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E Ink Holdings Inc. | Asia Pacific

May Sales +13% MoM/+1% YoY

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

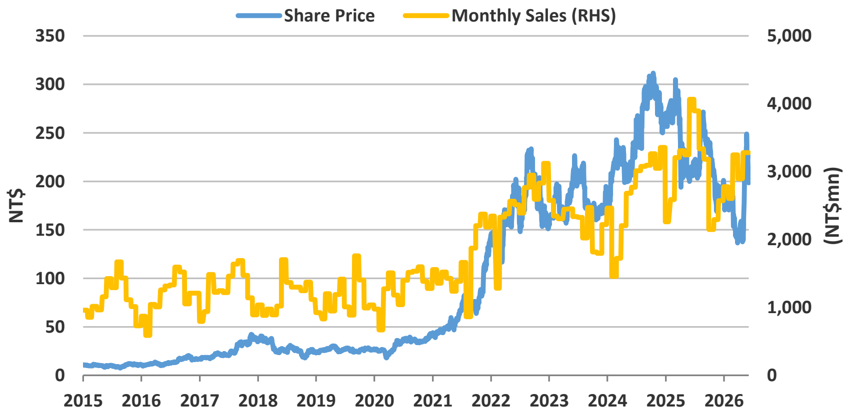
Details:

- May sales were NT$3,280mn (+13% MoM/+1% YoY).
- QTD sales reached 61% of our 2Q26 revenue estimate of NT$10,043mn (+16% QoQ/-5% YoY) and 60% of consensus at NT$10,229mn (+18% QoQ/-4% YoY).

Our view:

- We see 2Q26 revenue tracking slightly behind market expectations.
- That said, the April preliminary EPS of NT$1.02 points to some upside risk to consensus estimates of NT$2.85 for 2Q26 (see our report).
- Management maintained the guidance to grow by 20-25% in 2026, driven by 20-30% growth from ESLs, single digit % growth from e-readers/e-notes and high single digit % of revenue contribution from signage (mostly retail media and indoor applications).
- In the near term, we believe that the market is awaiting more data points to support management's positive guidance post the recent rally from trough level valuations.
- Longer term, we believe it will continue to benefit from e-paper demand from various applications, given its dominant industry position.
- Stay OW with PT of NT$250 (19x 2027 P/E vs. currently at 15x).

Exhibit 1: E Ink's monthly sales vs. its share price since 2015



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

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E Ink Holdings Inc. (8069.TWO, 8069 TT)

Greater China Technology Hardware | Taiwan

Stock Rating	**Overweight**
Industry View	**In-Line**
Price target	NT$250.00
Up/downside to price target (%)	26
Shr price, close (Jun 8, 2026)	NT$198.50
52-Week Range	NT$286.00-135.00
Sh out, dil, curr (mn)	1,150
Mkt cap, curr (mn)	NT$228,308
EV, curr (mn)	NT$233,865
Avg daily trading value (mn)	NT$1,314

Fiscal Year Ending	**12/25**	**12/26e**	**12/27e**	**12/28e**
EPS (NT$)**	9.14	11.37	13.07	15.67
EPS (NT$)§	10.09	11.92	14.20	16.14
Revenue, net (NT$ mn)	36,116	43,339	49,878	59,024
EBITDA (NT$ mn)	13,458	16,456	19,062	22,755
ModelWare net inc (NT$ mn)	10,515	13,077	15,037	18,027
P/E	21.7	17.5	15.2	12.7
P/BV	3.3	3.0	2.8	2.5
RNOA (%)	13.8	14.6	16.9	20.3
ROE (%)	18.2	18.7	19.7	21.8
EV/EBITDA	17.5	13.9	11.7	9.5
Div yld (%)	3.0	3.7	4.3	5.1
FCF yld ratio (%)**	4.2	5.3	6.1	7.3
Leverage (EOP) (%)	2.1	(4.9)	(11.1)	(17.5)

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework
** = Based on consensus methodology
§ = Consensus data is provided by Refinitiv Estimates
e = Morgan Stanley Research estimates

Catalyst Event Reaction

Company / Catalyst	Date	Impact to thesis	Catalyst versus expectation
E Ink Holdings Inc. 8069.TWO			
May 2026 monthly sales	08 Jun 2026	Unchanged	⬇ Modest downside surprise

Source:Company data, Morgan Stanley Research

Valuation Methodology and Risks

E Ink Holdings Inc. (8069.TWO)

Base case, 19x 2027e P/E. We believe this valuation methodology best captures E Ink's earnings growth momentum. We view our target multiple of 19x as fair, considering our estimated 20% earnings CAGR for 2025-28. The implied PEG of 1.0x is slightly higher than its typical level in 2020-25, when the stock was trading at an average P/E of 21x one-year forward consensus EPS with a 24% earnings CAGR.

Risks to Upside

- Firmer-than-expected ESL orders
- Stronger demand for e-readers and e-notes
- Better macro conditions
- Milder competition
- Brisker inventory digestion

Risks to Downside

- Softer-than-expected ESL orders
- Slower demand for e-readers and e-notes
- Macro headwinds
- Intensified competition
- More protracted inventory digestion

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(as of May 31, 2026)
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	Coverage Universe		Investment Banking Clients (IBC)			Other Material Investment Services Clients (MISC)	
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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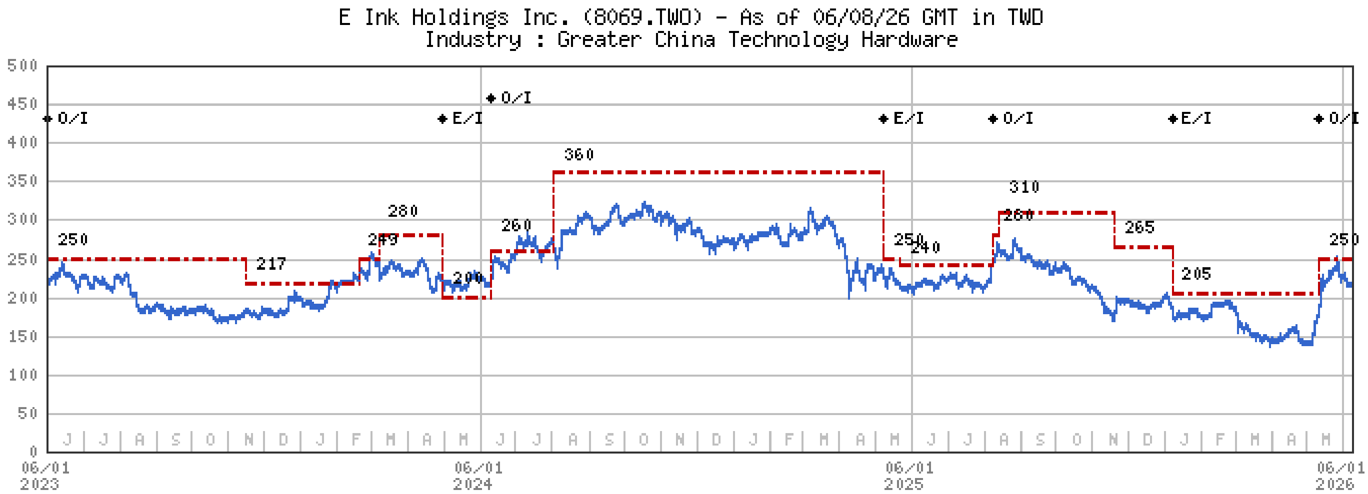
Stock Price, Price Target and Rating History (See Rating Definitions)



Stock Rating History: 6/1/21 : NA/I; 6/23/22 : O/I; 11/15/22 : E/I; 5/17/23 : O/I; 4/30/24 : E/I; 6/10/24 : O/I; 5/8/25 : E/I; 8/8/25 : O/I; 1/7/26 : E/I; 5/11/26 : O/I

Price Target History: 6/23/22 : 275; 8/17/22 : 280; 11/15/22 : 200; 3/9/23 : 185; 5/17/23 : 250; 11/16/23 : 217; 2/19/24 : 249; 3/7/24 : 280; 4/30/24 : 200; 6/10/24 : 260; 8/2/24 : 360; 5/8/25 : 250; 5/22/25 : 240; 8/8/25 : 280; 8/14/25 : 310; 11/19/25 : 265; 1/7/26 : 205; 5/11/26 : 250

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target -- No Price Target Assigned (NA)
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INDUSTRY COVERAGE: Greater China Technology Hardware

COMPANY (TICKER)	RATING (AS OF)	PRICE* (06/08/2026)
Andy Meng, CFA		
AAC Technologies Holdings (2018.HK)	O (01/29/2024)	HK$45.18
Accelink Technologies Co. Ltd. (002281.SZ)	U (05/12/2022)	Rmb206.99
BYD Electronics (0285.HK)	O (04/28/2023)	HK$27.26
China TransInfo Technology Co Ltd (002373.SZ)	E (07/18/2023)	Rmb7.47
Dahua Technology Co. Ltd. (002236.SZ)	E (12/12/2024)	Rmb16.46
Eoptolink Technology Inc Ltd (300502.SZ)	O (02/27/2026)	Rmb725.00
Genius Electronic Optical Co. Ltd. (3406.TW)	E (04/23/2025)	NT$654.00
Gosuncn Technology Group Co Ltd (300098.SZ)	U (11/07/2022)	Rmb5.17
HIKVision Digital Technology (002415.SZ)	E (12/12/2024)	Rmb30.30
Largan Precision (3008.TW)	E (10/17/2025)	NT$3,535.00
LianChuang Electronic Technology Co Ltd (002036.SZ)	U (06/12/2024)	Rmb8.62
OFILM Group Co Ltd (002456.SZ)	U (06/12/2024)	Rmb9.24
Q Technology (Group) Company Ltd (1478.HK)	U (03/23/2026)	HK$8.72
Quectel Wireless Solutions Co Ltd (603236.SS)	E (10/09/2024)	Rmb58.30
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)	Rmb56.77
Sunny Optical (2382.HK)	E (03/23/2026)	HK$77.10
Suzhou TFC Optical Communication Co Ltd. (300394.SZ)	E (11/06/2025)	Rmb425.11
Wingtech Technology Co Ltd (600745.SS)	U (05/18/2026)	Rmb20.91
Xiaomi Corp (1810.HK)	O (04/14/2021)	HK$27.38
Yangtze Optical Fibre and Cable JSC Ltd (601869.SS)	U (10/13/2021)	Rmb440.30
Yangtze Optical Fibre and Cable JSC Ltd (6869.HK)	E (04/20/2023)	HK$234.20
Yongxin Optics Co Ltd (603297.SS)	E (11/15/2022)	Rmb115.68
Zhejiang Crystal-Optech Co Ltd (002273.SZ)	O (11/15/2022)	Rmb34.23
Zhongji Innolight Co Ltd (300308.SZ)	++	Rmb1,154.99
ZTE Corporation (0763.HK)	O (06/04/2026)	HK$27.54

ZTE Corporation (000063.SZ)	E (06/04/2026)	Rmb36.81
Derrick Yang		
Accton Technology Corporation (2345.TW)	O (06/06/2024)	NT$2,420.00
Advantech (2395.TW)	O (01/20/2021)	NT$471.00
AirTAC International (1590.TW)	O (04/16/2025)	NT$1,280.00
AU Optronics (2409.TW)	E (02/10/2026)	NT$24.40
Bizlink (3665.TW)	O (03/10/2025)	NT$2,095.00
BOE Technology (000725.SZ)	O (09/06/2019)	Rmb6.29
Chenbro (8210.TW)	O (07/23/2025)	NT$1,375.00
Chroma Ate Inc. (2360.TW)	O (10/05/2021)	NT$2,450.00
E Ink Holdings Inc. (8069.TWO)	O (05/11/2026)	NT$198.50
Ennostar Inc (3714.TW)	U (09/23/2022)	NT$64.80
Hiwin Technologies Corp. (2049.TW)	O (03/30/2026)	NT$329.50
Innolux (3481.TW)	E (04/07/2025)	NT$48.35
King Slide Works Co. Ltd. (2059.TW)	O (11/08/2023)	NT$6,180.00
Lens Technology (300433.SZ)	E (07/22/2020)	Rmb42.64
Radiant Opto-Electronics Corporation (6176.TW)	E (03/01/2024)	NT$94.10
Sanan Optoelectronics (600703.SS)	U (08/21/2023)	Rmb16.45
TCL Corp. (000100.SZ)	E (04/07/2025)	Rmb4.65
Tianma Microelectronics (000050.SZ)	U (01/24/2018)	Rmb8.22
Wuhan Jingce Electronic Group Co Ltd (300567.SZ)	E (11/26/2021)	Rmb177.80
Howard Kao		
Acer Inc. (2353.TW)	U (04/23/2025)	NT$35.30
Asustek Computer Inc. (2357.TW)	U (11/16/2025)	NT$844.00
Compal Electronics (2324.TW)	U (04/23/2025)	NT$38.60
FIT Hon Teng Ltd (6088.HK)	O (11/03/2025)	HK$8.02
Giga-Byte Technology Co. Ltd. (2376.TW)	E (11/16/2025)	NT$345.00
Gold Circuit Electronics Ltd. (2368.TW)	O (10/06/2022)	NT$1,360.00
Inspur Electronic Information (000977.SZ)	E (08/28/2023)	Rmb57.89
Lenovo (0992.HK)	E (11/16/2025)	HK$24.56
Lotes Co. Ltd. (3533.TW)	E (05/12/2025)	NT$2,290.00
Nan Ya PCB (8046.TW)	O (02/23/2026)	NT$831.00
Pegatron Corporation (4938.TW)	E (03/25/2026)	NT$92.10
Quanta Computer Inc. (2382.TW)	O (05/01/2023)	NT$376.50
Shengyi Technology Co Ltd. (600183.SS)	E (05/26/2022)	Rmb134.06
Shennan Circuits Co Ltd (002916.SZ)	E (08/24/2023)	Rmb369.64
Unimicron (3037.TW)	O (02/23/2026)	NT$911.00
Wistron Corporation (3231.TW)	O (07/12/2023)	NT$163.50
Wiwynn Corp (6669.TW)	O (11/10/2025)	NT$5,275.00
Yageo Corp. (2327.TW)	O (10/28/2025)	NT$751.00
Zhen Ding (4958.TW)	O (05/18/2026)	NT$512.00
Sharon Shih		
Asia Vital Components Co. Ltd. (3017.TW)	O (07/30/2024)	NT$2,570.00
Auras Technology Co Ltd (3324.TWO)	E (05/04/2023)	NT$1,095.00
Catcher Technology (2474.TW)	U (11/17/2025)	NT$220.00
Delta Electronics Inc. (2308.TW)	O (07/13/2017)	NT$2,255.00
Fositek Corp (6805.TW)	O (06/25/2025)	NT$1,895.00
Foxconn Industrial Internet Co. Ltd. (601138.SS)	O (07/10/2019)	Rmb70.48
Foxconn Technology (2354.TW)	U (04/23/2025)	NT$56.40
GoerTek Inc (002241.SZ)	U (04/23/2025)	Rmb23.10
Hon Hai Precision (2317.TW)	O (03/15/2024)	NT$269.50
LandMark Optoelectronics Corporation (3081.TWO)	E (03/26/2026)	NT$2,495.00
Lingyi Itech Guangdong Co (002600.SZ)	U (04/23/2025)	Rmb14.34
Lite-On Technology (2301.TW)	E (01/15/2025)	NT$218.50
Luxshare Precision Industry Co., Ltd. (002475.SZ)	O (10/24/2016)	Rmb66.14

Sunonwealth Electric Machine Industry Co (2421.TW)	E (02/23/2024)	NT$157.00
Tong Hsing (6271.TW)	E (03/18/2019)	NT$218.50
Visual Photonics Epitaxy Co Ltd (2455.TW)	E (09/11/2023)	NT$359.50

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* Historical prices are not split adjusted.