

# Wonderful Hi-Tech Co Ltd (6190 TT)

Capturing Growth in AI Infrastructure and Next-Gen Connectivity

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## COMPANY OVERVIEW

Founded in 1978, Wonderful Group is a leading manufacturer of network cabling, automotive wiring, and industrial cables, serving AI data centers, 5G, EVs, and satellite communications. With four production bases across Taiwan, Thailand, Vietnam, and China, the company is expanding into high-speed connectivity cables as its next high-margin growth driver. Mass production of high-speed server cables is set to begin in 2Q25, with its new Thailand facility expected to scale to 20 million meters per month in the coming years, reinforcing its position in the next-generation connectivity market.

## KEY POINTS

**Expanding Manufacturing Footprint to Capture Global Demand:** Wonderful Group established its Thailand factory in 1989, positioning itself early for regional expansion. Over the years, it has diversified its manufacturing footprint across China, Thailand, and Vietnam, reinforcing its presence in Southeast Asia. As global supply chains shift due to geopolitical tariffs, the company's early move into Thailand has proven strategic, enabling it to better serve customers seeking alternatives to China. While its Thailand and Vietnam facilities support growing North American demand, the China factory is strengthening its domestic sales efforts. This diversified production network allows Wonderful Group to enhance supply chain resilience and capitalize on shifting global trade dynamics.

**Entering the AI Server High-Speed Cable Market in 2025:** Copper-based wire remains essential for data transmission, offering a lower total cost of ownership (TCO) than optical alternatives. To meet growing AI infrastructure needs, Wonderful Group will introduce high-speed cables for AI servers in 1Q25, with mass production in 2Q25. These cables target data centers and cloud infrastructure, where each AI server rack requires approximately 10,000 cables. The total addressable market (TAM) for in-rack transmission is projected to grow at a 177% CAGR from 2025 to 2028, followed by another demand surge for rack-to-rack transmission, positioning Wonderful Group for long-term growth in high-speed connectivity.

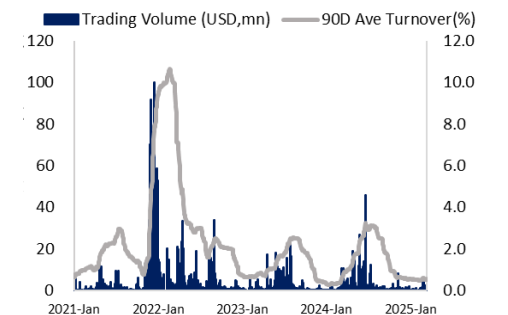
**Enhancing Product Portfolio with High-Margin Solutions:** Wonderful Group is optimizing its product mix by focusing on high-margin, next-generation connectivity solutions. Its premium CAT6A+ networking cables are set to benefit from 5G expansion and enterprise network upgrades, while radiation cross-linked cables are gaining traction in automotive and industrial applications. By strengthening its high-performance cable offerings, the company is reinforcing its position in high-speed connectivity and emerging industrial markets. With growing demand for AI, 5G, and automotive applications, Wonderful Group continues to expand its capabilities, ensuring long-term revenue stability and profitability through technological innovation and premium product development.

**Accelerating Revenue Growth and Maximizing Financial Stability:** Wonderful Group targets long-term revenue growth of 20–30%, driven by high-margin solutions and global expansion. To enhance North American operations, the company has invested US\$20 million in its U.S. subsidiary, aiming to increase the region's revenue contribution to 35–40% by 2026. It has set a long-term gross margin target of 20% and an operating margin in the low-teens percentage range, reflecting its commitment to sustained profitability. Over the past five years, the company has delivered an annualized Total Shareholder Return (TSR) of 23%, with a new target of 30% TSR by 2030, supported by revenue growth, margin expansion, and an 80% dividend payout ratio.

## KEY STATISTICS

<b>Ticker:</b>	6190 TT
<b>Current Price:</b>	NT\$ 38.35
<b>52-Week Range:</b>	NT\$ 32.4 - 44.3
<b>Average Volume (30-Day, k shares):</b>	1,284.8
<b>Outstanding Shares (MN):</b>	164
<b>FINI Holding (%):</b>	7.74
<b>Market Cap (MN):</b>	US\$ 191

## PRICE PERFORMANCE



## FINANCIAL SUMMARY

mn,NTD	FY21	FY22	FY23	LTM*
Revenue	7,538	9,028	6,518	7,573
Revenue YoY (%)	57.4	19.8	-27.8	13.3
Gross Margin (%)	14.4	17.5	14.7	16.9
Op. Margin (%)	4.8	7.8	5.4	6.8
Net Income	225	466	224	340
Net Income YoY (%)	63.2	107.3	-51.8	86.6
Net Margin (%)	3.0	5.2	3.4	4.5
EPS (NTD)	1.68	3.04	1.46	2.18
ROA (%)	4.0	7.3	4.0	5.3
ROE (%)	12.1	19.8	8.9	12.5
ROIC (%)	2.1	4.9	-1.7	2.9
P/E (x)	26.1	9.4	21.1	18.0
P/B (x)	3.0	1.7	1.9	2.1
P/S (x)	0.8	0.5	0.7	0.8
EV/EBITDA (x)	17.9	7.8	12.9	12.0

\* 4Q23-3Q24

Source: TEJ

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