Morgan Stanley | RESEARCH

UPDATE

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Greater China Technology Hardware | Asia Pacific

GB200 and GB300 NVL72 Racks in June 2026

We provide monthly/quarterly rack shipment forecasts for ODMs. Within the major Server ODMs, our order of preference is Wistron > Hon Hai > Quanta, based on upside to PT.

MORGAN STANLEY TAIWAN LIMITED+

Howard Kao
Equity Analyst
Howard.Kao@morganstanley.com +886 2 2730-2989

Irene Yen
Research Associate
Irene.Yen@morganstanley.com +886 2 2730-2869

MORGAN STANLEY ASIA LIMITED+

Andy Meng, CFA
Equity Analyst
Andy.Meng@morganstanley.com +852 2239-7689

GREATER CHINA TECHNOLOGY HARDWARE

Asia Pacific

Industry View **In-Line**

Key Takeaways

- We estimate GB200/300 rack output in June at ~8.0K (+5% m/m), within which:
- Quanta shipped 2.3-2.4K GB200/GB300 racks.
- Wistron shipped 1.2-1.3K GB200/GB300 racks.
- Hon Hai shipped ~3.3K GB200/300 racks.

We continue to forecast 70-80K racks in CY26: This year should remain a strong one for downstream rack assembly. We expect over 100% y/y growth in rack shipments, vs. ~29k last year.

Quanta (2382.TW, OW): June revenue was NT$385.2B (+24% m/m, +103% y/y). We attribute the m/m growth primarily to higher GB200/300 rack shipments in the month, while NB shipments were also higher m/m at 4.5M units. But for GB200/300 rack shipments in the month, we estimate Quanta shipped 2.3-2.4K, higher than the 1.8-1.9K racks shipped in May. This brings overall 2Q GB200/300 rack shipments to approximately 6.2-6.3K (+32% q/q), slightly below our prior forecast of ~6.7K units, with the lowered rack shipments likely just pushed out into 2H. Our full-year assumption is unchanged at ~18.7K racks.

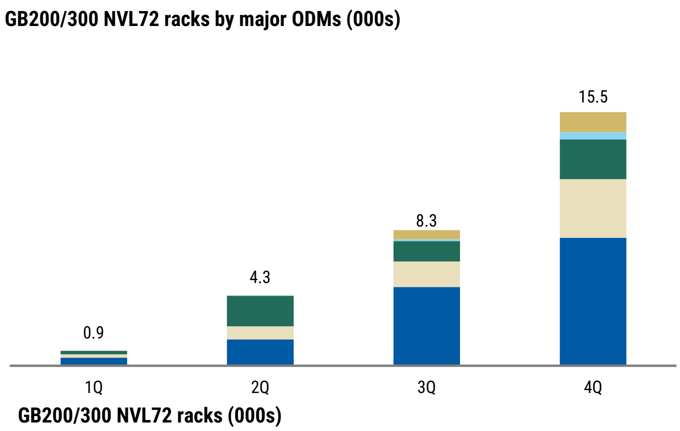
Wistron (3231.TW, OW): June revenue was NT$321.8B (+11% m/m, +54% y/y). We attribute the m/m growth to 1) higher revenue from Wiwynn (revenue grew 33% m/m, to NT$111.4B), 2) higher monitor shipments at 1,000K units (+5% m/m), 3) higher DT shipments at 800K units (+33% m/m), and 4) higher NB shipments at 2M units (+18% m/m), offset slightly by lower GB200/300 server computing tray shipments (1,200-1,300 rack equivalents, by our estimates, down 5-10% m/m). This brings overall 2Q rack shipments to 3.9-4.0K units (flattish q/q), slightly below our prior forecast of ~4.2K, with the lowered rack shipments likely just pushed out into 2H. Our full-year assumption is unchanged at ~14.1K racks.

Hon Hai (2317.TW, OW): June revenue was NT$821.8B (-4% m/m, +52% y/y), with 1) the consumer segment, which mainly includes iPhone assembly, seeing slowing pull-ins and declining slightly m/m, 2) server-related revenue seeing sustained momentum for AI products, coming in flattish m/m, and 3) the computing segment falling slightly m/m. We model HH's GB rack shipments as flattish m/m at ~3.3K units, resulting in overall 2Q rack shipments of ~10.3K units (+21% q/q), slightly above our prior forecast of ~10K. For 3Q, it expects AI-related rack shipments to maintain growth, implying upside to our previous forecast of ~7.5K racks.

GB200/300 Exhibits

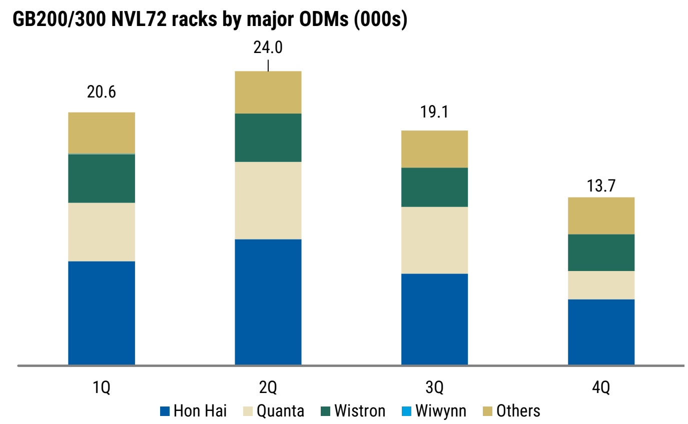
We believe actual rack deliveries to end-customers are likely lower than these numbers because we include Wistron's computing tray (L10) rack equivalent (without accounting for rack assembly and test times for L11).

Exhibit 1: Industry-wide GB200/300 NVL72-equivalent monthly rack output, by major ODMs (2025)



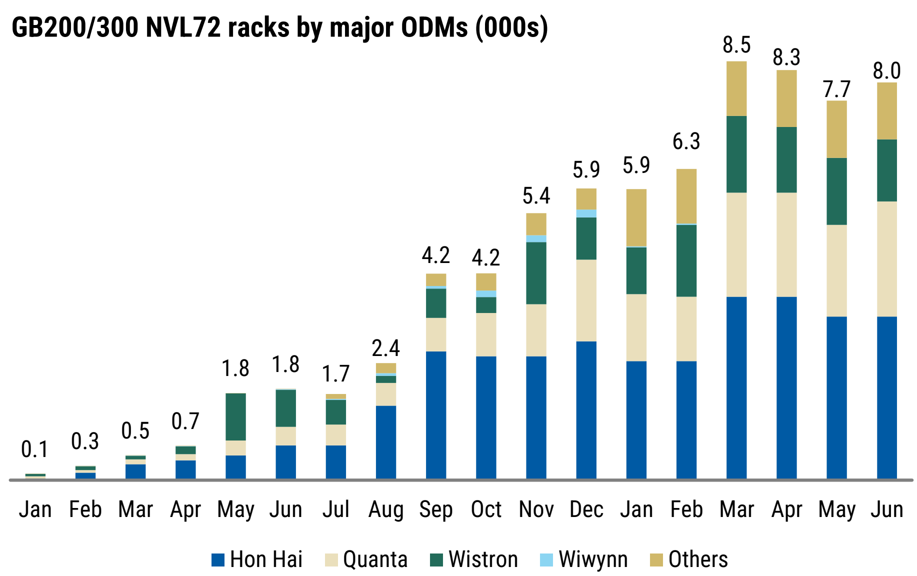
Source: Morgan Stanley Research estimates.

Exhibit 2: Industry-wide GB200/300 NVL72-equivalent monthly rack output, by major ODMs (2026)



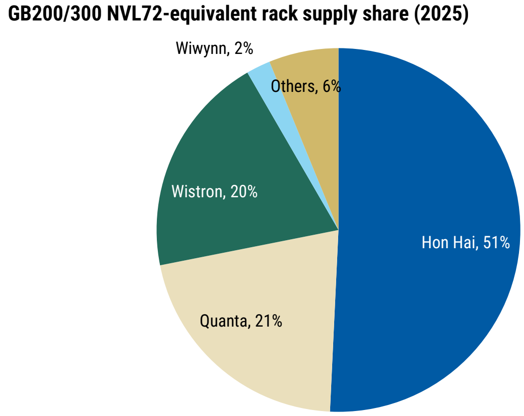
Source: Morgan Stanley Research estimates.

Exhibit 3:
Industry-wide GB200/300 NVL72-equivalent monthly rack output, by major ODMs (2025-2026)



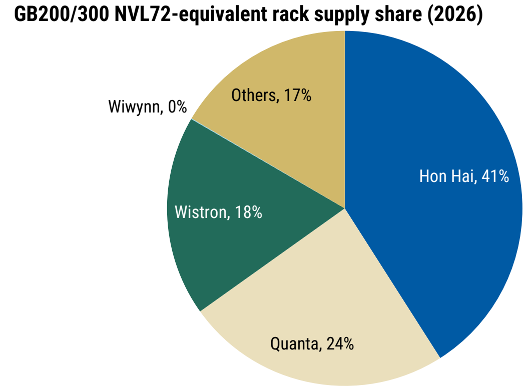
Source: Morgan Stanley Research estimates.

Exhibit 4: GB200/300 rack supply share, by major ODMs (2025)



Source: Morgan Stanley Research estimates.

Exhibit 5: GB200/300 rack supply share, by major ODMs (2026)



Source: Morgan Stanley Research estimates.

Valuation Methodology and Risks

Hon Hai Precision (2317.TW)

Base case scenario value, derived from a residual income valuation model. Our key assumptions include a cost of equity of 8.5%, a medium-term growth rate of 13%, and a terminal growth rate of 3%.

Risks to Upside

- Better-than-expected iPhone sell-through
- Faster progress in AI server business
- Faster EV business development progress
- Any new M&A activity that could improve sentiment

Risks to Downside

- Lower iPhone sell-through
- Smaller profit contribution from AI business
- Slower EV business development progress
- Geopolitical developments that could negatively affect foreign investment

Quanta Computer Inc. (2382.TW)

Base case, residual income model. Key assumptions include a cost of equity of 9.0% (beta of 1.2, equity premium of 6.0% and risk-free rate of 1.5%), an 8.5% medium-term growth rate, and a 3% terminal growth rate.

Risks to Upside

- Stronger-than-expected NB demand
- Stronger-than-expected Apple Watch demand
- Stronger-than-expected server demand
- Faster-than-expected AI server penetration

Risks to Downside

- Weaker-than-expected NB demand
- Softer-than-expected Apple Watch demand
- Weak margin performance owing to rising labor costs and sales shortfalls
- Fierce price competition in the mega data center segment
- Slower-than-expected AI server penetration

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 June 30, 2026)

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Stock Rating Category	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
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Equal-weight/Hold	1577	43%	390	42%	25%	769	44%
Not-Rated/Hold	3	0%	1	0%	33%	1	0%
Underweight/Sell	544	15%	89	10%	16%	204	12%
Total	3,668		933			1731	

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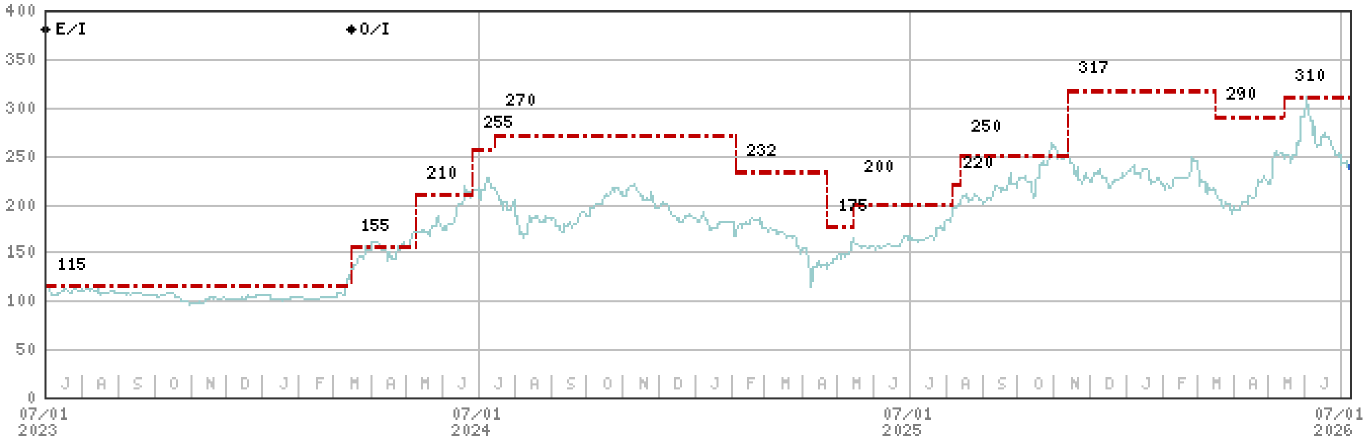
Stock Price, Price Target and Rating History (See Rating Definitions)

Hon Hai Precision (2317.TW) - As of 07/08/26 GMT in TWD
Industry : Greater China Technology Hardware



Stock Rating History: 7/1/21 : O/I; 1/9/23 : E/I; 3/15/24 : O/I

Price Target History: 3/22/21 : 168; 3/8/22 : 145; 1/9/23 : 116; 5/11/23 : 115; 3/15/24 : 155; 5/10/24 : 210; 6/26/24 : 255; 7/15/24 : 270; 2/5/25 : 232; 4/23/25 : 175; 5/14/25 : 200; 8/6/25 : 220; 8/14/25 : 250; 11/12/25 : 317; 3/17/26 : 290; 5/15/26 : 310

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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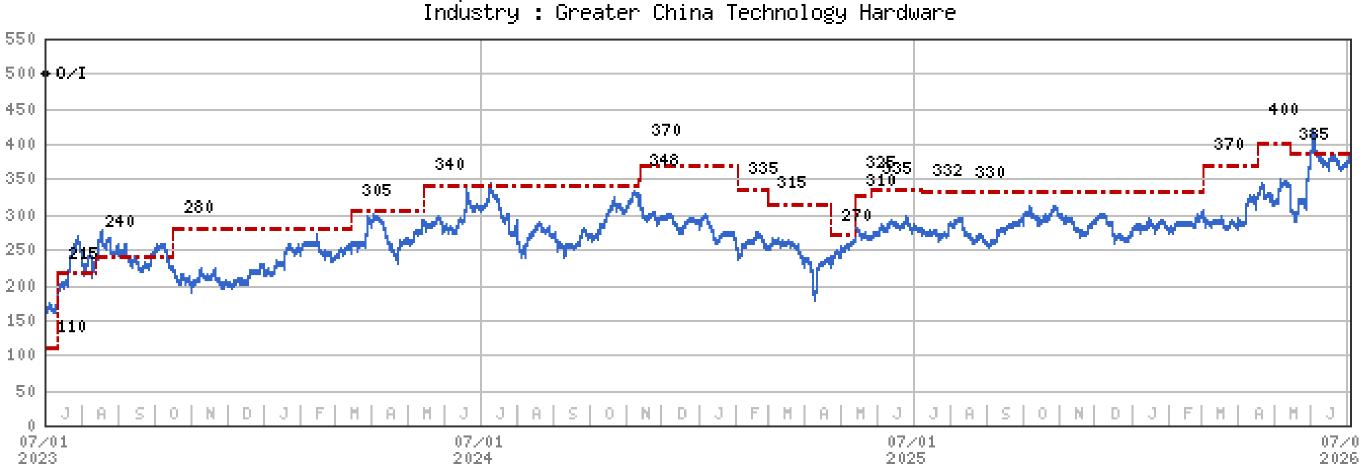
Quanta Computer Inc. (2382.TW) - As of 07/04/26 GMT in TWD
Industry : Greater China Technology Hardware



Stock Rating History: 7/1/21 : O/I; 7/28/21 : E/I; 5/1/23 : O/I

Price Target History: 5/13/21 : 110; 7/28/21 : 85; 11/12/21 : 94; 3/7/22 : 99; 3/16/22 : 98; 5/13/22 : 85; 7/26/22 : 80; 8/13/22 : 82.5; 5/1/23 : 105; 5/12/23 : 110; 7/12/23 : 215; 8/12/23 : 240; 10/17/23 : 280; 3/15/24 : 305; 5/15/24 : 340; 11/12/24 : 348; 11/14/24 : 370; 2/4/25 : 335; 2/28/25 : 315; 4/23/25 : 270; 5/13/25 : 310; 5/14/25 : 325; 5/27/25 : 335; 7/9/25 : 332; 8/13/25 : 330; 3/2/26 : 370; 4/17/26 : 400; 5/14/26 : 385

Source: Morgan Stanley Research   Date Format : MM/DD/YY   Price Target --   No Price Target Assigned (NA)
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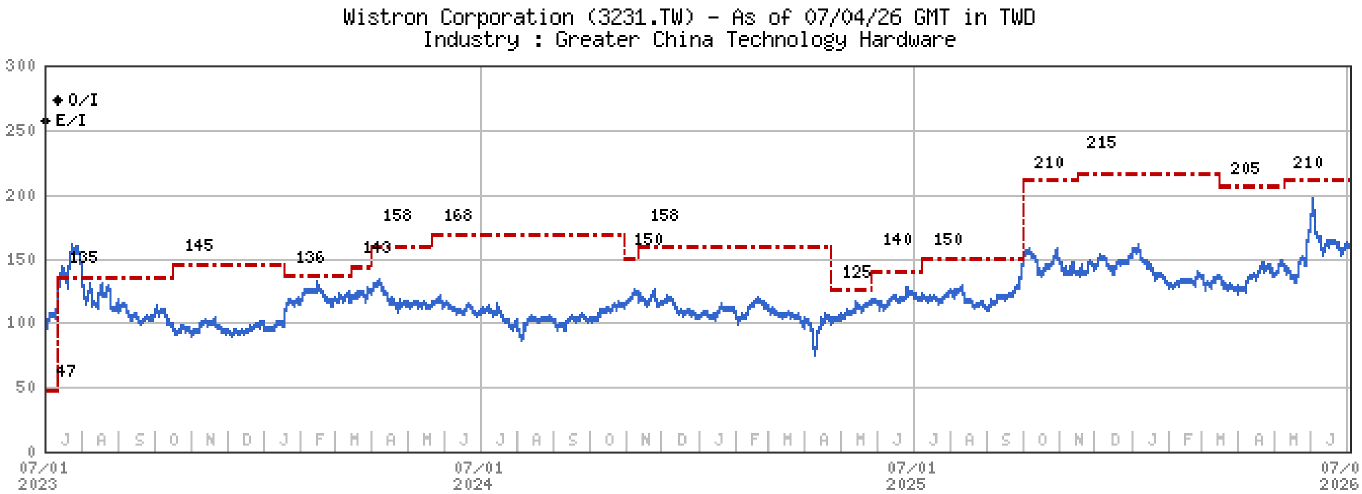

Stock Rating History: 7/1/21 : E/I; 7/12/23 : O/I

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)
Stock and Industry Ratings (abbreviations below) appear as ◆ Stock Rating/Industry View
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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* (07/08/2026)
Andy Meng, CFA		
AAC Technologies Holdings (2018.HK)	O (01/29/2024)	HK$39.02
Accelink Technologies Co. Ltd. (002281.SZ)	U (05/12/2022)	Rmb216.81
BYD Electronics (0285.HK)	O (04/28/2023)	HK$21.36
China TransInfo Technology Co Ltd (002373.SZ)	E (07/18/2023)	Rmb7.10
Dahua Technology Co. Ltd. (002236.SZ)	E (12/12/2024)	Rmb16.96
Eoptolink Technology Inc Ltd (300502.SZ)	O (02/27/2026)	Rmb510.84
Genius Electronic Optical Co. Ltd. (3406.TW)	E (04/23/2025)	NT$612.00
GoerTek Inc (002241.SZ)	U (04/23/2025)	Rmb20.41
Gosuncn Technology Group Co Ltd (300098.SZ)	U (11/07/2022)	Rmb4.40
HIKVision Digital Technology (002415.SZ)	E (12/12/2024)	Rmb34.35
Largan Precision (3008.TW)	E (10/17/2025)	NT$3,950.00
LianChuang Electronic Technology Co Ltd (002036.SZ)	U (06/12/2024)	Rmb6.55
Lingyi Itech Guangdong Co (002600.SZ)	U (04/23/2025)	Rmb15.06
Luxshare Precision Industry Co., Ltd. (002475.SZ)	O (10/24/2016)	Rmb62.47
OFILM Group Co Ltd (002456.SZ)	U (06/12/2024)	Rmb8.78
Q Technology (Group) Company Ltd (1478.HK)	U (03/23/2026)	HK$6.92
Quectel Wireless Solutions Co Ltd (603236.SS)	E (10/09/2024)	Rmb50.12
Shanghai Conant Optical Co Ltd (2276.HK)	O (04/10/2026)	HK$32.34
Shenzhen Transsion Holdings Co Ltd (688036.SS)	E (03/23/2026)	Rmb62.25
Sunny Optical (2382.HK)	E (03/23/2026)	HK$57.45
Suzhou TFC Optical Communication Co Ltd. (300394.SZ)	E (11/06/2025)	Rmb245.68
Wingtech Technology Co Ltd (600745.SS)	U (05/18/2026)	Rmb18.53
Xiaomi Corp (1810.HK)	O (04/14/2021)	HK$25.30
Yangtze Optical Fibre and Cable JSC Ltd (601869.SS)	U (10/13/2021)	Rmb410.00

Yangtze Optical Fibre and Cable JSC Ltd (6869.HK)	E (04/20/2023)	HK$151.90
Yongxin Optics Co Ltd (603297.SS)	E (11/15/2022)	Rmb120.56
Zhejiang Crystal-Optech Co Ltd (002273.SZ)	O (11/15/2022)	Rmb32.04
Zhongji Innolight Co Ltd (300308.SZ)	++	Rmb1,128.35
ZTE Corporation (0763.HK)	O (06/04/2026)	HK$23.20
ZTE Corporation (000063.SZ)	E (06/04/2026)	Rmb36.87
Derrick Yang		
Accton Technology Corporation (2345.TW)	O (06/06/2024)	NT$2,415.00
Advantech (2395.TW)	O (01/20/2021)	NT$546.00
AirTAC International (1590.TW)	O (04/16/2025)	NT$1,345.00
Asia Vital Components Co. Ltd. (3017.TW)	O (07/30/2024)	NT$2,325.00
AU Optronics (2409.TW)	E (02/10/2026)	NT$29.55
Auras Technology Co Ltd (3324.TWO)	E (05/04/2023)	NT$925.00
Bizlink (3665.TW)	O (03/10/2025)	NT$1,900.00
BOE Technology (000725.SZ)	O (09/06/2019)	Rmb7.63
Chenbro (8210.TW)	O (07/23/2025)	NT$1,195.00
Chroma Ate Inc. (2360.TW)	O (10/05/2021)	NT$1,855.00
Delta Electronics Inc. (2308.TW)	O (07/13/2017)	NT$1,885.00
E Ink Holdings Inc. (8069.TWO)	O (05/11/2026)	NT$199.00
Ennostar Inc (3714.TW)	U (09/23/2022)	NT$61.90
Fositek Corp (6805.TW)	O (06/25/2025)	NT$1,395.00
Hiwin Technologies Corp. (2049.TW)	O (03/30/2026)	NT$340.00
Innolux (3481.TW)	E (04/07/2025)	NT$65.20
King Slide Works Co. Ltd. (2059.TW)	O (11/08/2023)	NT$8,095.00
Lens Technology (300433.SZ)	E (07/22/2020)	Rmb46.05
Lite-On Technology (2301.TW)	E (01/15/2025)	NT$214.00
Radiant Opto-Electronics Corporation (6176.TW)	E (03/01/2024)	NT$90.90
TCL Corp. (000100.SZ)	E (04/07/2025)	Rmb5.04
Tianma Microelectronics (000050.SZ)	U (01/24/2018)	Rmb7.86
Wuhan Jingce Electronic Group Co Ltd (300567.SZ)	E (11/26/2021)	Rmb297.10
Howard Kao		
Acer Inc. (2353.TW)	U (04/23/2025)	NT$32.30
Asustek Computer Inc. (2357.TW)	U (11/16/2025)	NT$687.00
Catcher Technology (2474.TW)	U (11/17/2025)	NT$195.00
Compal Electronics (2324.TW)	U (04/23/2025)	NT$35.50
FIT Hon Teng Ltd (6088.HK)	O (11/03/2025)	HK$6.17
Foxconn Industrial Internet Co. Ltd. (601138.SS)	O (07/10/2019)	Rmb66.01
Giga-Byte Technology Co. Ltd. (2376.TW)	E (11/16/2025)	NT$335.00
Gold Circuit Electronics Ltd. (2368.TW)	O (10/06/2022)	NT$1,150.00
Hon Hai Precision (2317.TW)	O (03/15/2024)	NT$237.50
Inspur Electronic Information (000977.SZ)	E (08/28/2023)	Rmb78.17
LandMark Optoelectronics Corporation (3081.TWO)	E (03/26/2026)	NT$2,095.00
Lenovo (0992.HK)	E (11/16/2025)	HK$22.32
Lotes Co. Ltd. (3533.TW)	E (05/12/2025)	NT$1,990.00
Nan Ya PCB (8046.TW)	O (02/23/2026)	NT$1,105.00
Pegatron Corporation (4938.TW)	E (03/25/2026)	NT$83.80
Quanta Computer Inc. (2382.TW)	O (05/01/2023)	NT$377.00
Shengyi Technology Co Ltd. (600183.SS)	E (05/26/2022)	Rmb145.46
Shennan Circuits Co Ltd (002916.SZ)	E (08/24/2023)	Rmb402.33
Unimicron (3037.TW)	O (02/23/2026)	NT$863.00
Visual Photonics Epitaxy Co Ltd (2455.TW)	E (09/11/2023)	NT$335.00
Wistron Corporation (3231.TW)	O (07/12/2023)	NT$146.50
Wiwynn Corp (6669.TW)	O (11/10/2025)	NT$5,050.00
Yageo Corp. (2327.TW)	O (10/28/2025)	NT$891.00
Zhen Ding (4958.TW)	O (05/18/2026)	NT$565.00

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