Goldman Sachs Research

Equity Research
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Victory Giant (300476.SZ): Mgmt. visit: AI PCB in migration; Capacity expansion to capture the growth trend

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We hosted Victory Giant's management in Shenzhen on May 20 during our China Tech Tour. Management remains positive on the growth momentum of the AI PCB business, riding on strong end demand from both GPU and ASIC AI servers and supported by Victory Giant's timely capacity expansion and strong R&D capability. We remain positive on Victory Giant's growth ahead, considering (1) AI infrastructure ramp up globally, (2) AI PCB specification upgrades towards higher layer counts driving dollar content increase, (3) rising PCB usage in AI servers replacing copper cables, (4) customer expansion towards ASIC AI server PCB, (5) R&D and Capex commitments, and (6) highly automated production lines and warehouse management. Maintain Buy.

Key takeaways: Management sees strong AI PCB end demand and highlights suppliers' mass production capability plays a vital factor to penetrate customers. Victory Giant is equipped with strong R&D to develop the latest AI PCB closely with customers, and it expands capacity timely to secure the latest technology entering mass production in time, enabling the company to capture rising end demand from AI PCB for both GPU and ASIC AI server clients. Other than global-tier customers, management also sees stronger than expected AI PCB demand from local AI server clients, driven by local AI ecosystem expansion. Besides PCB used in AI servers, Victory Giant is also actively expanding to optical transceiver and advanced packaging PCBs, leading to potential upside for the company, per management's view.

Valuation: We derive our 12M TP of Rmb550 on a target P/E multiple of 26.3x applied to our 2027E EPS. Our target P/E of 26.3x is derived from the correlation between P/E and EPS growth of Victory Giant's peers, based on the company's 2028E EPS YoY growth.

Key risks: Slower-than-expected AI server shipment ramp up pace; Slower-than-expected AI server PCB specification upgrade; Fiercer-than-expected market competition.

300476.SZ	12m Price Target: **Rmb550.00**	Price: **Rmb334.20**	Upside: **64.6%**

Buy CL

Market cap: Rmb290.9bn / $42.8bn
Enterprise value: Rmb301.8bn / $44.4bn
3m ADTV: Rmb12.8bn / $1.9bn
China
Greater China Technology
M&A Rank: 3
Leases incl. in net debt & EV?: No

GS Forecast

	12/25	12/26E	12/27E	12/28E
Revenue (Rmb mn)	19,292.3	36,533.8	64,882.5	87,985.2
EBITDA (Rmb mn)	6,096.6	12,938.5	24,165.6	31,597.0
EPS (Rmb)	4.98	11.41	20.80	27.58
P/E (X)	33.7	29.3	16.1	12.1
P/B (X)	8.8	12.9	8.7	6.1
Dividend yield (%)	1.2	1.4	2.5	3.3
N debt/EBITDA (ex lease,X)	1.1	0.8	0.4	0.0
CROCI (%)	21.6	51.3	62.0	62.3
FCF yield (%)	(1.4)	(0.1)	3.0	6.4

	3/26	6/26E	9/26E	12/26E
EPS (Rmb)	1.48	2.01	3.82	4.10

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 20 May 2026 close.