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King Slide Works Co. Ltd. | Asia Pacific

Asia AI Summit 2026

Takeaways

- **Rail kit demand:** Management sees it coming from a variety of applications, including server racks, switch racks, power racks, CPI, rack, storage racks, etc. Management is confident to maintain the dominant share in the rail kit market for both GPU and ASIC servers in the coming year, as it will stay as the design partner for almost all new projects extending beyond 2029.
- **GM trend:** It is likely to see modest expansions in 2026. Longer term, its comprehensive patent portfolio and solid execution should help hold its GM at an elevated level, since peers are less likely to catch up under the much shorter design cycle.
- **Capacity expansion pipeline:** There is still plenty of capacity to support growth in the near term, off the record high revenue of NT\$2596mn (+35% MoM/+79% YoY) in April, and more capacity expansions are in the pipeline. US capacity will start mass production from September 2026 and customers are willing to pay for the incremental costs, so there will be no impact to King Slide's margin.

MORGAN STANLEY TAIWAN LIMITED+

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King Slide Works Co. Ltd. (2059.TW, 2059 TT)	
Greater China Technology Hardware Taiwan	
Stock Rating	Overweight
Industry View	In-Line
Price target	NT\$6,650.00
Shr price, close (May 28, 2026)	NT\$4,700.00
52-Week Range	NT\$5,615.00-1,970.00
Sh out, dil, curr (mn)	95
Mkt cap, curr (mn)	NT\$447,896
EV, curr (mn)	NT\$424,194
Avg daily trading value (mn)	NT\$2,706

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Valuation Methodology and Risks

King Slide Works Co. Ltd. (2059.TW)

Base case, 34x 2027e P/E. We use price/earnings as our valuation methodology because we believe it better captures King Slide's earnings growth potential. We believe our target multiple is justified by an operating profit CAGR of 30% seen for 2025-28, implying a PEG of 1.2. This is in line with the average of 1.2 over 2010-24, when the stock was trading at 17-18x P/E vs. an operating profit CAGR of 14%.

Risks to Upside

- Stronger-than-expected AI capex
- Stronger server demand
- Faster market share gains

Risks to Downside

- Softer AI capex
- Weaker server demand
- Sluggish kitchen furniture demand
- Competition leading to slower share gains.

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(as of April 30, 2026)

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	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1546	42%	467	51%	30%	709	44%
Equal-weight/Hold	1568	43%	358	39%	23%	715	44%
Not-Rated/Hold	4	0%	0	0%	0%	1	0%
Underweight/Sell	555	15%	84	9%	15%	202	12%
Total	3,673		909			1627	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

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Stock Price, Price Target and Rating History (See Rating Definitions)

King Slide Works Co. Ltd. (2059.TW) - As of 05/28/26 GMT in TWD
Industry : Greater China Technology Hardware



Stock Rating History: 11/8/23 : O/I

Price Target History: 11/8/23 : 1100; 2/20/24 : 1260; 2/26/24 : 1550; 5/8/24 : 1650; 11/7/24 : 1875; 2/22/25 : 2300; 8/4/25 : 3050; 8/8/25 : 3450; 10/30/25 : 4600; 11/10/25 : 4750; 5/8/26 : 6650

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target --- No Price Target Assigned (NA)
 Stock Price (Not Covered by Current Analyst) — Stock Price (Covered by Current Analyst) —
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INDUSTRY COVERAGE: Greater China Technology Hardware

COMPANY (TICKER)	RATING (AS OF)	PRICE* (05/28/2026)
Andy Meng, CFA		
AAC Technologies Holdings (2018.HK)	O (01/29/2024)	HK\$43.86
Accelink Technologies Co. Ltd. (002281.SZ)	U (05/12/2022)	Rmb214.90
BYD Electronics (0285.HK)	O (04/28/2023)	HK\$29.80
China TransInfo Technology Co Ltd (002373.SZ)	E (07/18/2023)	Rmb8.30
Dahua Technology Co. Ltd. (002236.SZ)	E (12/12/2024)	Rmb17.31
Eoptolink Technology Inc Ltd (300502.SZ)	O (02/27/2026)	Rmb718.34
Genius Electronic Optical Co. Ltd. (3406.TW)	E (04/23/2025)	NT\$572.00
Gosuncn Technology Group Co Ltd (300098.SZ)	U (11/07/2022)	Rmb5.67
HIKVision Digital Technology (002415.SZ)	E (12/12/2024)	Rmb30.76
Largan Precision (3008.TW)	E (10/17/2025)	NT\$3,425.00
LianChuang Electronic Technology Co Ltd (002036.SZ)	U (06/12/2024)	Rmb9.78
OFILM Group Co Ltd (002456.SZ)	U (06/12/2024)	Rmb9.62
Q Technology (Group) Company Ltd (1478.HK)	U (03/23/2026)	HK\$9.26
Quectel Wireless Solutions Co Ltd (603236.SS)	E (10/09/2024)	Rmb77.77
Shanghai Conant Optical Co Ltd (2276.HK)	O (04/10/2026)	HK\$44.52
Shenzhen Transsion Holdings Co Ltd (688036.SS)	E (03/23/2026)	Rmb60.73
Sunny Optical (2382.HK)	E (03/23/2026)	HK\$73.65
Suzhou TFC Optical Communication Co Ltd. (300394.SZ)	E (11/06/2025)	Rmb447.56
Wingtech Technology Co Ltd (600745.SS)	U (05/18/2026)	Rmb19.69
Xiaomi Corp (1810.HK)	O (04/14/2021)	HK\$28.56
Yangtze Optical Fibre and Cable JSC Ltd (601869.SS)	U (10/13/2021)	Rmb370.55
Yangtze Optical Fibre and Cable JSC Ltd (6869.HK)	E (04/20/2023)	HK\$209.80
Yongxin Optics Co Ltd (603297.SS)	E (11/15/2022)	Rmb140.32
Zhejiang Crystal-Optech Co Ltd (002273.SZ)	O (11/15/2022)	Rmb43.73
Zhongji Innolight Co Ltd (300308.SZ)	++	Rmb1,197.99
ZTE Corporation (0763.HK)	E (03/11/2024)	HK\$27.82
ZTE Corporation (000063.SZ)	U (07/02/2021)	Rmb38.30

Derrick Yang

Accton Technology Corporation (2345.TW)	O (06/06/2024)	NT\$2,435.00
Advantech (2395.TW)	O (01/20/2021)	NT\$490.50
AirTAC International (1590.TW)	O (04/16/2025)	NT\$1,390.00
AU Optronics (2409.TW)	E (02/10/2026)	NT\$21.20
Bizlink (3665.TW)	O (03/10/2025)	NT\$2,115.00
BOE Technology (000725.SZ)	O (09/06/2019)	Rmb5.68
Chenbro (8210.TW)	O (07/23/2025)	NT\$1,325.00
Chroma Ate Inc. (2360.TW)	O (10/05/2021)	NT\$2,570.00
E Ink Holdings Inc. (8069.TWO)	O (05/11/2026)	NT\$233.00
Ennostar Inc (3714.TW)	U (09/23/2022)	NT\$72.70
Hiwin Technologies Corp. (2049.TW)	O (03/30/2026)	NT\$388.00
Innolux (3481.TW)	E (04/07/2025)	NT\$46.40
King Slide Works Co. Ltd. (2059.TW)	O (11/08/2023)	NT\$4,700.00
Lens Technology (300433.SZ)	E (07/22/2020)	Rmb40.23
Radiant Opto-Electronics Corporation (6176.TW)	E (03/01/2024)	NT\$102.00
Sanan Optoelectronics (600703.SS)	U (08/21/2023)	Rmb16.85
TCL Corp. (000100.SZ)	E (04/07/2025)	Rmb4.59
Tianma Microelectronics (000050.SZ)	U (01/24/2018)	Rmb8.18
Wuhan Jingce Electronic Group Co Ltd (300567.SZ)	E (11/26/2021)	Rmb210.40

Howard Kao

Acer Inc. (2353.TW)	U (04/23/2025)	NT\$32.00
Asustek Computer Inc. (2357.TW)	U (11/16/2025)	NT\$692.00
Compal Electronics (2324.TW)	U (04/23/2025)	NT\$33.50
FIT Hon Teng Ltd (6088.HK)	O (11/03/2025)	HK\$9.22
Giga-Byte Technology Co. Ltd. (2376.TW)	E (11/16/2025)	NT\$337.50
Gold Circuit Electronics Ltd. (2368.TW)	O (10/06/2022)	NT\$1,305.00
Inspur Electronic Information (000977.SZ)	E (08/28/2023)	Rmb66.41
Lenovo (0992.HK)	E (11/16/2025)	HK\$19.68
Lotes Co. Ltd. (3533.TW)	E (05/12/2025)	NT\$2,485.00
Nan Ya PCB (8046.TW)	O (02/23/2026)	NT\$850.00
Pegatron Corporation (4938.TW)	E (03/25/2026)	NT\$83.40
Quanta Computer Inc. (2382.TW)	O (05/01/2023)	NT\$308.50
Shengyi Technology Co Ltd. (600183.SS)	E (05/26/2022)	Rmb135.64
Shennan Circuits Co Ltd (002916.SZ)	E (08/24/2023)	Rmb398.28
Unimicron (3037.TW)	O (02/23/2026)	NT\$1,025.00
Wistron Corporation (3231.TW)	O (07/12/2023)	NT\$144.50
Wiwynn Corp (6669.TW)	O (11/10/2025)	NT\$4,950.00
Yageo Corp. (2327.TW)	O (10/28/2025)	NT\$742.00
Zhen Ding (4958.TW)	O (05/18/2026)	NT\$486.00

Sharon Shih

Asia Vital Components Co. Ltd. (3017.TW)	O (07/30/2024)	NT\$2,580.00
Auras Technology Co Ltd (3324.TWO)	E (05/04/2023)	NT\$1,005.00
Catcher Technology (2474.TW)	U (11/17/2025)	NT\$190.50
Delta Electronics Inc. (2308.TW)	O (07/13/2017)	NT\$2,390.00
Fositek Corp (6805.TW)	O (06/25/2025)	NT\$1,765.00
Foxconn Industrial Internet Co. Ltd. (601138.SS)	O (07/10/2019)	Rmb75.00
Foxconn Technology (2354.TW)	U (04/23/2025)	NT\$58.30
GoerTek Inc (002241.SZ)	U (04/23/2025)	Rmb28.40
Hon Hai Precision (2317.TW)	O (03/15/2024)	NT\$263.00
LandMark Optoelectronics Corporation (3081.TWO)	E (03/26/2026)	NT\$2,650.00
Lingyi Itech Guangdong Co (002600.SZ)	U (04/23/2025)	Rmb15.95
Lite-On Technology (2301.TW)	E (01/15/2025)	NT\$230.50
Luxshare Precision Industry Co., Ltd. (002475.SZ)	O (10/24/2016)	Rmb72.80
Sunonwealth Electric Machine Industry Co (2421.TW)	E (02/23/2024)	NT\$156.50

Tong Hsing (6271.TW)	E (03/18/2019)	NT\$244.50
Visual Photonics Epitaxy Co Ltd (2455.TW)	E (09/11/2023)	NT\$391.50

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* Historical prices are not split adjusted.

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