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The 1- Minute Brief

Renesas Q3’26 Earnings

Announced on 29, Oct’26

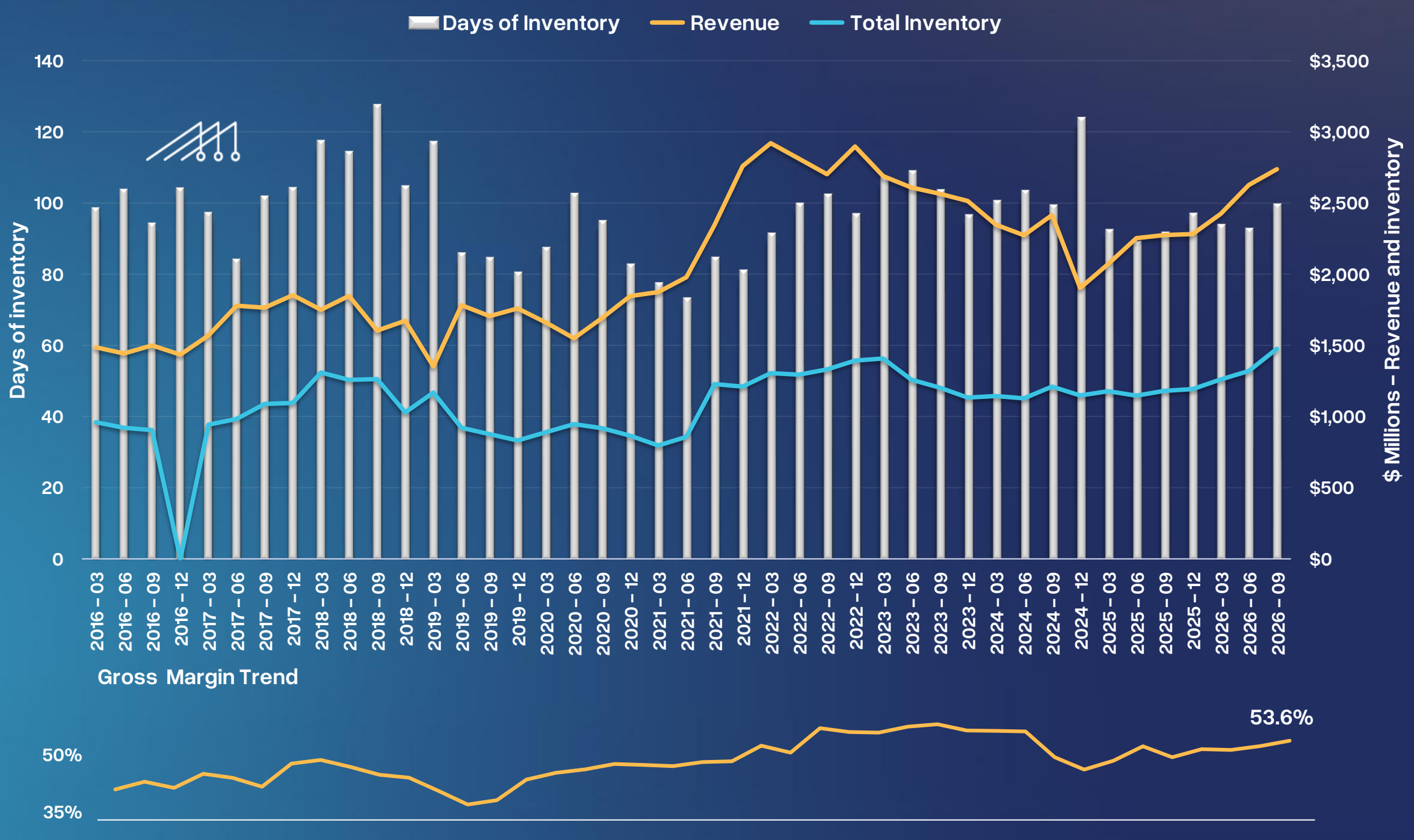
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Key Takeaways

- Q3’26 revenue was ¥435.2B, up +30.2% YoY growth and +7.4% QoQ, driven by automotive, industrial IoT, infrastructure, and AI data center applications
- Inventory rose both internally and across channels, driven by higher production levels and improving automotive demand
- Gross margin improved in Q3, driven by weaker yen, improved product mix, production cost reductions
- Data center backlog already covers the first half of FY2027, while management expects strong demand to continue into H2’27



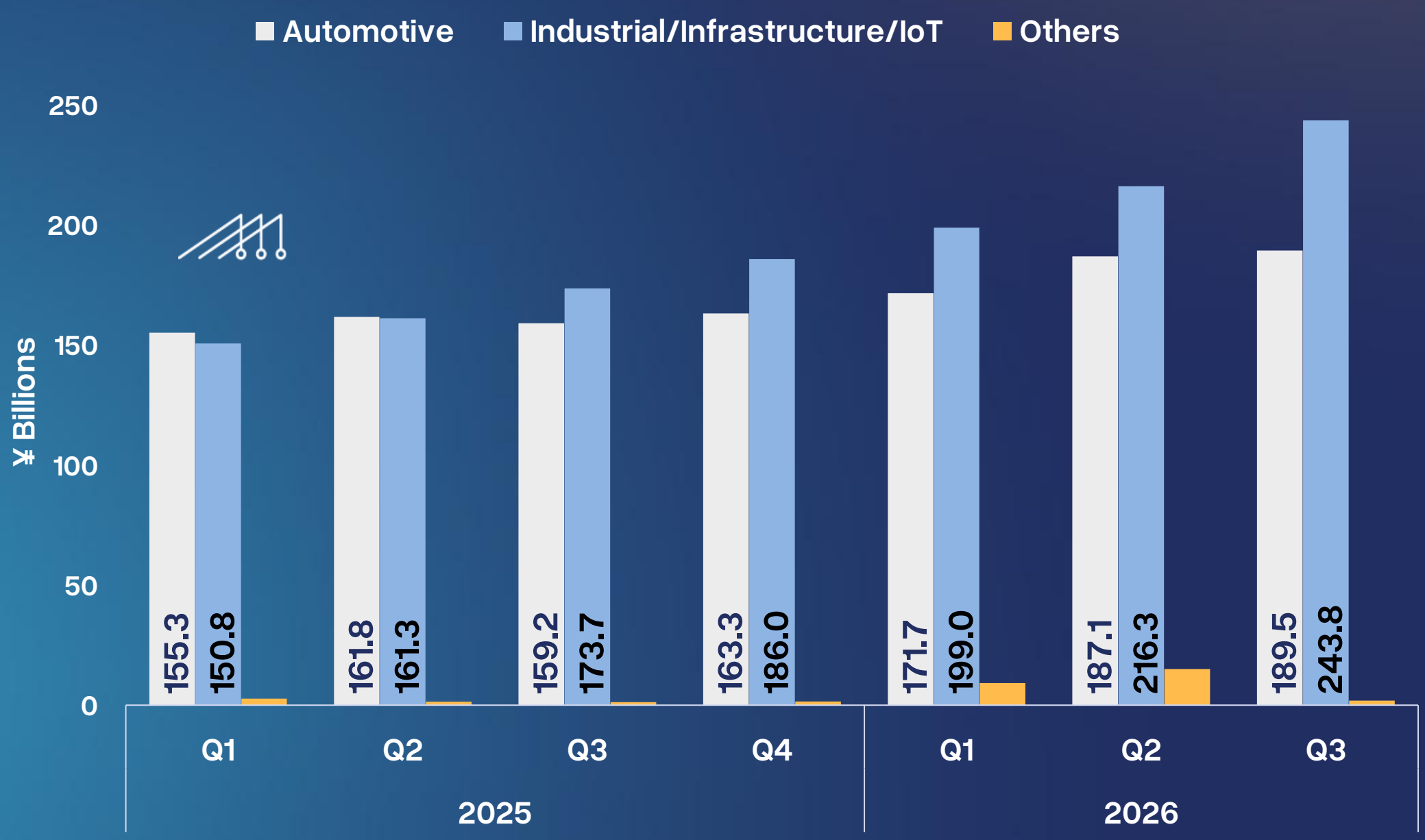
Gross Margin Trend

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Performance by Segment

- **Automotive**: (+19.3% YoY, +1.3% QoQ)
  - Demand improved YoY, driven by broader adoption of 28nm MCUs and R-Car Gen 4. Growth was equally supported by end-market recovery and channel inventory replenishment
- **Industrial/Infrastructure/IoT**: (+46.4% YoY, +12.7% QoQ)
  - Growth was driven by rising data center, AI and semiconductor demand, supported by improved supply and higher shipment volumes
  - **Data Centre**: Major growth engine in Q3, contributing ~21% of revenue, led by strong memory interface and digital power demand with improving backlog visibility



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Outlook

- **Q4’26 quarter midpoint guidance:**
  +29.4% YoY (vs. Q4’25) and +4.3% QoQ (vs. Q3’26)
- Automotive growth is expected to continue, driven by broader 28nm MCU adoption and expanding R-Car Gen 4 deployments
- Industrial growth remains strong, supported by AI and data center demand, with data center revenue expected to grow at a mid-teens QoQ pace
- Digital Power demand remains strong in Q4, with capacity set to expand 2–2.5x from FY2027 to support data center demand
- Gross margin is expected to decline 1.4 pts QoQ due to product mix, yen appreciation and higher production costs

Full-year 2026 Outlook:

- Renesas expects FY2026 revenue growth of 26.4% YoY, driven by automotive recovery and continued strength in industrial, infrastructure and data center markets

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