Asia Leaders Conference 2026 Takeaways: EpiWorld (2726.HK): SiC epi-wafer leader in scale-expansion

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We hosted EpiWorld (2726.HK, Not Covered) management during the Asia Leaders Conference (Aug 31 to Sep 2) in Hong Kong. Key discussions focused on (1) epi-wafer capacity expansion, (2) AI data center expansion, and (3) epi-wafer pricing trend.

Bottom line: Overall, management notes the rising requirement of SiC epi-wafer towards larger size and greater thickness, due to growing high-voltage applications (1200V/ 3300V), and the epi-wafer also needs customization depending on clients' demand. Mgmt. highlights the company is the early entrant in 8-inch and 12-inch SiC epi-wafer, and the company has achieved a breakthrough in small-batch orders of 12-inch SiC epi-wafer in 1H26. With growing demand from AI data centers for power chips, management is positive on the company being one of the beneficiaries and continues capacity expansion in China and Malaysia.

Read-across to China SiC: Management's comment on SiC supply chain echoes our positive view on the growing SiC adoption on EV, and expanding SiC applications across advanced packaging, AR glasses, AR-HUD etc. SICC is expanding the 12-inch substrate, and we see the larger size of SiC substrate could reduce costs per units to drive the SiC adoption.

Company profile: EpiWorld (2726.HK) focuses on the SiC epitaxil wafer product and has penetrated the global SiC supply chain. The company provides epi-wafer for SiC device suppliers, and its products are widely used in end applications across AI data centers, EVs, energy storage, PV and wind power generation.

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Key Takeaways

SiC epi-wafer capacity expansion: Management notes the acceleration of the company's SiC epi-wafer capacity expansion at ~20% YoY in 1H26, and expects to see continuous expansion ahead. As of end-1H26, the company's capacity reached 60k wfm (wafer per month). Mgmt. states the company continues to scale up the production scale of 6-inch/ 8-inch epi-wafer, supporting better economies of scale, and has capability to produce the 12-inch products, meanwhile expanding the overseas capacity in Malaysia.

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