# MediaTek

**NT$3,390**
As of Sun 8 Nov 2026, 12:00 UTC

| | | | | | |
|---|---|---|---|---|---|
| TWSE:2454 | Technology | Country | Taiwan | PE (Fwd) | 21.91 |
| Semiconductors | | Beta (5Y) | 2.04 | PE TTM | 54.39 |
| TSR 10Y CAGR | 36.75% | Div yield | 1.58% | ROE | 22.43% |
| TSR TTM | 170.85% | Mkt cap | NT$5.411T | ROIC | 34.16% |

| | |
|---|---|
| SE Grade™ | ★★☆ |
| Value | ★★☆ |
| Quality | ★★★ |
| Moat | ★★☆ |

| Consensus | Reference |
|---|---|
| NT$5,861 | NT$6,784 |
| 72.89% | 100.11% |
| Strong Buy 19\|7\|1\|0\|0 | |




| | 4Q25 | 1Q26 | 2Q26 | 3Q26 |
|---|---|---|---|---|
| Earnings per share NT$ | | | | |
| | 14.39 | 15.14 | 15.25 | **17.50** |
| | (3.70%) | (17.72%) | (12.71%) | 10.62% |
| Revenue NT$B | | | | |
| | 150.2 | 149.2 | 152.2 | **168.1** |
| | 8.80% | (2.71%) | 1.21% | 18.27% |

Next earnings 30 Oct

| TTM | FYE 31 Dec TWD | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 | FY2026E | Trend | 5Y | 10Y | Peers |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 619.6 | Revenue NT$B | 275.5 | 238.2 | 238.1 | 246.2 | 322.1 | 493.4 | 548.8 | 433.4 | 530.6 | 596.0 | **685.3** | | 13.09% | 8.95% | 70 |
| *6.12* | *Revenue growth %* | – | *(13.54)* | *(0.07)* | *3.43* | *30.84* | *53.16* | *11.22* | *(21.02)* | *22.41* | *12.32* | ***14.99*** | | *12.32* | *11.22* | 3 |
| *46.24* | *Gross margin %* | *35.64* | *35.63* | *38.53* | *41.85* | *43.94* | *46.94* | *49.36* | *47.84* | *49.64* | *47.50* | ***45.81*** | | *47.84* | *45.44* | 23 |
| *15.29* | *Operating margin %* | *8.38* | *4.12* | *6.80* | *9.17* | *13.42* | *21.90* | *23.10* | *16.56* | *19.30* | *17.36* | ***16.70*** | | *19.30* | *14.99* | 20 |
| *16.03* | *Net margin %* | *8.60* | *10.21* | *8.72* | *9.35* | *12.70* | *22.58* | *21.53* | *17.76* | *20.05* | *17.67* | ***16.80*** | | *20.05* | *15.19* | 27 |
| 54.39 | P/E ratio (avg) x | 15.43 | 17.50 | 21.72 | 23.73 | 20.70 | 13.83 | 10.22 | 16.06 | 17.97 | 20.70 | ***46.82*** | | 16.06 | 17.74 | 28 |
| 55.05 | EV/EBIT x | 11.66 | 32.78 | 20.95 | 17.96 | 15.38 | 12.90 | 8.350 | 14.94 | 16.71 | 18.86 | ***45.07*** | | 14.94 | 16.04 | 28 |
| *0.75* | *FCF yield (avg) %* | *7.08* | *4.06* | *3.48* | *6.77* | *8.80* | *1.95* | *10.85* | *12.68* | *7.44* | *6.78* | ***1.70*** | | *7.44* | *6.93* | 20 |
| *6.52* | *FCF margin %* | *9.39* | *7.26* | *6.59* | *15.02* | *23.14* | *6.10* | *23.86* | *36.17* | *26.81* | *24.79* | ***13.37*** | | *24.79* | *19.08* | 23 |
| 0.407 | FCF / Net income x | 1.092 | 0.711 | 0.756 | 1.606 | 1.822 | 0.270 | 1.109 | 2.036 | 1.337 | 1.403 | ***0.795*** | | 1.337 | 1.223 | 17 |
| *34.16* | *ROIC %* | *13.75* | *5.71* | *8.96* | *11.65* | *20.86* | *40.22* | *38.50* | *25.73* | *45.86* | *47.86* | ***41.25*** | | *40.22* | *23.29* | 60 |
| *22.43* | *Return on equity %* | *9.68* | *9.64* | *7.79* | *7.87* | *11.95* | *27.72* | *27.09* | *19.05* | *27.82* | *26.42* | ***24.59*** | | *27.09* | *15.50* | 48 |
| *10.27* | *Return on assets %* | *6.39* | *6.16* | *5.15* | *5.02* | *7.66* | *16.86* | *19.42* | *12.12* | *15.24* | *14.16* | ***11.84*** | | *15.24* | *9.89* | 48 |
| 62.32 | EPS NT$ | 15.13 | 15.47 | 13.18 | 14.57 | 25.84 | 70.22 | 74.23 | 48.34 | 66.78 | 66.03 | ***72.41*** | | 20.64% | 17.79% | – |
| *(6.42)* | *EPS growth %* | – | *2.27* | *(14.82)* | *10.58* | *77.32* | *171.77* | *5.71* | *(34.88)* | *38.15* | *(1.13)* | ***9.45*** | | *5.71* | *5.71* | 4 |
| 292.12 | Bookvalue per sh NT$ | 156.22 | 165.19 | 173.25 | 197.85 | 234.80 | 272.26 | 276.51 | 231.22 | 248.97 | 251.15 | ***295.96*** | | 1.36% | 5.42% | – |
| 25.34 | FCF per share NT$ | 16.52 | 11.00 | 9.96 | 23.40 | 47.08 | 18.98 | 82.28 | 98.44 | 89.31 | 92.62 | ***57.55*** | | 14.49% | 21.12% | – |
| 53.50 | Dividend per sh NT$ | 9.50 | 10.00 | 9.00 | 10.50 | 37.00 | 73.00 | 76.00 | 55.00 | 54.00 | 53.50 | ***59.72*** | | 7.65% | 21.17% | – |
| *1.58* | *Div yield (avg) %* | *4.07* | *3.69* | *3.14* | *3.04* | *6.92* | *7.52* | *10.02* | *7.08* | *4.50* | *3.91* | ***1.76*** | | *7.08* | *4.28* | 74 |
| – | *Payout ratio %* | *62.79* | *64.64* | *68.29* | *72.07* | *143.19* | *103.96* | *102.38* | *113.78* | *80.86* | *81.02* | ***82.54*** | | *102.38* | *80.94* | 96 |
| 1.596 | Shares (diluted) B | 1.567 | 1.573 | 1.575 | 1.581 | 1.584 | 1.587 | 1.592 | 1.592 | 1.593 | 1.595 | ***1.592*** | | 0.14% | 0.20% | 60 |
| *0.07* | *Buyback yield %* | – | *(0.38)* | *(0.17)* | *(0.33)* | *(0.18)* | *(0.20)* | *(0.31)* | *(0.05)* | *(0.04)* | *(0.13)* | ***0.22*** | | *(0.13)* | *(0.18)* | 60 |
| 0.088 | D/E ratio x | 0.223 | 0.248 | 0.187 | 0.192 | 0.065 | 0.128 | 0.031 | 0.030 | 0.025 | 0.025 | ***0.087*** | | 0.030 | 0.097 | 57 |
| 5,214 | Enterprise val NT$B | 269.1 | 321.9 | 339.0 | 405.4 | 664.6 | 1,394 | 1,059 | 1,073 | 1,711 | 1,951 | ***5,158*** | | 24.04% | 24.63% | 70 |
| – | LT debt NT$B | 0.401 | 0.336 | 0.244 | 2.526 | 2.362 | 3.818 | 8.308 | 8.060 | 8.375 | 8.225 | – | | 28.34% | 39.90% | 40 |

| Peers (US$163.4B) | Cap (US$) | PE |
|---|---|---|
| ASE Technology Holding… | 70.00B | 31.83x |
| Nanya Technology… | 35.79B | 6.730x |
| United Microelectronic… | 34.84B | 13.66x |
| Analog Devices, Inc. | 176.2B | 43.17x |

| Capital | TTM | 5Y | 10Y |
|---|---|---|---|
| Leverage x | (1.995) | (1.717) | (2.622) |
| EBIT/Int x | – | 225.9 | 115.7 |
| Own earn % | 6.42 | 24.42 | 18.47 |
| Sh yield % | 1.65 | 7.03 | 4.46 |

| Owners | | |
|---|---|---|
| Insiders/Inst % | 9.28 | 39.19 |
| Short interest % | | – |
| SBC / revenue % | | 0.35 |

| Record | 10Y |
|---|---|
| Profitable years | 10/10 |
| Revenue growth years | 6/9 |
| EPS growth years | 6/9 |
| Dividend streak yrs | 0 |
| Op margin range % | 4–23 |
| $1 test x | 68.1 |
| Incr. ROIC % | 287 |

**MediaTek's third quarter came** in ahead of its own guidance. Revenue rose 18.3% to NT$168.1B, which management credited to better-than-expected customer demand and improving supply. Flagship mobile outperformed as customers launched AI smartphones built on MediaTek chips. Smart edge growth came from volume production of a 5G thin modem, AI tablets, AI PCs and automotive cockpits. Diluted EPS of NT$17.50 grew more slowly than sales. The stock trades well below SE fair value of NT$6,784, which is 100.1% above the price.

**Management raised its full-year target** and now expects revenue growth above the previous high single-digit pace in US dollars. It guided fourth-quarter gross margin to about 45% and said it is confident of $2.5 billion in cloud AI accelerator revenue in the quarter. The CEO said, "We are now able to deliver a highly competitive custom silicon for data centers." Analysts pressed on delays to the second-generation ASIC tape-out. Management said the dies are on schedule, with one complex die a few weeks later.

**Consensus sees EPS** up 9.5% in FY2026 on revenue growth of 15.0%. It then expects EPS to rise 113.7% in FY2027, the year the custom accelerator business would have to deliver. The price implies revenue growth of 19.0% a year over five years, above the 15.0% consensus figure for FY2026. That makes the FY2027 step-up central to the valuation. MediaTek has beaten the EPS estimate in 7 of the last 8 quarters.

**Returns have strengthened** while margins have thinned. ROIC moved from 38.5% in FY2022 to 47.9% in FY2025. Over the same period, operating margin fell from 23.1% to 17.4%. Operating margin now stands below its five-year median, worse over three years, at the 20th percentile of its size peers. Cash conversion is the weak point: free cash flow is now 0.41x net income, against a five-year median of 1.34x, at the 17th percentile of peers. That conversion, together with slimmer margins, holds Quality back.

**On earnings multiples the stock looks expensive**. EV/EBIT of 55.0x sits 244% above its ten-year median of 16.0x. SE fair value of NT$6,784 is 100.1% above the price, so the two measures point opposite ways. Fair value rests on a low-confidence model and the estimate is uncertain. The median analyst target is 72.9% above the price. Debt/equity of 0.09x is 198% above its five-year median, though it remains small. For the price to hold, accelerator revenue must ramp as guided, and packaging yields must stay on track. Fourth-quarter AI accelerator sales falling short of $2.5 billion would show it is not.

**The SE Score** is 2 of 3. Quality earns three stars on a return on invested capital of 47%, far above the cost of capital. Free cash flow averaged 117% of net income over five years, and the balance sheet holds net cash. Moat earns two stars: return on invested capital topped 15% in six of the last ten years, with a ten-year median of 23%, and gross margin has held stable. Value earns two stars. The price left the business tier as it was, with the stock near SE fair value on its own multiple, since the cash-flow model and the stock's P/E history disagreed.

*Q3 2026*

**MediaTek Inc.** researches, develops, manufactures and markets multimedia integrated circuits in Taiwan, rest of Asia and internationally, offering multimedia, computer peripheral, consumer-oriented and other ICs for applications. It also provides design, test run, maintenance, repair and technological consultation services, patent and circuit layout right sales, research, marketing, technical, IP management and investing services.

| Growth vs revenue | Latest | Trend | 9Y CAGR | Rel growth |
|---|---|---|---|---|
| Revenue | NT$596.0B | | 8.95% | 1.00× |
| Cost of revenue | NT$312.9B | | 6.51% | 0.82× |
| Operating expenses | NT$179.6B | | 10.17% | 1.11× |

| Revenue by region | Share | Trend |
|---|---|---|
| Asia | 91.88% | |
| Taiwan | 5.74% | |
| Others | 2.37% | |

| Reinvestment returns | 10Y median | Trend |
|---|---|---|
| Reinvestment rate | (35.31%) | |
| Return on capital | 23.29% | |
| Spread over hurdle | 15.19% | |

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