

Asia Tech: Navigating The Noise Conference Call Series

King Slide (2059 TT) Rail Kits for AI, Cloud & Enterprise servers

Speaker: Mr. Will Wang, Investor Relations

Key Findings:

- King Slide expects **AI units & ASP** to drive rail kit demand through '27 / **no hiccups expected during Hopper to Blackwell transition**
- General server demand remains **weak/below plan** as customers focus on AI
- Corroborates [Gigabyte's main concern](#) about **limited physical data center space** for Tier 2 CSP's & Enterprise to deploy
- **Risk of inventory correction** for rail slides & other components as **customers buy ahead of GPU availability**

Next Calls: [Kinsus \(3189 TT\)](#) Nov 5th, [Vanguard \(5347 TT\)](#) Nov 11th, [Inventec \(2356 TT\)](#) Nov 14th, [Pegatron \(4938 TT\)](#) Nov 19th

Source: Bloomberg and NSR estimates and analysis.

King Slide (2059 TT, 1250 TWD) EV 3.3 US\$bn Yield 1.1% ADTV 39 US\$m

Company Overview

Description

- 80% server rail kits/ 20% kitchen rail kits
- Server mix: 55% CSP / 45% enterprise
- ~30% share of server rail kits & **50% or > share in AI**
- ~2 share in kitchen rail kits

Business Model

- KS defines the spec for/with customer >>> approved vendor list (AVL)
- ODM / system integrator purchase from KS
- High mix / low volume: MSFT has 30 SKU with different spec for H100
- AI rail kit is heavier, more complex, require auto lock on upper racks & each stage of the rail requires different features

Customers

- Top 10 = 50% of sales / #1 client is < 5%
- Top 4 US CSP / NVDA / DELL / HP / Lenovo / AMD

Competition

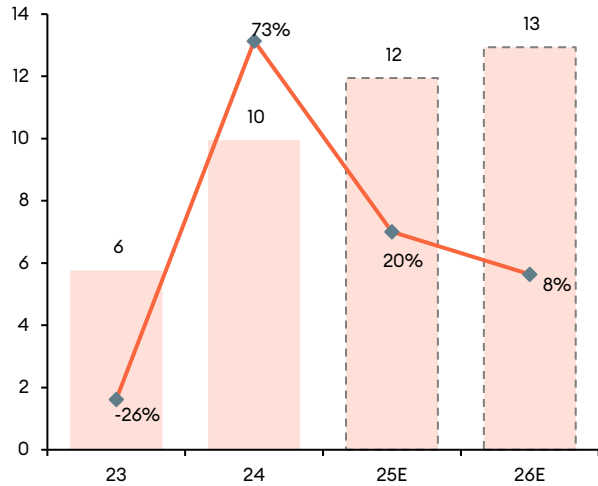
- Accuride (private)
- Jonathan Engineered Solutions (private)
- Blum & Hettich, both private dominate Kitchen rail slides

Key Topics

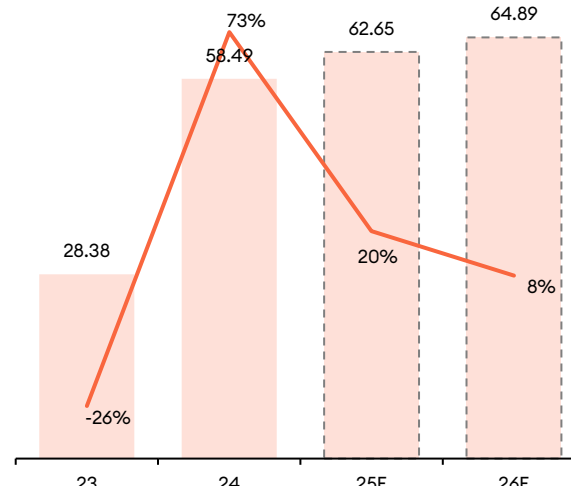
- Confident on rail kit unit & ASP growth through '27 with stable margins
- Expects to grow inline with NVDA GPU / no formal guidance provided
- Not seeing hiccups during Hopper to Blackwell transition / demand for H100 will continue for years
- GPU is THE bottleneck: customers stockpiling all components (ex GPU) to be ready to ship once GPU comes in. Does not view this as over-ordering as demand for AI is there. NOTE see King Slide DIO chart on next page: spike to 185 from typical 85
- AI design cycle compressed to 6 months vs. 12-18 months for general server. AI rail kit has >100 parts and >1000 manufacturing processes each with its own learning curve/verification cycle.
- General server modest recovery 1Q 24 but flattish since / 3Q 24 up low single digits q/q
- General server customers upgrading to AI type rail kits due to better user interface, superior technology and higher functionality.

King Slide (2059 TT)

Revenue (TWD\$bn)



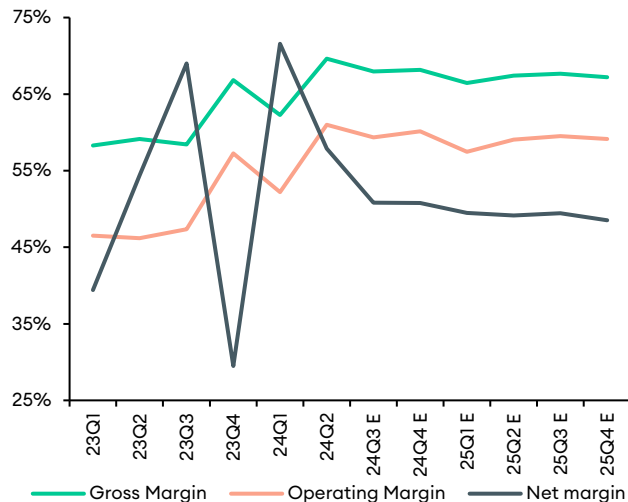
EPS (TWD)



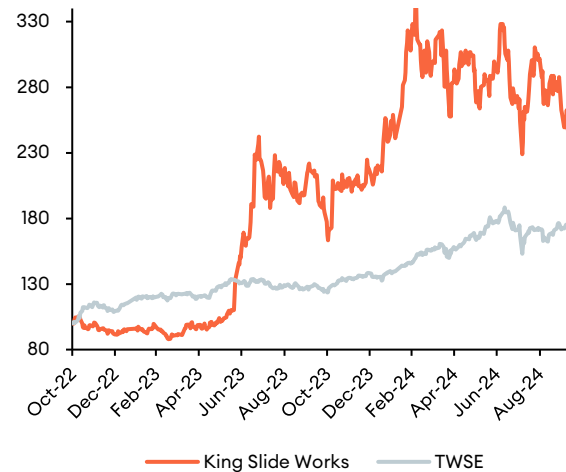
P/E



Margins (%)



Relative Performance (last 2 years)



DIO (days)

