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Hiwin Technologies Corp. | Asia Pacific

May Sales Flat MoM/+28% YoY

In this report, we focus on Hiwin's monthly sales, which we believe could be a catalyst for its share price.

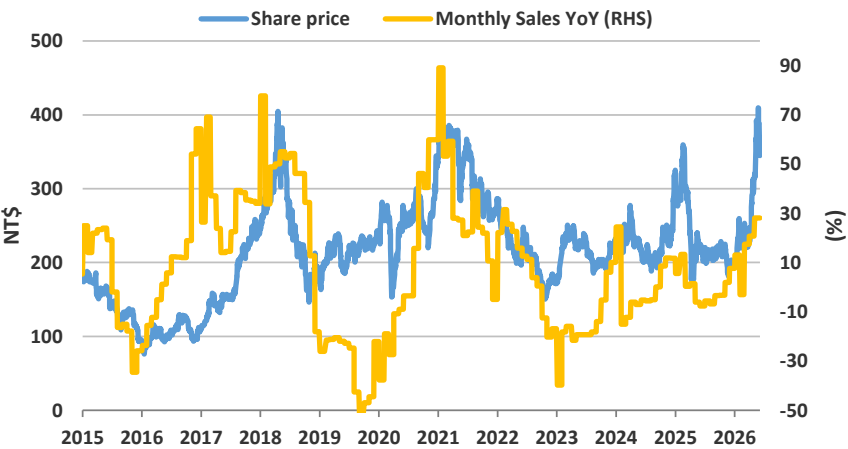
Details:

- May sales were NT\$2,480mn (flat MoM/+28% YoY).
- QTD revenue reached 66% of our 2Q26 estimate at NT\$7,490mn (+17% QoQ/+26% YoY) and 68% of consensus at NT\$7,307mn (+15% QoQ/+23% YoY).

Our view:

- We see 2Q26 revenue tracking in line with expectations.
- Hiwin should continue to see good revenue momentum in the coming quarters amid the industry recovery trend, and might witness more meaningful margin expansion in 2H26 on the back of price hikes and high utilization.
- We stay constructive on the name, with its current valuation at 32x 2027e P/E vs. peak cycle level of 35-40x.

Exhibit 1: Hiwin's monthly sales YoY vs. its share price since 2015



Source: Past performance is no guarantee of future results. Results shown do not include transaction costs. Source: Company data, TEJ, Morgan Stanley Research.

MORGAN STANLEY TAIWAN LIMITED+

Derrick Yang

Equity Analyst

Derrick.Yang@morganstanley.com

+886 2 2730-2862

Vivi Huang

Research Associate

Vivi.Huang@morganstanley.com

+886 2 2730-2860

Sharon Shih

Equity Analyst

Sharon.Shih@morganstanley.com

+886 2 2730-2865



Hiwin Technologies Corp. (2049.TW, 2049 TT)

Greater China Technology Hardware | Taiwan

Stock Rating	Overweight
Industry View	In-Line
Price target	NT\$400.00
Up/downside to price target (%)	16
Shr price, close (Jun 5, 2026)	NT\$345.00
52-Week Range	NT\$426.00-180.50
Sh out, dil, curr (mn)	354
Mkt cap, curr (mn)	US\$3,880
EV, curr (mn)	US\$3,868
Avg daily trading value (mn)	US\$37

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS (NT\$)**	4.31	8.77	10.77	12.77
Revenue, net (NT\$ mn)	24,263	30,109	34,798	39,406
EBITDA (NT\$ mn)	4,001	5,976	6,924	7,866
ModelWare net inc (NT \$ mn)	1,526	3,102	3,809	4,517
P/E	45.0	39.3	32.0	27.0
P/BV	1.4	2.3	2.1	2.0
RNOA (%)	3.6	7.7	9.9	11.5
ROE (%)	4.1	8.3	9.6	10.6
EV/EBITDA	12.6	19.8	16.9	14.6
Div yld (%)	1.2	0.6	0.8	1.0
FCF yld ratio (%)**	2.0	3.3	2.3	2.6

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

** = Based on consensus methodology

e = Morgan Stanley Research estimates

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Catalyst Event Reaction

Company / Catalyst	Date	Impact to thesis	Catalyst versus expectation
Hiwin Technologies Corp. 2049.TW			
May 2026 monthly sales	05 Jun 2026	Unchanged	In-line

Source:Company data, Morgan Stanley Research

Valuation Methodology and Risks

Hiwin Technologies Corp. (2049.TW)

Base case, P/E. We think this valuation methodology better captures Hiwin's earnings growth momentum, as its valuation tends to move with the business cycle. We apply a target multiple of 37x to our 2027 EPS estimate. We view this multiple as justified by the 44% operating profit CAGR we project for 2025-28.

Risks to Upside

- Stronger industrial automation demand pickup.
- Market share gains.
- Earlier-than-expected revenue contribution from humanoids.

Risks to Downside

- Weaker industrial automation demand.
- More pricing pressure.
- Market share loss.
- More broad-based impact on the global economy from geopolitical risks.

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(as of May 31, 2026)

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Equal-weight/Hold	1571	43%	369	40%	23%	723	44%
Not-Rated/Hold	3	0%	0	0%	0%	1	0%
Underweight/Sell	551	15%	86	9%	16%	201	12%
Total	3,667		920			1632	

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)

Hiwin Technologies Corp. (2049.TW) - As of 06/07/26 GMT in TWD
Industry : Greater China Technology Hardware



Stock Rating History: 6/1/21 : O/I; 8/11/22 : E/I; 2/21/23 : O/I; 8/11/23 : E/I; 5/12/25 : U/I; 2/27/26 : E/I; 3/30/26 : O/I

Price Target History: 1/20/21 : 556.84; 8/5/21 : 480.04; 10/5/21 : 479.6; 2/28/22 : 341.16; 3/24/22 : 301.61; 7/20/22 : 295; 8/11/22 : 230; 11/21/22 : 200; 2/21/23 : 295; 2/27/23 : 283; 5/10/23 : 280; 8/11/23 : 205; 11/13/23 : 220; 2/27/24 : 210; 8/13/24 : 205; 11/12/24 : 225; 2/27/25 : 310; 5/12/25 : 160; 2/27/26 : 210; 3/30/26 : 300; 4/28/26 : 380; 5/11/26 : 400

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INDUSTRY COVERAGE: Greater China Technology Hardware

COMPANY (TICKER)	RATING (AS OF)	PRICE* (06/05/2026)
Andy Meng, CFA		
AAC Technologies Holdings (2018.HK)	O (01/29/2024)	HK\$45.98
Accelink Technologies Co. Ltd. (002281.SZ)	U (05/12/2022)	Rmb227.58
BYD Electronics (0285.HK)	O (04/28/2023)	HK\$28.58
China TransInfo Technology Co Ltd (002373.SZ)	E (07/18/2023)	Rmb7.64
Dahua Technology Co. Ltd. (002236.SZ)	E (12/12/2024)	Rmb16.92
Eoptolink Technology Inc Ltd (300502.SZ)	O (02/27/2026)	Rmb748.00
Genius Electronic Optical Co. Ltd. (3406.TW)	E (04/23/2025)	NT\$682.00
Gosuncn Technology Group Co Ltd (300098.SZ)	U (11/07/2022)	Rmb5.26
HIKVision Digital Technology (002415.SZ)	E (12/12/2024)	Rmb31.28
Largan Precision (3008.TW)	E (10/17/2025)	NT\$3,680.00
LianChuang Electronic Technology Co Ltd (002036.SZ)	U (06/12/2024)	Rmb9.09
OFILM Group Co Ltd (002456.SZ)	U (06/12/2024)	Rmb9.86
Q Technology (Group) Company Ltd (1478.HK)	U (03/23/2026)	HK\$9.25
Quectel Wireless Solutions Co Ltd (603236.SS)	E (10/09/2024)	Rmb57.33
Shanghai Conant Optical Co Ltd (2276.HK)	O (04/10/2026)	HK\$41.98
Shenzhen Transsion Holdings Co Ltd (688036.SS)	E (03/23/2026)	Rmb60.60
Sunny Optical (2382.HK)	E (03/23/2026)	HK\$82.05
Suzhou TFC Optical Communication Co Ltd. (300394.SZ)	E (11/06/2025)	Rmb457.00
Wingtech Technology Co Ltd (600745.SS)	U (05/18/2026)	Rmb21.39
Xiaomi Corp (1810.HK)	O (04/14/2021)	HK\$27.80
Yangtze Optical Fibre and Cable JSC Ltd (601869.SS)	U (10/13/2021)	Rmb441.67
Yangtze Optical Fibre and Cable JSC Ltd (6869.HK)	E (04/20/2023)	HK\$239.20
Yongxin Optics Co Ltd (603297.SS)	E (11/15/2022)	Rmb123.83
Zhejiang Crystal-Optech Co Ltd (002273.SZ)	O (11/15/2022)	Rmb36.22
Zhongji Innolight Co Ltd (300308.SZ)	++	Rmb1,179.99
ZTE Corporation (0763.HK)	O (06/04/2026)	HK\$29.66

ZTE Corporation (000063.SZ)	E (06/04/2026)	Rmb39.13
Derrick Yang		
Accton Technology Corporation (2345.TW)	O (06/06/2024)	NT\$2,490.00
Advantech (2395.TW)	O (01/20/2021)	NT\$496.00
AirTAC International (1590.TW)	O (04/16/2025)	NT\$1,320.00
AU Optronics (2409.TW)	E (02/10/2026)	NT\$27.10
Bizlink (3665.TW)	O (03/10/2025)	NT\$2,200.00
BOE Technology (000725.SZ)	O (09/06/2019)	Rmb6.43
Chenbro (8210.TW)	O (07/23/2025)	NT\$1,370.00
Chroma Ate Inc. (2360.TW)	O (10/05/2021)	NT\$2,565.00
E Ink Holdings Inc. (8069.TWO)	O (05/11/2026)	NT\$214.00
Ennostar Inc (3714.TW)	U (09/23/2022)	NT\$70.20
Hiwin Technologies Corp. (2049.TW)	O (03/30/2026)	NT\$345.00
Innolux (3481.TW)	E (04/07/2025)	NT\$53.70
King Slide Works Co. Ltd. (2059.TW)	O (11/08/2023)	NT\$5,620.00
Lens Technology (300433.SZ)	E (07/22/2020)	Rmb45.61
Radiant Opto-Electronics Corporation (6176.TW)	E (03/01/2024)	NT\$101.00
Sanan Optoelectronics (600703.SS)	U (08/21/2023)	Rmb16.91
TCL Corp. (000100.SZ)	E (04/07/2025)	Rmb4.89
Tianma Microelectronics (000050.SZ)	U (01/24/2018)	Rmb8.61
Wuhan Jingce Electronic Group Co Ltd (300567.SZ)	E (11/26/2021)	Rmb189.23
Howard Kao		
Acer Inc. (2353.TW)	U (04/23/2025)	NT\$38.40
Asustek Computer Inc. (2357.TW)	U (11/16/2025)	NT\$900.00
Compal Electronics (2324.TW)	U (04/23/2025)	NT\$41.40
FIT Hon Teng Ltd (6088.HK)	O (11/03/2025)	HK\$8.45
Giga-Byte Technology Co. Ltd. (2376.TW)	E (11/16/2025)	NT\$369.00
Gold Circuit Electronics Ltd. (2368.TW)	O (10/06/2022)	NT\$1,315.00
Inspur Electronic Information (000977.SZ)	E (08/28/2023)	Rmb62.14
Lenovo (0992.HK)	E (11/16/2025)	HK\$24.88
Lotes Co. Ltd. (3533.TW)	E (05/12/2025)	NT\$2,365.00
Nan Ya PCB (8046.TW)	O (02/23/2026)	NT\$845.00
Pegatron Corporation (4938.TW)	E (03/25/2026)	NT\$96.90
Quanta Computer Inc. (2382.TW)	O (05/01/2023)	NT\$390.50
Shengyi Technology Co Ltd. (600183.SS)	E (05/26/2022)	Rmb137.36
Shennan Circuits Co Ltd (002916.SZ)	E (08/24/2023)	Rmb373.00
Unimicron (3037.TW)	O (02/23/2026)	NT\$933.00
Wistron Corporation (3231.TW)	O (07/12/2023)	NT\$171.00
Wiwynn Corp (6669.TW)	O (11/10/2025)	NT\$5,660.00
Yageo Corp. (2327.TW)	O (10/28/2025)	NT\$769.00
Zhen Ding (4958.TW)	O (05/18/2026)	NT\$504.00
Sharon Shih		
Asia Vital Components Co. Ltd. (3017.TW)	O (07/30/2024)	NT\$2,600.00
Auras Technology Co Ltd (3324.TWO)	E (05/04/2023)	NT\$1,110.00
Catcher Technology (2474.TW)	U (11/17/2025)	NT\$230.50
Delta Electronics Inc. (2308.TW)	O (07/13/2017)	NT\$2,300.00
Fositek Corp (6805.TW)	O (06/25/2025)	NT\$1,950.00
Foxconn Industrial Internet Co. Ltd. (601138.SS)	O (07/10/2019)	Rmb74.06
Foxconn Technology (2354.TW)	U (04/23/2025)	NT\$60.60
GoerTek Inc (002241.SZ)	U (04/23/2025)	Rmb24.82
Hon Hai Precision (2317.TW)	O (03/15/2024)	NT\$284.50
LandMark Optoelectronics Corporation (3081.TWO)	E (03/26/2026)	NT\$2,655.00
Lingyi Itech Guangdong Co (002600.SZ)	U (04/23/2025)	Rmb15.08
Lite-On Technology (2301.TW)	E (01/15/2025)	NT\$230.00
Luxshare Precision Industry Co., Ltd. (002475.SZ)	O (10/24/2016)	Rmb68.77

Sunonwealth Electric Machine Industry Co (2421.TW)	E (02/23/2024)	NT\$161.50
Tong Hsing (6271.TW)	E (03/18/2019)	NT\$236.50
Visual Photonics Epitaxy Co Ltd (2455.TW)	E (09/11/2023)	NT\$399.00

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* Historical prices are not split adjusted.