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Fositek Corp | Asia Pacific

Asia AI Summit 2026 Feedback

- 2Q26 revenue outlook stays at flat to up 5% QoQ as smartphone hinge projects entered model transition. Gross margin should thus trend slightly higher for favorable mix shifting server application.
- 3Q26 revenue outlook should reflect new project rollout benefits for at least 10% QoQ increase and the growth magnitude depends on new GPU platform volume ramp progress.
- Fositek should benefit from quick disconnect (QD) supply share gain for new VR GPU server racks with offerings extended to the compute tray.
- AI ASIC exposure is expanding with new projects in the pipeline from 2H26. This includes the QD connecting to the cold plate modules for GPU and CPU as well as optical transceivers (by end of 2026).
- Fositek has implemented automated production lines in China and Vietnam for total four lines in 1H26. This should help drive its gross margin higher in 2H26 onward.
- Server rail kit offerings are mainly for general purpose servers now and Fositek expects further inroads to AI GPU server racks and standalone power racks in 2H26.

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Fositek Corp (6805.TW, 6805 TT)				
Greater China Technology Hardware Taiwan				
Stock Rating	Overweight			
Industry View	In-Line			
Price target	NT\$2,426.00			
Up/downside to price target (%)	37			
Shr price, close (May 28, 2026)	NT\$1,765.00			
52-Week Range	NT\$2,275.00-561.00			
Sh out, dil, curr (mn)	69			
Mkt cap, curr (mn)	NT\$120,998			
EV, curr (mn)	NT\$113,615			
Avg daily trading value (mn)	NT\$3,443			
Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS (NT\$)**	31.00	67.54	92.07	112.65
Prior EPS (NT\$)**	-	-	-	-
EPS (NT\$)§	31.00	64.97	97.82	112.85
Revenue, net (NT\$ mn)	12,414	19,264	24,720	28,559
EBITDA (NT\$ mn)	2,818	5,702	7,740	9,427
ModelWare net inc (NT \$ mn)	2,125	4,630	6,311	7,723
P/E	52.4	26.1	19.2	15.7
P/BV	15.5	10.9	7.6	5.6
RNOA (%)	591.3(2,136.9)	1,183.6	553.7	
ROE (%)	38.3	64.4	56.8	48.7
EV/EBITDA	36.9	19.4	13.7	10.8
Div yld (%)	0.5	0.6	1.3	1.8
FCF yld ratio (%)**	1.4	3.3	4.6	5.7
Leverage (EOP) (%)	(111.7)	(101.6)	(96.3)	(93.3)

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework

** = Based on consensus methodology

§ = Consensus data is provided by Refinitiv Estimates

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Valuation Methodology and Risks

Fositek Corp (6805.TW)

Base case, derived from our multi-stage residual income (RI) valuation model, similar to the rest of our tech hardware coverage universe. We assume a cost of equity of 10%, a medium-term growth rate of 14% and a terminal growth rate of 3%.

Risks to Upside

- Increasing penetration of liquid cooling in servers/data centers
- Faster-than-expected server rail kit project gains
- iPhone flagship models adopt foldable screen in 2026

Risks to Downside

- Slower liquid cooling penetration in servers/data centers
- Slower foldable smartphone penetration
- Stronger-than-expected industry competition

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(as of April 30, 2026)

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Stock Rating Category	Coverage Universe		Investment Banking Clients (IBC)			Other Material Investment Services Clients (MISC)	
	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)



Stock Rating History: 6/25/25 : 0/I

Price Target History: 6/25/25 : 1066; 8/6/25 : 1175; 11/3/25 : 1800; 3/6/26 : 2000; 4/16/26 : 2150; 5/5/26 : 2426

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) —

Stock and Industry Ratings (abbreviations below) appear as ♦ Stock Rating/Industry View

Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)

Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

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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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