

GUS Technology Co., Ltd. (6940 TT)

Powering the Future with High-Safety, High-Density Batterie Applications

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COMPANY OVERVIEW

Founded in 2015, GUS Technology specializes in lithium titanate (LTO) and high-nickel ternary lithium battery cells, with a focus on R&D, manufacturing, and module integration. The company operates Taiwan's first GWh-scale lithium battery 'super factory' in Zhongli. Unlike competitors that primarily invest in lithium iron phosphate (LFP) batteries, GUS differentiates itself by emphasizing LTO and high-nickel ternary lithium cells, which offer superior safety, higher energy density, and extended lifecycle performance. This strategic focus positions GUS as a key innovator in the advanced battery industry.

KEY POINTS

Scaling from Niche R&D to Large-Scale Battery Production: GUS Technology is expanding from niche battery R&D into large-scale production, leveraging its expertise in lithium titanate (LTO) and high-nickel ternary lithium batteries to meet growing demand for high-performance energy solutions. Unlike traditional cylindrical or prismatic formats, GUS specializes in soft-pack cells, offering greater flexibility, lighter weight, and enhanced safety. Its 1GWh Zhongli plant is fully operational, targeting EV, industrial, and energy storage markets, with plans for a second Taiwan plant by 2026 and a 10GWh U.S. facility by 2027. Additionally, GUS is collaborating with Toshiba and InoBat Auto to develop next-generation niobium titanium oxide (NTO) batteries, reinforcing its position in high-performance battery markets.

Capitalizing on Data Center Growth with Advanced Battery Solutions: GUS Technology sees significant opportunities in the growing demand for Battery Backup Units (BBUs) in data centers, driven by the expansion of generative AI. With increasing reliance on cloud computing, UPS-integrated battery solutions are becoming essential for stable and efficient energy storage. By applying lithium titanate battery modules in BBU designs, GUS aims to offer enhanced reliability and extended lifecycle solutions, minimizing the need for frequent replacements. The company is optimizing its battery systems for standard data center configurations. As AI-driven workloads surge, stable and secure power sources will be critical, further underscoring the importance of advanced battery technologies in high-end data centers.

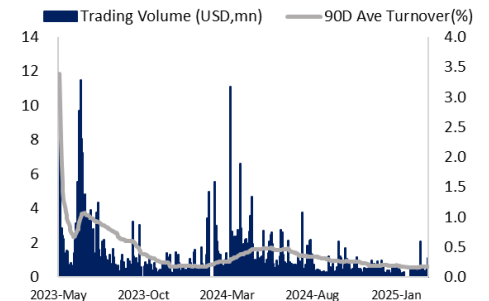
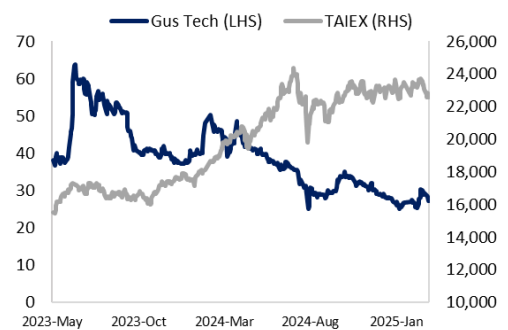
Adopting an Asset-Light Model to Drive Global Expansion: GUS Technology is pursuing an asset-light, contract manufacturing model similar to TSMC's approach in semiconductors, enabling customized battery solutions for global clients. The company has built a strong R&D foundation, with a technical team from Academia Sinica and Japanese battery experts. Despite short-term losses due to depreciation and scaling costs, GUS achieved an impressive 655% YoY revenue growth in 2024, driven by accelerated capacity expansion. The company expects to reach its monthly breakeven point in 2025 as production efficiency improves and customer orders scale. By focusing on disciplined capital allocation and operational efficiency, GUS aims to enhance ROIC and establish itself as a leading battery supplier.

Strategic Vision for Sustainable Growth and Market Leadership: Looking ahead, GUS Technology is committed to strengthening its competitive edge in EV and energy storage sectors through continuous innovation and global expansion. The company's strategic collaborations and differentiated battery technologies position it well for long-term growth. With plans for further production scale-up and a strong focus on next-generation battery chemistry, GUS is set to capitalize on rising demand for high-performance, energy-dense solutions. As the industry shifts toward more efficient and sustainable energy storage, GUS's expertise in advanced battery technologies will play a crucial role in shaping the future of the global battery market.

KEY STATISTICS

Ticker:	6940 TT
Current Price:	NT\$ 27.2
52-Week Range:	NT\$ 25.1 - 48.6
Average Volume (30-Day, k shares)	542.6
Outstanding Shares (MN)	300
FINI Holding (%)	1.36
Market Cap (MN)	US\$ 248

PRICE PERFORMANCE



FINANCIAL SUMMARY

mn,NTD	FY21	FY22	FY23	LTM*
Revenue	37	50	46	138
Revenue YoY (%)	50.2	34.1	-6.4	616.1
Gross Margin (%)	-90.0	-163.9	-	-278.3
Op. Margin (%)	-359.4	-409.1	-1,034.2	-467.0
Net Income	-136	-191	-478	-646
Net Income YoY (%)	-	-	-	-
Net Margin (%)	-369.6	-386.7	-1,032.7	-468.7
EPS (NTD)	-1.19	-1.17	-2.28	-2.57
ROA (%)	-9.5	-7.2	-11.0	-11.7
ROE (%)	-27.2	-16.7	-21.6	-18.5
ROIC (%)	-11.0	-7.8	-12.6	-12.1
P/E (x)	-	-	-	-
P/B (x)	-	-	3.6	1.7
P/S (x)	-	-	171.3	59.5
EV/EBITDA (x)	-	-	-	-

* 3Q23 - 2Q24

Source : TEJ

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