

SuperAlloy Industrial Co Ltd (1563 TT)

Forging the Future Growth in Automotive, Semiconductor, and Sustainable Aluminums

2025/3/10

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COMPANY OVERVIEW

Established in 1994, SuperAlloy Industrial (SAI) is a leading manufacturer of forged aluminum wheels and high-quality aluminum products. With 30 years of expertise and over 1,500 employees across Taiwan and Germany, SAI has developed more than 2,225 forged wheel models and shipped over 12 million forged wheels to 40+ global car brands. Its top customers include Mercedes-Benz, JLR, Porsche, Toyota/Lexus, and BMW. Known for its precision engineering and innovative design, SAI continues to expand its global footprint, reinforcing its reputation as a trusted supplier in the high-performance automotive industry.

KEY POINTS

Industry Trends Driving Demand for Forged Aluminum Components: SAI management foresees several industry trends fueling growth opportunities. 1) Global carbon neutrality commitments, ranging from 2035 (Finland) to 2060 (China), are pushing luxury automakers to develop more clean energy vehicles. 2) Automotive aluminum content is expected to rise 12% to 514 pounds per vehicle by 2026, up from 459 pounds in 2020, as automakers increasingly adopt aluminum for lightweighting, fuel efficiency, and extended EV range. 3) Automakers are increasing the use of recycled aluminum to reduce carbon emissions, and SAI's RESAICAL® aluminum can cut energy consumption by up to 95% compared to virgin aluminum, reinforcing its sustainability leadership.

Strong Performance and Market Expansion in 2024: Despite procurement adjustments in 2H24 that delayed some customized wheel orders, SAI remained proactive in expanding its market reach. The company strengthened order momentum for RESAICAL® aluminum, increasing recycled aluminum usage to 34% of total production in 2024, a four-percentage-point rise from 2023, improving cost efficiency. Through enhanced production efficiency, optimized order structure, and cost controls, SAI achieved notable profitability improvements. Gross margin reached 26.8%, operating margin 13.1%, and net margin attributable to the parent company 10.1%, demonstrating strong financial performance despite industry headwinds.

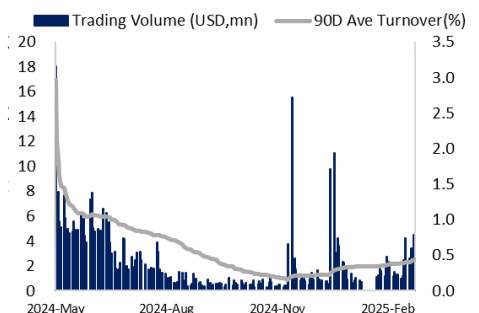
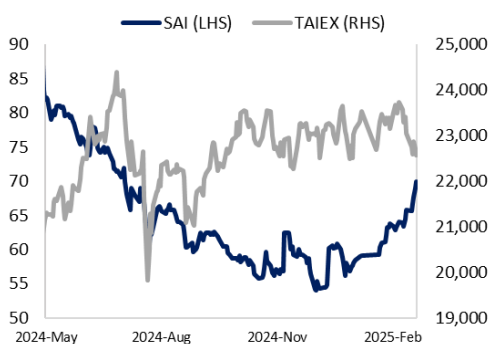
Expansion into Semiconductor Equipment and Diversification Strategy: Beyond automotive, SAI is actively expanding into semiconductor equipment, qualifying forged aluminum components for semiconductor chambers, with revenue recognition expected in 2025. The company also aims to diversify revenue, increasing non-passenger car wheels from 15% to over 40% within three years. To accelerate its sustainability targets, SAI is constructing a second aluminum smelting plant, supporting its goal of 50% recycled aluminum usage by 2025. This expansion into high-growth, high-margin sectors aligns with SAI's broader strategy to optimize its revenue structure and enhance long-term competitiveness.

Strategic Vision for 2025 and Long-Term Growth: With increasing SUV and commercial vehicle demand from Japanese and European brands and a growing shift to recycled aluminum, SAI targets double-digit revenue growth. The company will continue to refine its business strategy, advance forging technology, and expand beyond wheels. Long-term financial goals include achieving 15–20% operating profit margin (OPM), double-digit return on equity (ROE), and a 60% payout ratio. With a focus on green investments and sustainability, SAI aims to provide consistent long-term returns for shareholders, reinforcing its position as a high-value, innovation-driven manufacturer.

KEY STATISTICS

Ticker:	1563 TT
Current Pric:	NT\$ 69.8
52-Week Range:	NT\$ 54.1 - 86.9
Average Volume (30-Day, k shares):	943.5
Outstanding Shares (MN):	238
FINI Holding (%):	1.92
Market Cap (MN):	US\$ 504

PRICE PERFORMANCE



FINANCIAL SUMMARY

mn,NTD	FY21	FY22	FY23	FY24
Revenue	7,488	6,402	7,779	7,474
Revenue YoY (%)	37.6	-14.5	21.5	-3.9
Gross Margin (%)	25.7	18.9	22.3	26.8
Op. Margin (%)	8.0	1.9	9.7	13.1
Net Income	340	583	608	755
Net Income YoY (%)	53.1	71.2	4.4	24.2
Net Margin (%)	4.5	9.1	7.8	10.1
EPS (NTD)	1.59	2.90	2.88	3.30
ROA (%)	2.0	3.4	3.5	4.3
ROE (%)	4.7	8.1	7.9	8.6
ROIC (%)	-0.3	2.5	1.2	2.0
P/E (x)	39.7	16.2	27.5	22.0
P/B (x)	1.9	1.2	2.2	1.7
P/S (x)	1.8	1.5	2.2	2.2
EV/EBITDA (x)	12.8	15.5	14.3	10.3

Source : TEJ

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