26 Aug 2026

CMB International Global Markets | Equity Research | Company Update

# Maxscend (300782 CH)

## Transition before turnaround; maintain HOLD

Maxscend released 1H26 results. Revenue rose 6.2% YoY to RMB1.81bn, while net loss widened to RMB371mn; 2Q26 revenue reached RMB982mn (+3.6% YoY/+18.7% QoQ), but net loss deepened to RMB226mn, both below Bloomberg consensus. GPM fell 12.4ppts to 16.4%, as low fab loading, depreciation, pricing pressure and module ramp costs overwhelmed mix improvement. Maxscend is simultaneously digesting legacy inventory, executing its Fab-Lite transition and pivoting toward optical interconnect. With demand recovery uncertain and utilization subdued, we cut FY26E/FY27E revenue by 2.1%/2.4% and GPM by 11.7ppts/9.6ppts. **Maintain HOLD and lower TP to RMB74.2**, based on 40x 2027E EV/EBITDA, similar to 1-SD below the historical mean.

- **Module growth outpaced discrete, but margins lagged.** In 1H26, RF module revenue climbed 22.9% YoY to RMB929mn, lifting its sales mix to 51%, as L-PAMiD shipments accelerated and Wi-Fi 7 scaled; Wi-Fi 8 also entered small-volume shipments. In contrast, RF discrete sales fell 8.3% YoY to RMB824mn amid soft handset demand and ongoing inventory digestion. The richer module mix has yet to translate into profitability, as module GPM fell 15.6ppts to 13.1%, while discrete GPM dropped 10.5ppts to 17.8%. We expect volume growth, yield improvement, greater customization and cost-down to underpin a gradual margin recovery.
- **Fab utilization remains the key earnings swing factor.** Xinzhuo Fab's revenue increased 43.8% YoY to RMB694mn in 1H26, while its net loss narrowed to RMB256mn from RMB337mn in 1H25. The 12-inch fab has monthly capacity of 9k wafers and has been running at roughly 50–60% utilization, per mgmt., while the 6-inch filter line has reached 15k wafers/month. Utilization improved from 1Q26 and should continue rising in 2H26, although mgmt. does not expect a high FY26 level. We believe a durable turnaround requires both higher loading and better unit economics through yield gains, cost down, and enhanced pricing.
- **Optical interconnect extends the platform's runway but also raises the execution bar.** Maxscend is repurposing its SOI and SiGe capabilities for optical and electrical chips used in AIDCs. First-generation SiGe electrical-chip products are under collaboration, while the SiPho process platform is still undergoing finalization. The April placement's RMB3.46bn net proceeds provide sufficient funding, but customer qualification and volume production remain distant milestones, in our view. We therefore assign no material near-term earnings contribution. **Key upside risks** include faster utilization recovery, stronger L-PAMiD wins or earlier optical validation; **key downside risks** include weak demand, slower qualification, intensifying competition, etc.

### Earnings Summary

| (YE 31 Dec) | FY24A | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| **Revenue (RMB mn)** | 4,487 | 3,726 | 3,694 | 4,354 | 5,250 |
| **YoY growth (%)** | 2.5 | (17.0) | (0.9) | 17.9 | 20.6 |
| **Gross margin (%)** | 39.5 | 25.7 | 16.1 | 23.1 | 28.5 |
| **EBITDA (RMB mn)** | 987.2 | 433.7 | 156.9 | 989.7 | 1,411.3 |
| **Net profit (RMB mn)** | 401.8 | (292.9) | (731.2) | (151.9) | 157.8 |
| **YoY growth (%)** | (64.2) | na | na | na | na |
| **P/S (x)** | 9.7 | 11.7 | 11.8 | 10.0 | 8.3 |

Source: Company data, Bloomberg, CMBIGM estimates

**HOLD (Maintain)**

| | |
|---|---|
| **Target Price** | **RMB74.20** |
| (Previous TP | RMB91.00) |
| **Up/Downside** | **(2.2%)** |
| **Current Price** | **RMB75.85** |

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**Stock Data**

| | |
|---|---|
| Mkt Cap (RMB mn) | 43,612.8 |
| Avg 3 mths t/o (RMB mn) | 1,961.7 |
| 52w High/Low (RMB) | 140.88/64.72 |
| Total Issued Shares (mn) | 575.0 |

Source: FactSet

**Shareholding Structure**

| | |
|---|---|
| WX HUIZHI UNITED INV | 10.3% |
| Feng Chenhui | 6.8% |

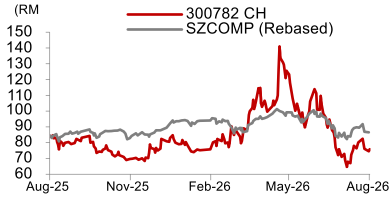
Source: Bloomberg

**Share Performance**

| | Absolute | Relative |
|---|---|---|
| 1-mth | 6.8% | 3.2% |
| 3-mth | -38.4% | -29.7% |
| 6-mth | 0.1% | 9.7% |

Source: FactSet

**12-mth Price Performance**




Source: FactSet

**Figure 1: Earnings revision**

| | New | | | Old | | | Diff (%) | | |
|---|---|---|---|---|---|---|---|---|---|
| **RMBmn** | **FY26E** | **FY27E** | **FY28E** | **FY26E** | **FY27E** | **FY28E** | **FY26E** | **FY27E** | **FY28E** |
| **Revenue** | 3,694 | 4,354 | 5,250 | 3,775 | 4,462 | 5,406 | -2.1% | -2.4% | -2.9% |
| **Gross profit** | 595 | 1,007 | 1,498 | 1,049 | 1,458 | 1,912 | -43.3% | -31.0% | -21.7% |
| **Net profit** | (731) | (152) | 158 | -218 | 235 | 443 | N/A | N/A | -64% |
| **EPS (RMB)** | (1.30) | (0.26) | 0.27 | (0.41) | 0.44 | 0.83 | N/A | N/A | -67% |
| **Gross margin** | 16.1% | 23.1% | 28.5% | 27.8% | 32.7% | 35.4% | -11.7 ppt | -9.6 ppt | -6.9 ppt |
| **Net margin** | -19.8% | -3.5% | 3.0% | -5.8% | 5.3% | 8.2% | -14 ppt | -8.8 ppt | -5.2 ppt |

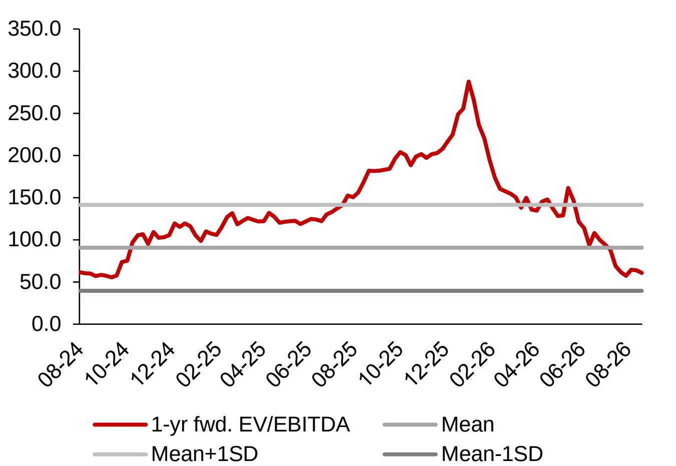
Source: Company data, CMBIGM estimates

**Figure 2: CMBIGM estimates vs. BBG consensus**

| | CMBI estimates | | | Consensus | | | Diff (%) | | |
|---|---|---|---|---|---|---|---|---|---|
| **RMBmn** | **FY26E** | **FY27E** | **FY28E** | **FY26E** | **FY27E** | **FY28E** | **FY26E** | **FY27E** | **FY28E** |
| **Revenue** | 3,694 | 4,354 | 5,250 | 3,834 | 4,299 | 5,945 | -3.7% | 1.3% | -11.7% |
| **Gross profit** | 595 | 1,007 | 1,498 | 952 | 1,256 | 1,796 | -37.5% | -19.8% | -16.6% |
| **Net profit** | (731) | (152) | 158 | (123) | 350 | 514 | N/A | -143% | -69% |
| **EPS (RMB)** | (1.30) | (0.26) | 0.27 | (0.97) | (0.28) | 0.93 | N/A | N/A | -71% |
| **Gross margin** | 16.1% | 23.1% | 28.5% | 24.8% | 29.2% | 30.2% | -8.7 ppt | -6.1 ppt | -1.7 ppt |
| **Net margin** | -19.8% | -3.5% | 3.0% | -3.2% | 8.1% | 8.6% | -16.6 ppt | -11.6 ppt | -5.6 ppt |

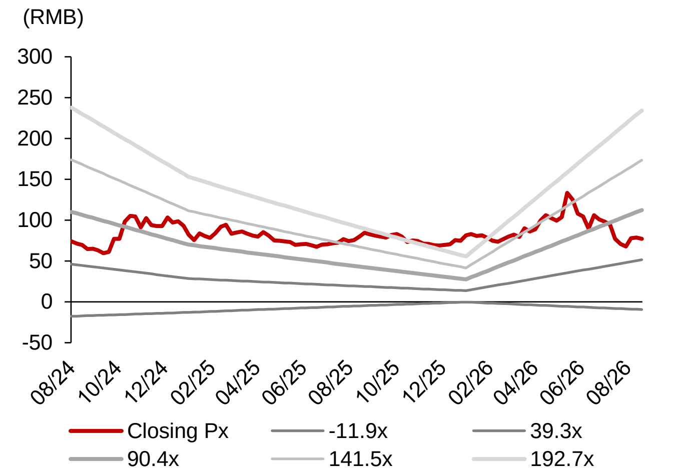
Source: Bloomberg consensus, CMBIGM estimates

**Figure 3: EV/EBITDA chart**




Source: Company data, CMBIGM estimates

**Figure 4: EV/EBITDA band**




Source: Company data, CMBIGM estimates

# Financial Summary

| INCOME STATEMENT | 2023A | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|
| **YE 31 Dec (RMB mn)** | | | | | | |
| **Revenue** | **4,378** | **4,487** | **3,726** | **3,694** | **4,354** | **5,250** |
| Cost of goods sold | (2,345) | (2,715) | (2,770) | (3,099) | (3,347) | (3,752) |
| **Gross profit** | **2,034** | **1,772** | **957** | **595** | **1,007** | **1,498** |
| **Operating expenses** | **(841)** | **(1,251)** | **(1,098)** | **(1,073)** | **(778)** | **(897)** |
| SG&A expense | (201) | (237) | (217) | (232) | (188) | (221) |
| R&D expense | (629) | (997) | (867) | (828) | (574) | (656) |
| Others | (11) | (17) | (15) | (14) | (16) | (20) |
| **Operating profit** | **1,192** | **521** | **(142)** | **(478)** | **228** | **600** |
| Other income | 18 | 52 | 82 | 86 | 86 | 86 |
| Other expense | (10) | (9) | (7) | (2) | 0 | 0 |
| Other gains/(losses) | (73) | (161) | (240) | (286) | (248) | (263) |
| **EBITDA** | **1,358** | **987** | **434** | **157** | **990** | **1,411** |
| **EBIT** | **1,127** | **403** | **(307)** | **(680)** | **66** | **423** |
| Interest income | 46 | 17 | 43 | 64 | 0 | 0 |
| Interest expense | (2) | (37) | (76) | (155) | (176) | (189) |
| Others | 0 | (2) | (19) | (37) | (39) | (39) |
| **Pre-tax profit** | **1,171** | **381** | **(359)** | **(808)** | **(149)** | **196** |
| Income tax | (52) | 21 | 66 | 77 | (3) | (38) |
| **After tax profit** | **1,119** | **403** | **(293)** | **(732)** | **(152)** | **158** |
| Minority interest | (3) | 1 | (0) | (0) | 0 | 0 |
| **Net profit** | **1,122** | **402** | **(293)** | **(731)** | **(152)** | **158** |

| BALANCE SHEET | 2023A | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|
| **YE 31 Dec (RMB mn)** | | | | | | |
| **Current assets** | **3,269** | **5,016** | **6,175** | **9,197** | **10,431** | **11,070** |
| Cash & equivalents | 1,008 | 1,411 | 1,648 | 2,724 | 4,364 | 4,396 |
| Account receivables | 518 | 579 | 601 | 481 | 401 | 663 |
| Inventories | 1,493 | 2,521 | 3,322 | 2,729 | 2,406 | 2,734 |
| Prepayment | 48 | 31 | 13 | 13 | 13 | 13 |
| Other current assets | 202 | 475 | 591 | 3,249 | 3,248 | 3,264 |
| **Non-current assets** | **7,689** | **9,216** | **9,294** | **9,021** | **8,558** | **8,059** |
| PP&E | 2,418 | 5,172 | 6,258 | 6,571 | 6,465 | 6,104 |
| Right-of-use assets | 71 | 68 | 60 | 142 | 195 | 265 |
| Deferred income tax | 84 | 90 | 164 | 164 | 164 | 164 |
| Intangibles | 122 | 152 | 171 | 168 | 188 | 214 |
| Goodwill | 0 | 0 | 0 | 0 | 0 | 0 |
| Other non-current assets | 4,994 | 3,735 | 2,641 | 1,976 | 1,544 | 1,313 |
| **Total assets** | **10,958** | **14,233** | **15,469** | **18,218** | **18,989** | **19,128** |
| | | | | | | |
| **Current liabilities** | **881** | **2,971** | **3,079** | **2,903** | **3,567** | **3,449** |
| Short-term borrowings | 0 | 1,895 | 738 | 888 | 959 | 1,154 |
| Account payables | 635 | 880 | 1,166 | 849 | 1,444 | 1,126 |
| Tax payable | 121 | 25 | 74 | 74 | 74 | 74 |
| Other current liabilities | 21 | 45 | 943 | 935 | 932 | 938 |
| Contract liabilities | 7 | 5 | 3 | 3 | 3 | 3 |
| Accrued expenses | 97 | 121 | 155 | 155 | 155 | 155 |
| **Non-current liabilities** | **274** | **1,061** | **2,516** | **2,706** | **2,946** | **3,027** |
| Long-term borrowings | 0 | 633 | 1,748 | 1,937 | 2,177 | 2,258 |
| Bond payables | 0 | 0 | 0 | 0 | 0 | 0 |
| Other non-current liabilities | 274 | 428 | 769 | 769 | 769 | 769 |
| **Total liabilities** | **1,154** | **4,032** | **5,595** | **5,609** | **6,513** | **6,476** |
| | | | | | | |
| Share capital | 534 | 535 | 535 | 575 | 575 | 575 |
| Retained earnings | 5,271 | 5,553 | 5,206 | 4,547 | 4,411 | 4,553 |
| Other reserves | 3,998 | 4,112 | 4,132 | 7,486 | 7,489 | 7,523 |
| **Total shareholders equity** | **9,803** | **10,199** | **9,872** | **12,609** | **12,475** | **12,651** |
| Minority interest | 0 | 2 | 1 | 1 | 1 | 1 |
| **Total equity and liabilities** | **10,958** | **14,233** | **15,469** | **18,218** | **18,989** | **19,128** |

| CASH FLOW | 2023A | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|
| **YE 31 Dec (RMB mn)** | | | | | | |
| **Operating** | | | | | | |
| **Profit before taxation** | **1,119** | **403** | **(293)** | **(732)** | **(152)** | **158** |
| Depreciation & amortization | 222 | 572 | 728 | 854 | 952 | 1,026 |
| Change in working capital | 431 | (1,182) | (631) | 494 | 1,054 | (890) |
| Others | 122 | 287 | 300 | 67 | 91 | 122 |
| **Net cash from operations** | **1,894** | **80** | **104** | **684** | **1,946** | **416** |
| **Investing** | | | | | | |
| Capital expenditure | (2,122) | (1,868) | (806) | (618) | (520) | (553) |
| Others | (171) | 56 | (4) | (2,662) | 29 | 33 |
| **Net cash from investing** | **(2,292)** | **(1,812)** | **(810)** | **(3,280)** | **(491)** | **(520)** |
| **Financing** | | | | | | |
| Net borrowings | 0 | 2,527 | 960 | 329 | 312 | 275 |
| Others | (94) | (120) | (109) | 3,360 | (127) | (140) |
| **Net cash from financing** | **(94)** | **2,407** | **851** | **3,690** | **184** | **135** |
| **Net change in cash** | | | | | | |
| Cash at the beginning of the year | 1,214 | 720 | 1,398 | 1,530 | 2,607 | 4,246 |
| Exchange difference | (2) | 2 | (12) | (17) | 0 | 0 |
| Others | (492) | 675 | 145 | 1,094 | 1,639 | 32 |
| **Cash at the end of the year** | **720** | **1,398** | **1,530** | **2,607** | **4,246** | **4,278** |

| GROWTH | 2023A | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|
| **YE 31 Dec** | | | | | | |
| Revenue | 19.1% | 2.5% | (17.0%) | (0.9%) | 17.9% | 20.6% |
| Gross profit | 4.5% | (12.9%) | (46.0%) | (37.8%) | 69.1% | 48.8% |
| Operating profit | (11.7%) | (56.3%) | na | na | na | 163.0% |
| EBITDA | na | (27.3%) | (56.1%) | (63.8%) | 530.9% | 42.6% |
| EBIT | 6.9% | (64.3%) | na | na | na | 543.8% |
| Net profit | 5.0% | (64.2%) | na | na | na | na |

| PROFITABILITY | 2023A | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|
| **YE 31 Dec** | | | | | | |
| Gross profit margin | 46.4% | 39.5% | 25.7% | 16.1% | 23.1% | 28.5% |
| Operating margin | 27.2% | 11.6% | (3.8%) | (12.9%) | 5.2% | 11.4% |
| EBITDA margin | 31.0% | 22.0% | 11.6% | 4.2% | 22.7% | 26.9% |
| Return on equity (ROE) | 12.1% | 4.0% | (2.9%) | (6.5%) | (1.2%) | 1.3% |

| GEARING/LIQUIDITY/ACTIVITIES | 2023A | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|
| **YE 31 Dec** | | | | | | |
| Current ratio (x) | 3.7 | 1.7 | 2.0 | 3.2 | 2.9 | 3.2 |

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets.

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| | |
|---|---|
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