Largan Precision

Strong CPO ramp priced ahead of qualification

Equities

Taiwan

Electric Components & Equipment

12-month rating	**Sell** *Prior : Buy*
12m price target	**NT$5,000.00**
Price (04 Sep 2026)	**NT$7,400**

RIC: 3008.TW **BBG:** 3008 TT

Trading data and key metrics

52-wk range	NT$7,810.00-2,025.00
Market cap.	NT$972b/US$30.7b
Shares o/s	131m (ORD)
Free float	70%
Avg. daily volume ('000)	2,747
Avg. daily value (m)	NT$13,188.4
Common s/h equity (12/26E)	NT$197b
P/BV (12/26E)	4.9x
Net debt to EBITDA (12/26E)	NM

EPS (UBS, diluted) (NT$)

	From	To	% ch	Cons.
12/26E	185.76	188.21	1	184.63
12/27E	214.00	214.00	0	204.05
12/28E	250.74	250.66	-0	233.00

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The re-rating has outpaced qualification progress; downgrade from Buy to Sell

Largan shares have risen 242% since April on optimism around its CPO FAU progress. While we stay constructive on Largan's CPO prospects, we believe the market is pricing in confidence ahead of still-early qualification progress, particularly given a crowded competitive field. Largan only starts its sample line late Q3, integrating its Prism Micro Lens Array and Fiber Array with AOET's V-groove and Corning's fiber. We expect several quarters to improve yields, gain integrator acceptance (Corning, Senko, AuthenX) and convert its initial production-oriented FA program into volume while competing against incumbent TFC and vertically integrated rivals incl. Coherent. We downgrade our rating from Buy to Sell with CPO still at an early stage and the stock now 35x 2027 vs. LT 13-18x range well above our sum-of-the-parts NT$5,000 PT based on 15x smartphone lens + 50x CPO base case for 40% share (upper end of optical peers at 14-72x).

Still a range of outcomes for CPO solution traction

Largan's approach pairs V-groove with PMLA to shape the optical light from the PIC into the fiber at high accuracy with automated assembly. Feedback is positive on Largan's precision and track record for volume production/yield improvement (now still low) and 1 FA design in an FAU. A risk is Largan targeting the Gen 3 optics should take until 2028 and also competes with incumbent TFC which is already designed-in for 2026-27 and other FAU vendors like Coherent that can vertically integrate or use meta lens not requiring Largan's initial V-groove approach. Largan's push toward a complete solution may also conflict with integration partners.

Core smartphone lens tracking behind amid memory headwinds

We also see risk on near-term results with Q326 sales tracking light. Aug sales were NT $5bn, +3% MoM, -16% YoY, taking QTD revenue to NT$10.1bn, 53% of UBSe/Street Q326. Sept would need to grow +73% MoM to meet UBSe/Street +36-38% QoQ vs. normal seasonal +8% MoM. We expect flattish builds at best for its flagship customer (80% of sales) needing to raise price to pass on memory costs +US$200-300 YoY albeit some support from high-end introducing variable-aperture lens, while foldable lens specs remain similar. Factoring muted smartphone growth but healthy margins, we view a mid-teens multiple appropriate for this business, in line with its historical range.

Stock prices in our upside case ahead of traction; risk-reward skews negative

We maintain basic '26E/27E EPS at NT$190/NT$214 and NT$5,000 SOTP PT based on 1) 15x smartphone lens (NT$3,270) + 2) 50x CPO base case EPS of NT$35 for NT$1,730 (40% share, 100k switches/7.2mn FAUs, US$150/FAU, US$1.1bn TAM), high-end of peers due to its premium ~40-45% OpM. We view risk/reward skewed negative with downside to NT$2,500 on limited CPO success and softer smartphones, base case NT $5,000 for CPO traction, and upside 22% if the stock is bid to our upside case NT$9,000 based on top-end 70x P/E on CPO earnings at 60% share of a higher US$1.58bn TAM.

Highlights (NT$m)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Revenues	48,842	59,458	61,148	67,869	77,189	83,044	88,315	93,870
EBIT (UBS)	17,807	24,033	23,558	25,937	29,796	34,945	35,215	37,516
Net earnings (UBS)	18,047	22,480	23,613	24,642	28,019	32,818	33,151	35,174
EPS (UBS, diluted) (NT$)	135.22	168.43	176.92	188.21	214.00	250.66	253.20	268.65
DPS (net) (NT$)	85.50	67.50	97.50	80.00	95.36	107.40	125.80	127.07
Net (debt) / cash	111,655	117,781	122,309	124,539	139,268	155,001	170,311	188,490

Profitability/valuation	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
EBIT (UBS) margin %	36.5	40.4	38.5	38.2	38.6	42.1	39.9	40.0
ROIC (EBIT) %	39.3	46.2	40.9	42.4	47.5	54.1	52.9	56.0
EV/EBITDA (UBS core) x	7.7	7.1	6.0	23.2	19.9	17.8	17.1	15.7
P/E (UBS, diluted) x	16.2	15.1	13.3	39.3	34.6	29.5	29.2	27.5
Equity FCF (UBS) yield %	2.0	4.3	3.0	3.3	2.8	3.1	3.3	3.6
Dividend yield (net) %	3.9	2.7	4.1	1.1	1.3	1.5	1.7	1.7

Source: Company accounts, LSEG Eikon, UBS estimates. Metrics marked as (UBS) have had analyst adjustments applied. Valuations: based on an average share price that year, (E): based on a share price of NT$ 7,400.00 on 04-Sep-2026

This report has been prepared by UBS Securities Pte. Ltd., Taipei Branch. **ANALYST CERTIFICATION AND REQUIRED DISCLOSURES, INCLUDING INFORMATION ON THE QUANTITATIVE RESEARCH REVIEW PUBLISHED BY UBS, BEGIN ON PAGE 13.**

UBS Research THESIS MAP a guide to our thinking and what´s where in this report

PIVOTAL QUESTIONS

Q: Could Largan's CPO products contribute meaningful revenue in a few years?
We stay constructive but the company still has hurdles to clear in a crowded space. Its scale and track record in high-end smartphone lens gives it an opportunity supplying key components of the CPO FAU assembly, traditional strength in precision lens micro assemblies, alignment accuracy, in-house tooling and automation that could give it a differentiated solution. Our feedback at Semicon Taiwan suggests the company is still early in qualification, with its sample production line for customer evaluation readied in late September and still requiring work with a system integrator and qualification with the fabless customer and ODMs. We still see a year to move from sampling to design-in but if successful timed to meet expected market acceleration in 2028-29.

Q: Will there be further technology upgrades driving the lens cycle in the coming years?
We expect spec upgrades for Largan's core lens business to come in H226 from variable aperture shipments for the iPhone 18 (which Genius does not currently participate though may enter over time, as seen with periscope lenses). Key offset though is weaker sales with Q3 tracking light and suggesting a softer build due to memory headwinds. Further upside could come from broader adoption of 48MP modules in future iPhone models. Looking longer term, Apple is reportedly exploring 200MP periscope lens and adjacent opportunities to penetrate physical AI categories with precision lens including robotics, autonomous systems and AR/VR devices.

UBS VIEW

We downgrade our rating on Largan from Buy to Sell as we view the market expectations as now pricing in a bullish scenario for strong market traction with the company still at an early stage of qualification, still needing to improve its process and yields, and competing in a crowded space also against an existing incumbent. We expect several quarters to improve current low yields, gain acceptance from solution integrators (Corning, Senko, AuthenX) and secure design-ins by the AI GPU fabless company and its ODM partners against incumbent TFC and other rivals. We downgrade Largan from Buy to Sell with CPO still at an early stage and the stock now 35x 2027 vs. LT 13-18x range and well above our sum-of-the-parts NT$5,000 price target based on 15x smartphone lens + 50x CPO base case for40% share (upper-end of optical peer range of 14-72x).

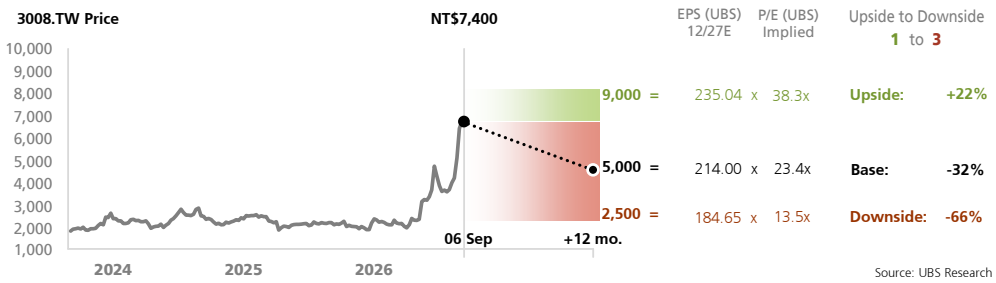
EVIDENCE

Largan has demonstrated its samples with partners at Computex and Semicon Taiwan and cited its goals to ramp CPO as its next opportunity. The company is still early in qualifications with a sample automated line in the coming months followed by design-in engagement with system integrators, ODMs and the fabless customer to target design-in on 3rd gen CPO solutions in 2028. For smartphone lens, its top customer had a strong iPhone 17 cycle although acknowledged it would have to raise price to pass on higher memory costs which could dampen growth. Sales QTD are tracking slightly light as Largan also competes with 2nd source Genius. Our supply chain checks and management commentary points to introduction of higher value variable aperture lens in H226.

WHAT'S PRICED IN

Largan is currently trading above the high end of its historical range at 39x/35x our 2026E/27E EPS vs. a long-term range of 13-18x forward consensus earning, pricing in success penetrating the CPO component market ahead of the earnings stream which would only start late in 2027 into 2028. We note optical component peers trade at 14-72x with an average of ~38x 2027E P/E (Genius at 25x 2027 P/E). We maintain our SOTP valuation with our price target at NT$5000 based on 1) 15x smartphone lens (NT$3,270) + 2) 50x CPO base case EPS of NT$35 for NT$1,730 (40% share, 100k switches/7.2mn FAUs, US$150/FAU, US$1.1bn TAM), high-end of peers due to its premium ~40-45% OpM. We view the stock at NT$7,400 now pricing in CPO traction on a 50x multiple of our upside NT$76 case based on 60% share of an upside US$1.6bn opportunity.

UPSIDE/DOWNSIDE SPECTRUM



Source: UBS estimates

COMMENTARY

Largan shares have risen 242% since 1 April on optimism around its CPO fiber array unit (FAU) progress. While we stay constructive post our feedback at Semicon Taiwan on Largan's ability to develop CPO solutions, we now believe the market is pricing in a level of confidence that has run well ahead of qualification progress which is still early and competing in a crowded field. Largan will only start its sample line in late Q3 integrating its Prism Micro Lens Array and Fiber Array, AOET's V-groove and Corning's glass fiber. From there, we expect several quarters to improve current low yields, gain acceptance from solution integrators (Corning, Senko, AuthenX) and secure design-ins by the AI GPU fabless company and its ODM partners against incumbent TFC and rivals including Coherent with own lens/FAU. The company did note on its Q226 call that it had secured one mass production commitment for its fiber array to an FAU maker that could ramp by H227 although early to conclude the magnitude of this engagement or end customer design-in, with the other customers still at proof-of-concept phase.

We downgrade our rating on Largan from Buy to Sell with CPO still at an early stage and the stock now 35x 2027 vs. LT 13-18x range and well above our sum-of-the-parts NT $5,000 price target based on 15x smartphone lens + 50x CPO base case for 40% share (upper-end of optical component peers trading at a range of 14-72x).

Figure 1: FAUs scale up with switch bandwidth

CPO Platform Example	Public optical engine data	FAUs per switch	Comment
Broadcom TH5 / Bailly 51.2T	8 × 6.4T OEs	16 FAUs	Each optical engine requires 2 FAUs
NVIDIA Quantum-X Q3450 115.2T	72 × 1.6T OEs	72 FAUs	4 ASICs, 6 detachable optical subassemblies per ASIC, 3 OEs per subassembly = 72 OEs and FAUs.
NVIDIA Spectrum-X SN6810 102.4T	32 active × 3.2T OEs; 36 incl. redundancy	32–36 FAUs	36 OEs per 102.4T package, 32 active.
NVIDIA Spectrum-X SN6800 409.6T	4 × 102.4T packages	128–144 FAUs	4 packages × 32 active and 36 total OEs.

Source: UBS estimates

Still a range of outcomes for CPO solution traction

Largan's approach pairs V-groove with PMLA to shape the optical light from the PIC into the fiber at high accuracy with automated assembly. Feedback is positive on Largan's precision and track record for volume production/yield improvement (now still low). A risk is Largan targeting the Gen 3 optics should take until 2028 and also competes with incumbent TFC which is already designed-in for 2026-27 and other FAU vendors like Coherent that can vertically integrate or use meta lens not requiring Largan's initial V-groove approach. Largan's business model may also conflict with integration partners as it also attempts to build toward a complete solution.

We estimate Largan's Total Addressable Market in a downside case is US$270mn if it only supplies sub-components into a market that continues to push out CPO due to reliability concerns relative to pluggables and NPO/XPO options, US$1.08bn in a base case with 100k switches and 72 FAUs per switch at US$150 ASP, and US$1.6bn in an upside case with 125k switches, 72 FAUs per switch and US$175 ASP. For Largan, we estimate downside case 10% share yields NT$810mn sales and NT$2.20 EPS, base case 40% share, NT$13.0bn sales and NT$35 EPS, and upside case 60% share, NT$28.4bn sales and NT$76 EPS.

Although we are optimistic on the market opportunity scaling up and Largan's competencies and progress developing these solutions, Largan's traction is not yet certain and it will compete in a crowded landscape. We believe Himax is already supplying wafer level optics for the collimator function with FOCI (3363.TWO) and TFC (300394.SZ) already has demonstrated capability and design-in on the FAU and lens assembly. Others that could vertically integrate include Coherent, Senko, Corning and Sumitomo, and we also note Genius sending samples and Sunny Optical's intention to develop for this market.

Our feedback at Semicon Taiwan indicates Coherent can make the FAU and lens by itself through capabilities merging with II-VI and demonstrated all in-house components at the booth except for the metal transceiver casing.

Figure 2: Largan base/upside/downside case for its opportunity and share

Annual Scenario	CPO switches (k)	FAUs/switch	FAUs (mn)	ASP (US$)	TAM (US$mn)	Share	Sales (NT$mn)	Op Profit	EPS
Downside/Slow adoption	75	72	5.4	$50	$270	10%	$810	$344	$2.2
Base	100	72	7.2	$150	$1,080	40%	$12,960	$5,508	$35
Upside/fast adoption	125	72	9.0	$175	$1,575	60%	$28,350	$12,049	$76

Source: UBS estimates

Smartphone lens business tracking behind, should have a mild 2026-27

Largan reported August sales at NT$5bn, is below seasonal 63-67% at only 53% of Q326 UBSe/Street +36-38% QoQ and down 16% YoY, suggesting muted momentum into its flagship customer (~80% of sales). July EPS was NT$13.94, 27% of UBSe Q3 NT $51.52 suggesting in-line GM/OpM at ~50%/39% but the lighter sales are more of a concern.

UBS expects flattish builds at best and a mild spec upgrade with one model variable aperture but foldable at similar lens spec and higher memory cost (+US$200-300 YoY). We still see mild growth and mid-teens multiple acceptable for the smartphone business, similar to its long-term average.

Figure 3: Largan August sales tracking behind UBSe/Street

Largan			3Q26		4Q26E	
(NT$bn)	Jul	Aug	UBSe	Consensus	UBSe	Consensus
Net Sales	4.9	5.0	18.6	18.5	20.1	19.1
% Sequential	31.4%	2.8%	35.8%	35.4%	8.2%	3.0%
% YoY	-9.9%	-16.0%	5.4%	5.0%	17.0%	10.9%
QTD % UBSe	26%	53%				
QTD% Consensus	26%	53%				

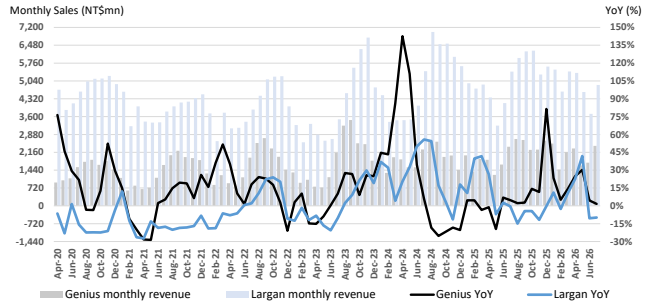
Source: Company data, Refinitiv, UBS estimates

Figure 4: UBS vs. VA Consensus Q126A-Q326E and 2025A-27E

	Q126	Q226	Q326E		Q426E		2025	2026E		2027E	
(NT$m)	**Actual**	**Actual**	**UBSe**	**VA**	**UBSe**	**VA**	**Actual**	**UBSe**	**VA**	**UBSe**	**VA**
Revenue	**15,544**	**13,665**	**18,566**	**18,151**	**20,094**	**18,829**	**61,148**	**67,869**	**66,189**	**77,189**	**76,277**
- QoQ / YoY	-9.7%	-12.1%	35.9%	32.8%	8.2%	3.7%	2.8%	11.0%	8.2%	13.7%	15.2%
Gross profit	**7,680**	**6,753**	**9,242**	**8,960**	**10,044**	**9,619**	**30,837**	**33,718**	**33,011**	**38,405**	**38,438**
- Gross margin	49.4%	49.4%	49.8%	49.4%	50.0%	51.1%	50.4%	49.7%	49.9%	49.8%	50.4%
Operating profit	**5,812**	**5,148**	**7,144**	**6,821**	**7,833**	**7,519**	**23,558**	**25,937**	**25,300**	**29,796**	**28,933**
- OP margin	37.4%	37.7%	38.5%	37.6%	39.0%	39.9%	38.5%	38.2%	38.2%	38.6%	37.9%
Non-op profit	**1,476**	**951**	**1,027**	**1,101**	**1,064**	**1,223**	**2,342**	**4,518**	**4,751**	**4,467**	**4,713**
Pre-tax profit	**7,288**	**6,099**	**8,171**	**7,923**	**8,897**	**8,742**	**25,900**	**30,455**	**30,051**	**34,263**	**33,736**
Tax	**-1,112**	**-1,373**	**-1,385**	**-1,290**	**-1,499**	**-1,631**	**-4,340**	**-5,369**	**-5,442**	**-6,244**	**-6,613**
- Tax rate	15.3%	22.5%	17.0%	16.3%	16.9%	18.7%	16.8%	17.6%	18.1%	18.2%	19.6%
Net profit	**6,123**	**4,670**	**6,736**	**6,604**	**7,348**	**7,082**	**21,275**	**24,877**	**24,491**	**28,019**	**27,102**
EPS (NT$)	**46.63**	**35.70**	**51.50**	**49.51**	**56.18**	**53.24**	**159.41**	**190.00**	**183.25**	**214.00**	**202.92**

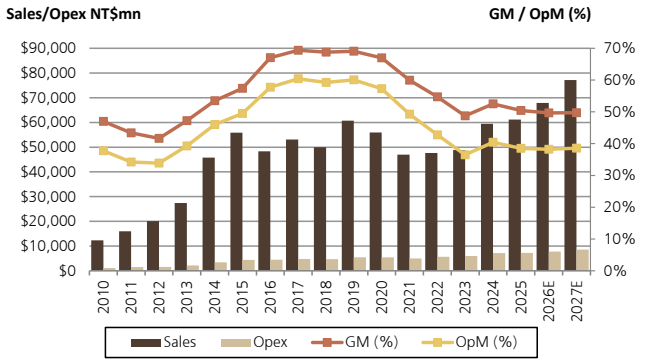
Source: Company data, Visible Alpha, UBS estimates. Note: EPS based on reported and may differ with cover page diluted EPS.

Figure 5: Largan and Genius monthly sales trend in line



Source: Company data

Figure 6: Largan margins stabilizing in recent years



Source: Company data, UBS estimates

Stock prices in our upside case ahead of traction; risk-reward skews negative

We maintain basic '26E/27E EPS at NT$190/NT$214 and NT$5,000 SOTP PT based on 1) 15x smartphone lens (NT$3,270) + 2) 50x CPO base case EPS of NT$35 for NT$1,730 (40% share, 100k switches/7.2mn FAUs, US$150/FAU, US$1.1bn TAM), high-end of peers due to its premium ~40-45% OpM. We view risk/reward skewed negative with downside to NT$2,500 on limited CPO success and softer smartphones, base case NT $5,000 for CPO traction and upside 22% if the stock is bid to our upside case NT$9,000 based on top-end 70x P/E on CPO earnings based on 60% share/125k switches/9mn FAUs, US$175 FAU ASP, US$1.58bn TAM).

Figure 7: UBS Base, Upside, and Downside Spectrum

(NT$)		UBSe		Upside Case		Downside Case	
	2025	2026	2027	2026	2027	2026	2027
Base smartphone business							
Sales	$61,148	$67,869	$77,189	$71,262	$81,048	$62,100	$70,628
YoY Growth	2.8%	11.0%	13.7%	16.5%	13.7%	1.6%	13.7%
Gross Profit	**$30,837**	**$33,718**	**$38,405**	**$37,185**	**$41,946**	**$29,268**	**$33,340**
GM%	**50.4%**	**49.7%**	**49.8%**	**52.2%**	**51.8%**	**47.1%**	**47.2%**
Opex	$7,279	$7,781	$8,609	$7,975	$8,782	$7,450	$8,244
Op Profit	**$23,558**	**$25,937**	**$29,796**	**29,210**	**33,165**	**21,818**	**25,096**
OpM%	**38.5%**	**38.2%**	**38.6%**	**41.0%**	**40.9%**	**35.1%**	**35.5%**
Non-Op	$2,342	$4,518	$4,467	$4,518	$4,467	$4,518	$4,467
Pretax	$25,900	$30,455	$34,263	$33,728	$37,632	$26,336	$29,563
Tax	($4,340)	($5,369)	($6,244)	($5,946)	($6,858)	($4,643)	($5,388)
Net income	**$21,275**	**$24,877**	**$28,019**	**$27,573**	**$30,774**	**$21,484**	**$24,176**
EPS	**$159.41**	**$190.00**	**$214.00**	**$210.59**	**$235.04**	**$164.09**	**$184.65**
Shares	133	131	131	131	131	131	131
EPS vs. base case				**10.8%**	**9.8%**	**-13.6%**	**-13.7%**
Current Price		**$7,400**					
P/E			15		16		13
Implied Valuation			**$3,270**		**$3,655**		**$2,392**
CPO Expected upside							
EPS			**$35**		**$76**		**$2**
P/E			50		70		50
Implied Valuation			**$1,730**		**$5,345**		**$108**
Total Largan							
Implied Share Price			**$5,000**		**$9,000**		**$2,500**
Upside/Downside			**-32%**		**22%**		**-66%**

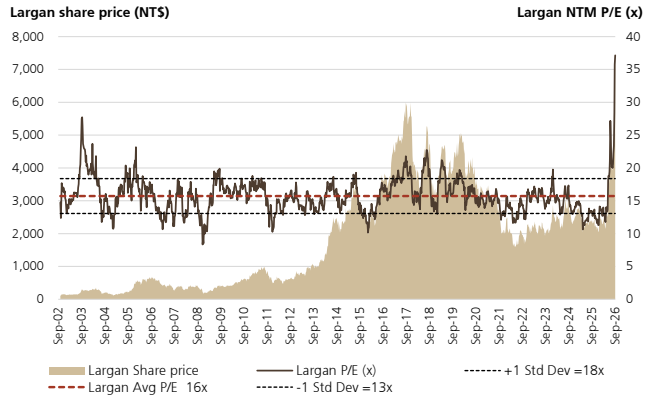
Source: Company data, UBS estimates

Figure 8: Optical component peers average 38x 2027 with a broad range of 14-72x 2027 P/E

Company name	Ticker	Market Cap (US$m)	Share Price (LC$)	EPS (LC$) 2026E	EPS (LC$) 2027E	P/E (x) 2026E	P/E (x) 2027E	P/BV (x) 2026E	P/BV (x) 2027E	ROE (%) 2026E	ROE (%) 2027E
Lens											
Largan Precision	**3008.TW**	**30,677**	**7,400**	**190.00**	**214.00**	**38.9**	**34.6**	**5.0**	**4.6**	**12.6**	**13.8**
Genius Electronic Optical	3406.TW	3,755	1,055	37.15	41.47	28.4	25.4	4.1	3.8	15.8	15.6
Optical supply chain players											
Chipbond Technology	6147.TWO	4,290	183	5.64	8.23	32.4	22.2	2.8	2.6	8.7	12.1
WIN Semiconductors	3105.TWO	6,016	450	7.79	11.27	57.7	39.9	4.4	4.2	7.8	10.8
LandMark Optoelectronics Corp	3081.TWO	10,004	3,120	19.66	43.07	158.7	72.4	57.9	35.9	35.2	47.9
Visual Photonics Epitaxy Co Ltd	2455.TW	3,059	525	5.42	9.05	96.8	58.0	26.3	21.4	27.4	39.9
IntelliEPI Inc (Cayman)	4971.TWO	908	611	7.09	11.70	86.2	52.2	10.7	8.9	13.4	18.7
FOCI FIBER OPTIC COMMUNICATIONS, INC.	3363.TWO	2,771	774	0.21	16.93	3775.6	45.7	35.1	20.7	-1.8	55.0
Ezconn Corp	6442.TW	4,486	1,770	51.42	130.00	34.4	13.6	17.8	8.7	45.2	63.9
Browave Corp	3163.TWO	2,147	720	7.89	21.17	91.3	34.0	18.2	11.3	21.0	38.6
Fabrinet	FN.N	14,155	395	13.79	18.20	28.7	21.7	6.0	4.7	21.8	23.4
Corning Incorporated	GLW.N	125,763	146	3.28	4.29	44.5	34.0	9.3	8.4	21.3	24.8
Coherent Corp.	COHR.N	51,780	264	5.46	9.37	48.4	28.2	4.9	4.6	10.9	16.1
Lumentum Holdings Inc.	LITE.OQ	76,009	847	8.10	21.35	104.6	39.7	27.2	13.1	33.5	45.0
Marvell Technology, Inc.	MRVL.OQ	183,123	209	2.83	4.19	73.9	49.8	12.4	10.2	17.3	17.6
MACOM Technology Solutions Holdings, Inc.	MTSI.OQ	19,853	260	5.48	8.38	47.5	31.0	12.2	9.4	25.4	32.1
Average						299.6	38.2	16.4	11.1	20.0	30.4

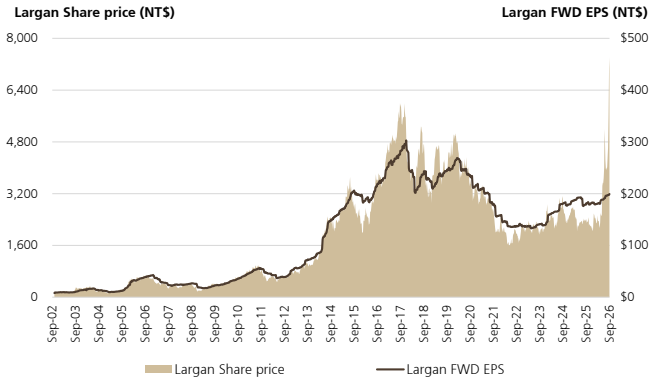
Source: UBSe, Eikon

Figure 9: Share price rally re-rates Largan well above its historical range



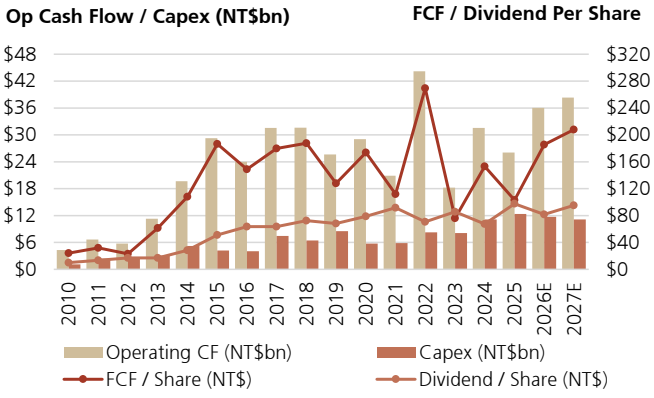
Source: LSEG Workspace

Figure 10: Largan's share price now running well ahead of its fwd EPS pricing in CPO traction



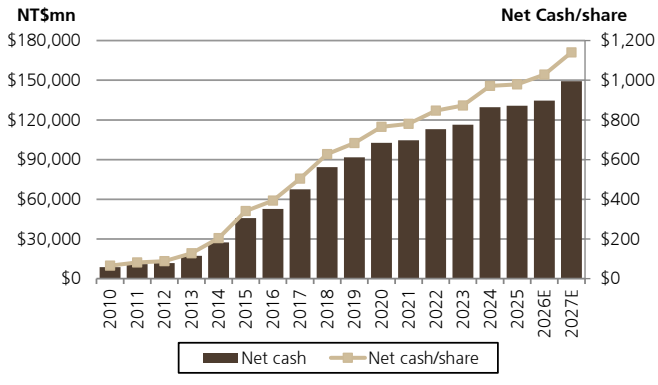
Source: LSEG Workspace

Figure 11: Op CF remains healthy vs. capex



Source: Company data, UBS estimates

Figure 12: Rising net cash share provides room for more payouts



Source: Company data, UBS estimates

Figure 13: UBS P&L for Largan - mild growth at stable margins in recent years

Ticker		3008.TW	Current Price (NT$)			$7,400
Shares outstanding (mn)		130.8	Mkt cap (NT$ mn)			$967,905
Year	**2022**	**2023**	**2024**	**2025**	**2026E**	**2027E**
Revenues (NT$ mn)	**$47,675**	**$48,842**	**$59,458**	**$61,148**	**$67,869**	**$77,189**
YoY Growth (%)		**2.4%**	**21.7%**	**2.8%**	**11.0%**	**13.7%**
Gross profit (NT$mn)	$26,083	$23,794	$31,209	$30,837	$33,718	$38,405
GM (%)	**54.7%**	**48.7%**	**52.5%**	**50.4%**	**49.7%**	**49.8%**
Operating profit (NT$mn)	$20,384	$17,807	$24,033	$23,558	$25,937	$29,796
OPM (%)	**42.8%**	**36.5%**	**40.4%**	**38.5%**	**38.2%**	**38.6%**
Net profit (NT$ mn)	$22,625	$17,902	$25,915	$21,275	$24,877	$28,019
EPS (NT$)	**$169.52**	**$134.13**	**$194.17**	**$159.41**	**$190.00**	**$214.00**
EPS growth (%)		-21%	45%	-18%	19%	13%
P/E (x)	**43.7**	**55.2**	**38.1**	**46.4**	**38.9**	**34.6**
Dividend yield (%)	1%	1.0%	1.1%	1.2%	1.8%	1.3%
P/B (x)	**6.4**	**6.0**	**5.3**	**5.2**	**4.9**	**4.6**
ROE (%)	15%	11%	14%	11%	13%	13%

Quarters	**Q325**	**Q425**	**Q126**	**Q226**	**Q326E**	**Q426E**
Revenues (NT$ mn)	**$17,677**	**$17,219**	**$15,544**	**$13,665**	**$18,566**	**$20,094**
QoQ Growth (%)		**-2.6%**	**-9.7%**	**-12.1%**	**35.9%**	**8.2%**
Gross profit (NT$mn)	$8,352	$8,260	$7,680	$6,753	$9,242	$10,044
GM (%)	**47.2%**	**48.0%**	**49.4%**	**49.4%**	**49.8%**	**50.0%**
Operating profit (NT$mn)	$6,265	$6,329	$5,812	$5,148	$7,144	$7,833
OPM (%)	**35.4%**	**36.8%**	**37.4%**	**37.7%**	**38.5%**	**39.0%**
Net profit (NT$ mn)	$7,080	$6,720	$6,123	$4,670	$6,736	$7,348
EPS (NT$)	**$53.05**	**$50.35**	**$45.88**	**$34.99**	**$51.45**	**$56.12**

Source: Company data, UBS estimates. Note: 2026E EPS based on reported.

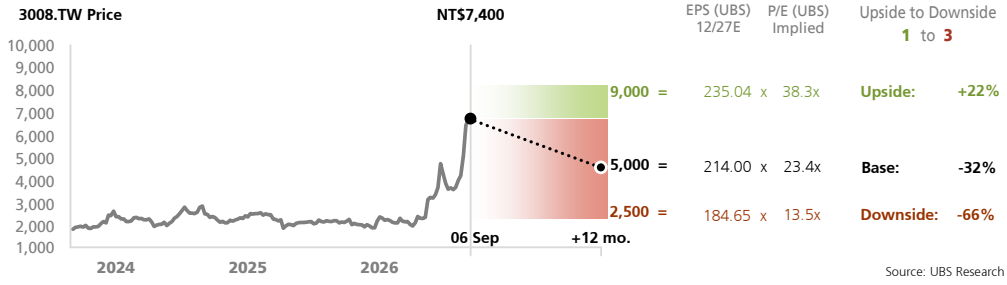
Figure 14: UBS Cash Flow Summary - staying positive to invest in CPO

Annual (NT$mn)	**2021**	**2022**	**2023**	**2024**	**2025**	**2026E**	**2027E**	**21-25 Avg**
Revenue	$46,962	$47,675	$48,842	$59,458	$61,148	$67,869	$77,189	$52,817
Capital spending	$5,850	$8,256	$8,080	$11,126	$12,338	$11,721	$11,135	$9,130
Capex/revenue (%)	**12%**	**17%**	**17%**	**19%**	**20%**	**17%**	**14%**	**17%**
Dep and amort	$4,650	$5,031	$5,299	$6,038	$7,511	$10,201	$11,972	$5,706
Depr/revenue (%)	**10%**	**11%**	**11%**	**10%**	**12%**	**15%**	**16%**	**11%**
Operating cash flow	$20,878	$44,207	$18,199	$31,579	$26,080	$36,022	$38,348	$28,188
Free cash flow	**$15,028**	**$35,951**	**$10,118**	**$20,453**	**$13,743**	**$24,301**	**$27,213**	**$19,058**

FCF and Dividends	**2021**	**2022**	**2023**	**2024**	**2025**	**2026E**	**2027E**	**21-25 Avg**
FCF / share (NT$)	$112	$269	$76	$153	$103	$186	$208	$143
FCF / EV Yield (%)	**2%**	**4%**	**1%**	**2%**	**2%**	**3%**	**3%**	**2%**
FCF Yield (%)	**2%**	**4%**	**1%**	**2%**	**1%**	**3%**	**3%**	**2%**
Dividend/share (NT$)	$91.51	$109.66	$72.50	$81.00	$85.50	$131.95	$95.26	$88.03
Payout rate (%)	**50%**	**79%**	**43%**	**60%**	**44%**	**83%**	**50%**	**55%**
Dividend amount (NT$)	$12,274	$14,636	$9,676	$10,811	$11,412	$17,276	$12,472	$11,762
Pre-Dividend close (NT$)	$3,040.00	$1,990.00	$2,310.00	$3,120.00	$2,260.00	$7,400.00	$7,400.00	
Dividend Yield (%)	**3.0%**	**5.5%**	**3.1%**	**2.6%**	**3.8%**	**1.8%**	**1.3%**	**3.6%**

Source: Company data, UBS estimates

UPSIDE/DOWNSIDE SPECTRUM



Largn (3008.TW) trading at 7,400 at closed Sept 4.

UPSIDE (NT$9,000): Our upside valuation of NT$3,655 is based on its average P/E of 16x off our 2027 upside case EPS of NT$235. We factor in faster than expected CPO progress to deliver upside EPS of NT$76 and 70x P/E at the high end of optical peers trading at 14-72x 2027E P/E to an implied valuation of NT$5,345, and total share price at NT$9,000.

BASE (NT$5,000): Our price target for its smartphone business is NT$3,270, with a 15x 2027 P/E applied on its base case EPS of NT$214 slightly below the long-term average of its historical P/E band to reflect the macro uncertainty. Paired with our base scenario of its CPO business at NT$35 EPS and 50x P/E, we arrive at an implied valuation of NT$1,730, and Largan's aggregate PT at NT$5,000.

DOWNSIDE (NT$2,500): Downside valuation at NT$2,392, based on low-end of its range 13x 2027 P/E. We take into consideration slower adoption of FAUs at its downside EPS of NT$2 and the same 50x P/E to an implied valuation of NT$108 for CPO contribution, and Largan's total share price at NT$2,500.

Figure 15: UBS base case, upside case and downside case

(NT$)		UBSe		Upside Case		Downside Case	
	2025	2026	2027	2026	2027	2026	2027
Base smartphone business							
Sales	$61,148	$67,869	$77,189	$71,262	$81,048	$62,100	$70,628
YoY Growth	2.8%	11.0%	13.7%	16.5%	13.7%	1.6%	13.7%
Gross Profit	**$30,837**	**$33,718**	**$38,405**	**$37,185**	**$41,946**	**$29,268**	**$33,340**
GM%	**50.4%**	**49.7%**	**49.8%**	**52.2%**	**51.8%**	**47.1%**	**47.2%**
Opex	$7,279	$7,781	$8,609	$7,975	$8,782	$7,450	$8,244
Op Profit	**$23,558**	**$25,937**	**$29,796**	**29,210**	**33,165**	**21,818**	**25,096**
OpM%	**38.5%**	**38.2%**	**38.6%**	**41.0%**	**40.9%**	**35.1%**	**35.5%**
Non-Op	$2,342	$4,518	$4,467	$4,518	$4,467	$4,518	$4,467
Pretax	$25,900	$30,455	$34,263	$33,728	$37,632	$26,336	$29,563
Tax	($4,340)	($5,369)	($6,244)	($5,946)	($6,858)	($4,643)	($5,388)
Net income	**$21,275**	**$24,877**	**$28,019**	**$27,573**	**$30,774**	**$21,484**	**$24,176**
EPS	**$159.41**	**$190.00**	**$214.00**	**$210.59**	**$235.04**	**$164.09**	**$184.65**
Shares	133	131	131	131	131	131	131
EPS vs. base case				**10.8%**	**9.8%**	**-13.6%**	**-13.7%**
Current Price		**$7,400**					
P/E			15		16		13
Implied Valuation			**$3,270**		**$3,655**		**$2,392**
CPO Expected upside							
EPS			**$35**		**$76**		**$2**
P/E			50		70		50
Implied Valuation			**$1,730**		**$5,345**		**$108**
Total Largan							
Implied Share Price			**$5,000**		**$9,000**		**$2,500**
Upside/Downside			**-32%**		**22%**		**-66%**

Source: Company data, UBSe

Largan Precision (3008.TW)

Income Statement (NT$m)	12/23	12/24	12/25	12/26E	%ch	12/27E	%ch	12/28E	12/29E	12/30E
Revenues	**48,842**	**59,458**	**61,148**	**67,869**	*11.0*	**77,189**	*13.7*	**83,044**	**88,315**	**93,870**
Gross profit	23,794	31,209	30,837	33,718	*9.3*	38,405	*13.9*	42,004	44,647	47,542
EBITDA (UBS)	**23,106**	**30,070**	**31,069**	**36,139**	*16.3*	**41,768**	*15.6*	**45,863**	**46,836**	**49,806**
Depreciation & amortisation	(5,299)	(6,038)	(7,511)	(10,201)	*-35.8*	(11,972)	*-17.4*	(10,918)	(11,621)	(12,290)
EBIT (UBS)	**17,807**	**24,033**	**23,558**	**25,937**	*10.1*	**29,796**	*14.9*	**34,945**	**35,215**	**37,516**
Associates & investment income	212	0	3	12	*352.1*	11	*-7.1*	11	11	11
Other non-operating income	294	303	419	326	*-22.2*	200	*-38.6*	200	200	200
Net interest	3,934	4,404	4,259	3,946	*-7.3*	4,256	*7.9*	4,384	4,516	4,651
Exceptionals (incl goodwill)	(145)	3,435	(2,338)	235	*-*	0	*-*	0	0	0
Pre-tax profit	**22,102**	**32,174**	**25,900**	**30,455**	*17.6*	**34,263**	*12.5*	**39,540**	**39,941**	**42,378**
Tax	(4,200)	(5,963)	(4,340)	(5,369)	*-23.7*	(6,244)	*-16.3*	(6,722)	(6,790)	(7,204)
Profit after tax	**17,902**	**26,211**	**21,560**	**25,086**	*16.4*	**28,019**	*11.7*	**32,818**	**33,151**	**35,174**
Preference dividends	0	0	0	0	*-*	0	*-*	0	0	0
Minorities	0	(296)	(285)	(209)	*26.7*	0	*-*	0	0	0
Extraordinary items	0	0	0	0	*-*	0	*-*	0	0	0
Net earnings (local GAAP)	**17,902**	**25,915**	**21,275**	**24,877**	*16.9*	**28,019**	*12.6*	**32,818**	**33,151**	**35,174**
Net earnings (UBS)	**18,047**	**22,480**	**23,613**	**24,642**	*4.4*	**28,019**	*13.7*	**32,818**	**33,151**	**35,174**
Tax rate (%)	19.0	18.5	16.8	17.6	*5.2*	18.2	*3.4*	17.0	17.0	17.0

Per Share (NT$)	12/23	12/24	12/25	12/26E	%ch	12/27E	%ch	12/28E	12/29E	12/30E
EPS (UBS, diluted)	135.22	168.43	176.92	188.21	*6.4*	214.00	*13.7*	250.66	253.20	268.65
EPS (local GAAP, diluted)	134.13	194.17	159.41	190.00	*19.2*	214.00	*12.6*	250.66	253.20	268.65
EPS (UBS, basic)	135.22	168.43	176.92	188.21	*6.4*	214.00	*13.7*	250.66	253.20	268.65
DPS (net) (NT$)	85.50	67.50	97.50	80.00	*-17.9*	95.36	*19.2*	107.40	125.80	127.07
Cash EPS (UBS, diluted) [1]	174.92	213.67	233.20	266.13	*14.1*	305.44	*14.8*	334.05	341.96	362.52
Book value per share	1,234.64	1,382.91	1,430.07	1,505.39	*5.3*	1,624.04	*7.9*	1,767.41	1,891.72	2,030.18
Average shares (diluted)	133	133	133	131	*-1.9*	131	*0.0*	131	131	131

Balance Sheet (NT$m)	12/23	12/24	12/25	12/26E	%ch	12/27E	%ch	12/28E	12/29E	12/30E
Cash and equivalents	111,655	117,985	122,309	124,539	*1.8*	139,268	*11.8*	155,001	170,311	188,490
Other current assets	22,666	27,779	31,977	46,375	*45.0*	53,637	*15.7*	58,260	61,963	65,841
Total current assets	**134,321**	**145,764**	**154,285**	**170,914**	*10.8*	**192,905**	*12.9*	**213,261**	**232,274**	**254,332**
Net tangible fixed assets	41,135	46,936	51,472	53,448	*3.8*	52,610	*-1.6*	52,271	50,698	47,956
Net intangible fixed assets	0	0	0	0	*-*	0	*-*	0	0	0
Investments / other assets	19,682	23,827	15,029	18,872	*25.6*	20,285	*7.5*	20,126	20,137	20,148
Total assets	**195,138**	**216,527**	**220,787**	**243,234**	*10.2*	**265,800**	*9.3*	**285,658**	**303,110**	**322,435**
Trade payables & other ST liabilities	29,517	30,375	29,749	45,936	*54.4*	52,968	*15.3*	54,224	55,399	56,596
Short term debt	0	203	0	0	*-*	0	*-*	0	0	0
Total current liabilities	**29,517**	**30,578**	**29,749**	**45,936**	*54.4*	**52,968**	*15.3*	**54,224**	**55,399**	**56,596**
Long term debt	0	0	0	0	*-*	0	*-*	0	0	0
Other long term liabilities	110	561	171	200	*17.3*	200	*0.0*	31	31	31
Preferred shares	0	0	0	0	*-*	0	*-*	0	0	0
Total liabilities (incl pref shares)	**29,627**	**31,139**	**29,919**	**46,136**	*54.2*	**53,168**	*15.2*	**54,255**	**55,430**	**56,627**
Common s/h equity	**165,510**	**185,388**	**190,868**	**197,098**	*3.3*	**212,632**	*7.9*	**231,403**	**247,679**	**265,808**
Minority interests	0	0	0	0	*-*	0	*-*	0	0	0
Total liabilities & equity	**195,138**	**216,527**	**220,787**	**243,234**	*10.2*	**265,800**	*9.3*	**285,658**	**303,110**	**322,435**

Cash Flow (NT$m)	12/23	12/24	12/25	12/26E	%ch	12/27E	%ch	12/28E	12/29E	12/30E
Net income (before pref divs)	17,902	25,915	21,275	24,877	*16.9*	28,019	*12.6*	32,818	33,151	35,174
Depreciation & amortisation	5,299	6,038	7,511	10,201	*35.8*	11,972	*17.4*	10,918	11,621	12,290
Net change in working capital	(8,990)	(6,633)	(7,328)	8,864	*-*	(7,876)	*-*	(3,366)	(2,528)	(2,682)
Other operating	(212)	295	282	197	*-30.1*	6,233	*NM*	(11)	(11)	(11)
Operating cash flow	**13,999**	**25,615**	**21,740**	**44,140**	*103.0*	**38,348**	*-13.1*	**40,359**	**42,234**	**44,771**
Tangible capital expenditure	(8,080)	(11,126)	(12,338)	(11,721)	*5.0*	(11,135)	*5.0*	(10,578)	(10,049)	(9,547)
Intangible capital expenditure	0	0	0	0	*-*	0	*-*	0	0	0
Net (acquisitions) & disposals	(2,111)	(13)	(1,200)	962	*-*	0	*-*	0	0	0
Other investing	(959)	(4,927)	4,302	(965)	*-*	0	*-*	0	0	0
Investing cash flow	**(11,151)**	**(16,066)**	**(9,236)**	**(11,724)**	*-26.9*	**(11,135)**	*5.0*	**(10,578)**	**(10,049)**	**(9,547)**
Equity dividends paid	(9,676)	(10,811)	(11,412)	(17,276)	*-51.4*	(12,485)	*27.7*	(14,048)	(16,874)	(17,045)
Share issues / (buybacks)	0	0	0	0	*-*	0	*-*	0	0	0
Other financing	(34)	1,255	(2,937)	(4,133)	*-40.7*	0	*-*	0	0	0
Change in debt & pref shares	(19)	212	(212)	0	*-*	0	*-*	0	0	0
Financing cash flow	**(9,729)**	**(9,344)**	**(14,561)**	**(21,408)**	*-47.0*	**(12,485)**	*41.7*	**(14,048)**	**(16,874)**	**(17,045)**
Cash flow inc/(dec) in cash	**(6,881)**	**205**	**(2,057)**	**11,007**	*-*	**14,729**	*33.8*	**15,733**	**15,310**	**18,179**
FX / non cash items	6,823	6,125	6,380	(8,777)	*-*	0	*100.0*	0	0	0
Balance sheet inc/(dec) in cash	**(59)**	**6,330**	**4,324**	**2,230**	*-48.4*	**14,729**	*NM*	**15,733**	**15,310**	**18,179**

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.[1] Cash EPS (UBS, diluted) is calculated using UBS net income adding back depreciation and amortization.

Largan Precision (3008.TW)

Valuation (x)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
P/E (local GAAP, diluted)	16.4	13.1	14.8	38.9	34.6	29.5	29.2	27.5
P/E (UBS, diluted)	16.2	15.1	13.3	39.3	34.6	29.5	29.2	27.5
P/CEPS	12.6	11.9	10.1	27.8	24.2	22.2	21.6	20.4
Equity FCF (UBS) yield %	2.0	4.3	3.0	3.3	2.8	3.1	3.3	3.6
Dividend yield (net) %	3.9	2.7	4.1	1.1	1.3	1.5	1.7	1.7
P/BV	1.8	1.8	1.6	4.9	4.6	4.2	3.9	3.6
EV/revenues (core)	3.6	3.6	3.1	NM	NM	9.8	9.0	8.3
EV/EBITDA (UBS core)	7.7	7.1	6.0	23.2	19.9	17.8	17.1	15.7
EV/EBIT (core)	10.0	8.9	8.0	32.3	27.9	23.3	22.7	20.9
EV/OpFCF (core)	8.1	7.4	6.3	24.0	20.4	18.1	17.3	15.9
EV/op. invested capital	3.9	4.1	3.3	13.7	13.2	12.6	12.0	11.7

Enterprise value (NT$m)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Market cap.	294,465	340,820	315,906	971,753	971,753	971,753	971,753	971,753
Net debt (cash)	(111,675)	(114,718)	(120,045)	(123,424)	(131,903)	(147,134)	(162,656)	(179,401)
Buy out of minorities	0	0	0	0	0	0	0	0
Pension provisions/other	0	0	0	0	0	0	0	0
Total enterprise value	**182,790**	**226,102**	**195,861**	**848,329**	**839,850**	**824,619**	**809,097**	**792,352**
Non core assets	(4,916)	(12,460)	(8,517)	(9,934)	(9,945)	(9,955)	(9,966)	(9,976)
Core enterprise value	**177,874**	**213,642**	**187,344**	**838,395**	**829,905**	**814,663**	**799,131**	**782,376**

Growth (%)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Revenue	2.4	21.7	2.8	11.0	13.7	7.6	6.3	6.3
EBITDA (UBS)	(9.1)	30.1	3.3	16.3	15.6	9.8	2.1	6.3
EBIT (UBS)	(12.6)	35.0	(2.0)	10.1	14.9	17.3	0.8	6.5
EPS (UBS, diluted)	3.8	24.6	5.0	6.4	13.7	17.1	1.0	6.1
Net DPS	21.9	(21.1)	44.4	(17.9)	19.2	12.6	17.1	1.0

Margins & Profitability (%)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Gross profit margin	48.7	52.5	50.4	49.7	49.8	50.6	50.6	50.6
EBITDA margin	47.3	50.6	50.8	53.2	54.1	55.2	53.0	53.1
EBIT (UBS) margin	36.5	40.4	38.5	38.2	38.6	42.1	39.9	40.0
Net earnings (UBS) margin	37.0	37.8	38.6	36.3	36.3	39.5	37.5	37.5
ROIC (EBIT)	39.3	46.2	40.9	42.4	47.5	54.1	52.9	56.0
ROIC post tax	31.8	36.6	34.6	34.9	38.9	44.9	43.9	46.4
ROE (UBS)	11.3	12.8	12.6	12.7	13.7	14.8	13.8	13.7

Capital structure & Coverage (x)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Net debt / EBITDA	(4.8)	(3.9)	(3.9)	(3.4)	(3.3)	(3.4)	(3.6)	(3.8)
Net debt / total equity %	(67.5)	(63.5)	(64.1)	(63.2)	(65.5)	(67.0)	(68.8)	(70.9)
Net debt / (net debt + total equity) %	NM	NM	NM	NM	NM	NM	NM	NM
Net debt/EV %	(61.1)	(50.7)	(61.3)	(14.5)	(15.7)	(17.8)	(20.1)	(22.6)
Capex / depreciation %	152.5	184.3	164.3	114.9	93.0	96.9	86.5	77.7
Capex / revenue %	16.5	18.7	20.2	17.3	14.4	12.7	11.4	10.2
EBIT / net interest	-	-	-	-	-	-	-	-
Dividend cover (UBS)	1.6	2.5	1.8	2.4	2.2	2.3	2.0	2.1
Div. payout ratio (UBS) %	63.2	40.1	55.1	42.5	44.6	42.8	49.7	47.3

Revenues by division (NT$m)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Others	48,842	59,458	61,148	67,869	77,189	83,044	88,315	93,870
Total	**48,842**	**59,458**	**61,148**	**67,869**	**77,189**	**83,044**	**88,315**	**93,870**

EBIT (UBS) by division (NT$m)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Others	17,807	24,033	23,558	25,937	29,796	34,945	35,215	37,516
Total	**17,807**	**24,033**	**23,558**	**25,937**	**29,796**	**34,945**	**35,215**	**37,516**

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.

Forecast returns

Forecast price appreciation	-32.4%
Forecast dividend yield	1.1%
Forecast stock return	-31.4%
Market return assumption	6.3%
Forecast excess return	-37.6%

Company Description

Founded in 1987, Largan Precision (Largan) is one of the world's leading manufacturers of lenses used in cameras and IT products. It specialises in plastic/hybrid lenses and, to a lesser extent, glass lenses and modules. In 2022, 20MP+ camera lenses were 10-20% of Largan's shipment mix, 10MP lenses were 50-60%, 8MP lenses were 0-10% and other lenses were 30-40%.

Valuation Method and Risk Statement

Our price target is based on SOTP valuation on the CPO opportunity and traditional lens business.

We think Largan's downside risks include: 1) ongoing pricing pressure from smartphone OEM clients and increasingly intense competition among lens suppliers; and 2) a slower-than-expected smartphone demand recovery in China, and 3) CPO commercial success below the market's elevated expectations.

We believe the key upside risk is a faster-than-expected CPO qualification process at Largan. In addition, if the company demonstrates exceptionally efficient and highly accurate automation capabilities, it could support greater market share gains within the industry than we currently anticipate.

Quantitative Research Review

UBS Global Research publishes a quantitative assessment of its analysts' responses to certain questions about the likelihood of an occurrence of a number of short term factors in a product known as the 'Quantitative Research Review'. The views for this month can be found below. Views contained in this assessment on a particular stock reflect only the views on those short term factors which are a different timeframe to the 12-month timeframe reflected in any equity rating set out in this note. For previous responses please make reference to (i) previous UBS Global Research reports; and (ii) where no applicable research report was published that month, the Quantitative Research Review which can be found at https://neo.ubs.com/quantitative, or contact your UBS sales representative for access to the report or the Quantitative Research Team on ubs-quant-answers@ubs.com. A consolidated report which contains all responses is also available and again you should contact your UBS sales representative for details and pricing or the Quantitative Research Team on the email above.

Largan Precision

Question	Response
1. Is the industry structure facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting worse, 3 = no change, 5 = getting better, N/A = no view)	3
2. Is the regulatory/government environment facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting tougher 3 = no change, 5 = getting better, N/A = no view)	3
3. Over the last 3-6 months in broad terms have things been improving/no change/getting worse for this stock? Rate on a scale of 1-5 (1 = getting a lot worse, 3 = not much change, 5 = getting a lot better, N/A = no view)	5
4. Relative to the current CONSENSUS EPS forecast, is the next company EPS update likely to lead to: (1 = negative surprise vs consensus, 3 = in-line with consensus, 5 = positive surprise vs consensus expectations, N/A = no view)	2
5. What's driving the difference?	We expect downside to consensus in 2026 due to slower smartphone sales through August. We indicate things getting better for the stock in the past 3-6 months on the smartphone traction.
6. Relative to YOUR current earnings forecast, is there relatively greater risk at the next earnings result of:(1 = downside skew risk to earnings, 3 = equal upside or downside risk to earnings, 5 = upside skew risk to earnings, N/A = no view)	5
7. What's driving the difference?	
8. Is there an upcoming catalyst for the company over the next three months?	
9. Is there an actual or approximate date for the catalyst?	
10. Is the catalyst date an actual or approximate date?	
11. What is the catalyst?	

