Morgan Stanley | RESEARCH

UPDATE

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Wistron Corporation | Asia Pacific

May sales up 2% m/m, +39% y/y

MORGAN STANLEY TAIWAN LIMITED+

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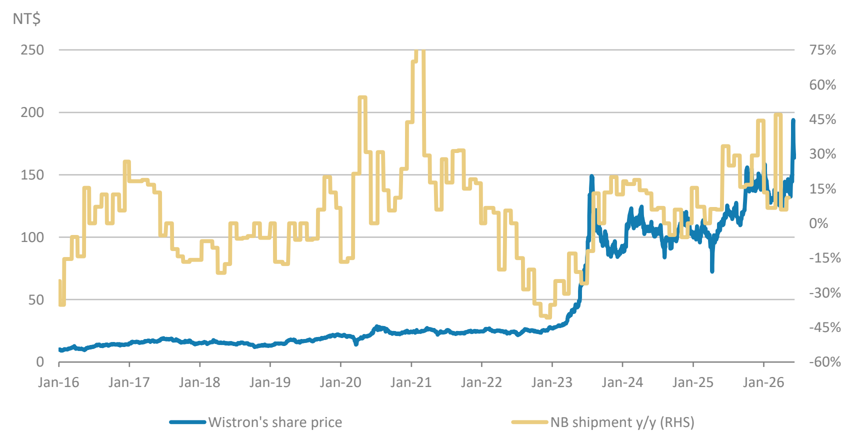
Key Takeaways

- May sales were NT$290B (+2% m/m, +39% y/y).
- April + May revenues are 62% of our 2Q26 estimate of NT$920B (+9% q/q, +67% y/y) and 67% of consensus at NT$860B (+2% q/q, +56% y/y).
- May notebook shipments were 1.7M units (-6% m/m, -6% y/y), 15% below MSe.

Our view:

- May revenue is tracking below our estimate and roughly in-line with the Street's.
- We believe Wistron shipped 1.3-1.4K GB200/300 server computing trays in May, up ~2% m/m.
- NB shipments came in 15% below MSe at 1.7M units (-6% m/m, -6% y/y).
- We estimate Wistron's 2Q GB rack-equivalents shipments at ~4.2K (+4% q/q), unchanged from our previous estimate.
- We remain OW on the stock.

Exhibit 1: Wistron's NB shipments vs. its share price



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

Wistron Corporation (3231.TW, 3231 TT)

Greater China Technology Hardware | Taiwan

Stock Rating	**Overweight**
Industry View	**In-Line**
Price target	NT$210.00
Up/downside to price target (%)	33
Shr price, close (Jun 10, 2026)	NT$158.00
52-Week Range	NT$201.00-109.00
Sh out, dil, curr (mn)	3,276
Mkt cap, curr (mn)	NT$517,675
EV, curr (mn)	NT$627,151
Avg daily trading value (mn)	NT$6,353

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS (NT$)**	9.04	13.95	18.11	21.30
Prior EPS (NT$)**	-	-	-	-
Revenue, net (NT$ bn)	2,186.5	3,479.3	4,669.1	4,775.2
EBITDA (NT$ bn)	91.5	149.3	190.1	219.2
ModelWare net inc (NT $ bn)	27.4	42.3	54.9	64.6
P/E	18.0	12.2	9.4	8.0
P/BV	1.9	1.8	1.6	1.4
RNOA (%)	35.0	29.7	52.5	50.9
ROE (%)	14.7	16.7	19.5	20.2
EV/EBITDA	6.6	3.3	2.6	2.1
Div yld (%)	2.4	2.4	3.5	5.4

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework
** = Based on consensus methodology
e = Morgan Stanley Research estimates

Catalyst Event Reaction

Company / Catalyst	Date	Impact to thesis	Catalyst versus expectation
Wistron Corporation 3231.TW			
May 2026 notebook shipments	09 Jun 2026	Unchanged	⬇ Modest downside surprise

Source:Company data, Morgan Stanley Research

Valuation Methodology and Risks

Wistron Corporation (3231.TW)

Base case, residual income valuation. Key assumptions: 8.7% cost of equity, 7.0% medium-term growth rate and 3% terminal growth rate.

Risks to Upside

- Faster-than-expected divestiture of consumer electronics business
- Stronger-than-expected NB demand
- Margin expansion from better product mix
- Faster-than-expected AI server penetration

Risks to Downside

- Slower-than-expected divestiture of consumer electronics business
- Weaker-than-expected NB demand
- Margin contraction from sales shortfall and fierce competition
- Slower-than-expected AI server penetration

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(as of May 31, 2026)

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Stock Rating Category	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1542	42%	465	51%	30%	707	43%
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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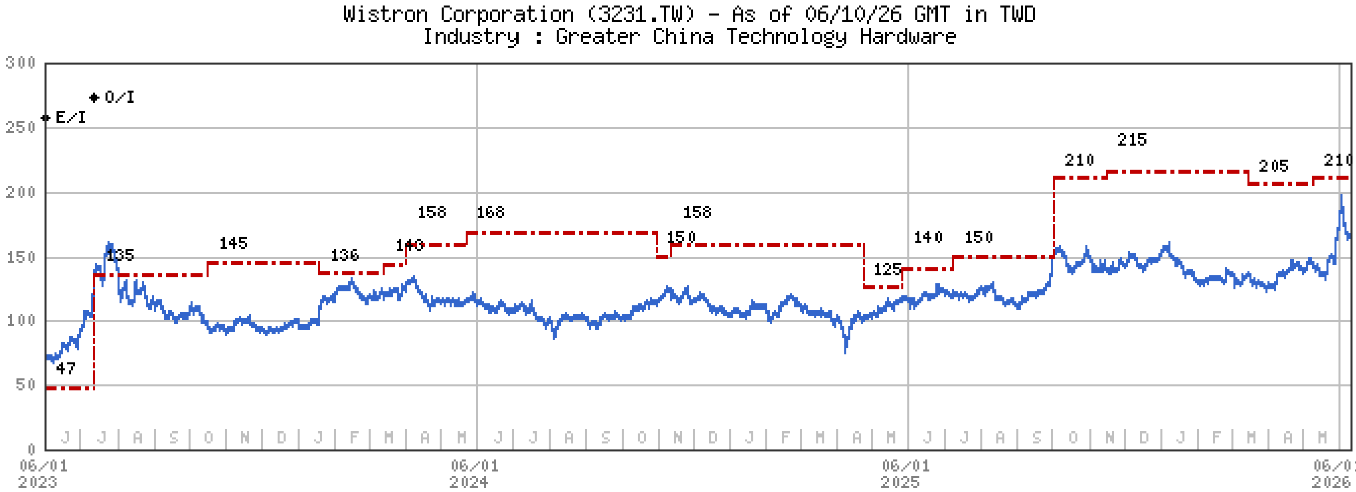
Stock Price, Price Target and Rating History (See Rating Definitions)



Stock Rating History: 6/1/21 : E/I; 7/12/23 : O/I

Price Target History: 3/23/21 : 34; 7/28/21 : 30; 11/6/21 : 32; 5/9/22 : 31; 7/26/22 : 29; 8/8/22 : 30; 11/7/22 : 29; 1/17/23 : 31; 3/15/23 : 34; 5/1/23 : 48.5; 5/12/23 : 47; 7/12/23 : 135; 10/17/23 : 145; 1/18/24 : 136; 3/14/24 : 143; 4/1/24 : 158; 5/22/24 : 168; 10/30/24 : 150; 11/12/24 : 158; 4/23/25 : 125; 5/27/25 : 140; 7/9/25 : 150; 10/2/25 : 210; 11/16/25 : 215; 3/16/26 : 205; 5/9/26 : 210

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* (06/09/2026)
Andy Meng, CFA		
AAC Technologies Holdings (2018.HK)	O (01/29/2024)	HK$46.06
Accelink Technologies Co. Ltd. (002281.SZ)	U (05/12/2022)	Rmb202.60
BYD Electronics (0285.HK)	O (04/28/2023)	HK$26.92
China TransInfo Technology Co Ltd (002373.SZ)	E (07/18/2023)	Rmb7.48
Dahua Technology Co. Ltd. (002236.SZ)	E (12/12/2024)	Rmb16.24
Eoptolink Technology Inc Ltd (300502.SZ)	O (02/27/2026)	Rmb772.50
Genius Electronic Optical Co. Ltd. (3406.TW)	E (04/23/2025)	NT$677.00
Gosuncn Technology Group Co Ltd (300098.SZ)	U (11/07/2022)	Rmb5.10
HIKVision Digital Technology (002415.SZ)	E (12/12/2024)	Rmb30.38
Largan Precision (3008.TW)	E (10/17/2025)	NT$4,130.00
LianChuang Electronic Technology Co Ltd (002036.SZ)	U (06/12/2024)	Rmb8.37
OFILM Group Co Ltd (002456.SZ)	U (06/12/2024)	Rmb8.96
Q Technology (Group) Company Ltd (1478.HK)	U (03/23/2026)	HK$8.61
Quectel Wireless Solutions Co Ltd (603236.SS)	E (10/09/2024)	Rmb55.82
Shanghai Conant Optical Co Ltd (2276.HK)	O (04/10/2026)	HK$39.00
Shenzhen Transsion Holdings Co Ltd (688036.SS)	E (03/23/2026)	Rmb53.40
Sunny Optical (2382.HK)	E (03/23/2026)	HK$76.75
Suzhou TFC Optical Communication Co Ltd. (300394.SZ)	E (11/06/2025)	Rmb411.08
Wingtech Technology Co Ltd (600745.SS)	U (05/18/2026)	Rmb18.88
Xiaomi Corp (1810.HK)	O (04/14/2021)	HK$27.20
Yangtze Optical Fibre and Cable JSC Ltd (601869.SS)	U (10/13/2021)	Rmb452.69
Yangtze Optical Fibre and Cable JSC Ltd (6869.HK)	E (04/20/2023)	HK$255.40
Yongxin Optics Co Ltd (603297.SS)	E (11/15/2022)	Rmb117.67
Zhejiang Crystal-Optech Co Ltd (002273.SZ)	O (11/15/2022)	Rmb34.09
Zhongji Innolight Co Ltd (300308.SZ)	++	Rmb1,147.00
ZTE Corporation (0763.HK)	O (06/04/2026)	HK$27.98

ZTE Corporation (000063.SZ)	E (06/04/2026)	Rmb38.42
Derrick Yang		
Accton Technology Corporation (2345.TW)	O (06/06/2024)	NT$2,365.00
Advantech (2395.TW)	O (01/20/2021)	NT$465.50
AirTAC International (1590.TW)	O (04/16/2025)	NT$1,285.00
AU Optronics (2409.TW)	E (02/10/2026)	NT$22.95
Bizlink (3665.TW)	O (03/10/2025)	NT$2,155.00
BOE Technology (000725.SZ)	O (09/06/2019)	Rmb6.03
Chenbro (8210.TW)	O (07/23/2025)	NT$1,445.00
Chroma Ate Inc. (2360.TW)	O (10/05/2021)	NT$2,210.00
E Ink Holdings Inc. (8069.TWO)	O (05/11/2026)	NT$191.00
Ennostar Inc (3714.TW)	U (09/23/2022)	NT$62.70
Hiwin Technologies Corp. (2049.TW)	O (03/30/2026)	NT$326.00
Innolux (3481.TW)	E (04/07/2025)	NT$44.30
King Slide Works Co. Ltd. (2059.TW)	O (11/08/2023)	NT$6,370.00
Lens Technology (300433.SZ)	E (07/22/2020)	Rmb42.11
Radiant Opto-Electronics Corporation (6176.TW)	E (03/01/2024)	NT$89.10
Sanan Optoelectronics (600703.SS)	U (08/21/2023)	Rmb15.57
TCL Corp. (000100.SZ)	E (04/07/2025)	Rmb4.67
Tianma Microelectronics (000050.SZ)	U (01/24/2018)	Rmb8.00
Wuhan Jingce Electronic Group Co Ltd (300567.SZ)	E (11/26/2021)	Rmb188.79
Howard Kao		
Acer Inc. (2353.TW)	U (04/23/2025)	NT$36.20
Asustek Computer Inc. (2357.TW)	U (11/16/2025)	NT$796.00
Compal Electronics (2324.TW)	U (04/23/2025)	NT$37.10
FIT Hon Teng Ltd (6088.HK)	O (11/03/2025)	HK$7.80
Giga-Byte Technology Co. Ltd. (2376.TW)	E (11/16/2025)	NT$344.50
Gold Circuit Electronics Ltd. (2368.TW)	O (10/06/2022)	NT$1,420.00
Inspur Electronic Information (000977.SZ)	E (08/28/2023)	Rmb59.39
Lenovo (0992.HK)	E (11/16/2025)	HK$25.38
Lotes Co. Ltd. (3533.TW)	E (05/12/2025)	NT$2,175.00
Nan Ya PCB (8046.TW)	O (02/23/2026)	NT$847.00
Pegatron Corporation (4938.TW)	E (03/25/2026)	NT$94.80
Quanta Computer Inc. (2382.TW)	O (05/01/2023)	NT$380.50
Shengyi Technology Co Ltd. (600183.SS)	E (05/26/2022)	Rmb146.90
Shennan Circuits Co Ltd (002916.SZ)	E (08/24/2023)	Rmb383.06
Unimicron (3037.TW)	O (02/23/2026)	NT$884.00
Wistron Corporation (3231.TW)	O (07/12/2023)	NT$158.00
Wiwynn Corp (6669.TW)	O (11/10/2025)	NT$5,065.00
Yageo Corp. (2327.TW)	O (10/28/2025)	NT$819.00
Zhen Ding (4958.TW)	O (05/18/2026)	NT$502.00
Sharon Shih		
Asia Vital Components Co. Ltd. (3017.TW)	O (07/30/2024)	NT$2,360.00
Auras Technology Co Ltd (3324.TWO)	E (05/04/2023)	NT$1,010.00
Catcher Technology (2474.TW)	U (11/17/2025)	NT$204.50
Delta Electronics Inc. (2308.TW)	O (07/13/2017)	NT$2,200.00
Fositek Corp (6805.TW)	O (06/25/2025)	NT$1,755.00
Foxconn Industrial Internet Co. Ltd. (601138.SS)	O (07/10/2019)	Rmb71.13
Foxconn Technology (2354.TW)	U (04/23/2025)	NT$56.30
GoerTek Inc (002241.SZ)	U (04/23/2025)	Rmb22.76
Hon Hai Precision (2317.TW)	O (03/15/2024)	NT$263.00
LandMark Optoelectronics Corporation (3081.TWO)	E (03/26/2026)	NT$2,245.00
Lingyi Itech Guangdong Co (002600.SZ)	U (04/23/2025)	Rmb13.90
Lite-On Technology (2301.TW)	E (01/15/2025)	NT$213.00
Luxshare Precision Industry Co., Ltd. (002475.SZ)	O (10/24/2016)	Rmb65.51

Sunonwealth Electric Machine Industry Co (2421.TW)	E (02/23/2024)	NT$145.00
Tong Hsing (6271.TW)	E (03/18/2019)	NT$225.00
Visual Photonics Epitaxy Co Ltd (2455.TW)	E (09/11/2023)	NT$355.50

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* Historical prices are not split adjusted.