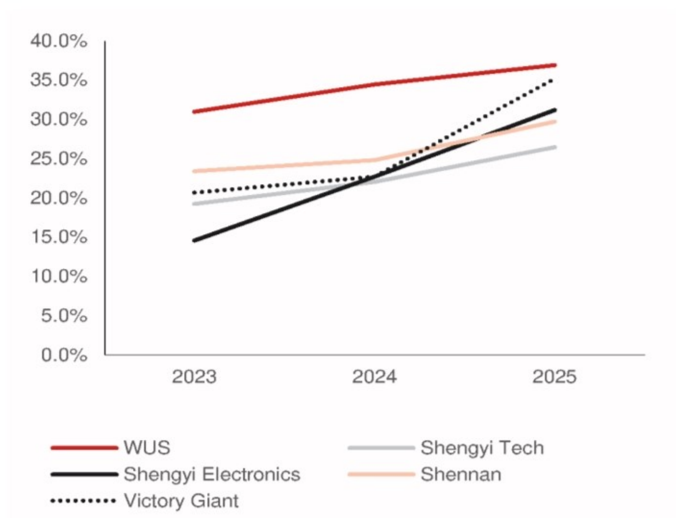
Fig. 30: Peer comparison – Revenue trend



Source: Company data, Nomura research

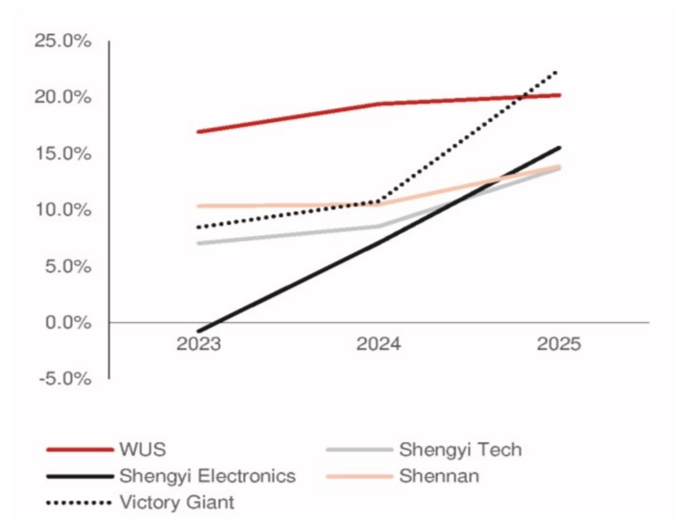
All peers have seen improvements in their gross profit margin (GPM) since 2023, while VGT recorded the highest GPM growth among peers in FY25. Most peers have recorded an upward GPM trend over the past two years, thanks to strong demand for high-end PCBs and increasing utilization rates, in our view. In terms of NPM, WUS maintained the highest level among peers before 2024, while VGT surpassed it in FY25.

Fig. 31: Peer comparison – gross profit margin



Source: Company data, Nomura research

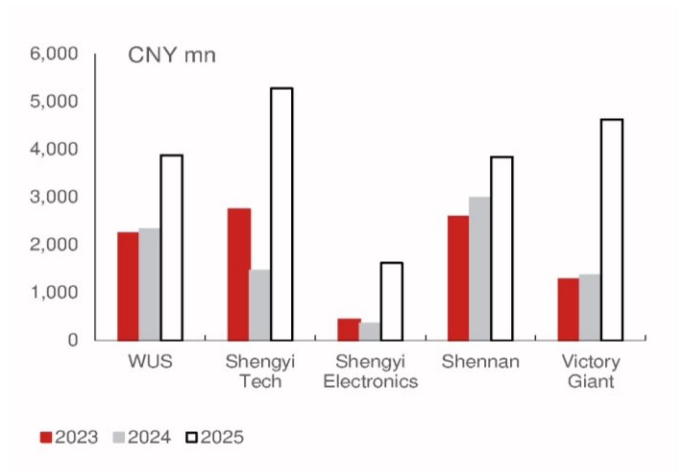
Fig. 32: Peer comparison – net profit margin



Source: Company data, Nomura research

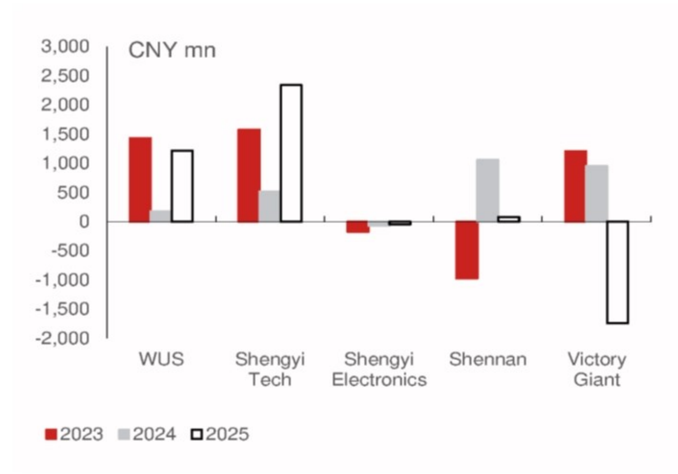
In terms of cash flow, we noted that most peer companies' operating cash flow (OCF) had a leap in 2025, in line with the revenue growth trend. Most PCB companies have constructed new factories or upgraded existing production bases over the past two years – particularly Shengyi Electronics and VGT – that have rapidly expanded production capacity, resulting in negative free cash flows in recent years, in our view.

Fig. 33: Peer comparison – operating cash flow



Source: Company data, Nomura research

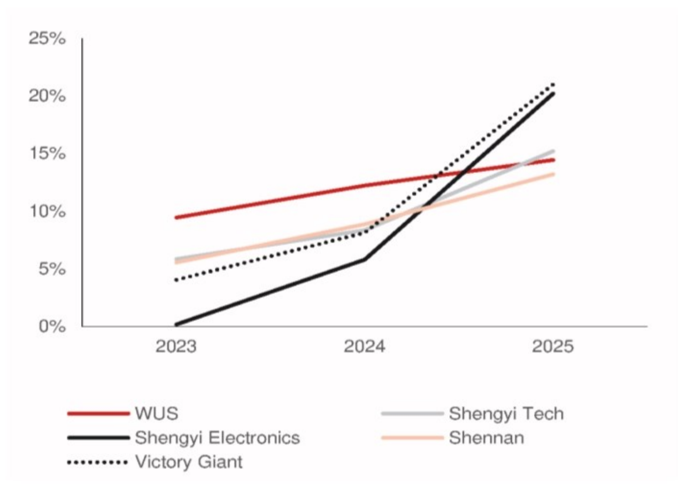
Fig. 34: Peer comparison – free cash flow



Source: Company data, Nomura research

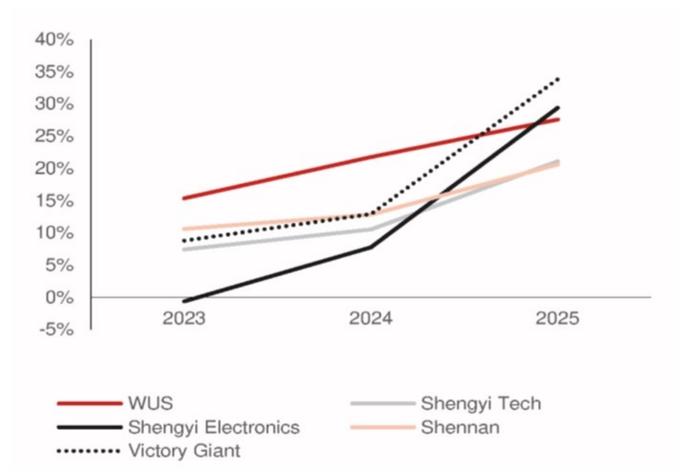
For most peers companies, both ROE and ROA have increased since 2024 due to significant growth in revenue. In FY25, VGT achieved the highest ROE and ROA among the above-mentioned peers, likely due to improved profitability, in our view.

Fig. 35: Peer comparison – ROA



Source: Company data, Nomura research

Fig. 36: Peer comparison – ROE



Source: Company data, Nomura research

Valuation and risk

Our TP of HKD479 is based on 27x 2027F EPS of CNY15.44, in line with the company's A-share historical median P/E.

Downside risks include: 1) lower-than-expected PCB demand in downstream sectors such as servers and auto electronics; 2) more fierce competition in the high-end PCB market leading to pressure on margins; 3) higher-than-expected raw material cost pressure, and 4) worse-than-expected geopolitical tensions in global AI value chain.

As one of the key PCB suppliers in the global AI value chain, geopolitical tensions remain an overhang to VGT's business expansion, and we think company needs to make more efforts to diversify its production facilities to mitigate the geopolitical risks. In addition, we think there will be more newcomers trying to tap into the lucrative AI PCB market, which may intensify competition in the future. Moreover, recent price hikes for upstream materials may also test the company's abilities for pass on cost pressure to the end market.

Sensitivity analysis

We have conducted a sensitivity analysis for VGT's FY26-28F financial forecasts. In our bull case scenario, we assume the company could have more aggressive wallet share gain from NVIDIA and accelerated penetration into other leading AI customers (i.e., Google), delivering 74%/79% revenue/earnings CAGRs over FY26-28F. In our bear case scenario, we assume VGT would lose wallet share or face more intense competition, resulting in slower revenue/earnings CAGRs of 44%/53% over FY26-28F. In the worst-case scenario, considering the "de-coupling" trend in the US-China AI tech industries, the company may face the risks of losing most market share from its key global AI customer, from which we estimate it gets~40% of its 2026 revenue.

Fig. 37: VGT – Sensitivity analysis

	Bear case			Base case			Bull case		
	2026F	2027F	2028F	2026F	2027F	2028F	2026F	2027F	2028F
Sales	30,019	46,156	62,329	31,948	52,317	75,880	35,807	65,797	108,591
YtoY	56%	54%	35%	66%	64%	45%	86%	84%	65%
Single&double-layer PCB revenue	972	918	868	1,074	1,123	1,173	1,280	1,594	1,984
YtoY	-5%	-5%	-6%	5%	5%	4%	25%	25%	25%
MLPCB revenue	9,412	12,623	15,849	10,244	14,762	20,012	11,907	19,541	30,397
YtoY	13%	34%	26%	23%	44%	36%	43%	64%	56%
HDI revenue	15,962	28,589	41,843	16,705	31,590	49,394	18,190	38,036	67,080
YtoY	115%	79%	46%	125%	89%	56%	145%	109%	76%
FPC revenue	1,889	1,889	1,700	2,020	2,223	2,223	2,283	2,968	3,562
YtoY	44%	0%	-10%	54%	10%	0%	74%	30%	20%
Gross Profit	9,291	15,726	22,370	13,083	23,057	34,822	21,824	42,157	71,551
% of sales	31%	34%	36%	41%	44%	46%	61%	64%	66%
Net profit	5,594	9,420	13,123	8,698	15,174	22,509	15,898	30,392	50,896
YtoY	30%	68%	39%	102%	74%	48%	269%	91%	67%
EPS	6.04	9.58	8.90	9.39	15.44	22.90	17.16	30.92	34.53

Source: Company data, Nomura estimates

Fig. 38: Victory Giant – peer valuations

Ticker	Company	Nomura Rating	Price 28-Apr	Target Price	M/Caps USD mn	P/E (x) FY26F	P/E (x) FY27F	P/B (x) FY26F	P/B (x) FY27F	ROE FY26F
300476 CH	Victory Giant	Buy	313.1	417.0	42,645	35.6	21.6	7.7	5.7	29%
002463 CH	Wus Printed Circuit	Buy	101.9	86.8	29,568	31.5	26.6	7.9	6.6	28%
688183 CH	Shengyi Electronics	Neutral	115.9	146.0	14,704	37.1	26.4	11.2	7.9	35%
600183 CH	Shengyi Tech	Buy	76.6	95.0	24,445	33.5	24.4	8.4	7.5	28%
002916 CH	Shennan Circuit	Buy	314.9	391.0	32,103	40.5	28.5	9.8	8.0	26%
603228 CH	Kinwong	Not rated	73.3	-	10,563	31.5	23.4	4.8	4.2	15%
002938 CH	Avary	Not rated	74.6	-	25,304	33.8	24.9	4.7	4.2	15%
600601 CH	Founder	Not rated	11.6	-	7,252	64.4	46.4	na	na	14%
001389 CH	Delton	Not rated	165.1	-	11,322	44.3	28.5	12.6	9.2	31%
A share PCB median						**35.6**	**26.4**	**8.2**	**7.1**	
2476 HK	VGT	Buy	300.0	479.0	40,433	28.9	17.6	6.3	4.7	30%
3037 TT	Unimicron	Buy	825.0	1,350.0	41,206	63.4	28.5	10.9	8.4	15%
4958 TT	Zhen Ding	Buy	394.0	265.0	13,380	14.8	11.6	1.5	1.4	9%
2368 TT	GCE	Not rated	1,390.0	-	22,509	40.2	26.4	16.4	12.4	48.1
1989 HK	Delton	Not rated	174.3	-	11,325	46.8	na	13.3	na	na
TTMI US	TTM	Not rated	144.2	-	14,971	45.4	32.6	8.0	7.0	16%
007660 KS	ISU Petasys	Not rated	150,600.0	-	7,510	41.3	28.4	11.9	8.4	33.2
Ex.A share PCB median						**41.3**	**27.4**	**10.9**	**7.7**	

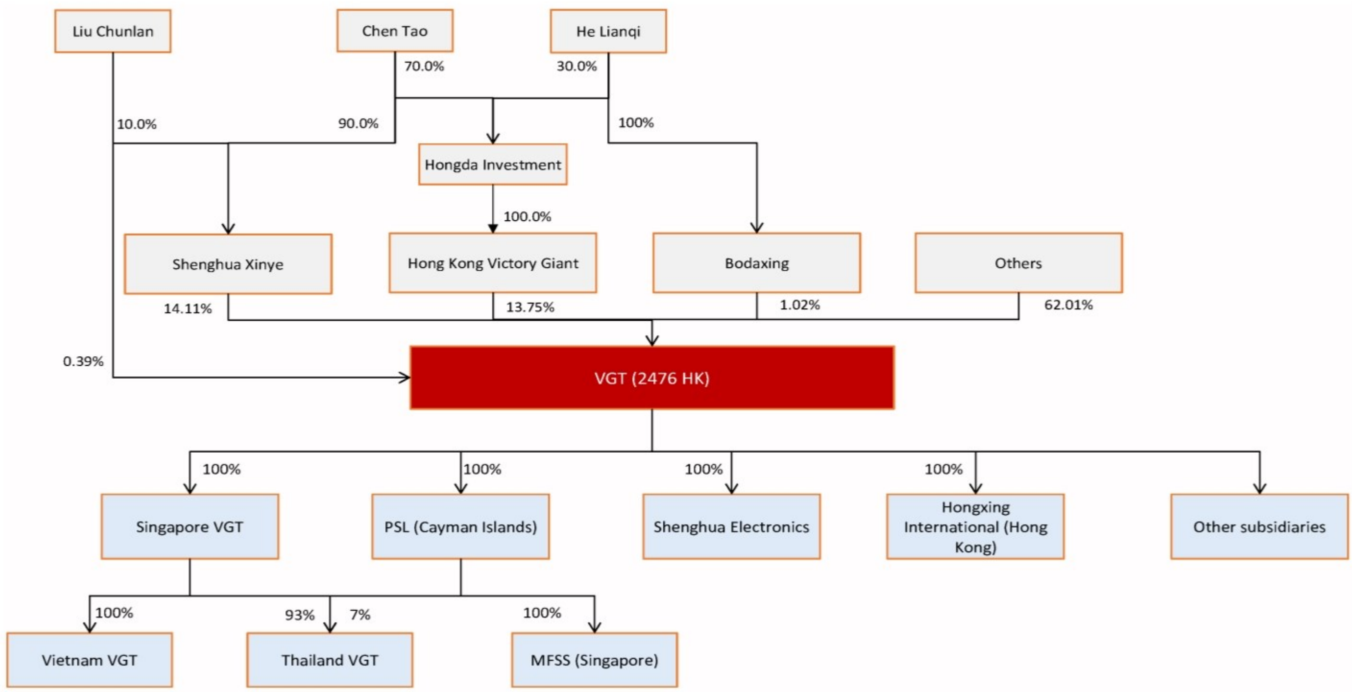
Source: Bloomberg Finance L.P., WIND, Nomura estimates

Appendix

Shareholding structure

The top three largest shareholders of VGT are Shenghua Xinye (14.11%), Hong Kong Victory Giant (13.75%) and Bodaxing (1.02%) as of 21 April 2026, after VGT H share was listed on the Hong Kong Stock Exchange, according to the company.

Fig. 39: VGT – Shareholding structure after H-share IPO



Source: Company data, Nomura research

Management profile

Fig. 40: VGT – Management profile

Name	Position	Time of joining the Group	Role and responsibilities	Background
Chen Tao	Chairman of the Board and executive Director	Jan. 2003	Overall management, strategic planning and decision-making for key business and operational matters	Chen Tao graduated from Zhongshan University, having completed the Executive Master of Business Administration (EMBA) program in November 2006, and founded the group in 2006.
Liu Chunlan	Non-executive Director	Jan. 2003	Providing recommendations on the strategic development	Liu Chunlan completed the executive Master of Business Administration (EMBA) program at Peking University. She served as the general manager of Hongda Investment and Shenghua Xinye since September 2011 and June 2012, respectively.
Zhao Qixiang	Executive Director and president	Oct. 2008	Implementing of the strategic planning and overseeing the business and daily operations	Zhao Qixiang graduated from Mianyang Economic and Technical College in July 1999 and graduated from Beijing Institute of Technology by way of online learning in January 2021. He joined VGT in October 2008. From February 2012 to August 2024, he served as a vice general manager and secretary to the Board of the Company. He also has been serving as a director of Founder Technology since April 2023.
Chen Yong	Executive Director and vice president	Jan. 2003	Responsible for the management of the sales department	Chen Yong holds a bachelor's degree and previously served as a manager in the electronics business department at Shenghua Electronics.
Wang Hui	Executive vice president	Aug. 2019	Responsible for the Company's operating system, including production, technology research and development and quality management	Wang Hui graduated from Xi'an Jiaotong University with a bachelor's degree in material forming and control engineering in July 1999.He served for Compeq Manufacturing (Hui Zhou) from April 2000 to July 2018.
Victor Jose Taveras	Vice president and CTO	Aug. 2024	Responsible for research and development	Victor Jose Taveras graduated from Cornell University with a bachelor of arts degree in May 1982. He worked in Sanmina Corporation Sdn. Bhd with his last position being its managing director. From 2003 to 2009, he was appointed as a business unit director of PCB Business Unit of Unimicron Technology Corporation. From 2009 to 2014, he served as the general manager of Viasystems Group. From 2016 to 2021, he served as the general manager of Blue Technology Limited.
Zhou Dingzhong	Vice president	Sep. 2004	Responsible for productions	Zhou Dingzhong graduated from Zhongshan University by way of online learning in January 2017. He has been certified as a senior engineer by China Printed Circuit Association (CPCA) in November 2018.

Source: Company data, Nomura research

Appendix A-1

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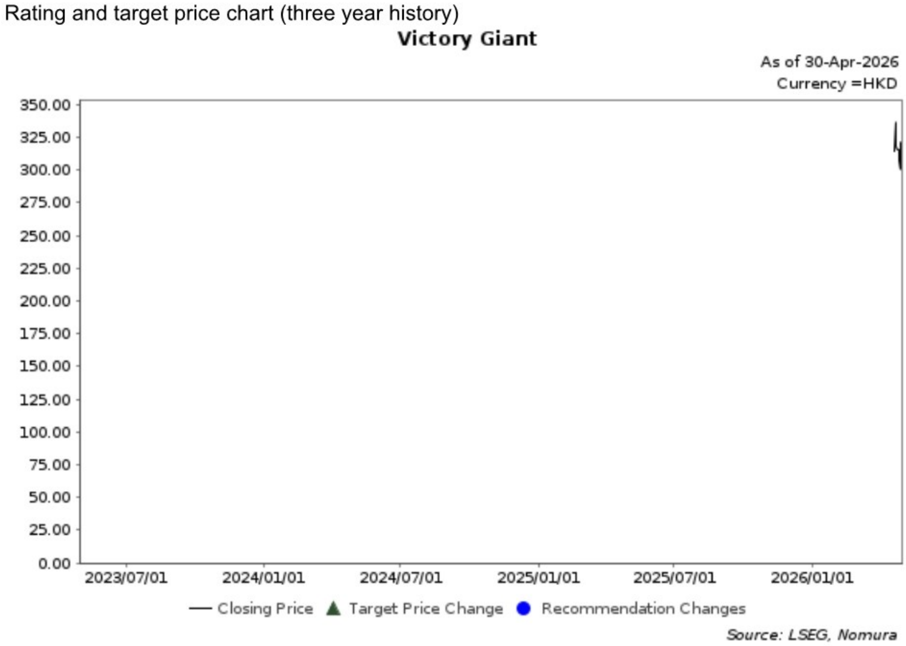
Materially mentioned issuers

Issuer	Ticker	Price	Price date	Stock rating	Sector rating	Disclosures
Victory Giant	2476 HK	HKD 321.00	29-Apr-2026	Buy	N/A	
Victory Giant	300476 CH	CNY 328.49	30-Apr-2026	Buy	N/A	

Victory Giant (2476 HK) **HKD 321.00 (29-Apr-2026)** Buy (Sector rating: N/A)

Rating and target price chart (three year history)



Date	Rating	Target price	Closing price

For explanation of ratings refer to the stock rating keys located after chart(s)

Valuation Methodology Our TP of HKD479.00 is based on 27x 2027F EPS of CNY15.44, in line with its A-share historical median P/E. The benchmark index is Hang Seng Index.
Risks that may impede the achievement of the target price Downside risks: 1) lower-than-expected PCB demand in downstream sectors such as servers and auto electronics; 2) more fierce competition in the high-end PCB market leading to pressure on margins; 3) higher-than-expected raw material cost pressure, and 4) worse-than-expected geopolitical tensions in global AI value chain.

Victory Giant (300476 CH) **CNY 328.49 (30-Apr-2026)** Buy (Sector rating: N/A)

Rating and target price chart (three year history)

Date	Rating	Target price	Closing price
15-Jan-26		333.00	283.07
24-Oct-25	Buy		308.98
24-Oct-25		392.00	308.98

For explanation of ratings refer to the stock rating keys located after chart(s)

Valuation Methodology Our target price of CNY417.00 is based on 27x 2027F EPS of CNY15.44, in line with company's historical median P/E of 27x. The benchmark index is CSI300.

Risks that may impede the achievement of the target price Downside risks include: 1) key customers' supply chain diversification and more intensified competition from peers; 2) technology changes such as COWOP which may change the competition landscape and threat company's market shares; 3) slower technology upgrade in AI PCB market; and 4) escalations on geopolitical tensions.

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As at 31 March 2026.
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The rating system is a relative system, indicating expected performance against a specific benchmark identified for each individual stock, subject to limited management discretion. An analyst's target price is an assessment of the current intrinsic fair value of the stock based on an appropriate valuation methodology determined by the analyst. Valuation methodologies include, but are not limited to, discounted cash flow analysis, expected return on equity and multiple analysis. Analysts may also indicate expected absolute upside/downside relative to the stated target price, defined as (target price - current price)/current price.

STOCKS

A rating of **'Buy'**, indicates that the analyst expects the stock to outperform the Benchmark over the next 12 months. A rating of **'Neutral'**, indicates that the analyst expects the stock to perform in line with the Benchmark over the next 12 months. A rating of **'Reduce'**, indicates that the analyst expects the stock to underperform the Benchmark over the next 12 months. A rating of **'Suspended'**, indicates that the rating, target price and estimates have been suspended temporarily to comply with applicable regulations and/or firm policies. Securities and/or companies that are labelled as **'Not rated'** or shown as **'No rating'** are not in regular research coverage. Investors should not expect continuing or additional information from Nomura relating to such securities and/or companies. Benchmarks are as follows: **United States/Europe/Asia ex-Japan:** please see valuation methodologies for explanations of relevant benchmarks for stocks, which can be accessed at: http://go.nomuranow.com/research/m/Disclosures; **Global Emerging Markets (ex-Asia):** MSCI Emerging Markets ex-Asia, unless otherwise stated in the valuation methodology; **Japan:** Russell/Nomura Large Cap.

SECTORS

A **'Bullish'** stance, indicates that the analyst expects the sector to outperform the Benchmark during the next 12 months. A **'Neutral'** stance, indicates that the analyst expects the sector to perform in line with the Benchmark during the next 12 months. A **'Bearish'** stance, indicates that the analyst expects the sector to underperform the Benchmark during the next 12 months. Sectors that are labelled as **'Not rated'** or shown as **'N/A'** are not assigned ratings. Benchmarks are as follows: **United States:** S&P 500; **Europe:** Dow Jones STOXX 600; **Global Emerging Markets (ex-Asia):** MSCI Emerging Markets ex-Asia. **Japan/Asia ex-Japan:** Sector ratings are not assigned.

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A Target Price, if discussed, indicates the analyst's forecast for the share price with a 12-month time horizon, reflecting in part the analyst's estimates for the company's earnings. The achievement of any target price may be impeded by general market and macroeconomic trends, and by other risks related to the company or the market, and may not occur if the company's earnings differ from estimates.

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