

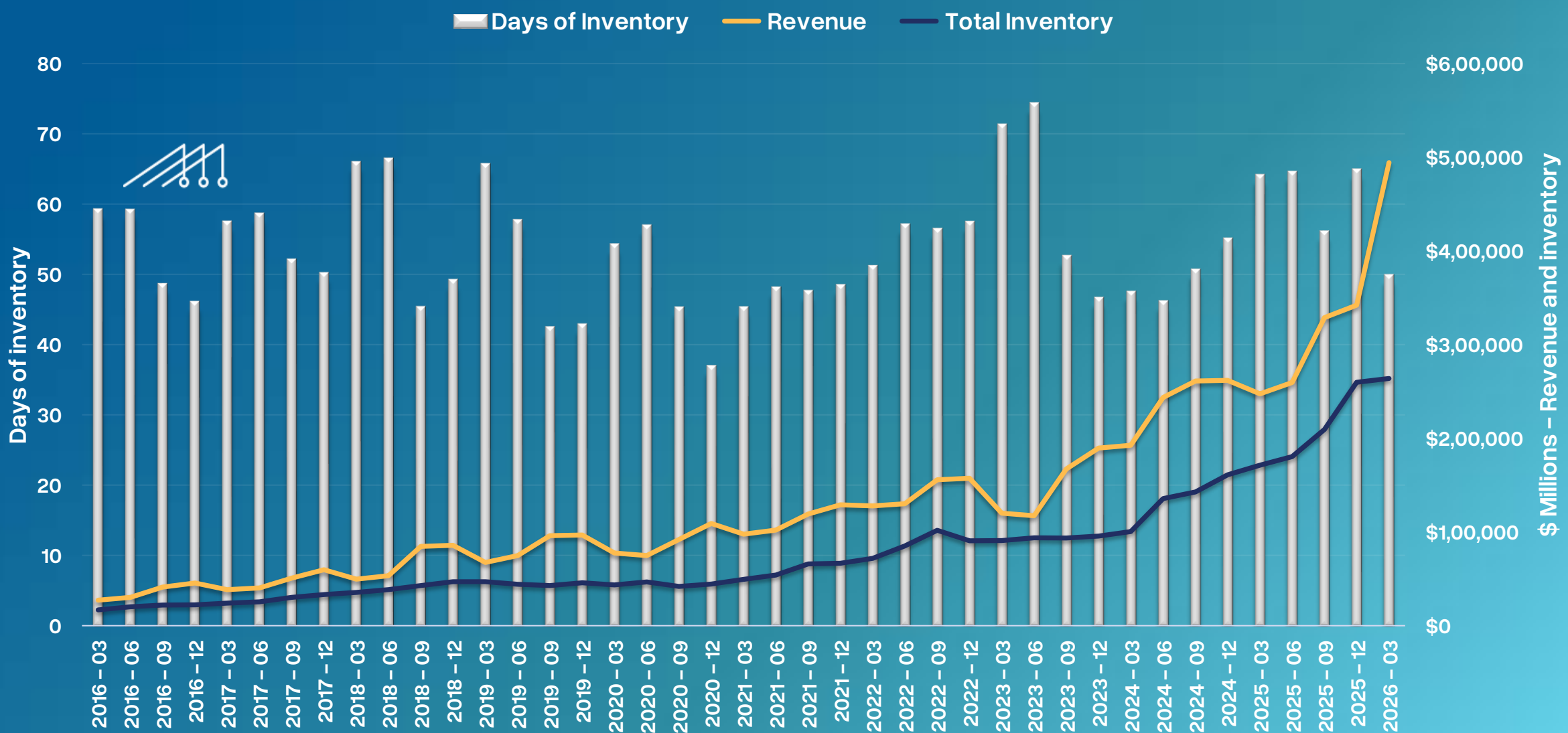
The 1–Minute Brief

WT Microelectronics CY Q1'26 Earnings

Announced on 07, May'26

Key Takeaways

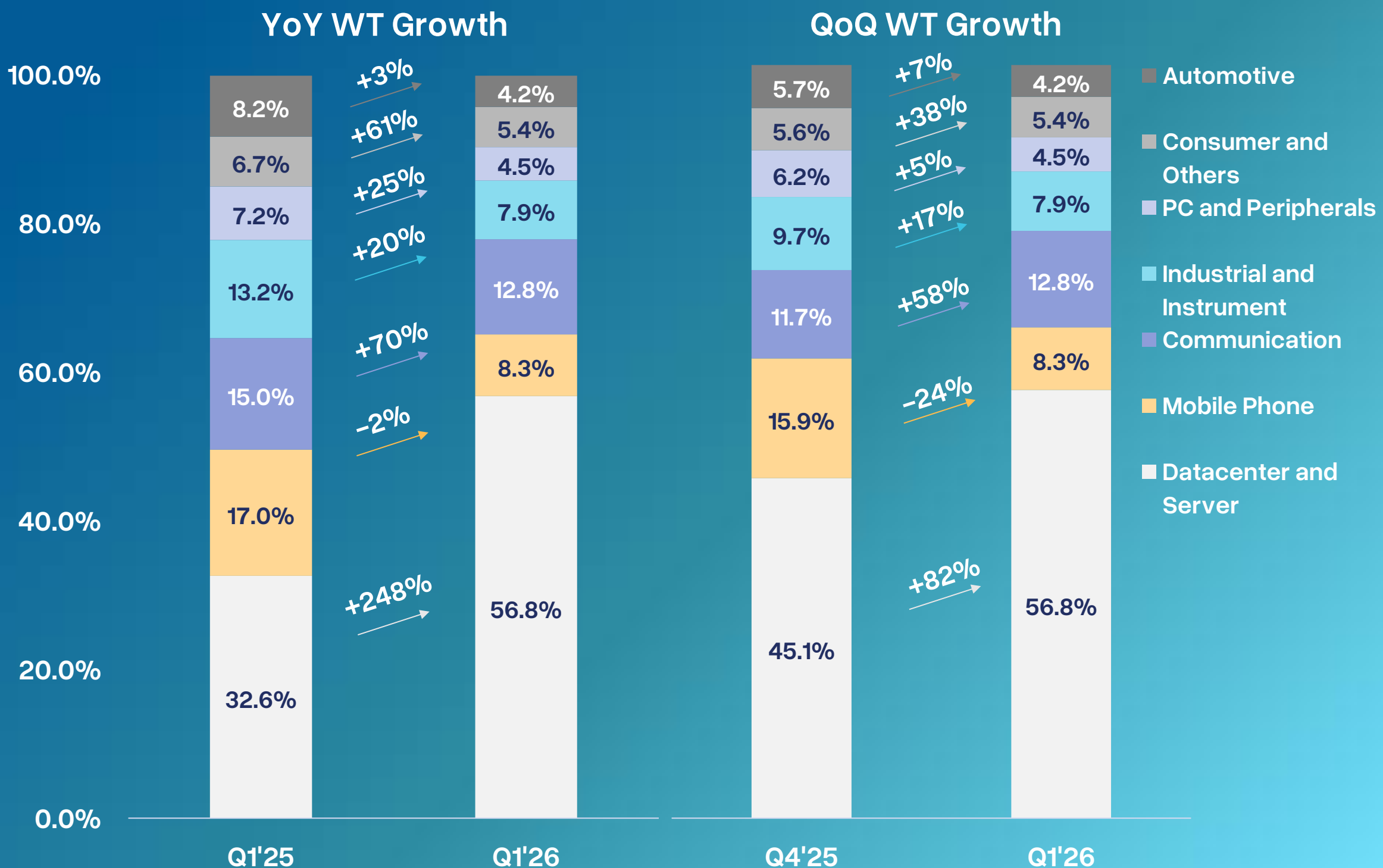
- CY Q1'26 record revenue reached NT\$494.2B, up 100% YoY and 44% QoQ, driven by AI-led data center and communications demand alongside an industrial recovery
- Gross margin dipped in Q1'26, due to heavy sales of lower-margin, high-density AI data center hardware
- Inventory levels in non-AI segments have officially normalized as of Q1'26, marking the completion of the company's structural cyclical corrections



Performance Breakdown

- **Data Centers:** Explosive 248% increase YoY and an 82% QoQ, driven by massive capital expenditure from global cloud service providers
- **Industrial & Automotive:** Steady cyclical recovery. Channel inventories in Europe and North America finally normalized, sparking a consistent volume rebound
- **Consumer Electronics & PCs:** Moderate growth. Baseline replacement demand began picking up as older enterprise and consumer hardware cycles matured

Revenue Breakdown by Application



Outlook

- **Q2'26 midpoint guidance:**
+122% YoY (vs.Q2'25) and +16% QoQ (vs. Q1'26)
- **AI Markets:**
 - Major cloud service providers (CSPs) continue increasing capital expenditures
 - Double-digit QoQ growth and multiple-fold YoY growth expected in data center and server revenue
- **Industrial & Automotive Recovery:**
 - Book-to-bill indicators in Europe and North America suggest a gradual recovery in industrial and automotive markets
 - Expects high double-digit QoQ growth in Industrial
 - Expects mid-to-high single-digit QoQ growth in Automotive



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