Morgan Stanley | RESEARCH

IDEA

July 28, 2026 04:19 PM GMT

AirTAC International | Asia Pacific

2Q26 Beat; 2026 Guidance Raised Further

AlphaSignals Earnings Reaction

Unchanged	**Modest upside**	**Modest revision higher**
Impact to our thesis	Financial results versus consensus	Direction of next 12-month consensus EPS

Source: Company data, Morgan Stanley Research

The industry up-cycle and AirTAC's own share gain story should continue to play out. Meanwhile, the stock might outperform in the near term amid the volatility in AI sentiment. Stay OW.

2Q26 beat on margins: OPM expanded 1.9ppt, to 35.1% (our estimate: 34.1%; consensus: 34.5%), via bigger scale and greater efficiency. Thus, operating and net profits exceeded our estimates (by 10% and 8%) and consensus (by 9% and 6%). See Results Summary .

During the 2Q26 earnings call, management raised its 2026 guidance again (as it did during the 1Q26 earnings call): It looks for revenue to grow >20% YoY in Rmb terms (vs. prior mid- to high teens) and for operating margin of 34% (vs. prior 33%). It sees the pneumatic component up-cycle being sustained for 2-3 years and that AirTAC should outgrow the market via share gains (target at 35% share in 2030 vs. 30% in 2025). By segment, it expects electronics (new specs in smartphones and overall tech capacity expansion), batteries (Chinese government policies and overseas expansion), automobiles (its own share gains) and traditional markets (machine tools, general machinery, packaging, textiles, etc.) to show double digit (%) growth this year. Energy and lighting should be down (to a narrow extent vs. 2025).

More products to drive stronger growth: To leverage its existing sales team and customer relationship, AirTAC will continue to introduce more products to the market in pneumatic components. It is turning more aggressive in *semiconductors* and expects to see more meaningful revenue contribution from 2H27 (will sell some shared SKUs with other segments first from 2H26), riding the localization trend in China's semi supply chain (target at Rmb1bn in 10 years vs. annualized ~Rmb150mn now). *Linear guides* should continue to gain more traction with improving profitability (~50% GM by this year-end from ~30% now) amid improving end demand in coming years (target Rmb3bn in 10 years vs. ~Rmb550mn in 2025). *Electrical controllers* will have broader offerings in the high-end segment from late 2026 (target Rmb3bn in 10 years vs. Rmb400mn in 2025). Last, *electrical actuators* are likely to be unveiled in 2028/2029.

Stay OW; unchanged price target of NT$2,000 (29x 2027e P/E): The industry up-cycle and company-specific share gains should bolster earnings growth in 2026-27. With undemanding valuation (20x 2027e P/E; mid-cycle average 25x) and potentially favorable fund flows, we think the stock should outperform in the near term.

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AirTAC International (1590.TW, 1590 TT)

Greater China Technology Hardware | Taiwan

Stock Rating	**Overweight**
Industry View	**In-Line**
Price target	NT$2,000.00
Up/downside to price target (%)	47
Shr price, close (Jul 28, 2026)	NT$1,365.00
52-Week Range	NT$1,600.00-741.00
Sh out, dil, curr (mn)	200
Mkt cap, curr (mn)	US$8,463
EV, curr (mn)	US$8,314
Avg daily trading value (mn)	US$32

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS (NT$)**	41.97	60.77	68.77	77.77
EPS (NT$)§	41.43	55.66	63.14	70.27
Prior EPS (NT$)**	-	56.77	65.77	73.77
Revenue, net (NT$ mn)	34,330	45,007	50,917	57,428
EBITDA (NT$ mn)	12,866	17,543	19,669	22,130
ModelWare net inc (NT $ mn)	8,400	12,165	13,765	15,567
P/E	22.2	22.5	19.8	17.6
P/BV	3.5	4.6	4.1	3.6
RNOA (%)	17.7	25.1	25.9	27.3
ROE (%)	17.5	23.1	23.4	23.4
EV/EBITDA	14.1	15.2	13.4	11.7
Div yld (%)	2.2	2.1	2.2	2.5
FCF yld ratio (%)	3.4	2.7	3.5	3.9
Leverage (EOP) (%)	(9.1)	(11.0)	(15.2)	(18.7)

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

Results Summary

2Q26 beat on margins

Off revenue of NT$12,164mn (+21% QoQ/+36% YoY), GM expanded 1.7ppts QoQ, to 49.7% (vs. our estimate at 48.0% and consensus at 48.7%), mainly driven by higher utilization and greater production efficiency.

Owing to incremental social security costs in China, opex was higher at NT$1,783mn (opex ratio 14.7%) vs. our estimate at NT$1,580mn (opex ratio 13.9%) and consensus at NT $1,607mn (opex ratio 14.2%). Operating profit thus came in at NT$4,265mn (OPM 35.1%), surpassing our estimate of NT$3,867mn (OPM 34.1%) and consensus at NT$3,912mn (OPM 34.5%).

With non-op loss of NT$27mn (including PPE disposal loss of NT$127mn, FX gains of NT $5mn and government subsidy of NT$69mn), net profit of NT$3,311mn (EPS NT$16.54) was 8% above our estimate of NT$3,059mn (EPS of NT$15.28) and consensus of NT $3,134mn (EPS of NT$15.61).

Exhibit 1: AirTAC: 2Q26 results summary

	2Q26E Results						
NT$mn	**Actual**	**QoQ**	**YoY**	**MS estimates**	**Variance**	**Consensus**	**Variance**
Net sales	**12,164**	**21%**	**36%**	**11,342**	**7%**	**11,330**	**7%**
COGS	-6,116	17%	27%	-5,895	4%	-5,811	5%
Gross profit	**6,048**	**26%**	**47%**	**5,447**	**11%**	**5,519**	**10%**
Operating expenses	-1,783	21%	29%	-1,580	13%	-1,607	11%
Operating income	**4,265**	28%	56%	**3,867**	**10%**	**3,912**	**9%**
Non-operating income	-27	-127%	-83%	55	-149%	19	-238%
Pre-tax income	4,238	24%	65%	3,922	8%	3,932	8%
Net Income	**3,311**	**24%**	**63%**	**3,059**	**8%**	**3,134**	**6%**
Diluted EPS (NT$)	**16.54**	**24%**	**63%**	**15.28**	**8%**	**15.61**	**6%**
Margins (%)		***ppt***	***ppt***		***ppt***		***ppt***
Gross margin	49.7%	1.7	3.7	48.0%	1.7	48.7%	1.0
Operating margin	35.1%	1.9	4.5	34.1%	1.0	34.5%	0.5
Pre-tax margin	34.8%	0.6	6.1	34.6%	0.3	34.7%	0.1
Net margin	27.2%	0.5	4.5	27.0%	0.2	27.7%	-0.4

Source: Company data, Factset consensus, Morgan Stanley Research estimates

AirTAC: Financial Summary

Exhibit 2: AirTAC: Financial summary

Consolidated Income Statement

NT$ mn (Year End Dec 31)	2024	2025	2026E	2027E	2028E
Net sales	**30,660**	**34,330**	**45,007**	**50,917**	**57,428**
COGS	-16,346	-18,548	-23,031	-26,127	-29,428
Gross profit	**14,314**	**15,782**	**21,976**	**24,790**	**28,000**
Operating expenses	-5,288	-5,494	-6,590	-7,363	-8,222
Operating income	**9,026**	**10,288**	**15,386**	**17,428**	**19,778**
Non-operating income	**608**	**358**	**203**	**220**	**180**
Interest income	40	68	91	100	60
Investment income	0	0	0	0	0
Disposal of investment	0	0	0	0	0
Exchange gain	306	90	25	0	0
Others	262	199	86	120	120
Pre-tax income	**9,634**	**10,645**	**15,589**	**17,648**	**19,958**
Income tax	-2,010	-2,246	-3,424	-3,882	-4,391
Minority interests	0	0	0	0	0
Net income	**7,624**	**8,400**	**12,165**	**13,765**	**15,567**
Adj. wtd. Avg. shrs (m)	200	200	200	200	200
Reported EPS (NT$)	**38.12**	**42.00**	**60.82**	**68.83**	**77.84**
Diluted shrs (m)	200	200	200	200	200
Diluted EPS (NT$)	**38.09**	**41.97**	**60.77**	**68.77**	**77.77**

Consolidated Cash Flow Statement

NT$ mn (Year End Dec 31)	2024	2025	2026E	2027E	2028E
Operating Cashflow	**10,678**	**7,667**	**10,721**	**13,352**	**15,008**
Net Profits	7,624	8,400	12,165	13,765	15,567
Depreciation & Amort.	2,561	2,578	2,156	2,241	2,352
Investment losses/(income)	0	0	0	0	0
Working capital change	-97	-3,987	-2,526	-2,477	-2,716
Other adjustments	591	675	-1,075	-177	-195
Investing Cashflow	**-3,696**	**-969**	**-3,286**	**-3,717**	**-4,192**
Capex	-2,653	-2,815	-3,376	-3,819	-4,307
Change of L/T investment	0	0	0	0	0
Change of S/T investment	0	0	0	0	0
Other adjustments	-1,312	1,728	0	0	0
Financing Cashflow	**-9,518**	**-9,429**	**-5,717**	**-6,027**	**-6,821**
Increase in L/T debt	-13	0	0	0	0
Increase in S/T debt	-5,825	-5,341	0	0	0
Issuance of stock	0	0	0	0	0
Cash dividends	-3,595	-4,002	-5,717	-6,082	-6,883
Other adjustments	-85	-86	0	56	61
FX adjustment	71	-18	-25	0	0
Net change in cash	**-2,466**	**-2,749**	**1,692**	**3,608**	**3,995**

Consolidated Balance Sheet

NT$ mn (Year End Dec 31)	2024	2025	2026E	2027E	2028E
Cash	**6,726**	**3,977**	**5,670**	**9,278**	**13,272**
Mkt securities	1,891	108	108	108	108
AR/NR	9,719	14,395	15,977	18,076	20,387
Inventory	6,803	6,292	9,212	10,451	11,771
Others	280	276	1,350	1,528	1,723
Current Assets	**25,419**	**25,047**	**32,318**	**39,439**	**47,261**
Long-term investments	1,010	1,043	1,043	1,043	1,043
Fixed assets	28,987	28,753	29,882	31,358	33,198
Other assets	2,145	2,696	2,696	2,696	2,696
Total Assets	**57,561**	**57,540**	**65,939**	**74,537**	**84,199**
S/T borrowings	5,611	217	217	217	217
AP/NP	1,129	1,307	2,533	2,874	3,237
Other ST liabilities	2,364	3,106	3,857	4,376	4,929
Total Current Liabilities	**9,103**	**4,630**	**6,608**	**7,467**	**8,383**
L/T debt	-	-	-	-	-
Other LT libilities	558	323	423	479	540
Total Liabilities	**9,662**	**4,953**	**7,031**	**7,945**	**8,922**
Common shares	2,000	2,000	2,000	2,000	2,000
Retained Earnings	31,047	35,734	42,156	49,839	58,523
Other SH' Equity	14,853	14,853	14,753	14,753	14,753
Total Shareholders' Equity	**47,899**	**52,587**	**58,909**	**66,592**	**75,276**
Total Liab./SH's Equity	**57,561**	**57,540**	**65,939**	**74,537**	**84,199**

Consolidated Financial Ratios

	2024	2025	2026E	2027E	2028E
Margins (%)					
Gross margin	46.7	46.0	48.8	48.7	48.8
Operating margin	29.4	30.0	34.2	34.2	34.4
Pretax margin	31.4	31.0	34.6	34.7	34.8
Net margin	24.9	24.5	27.0	27.0	27.1
YoY growth (%)					
Sales	2.8	12.0	31.1	13.1	12.8
Operating profits	2.0	14.0	49.6	13.3	13.5
Pretax profits	8.3	10.5	46.4	13.2	13.1
Net profits	9.4	10.2	44.8	13.2	13.1
Others					
Cash dividend payout (%)	51	68	50	50	50
Cash div (NT$)	19.5	28.6	30.4	34.4	38.9
Yield (%)	3	4	5	6	6
Net Debt/Equity (%)	(6)	(7)	(9)	(14)	(17)
Liabilities/Equity (%)	20	9	12	12	12
Liabilities/Assets (%)	17	9	11	11	11
ROAE (%)	17	17	22	22	22
ROAA (%)	13	15	20	20	20
AR/NR Turnover (days)	117	128	123	122	122
Inventory Turnover (days)	149	129	123	137	138
AP/NP Turnover (days)	25	24	30	38	38
Cash conversion cycle	240	233	216	222	222

Source: Company data, Morgan Stanley Research (E) estimates

Exhibit 3: AirTAC: Quarterly financials

NT$ mn	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	2025	2026E	2027E
Net sales	**8,096**	**8,953**	**8,246**	**9,035**	**10,014**	**12,164**	**11,586**	**11,243**	**34,330**	**45,007**	**50,917**
COGS	-4,522	-4,834	-4,449	-4,743	-5,210	-6,116	-5,928	-5,777	-18,548	-23,031	-26,127
Gross profit	**3,574**	**4,119**	**3,797**	**4,292**	**4,804**	**6,048**	**5,658**	**5,466**	**15,782**	**21,976**	**24,790**
Operating expenses	-1,302	-1,387	-1,336	-1,469	-1,479	-1,783	-1,689	-1,639	-5,494	-6,590	-7,363
SG&A, R&D exp.	-1,302	-1,387	-1,336	-1,469	-1,479	-1,783	-1,689	-1,639	-5,494	-6,590	-7,363
Operating income	**2,272**	**2,732**	**2,460**	**2,823**	**3,325**	**4,265**	**3,969**	**3,828**	**10,288**	**15,386**	**17,428**
Non-operating income	**194**	**-162**	**192**	**134**	**99**	**-27**	**65**	**65**	**358**	**203**	**220**
Interest income	19	16	20	13	17	24	25	25	68	91	100
Investment income	0	0	0	0	0	0	0	0	0	0	0
Disposal of investment	0	0	0	0	0	0	0	0	0	0	0
Exchange gain	104	-287	145	127	21	5	0	0	90	25	0
Others	70	109	27	-6	61	-55	40	40	199	86	120
Pre-tax income	**2,466**	**2,570**	**2,652**	**2,957**	**3,424**	**4,238**	**4,034**	**3,893**	**10,645**	**15,589**	**17,648**
Income tax	-530	-533	-553	-629	-753	-927	-887	-856	-2,246	-3,424	-3,882
Minority interest	0	0	0	0	0	0	0	0	0	0	0
Net income	**1,936**	**2,037**	**2,099**	**2,328**	**2,671**	**3,311**	**3,146**	**3,036**	**8,400**	**12,165**	**13,765**
Adj.wtd.avg.shrs (mn)	200	200	200	200	200	200	200	200	200	200	200
EPS (NT$)	**9.67**	**10.18**	**10.49**	**11.63**	**13.34**	**16.54**	**15.72**	**15.17**	**42.00**	**60.82**	**68.83**
Fully diluted shares (mn)	200	200	200	200	200	200	200	200	200	200	200
Diluted EPS (NT$)	**9.67**	**10.18**	**10.49**	**11.63**	**13.34**	**16.54**	**15.72**	**15.17**	**41.97**	**60.77**	**68.77**
Margins (%)											
Gross Margin	44.1	46.0	46.0	47.5	48.0	49.7	48.8	48.6	46.0	48.8	48.7
Operating Margin	28.1	30.5	29.8	31.2	33.2	35.1	34.3	34.0	30.0	34.2	34.2
Pretax Margin	30.5	28.7	32.2	32.7	34.2	34.8	34.8	34.6	31.0	34.6	34.7
Net Margin	23.9	22.8	25.5	25.8	26.7	27.2	27.2	27.0	24.5	27.0	27.0
QoQ Growth (%)											
Sales	6	11	-8	10	11	21	-5	-3			
Gross Profit	2	15	-8	13	12	26	-6	-3			
Operating Profit	6	20	-10	15	18	28	-7	-4			
Pretax Profit	9	4	3	11	16	24	-5	-4			
Net Profit	7	5	3	11	15	24	-5	-4			
YoY Growth (%)											
Sales	12	6	12	18	24	36	41	24	12	31	13
Gross Profit	5	3	11	22	34	47	49	27	10	39	13
Operating Profit	5	3	19	32	46	56	61	36	14	50	13
Pretax Profit	6	-10	22	31	39	65	52	32	11	46	13
Net Profit	6	-10	21	29	38	63	50	30	10	45	13

Source: Company data, Morgan Stanley Research (E) estimates

AirTAC: Estimate revisions

We raise our earnings estimates 7% for 2026 and 5% each for 2027 and 2028 as we factor in the strong 2Q26 results, along with raised 2026 guidance.

Exhibit 4: AirTAC: Estimate revisions

Year to Dec. 31	2026E			2027E			2028E		
NT$ mn	New	Old	% diff	New	Old	% diff	New	Old	% diff
P&L Summary									
Net sales	**45,007**	**42,689**	**5%**	**50,917**	**49,091**	**4%**	**57,428**	**55,118**	**4%**
COGS	-23,031	-22,293		-26,127	-25,562		-29,428	-28,649	
Gross profit	**21,976**	**20,396**	**8%**	**24,790**	**23,529**	**5%**	**28,000**	**26,470**	**6%**
Operating expenses	-6,590	-6,092		-7,363	-6,871		-8,222	-7,678	
Operating income	**15,386**	**14,303**	**8%**	**17,428**	**16,659**	**5%**	**19,778**	**18,792**	**5%**
Non-operating income	203	264		220	220		180	140	
Pre-tax income	**15,589**	**14,568**	**7%**	**17,648**	**16,879**	**5%**	**19,958**	**18,932**	**5%**
Income tax	-3,424	-3,205		-3,882	-3,713		-4,391	-4,165	
Minority interest	0	0		0	0		0	0	
Net income	**12,165**	**11,363**	**7%**	**13,765**	**13,165**	**5%**	**15,567**	**14,767**	**5%**
Diluted EPS (NT$)	**60.77**	**56.77**	**7%**	**68.77**	**65.77**	**5%**	**77.77**	**73.77**	**5%**
Margins									
Gross margin	48.8%	47.8%		48.7%	47.9%		48.8%	48.0%	
Operating margin	34.2%	33.5%		34.2%	33.9%		34.4%	34.1%	
Pretax margin	34.6%	34.1%		34.7%	34.4%		34.8%	34.3%	
Net margin	27.0%	26.6%		27.0%	26.8%		27.1%	26.8%	

Source: Morgan Stanley Research (E) estimates

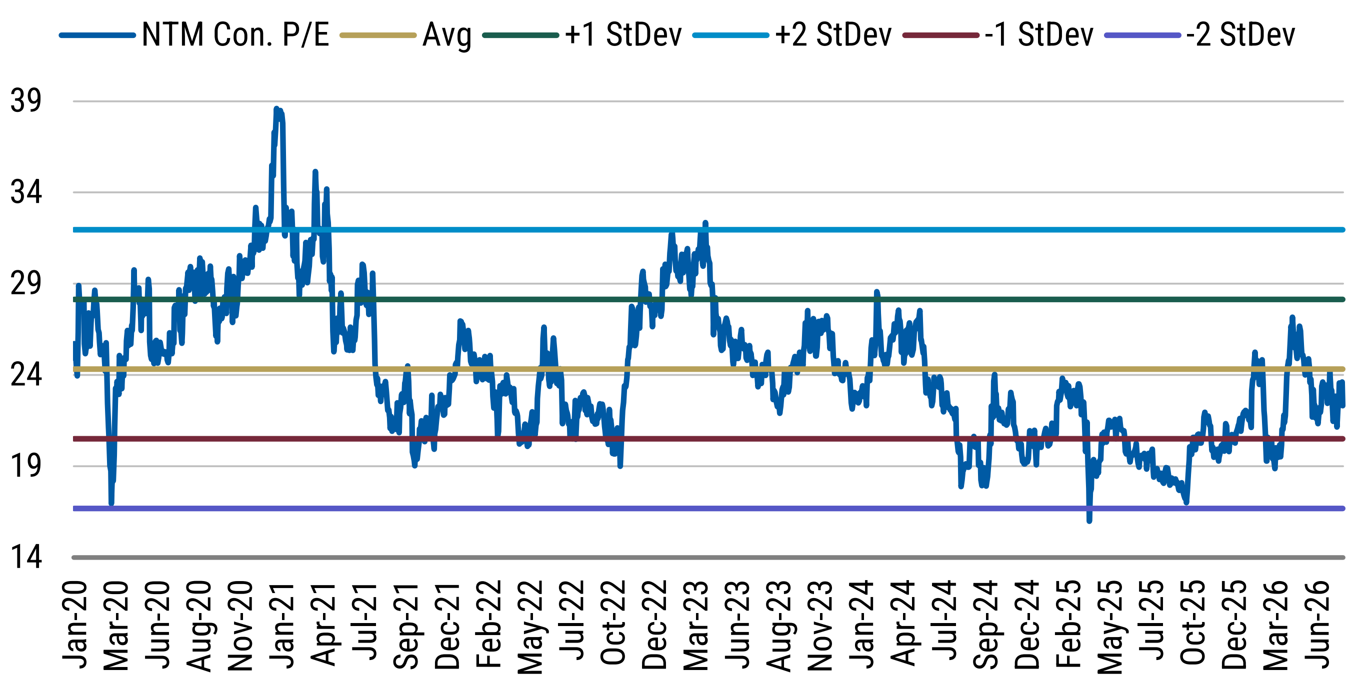
AirTAC: Valuation Methodology

Our price target remains unchanged at NT$2,000: This is our base case value, derived by applying a target P/E multiple of 29x to our 2027 EPS estimate (30x previously). We lowered our targeted multiple to factor in the recent market volatility. We view our multiple as reasonable as we enter an up-cycle alongside AirTAC's continued share gain story, slightly below its peak valuation of 30x P/E. Since 2011, the forward P/E multiple has ranged from 12x to 40x, which we view as consistent with its business cycles. We believe operating margin is a good cycle indicator, as it is highly dependent upon operating leverage.

Bull case scenario value – NT$2,200: We apply a 32x P/E multiple to our 2027 EPS estimate (vs. 33x previously). This scenario mainly reflects stronger-than-expected pneumatic component demand, driving more earnings upside.

Bear case scenario value – NT$950: We apply a 14x P/E multiple to our 2027 EPS estimate (unchanged). This scenario mainly factors in a weaker-than-expected macro environment, affecting capital expenditure across sectors and reducing overall demand for pneumatic components.

Exhibit 5: NTM consensus P/E



Source: Factset consensus

Risk Reward – AirTAC International (1590.TW)

Share Gains Driving Ongoing Growth

PRICE TARGET NT$2,000.00

Base case, 29x 2027e P/E. We believe this methodology better captures earnings growth momentum for industrial automation component plays (market sentiment moves along with business cycles). As the industry enters an up-cycle, we think applying a near-peak cycle valuation of 29x P/E is reasonable given the stronger business outlook.

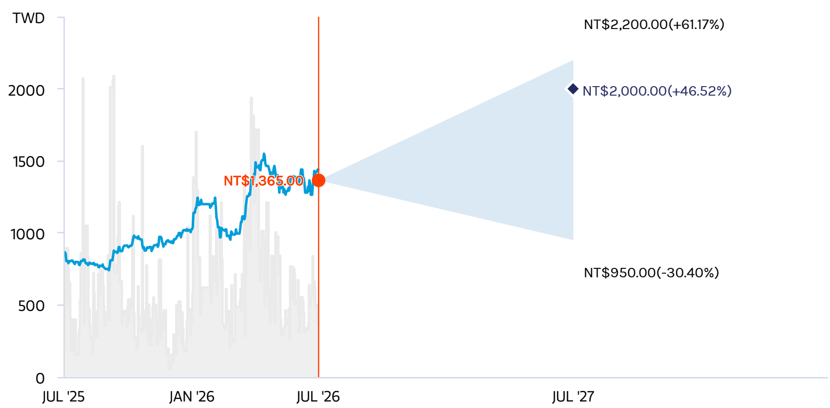
Consensus Price Target Distribution

NT$1,090.00 — NT$1,747.13 (Mean) — NT$2,000.00 (MS PT)

◆ Mean ◆ Morgan Stanley Estimates

Source: Refinitiv, Morgan Stanley Research

RISK REWARD CHART



Key: — Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research

OVERWEIGHT THESIS

- Alongside the secular trend toward increasing automation in manufacturing, we expect AirTAC to continue gaining share in pneumatic components, with incremental revenue contribution from linear guides in coming years.
- We believe AirTAC's business should be more geared toward domestic demand in China. China's reliance on the US for exports has been decreasing since 2018, so we believe the impact of reciprocal tariffs looks manageable, especially with additional government policies potentially in the pipeline to mitigate softer export growth.
- We stay OW, with a price target of NT$2,000 based on a target multiple of 29x 2027e P/E.

Consensus Rating Distribution

100%	Overweight
0%	Equal-weight
0%	Underweight

● MS Rating

Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Electric Vehicles: *Positive*
New Data Era: *Positive*
Secular Growth: *Positive*

View descriptions of Risk Rewards Themes here

BULL CASE NT$2,200.00

32x 2027e base case EPS

Stronger-than-expected pneumatic component and linear guide demand: This drives more earnings upside in coming years.

BASE CASE NT$2,000.00

29x 2027e base case EPS

Revenue growth and slight margin expansion: The market is now entering an up-cycle, and AirTAC should outgrow it through share gains and incremental contribution from new businesses.

BEAR CASE NT$950.00

14x 2027e base case EPS

Macro headwinds leading to weaker demand: A weaker-than-expected macro environment affects capital expenditures across segments and reduces overall demand for pneumatic components.

Risk Reward – AirTAC International (1590.TW)

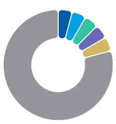
KEY EARNINGS INPUTS

Drivers	Dec 2025	Dec 2026e	Dec 2027e	Dec 2028e
Shipment YoY (%)	16.9	21.8	12.8	12.3
ASP YoY (%)	(1.1)	0.7	(0.4)	0.3

INVESTMENT DRIVERS

- Monthly sales growth momentum
- Margin improvement

GLOBAL REVENUE EXPOSURE



- 0-10% APAC, ex Japan, Mainland China and India
- 0-10% Europe ex UK
- 0-10% Japan
- 0-10% North America
- 0-10% UK
- 90-100% Mainland China

Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies here

MS ALPHA MODELS

3/5 MOST | 3 Month Horizon

Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

RISKS TO PT/RATING

RISKS TO UPSIDE

- Stronger macroeconomic climate in China
- Stronger-than-expected demand from industrial automation

RISKS TO DOWNSIDE

- Sharper economic downturn in China
- Miniature linear guideway business development taking more time
- Larger-than-expected investment in new products but weaker-than-expected demand

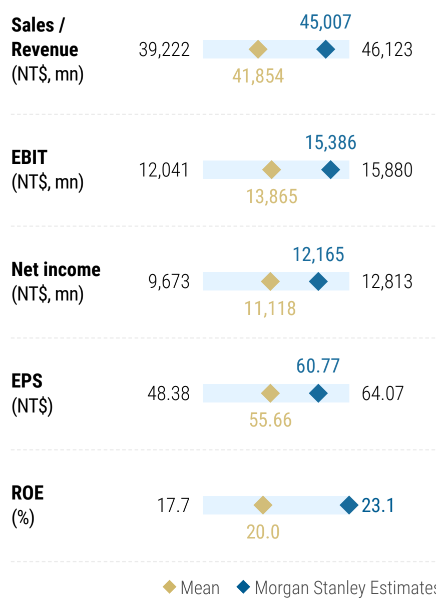
OWNERSHIP POSITIONING

Inst. Owners, % Active 80.9%

Source: Refinitiv, Morgan Stanley Research

MS ESTIMATES VS. CONSENSUS

FY Dec 2026e



Source: Refinitiv, Morgan Stanley Research

Risk Reward Reference links

1. View explanation of Options Probabilities methodology - Options_Probabilities_Exhibit_Link.pdf

2. View descriptions of Risk Rewards Themes - RR_Themes_Exhibit_Link.pdf

3. View explanation of regional hierarchies - GEG_Exhibit_Link.pdf

4. View explanation of Theme/Exposure methodology - ESG_Sustainable_Solutions_External_Link.pdf

5. View explanation of HERS methodology - ESG_HERS_External_Link.pdf

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(as of June 30, 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	1544	42%	453	49%	29%	757	44%
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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Unless otherwise specified, the time frame for price targets included in Morgan Stanley Research is 12 to 18 months.

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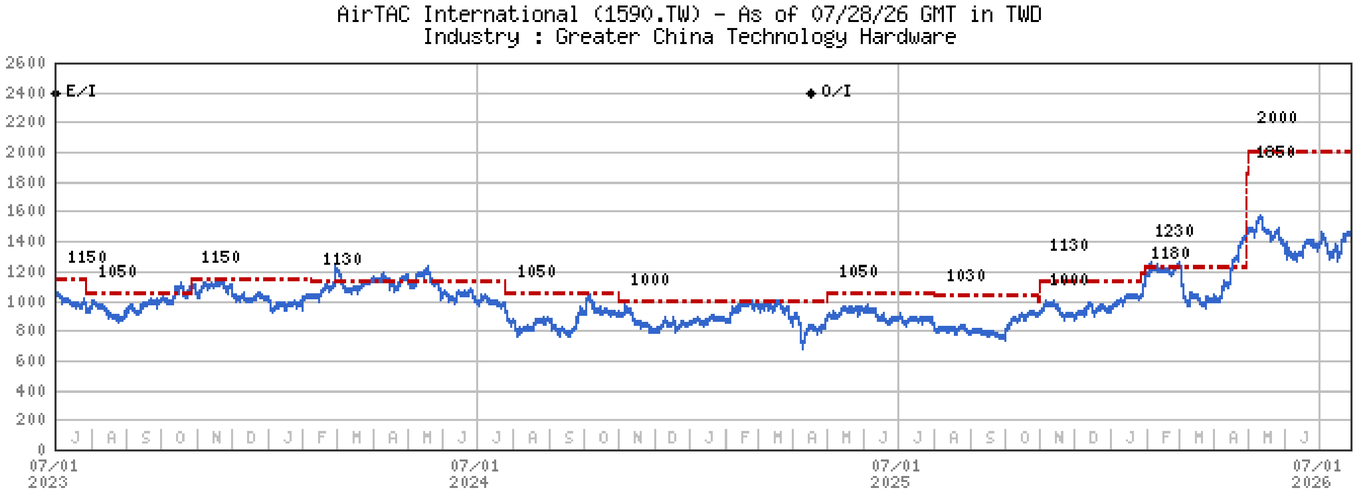
Stock Price, Price Target and Rating History (See Rating Definitions)



Stock Rating History: 7/1/21 : O/I; 11/8/21 : E/I; 1/11/22 : O/I; 8/4/22 : E/I; 4/16/25 : O/I

Price Target History: 4/29/21 : 1567.27; 8/5/21 : 1379.98; 10/4/21 : 1300; 11/8/21 : 870; 1/11/22 : 1250; 3/24/22 : 1150; 8/4/22 : 850; 10/27/22 : 600; 1/16/23 : 1050; 2/8/23 : 1100; 4/26/23 : 1150; 7/28/23 : 1050; 10/26/23 : 1150; 2/7/24 : 1130; 7/25/24 : 1050; 11/1/24 : 1000; 4/30/25 : 1050; 8/1/25 : 1030; 10/30/25 : 1000; 10/31/25 : 1130; 1/27/26 : 1180; 1/30/26 : 1230; 4/28/26 : 1850; 4/30/26 : 2000

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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COMPANY (TICKER)	RATING (AS OF)	PRICE* (07/28/2026)
Andy Meng, CFA		
AAC Technologies Holdings (2018.HK)	O (01/29/2024)	HK$38.84
Accelink Technologies Co. Ltd. (002281.SZ)	U (05/12/2022)	Rmb173.57
BYD Electronics (0285.HK)	O (04/28/2023)	HK$23.18
China TransInfo Technology Co Ltd (002373.SZ)	E (07/18/2023)	Rmb7.53
Dahua Technology Co. Ltd. (002236.SZ)	E (12/12/2024)	Rmb16.37
Eoptolink Technology Inc Ltd (300502.SZ)	O (02/27/2026)	Rmb406.90
Genius Electronic Optical Co. Ltd. (3406.TW)	E (04/23/2025)	NT$482.50
GoerTek Inc (002241.SZ)	U (04/23/2025)	Rmb22.85
Gosuncn Technology Group Co Ltd (300098.SZ)	U (11/07/2022)	Rmb4.42
HIKVision Digital Technology (002415.SZ)	E (12/12/2024)	Rmb36.14
Largan Precision (3008.TW)	O (07/10/2026)	NT$3,900.00
LianChuang Electronic Technology Co Ltd (002036.SZ)	U (06/12/2024)	Rmb7.23
Lingyi Itech Guangdong Co (002600.SZ)	U (04/23/2025)	Rmb12.03
Luxshare Precision Industry Co., Ltd. (002475.SZ)	O (10/24/2016)	Rmb60.10
OFILM Group Co Ltd (002456.SZ)	U (06/12/2024)	Rmb6.83
Q Technology (Group) Company Ltd (1478.HK)	U (03/23/2026)	HK$6.78
Quectel Wireless Solutions Co Ltd (603236.SS)	E (10/09/2024)	Rmb48.92
Shanghai Conant Optical Co Ltd (2276.HK)	O (04/10/2026)	HK$29.46
Shenzhen Transsion Holdings Co Ltd (688036.SS)	E (03/23/2026)	Rmb65.60
Sunny Optical (2382.HK)	E (03/23/2026)	HK$58.05
Suzhou TFC Optical Communication Co Ltd. (300394.SZ)	E (11/06/2025)	Rmb181.56
Wingtech Technology Co Ltd (600745.SS)	U (05/18/2026)	Rmb16.84
Xiaomi Corp (1810.HK)	O (04/14/2021)	HK$29.26
Yangtze Optical Fibre and Cable JSC Ltd (601869.SS)	U (10/13/2021)	Rmb302.30

Yangtze Optical Fibre and Cable JSC Ltd (6869.HK)	O (07/15/2026)	HK$109.30
Yongxin Optics Co Ltd (603297.SS)	E (11/15/2022)	Rmb101.66
Zhejiang Crystal-Optech Co Ltd (002273.SZ)	O (11/15/2022)	Rmb26.10
Zhongji Innolight Co Ltd (300308.SZ)	++	Rmb908.00
ZTE Corporation (0763.HK)	O (06/04/2026)	HK$24.12
ZTE Corporation (000063.SZ)	E (06/04/2026)	Rmb34.03
Derrick Yang		
Accton Technology Corporation (2345.TW)	O (06/06/2024)	NT$2,040.00
Advantech (2395.TW)	O (01/20/2021)	NT$556.00
AirTAC International (1590.TW)	O (04/16/2025)	NT$1,365.00
Asia Vital Components Co. Ltd. (3017.TW)	O (07/30/2024)	NT$2,240.00
AU Optronics (2409.TW)	E (02/10/2026)	NT$23.90
Auras Technology Co Ltd (3324.TWO)	E (05/04/2023)	NT$870.00
Bizlink (3665.TW)	O (03/10/2025)	NT$2,215.00
BOE Technology (000725.SZ)	O (09/06/2019)	Rmb5.58
Chenbro (8210.TW)	O (07/23/2025)	NT$1,020.00
Chroma Ate Inc. (2360.TW)	O (10/05/2021)	NT$1,940.00
Delta Electronics Inc. (2308.TW)	O (07/13/2017)	NT$1,580.00
E Ink Holdings Inc. (8069.TWO)	O (05/11/2026)	NT$173.00
Ennostar Inc (3714.TW)	U (09/23/2022)	NT$49.20
Fositek Corp (6805.TW)	O (06/25/2025)	NT$1,340.00
Hiwin Technologies Corp. (2049.TW)	O (03/30/2026)	NT$300.00
Innolux (3481.TW)	E (04/07/2025)	NT$45.00
King Slide Works Co. Ltd. (2059.TW)	O (11/08/2023)	NT$7,450.00
Lens Technology (300433.SZ)	E (07/22/2020)	Rmb33.86
Lite-On Technology (2301.TW)	E (01/15/2025)	NT$194.00
TCL Corp. (000100.SZ)	E (04/07/2025)	Rmb4.91
Tianma Microelectronics (000050.SZ)	U (01/24/2018)	Rmb6.33
Wuhan Jingce Electronic Group Co Ltd (300567.SZ)	E (11/26/2021)	Rmb209.40
Howard Kao		
Acer Inc. (2353.TW)	U (04/23/2025)	NT$28.85
Asustek Computer Inc. (2357.TW)	U (11/16/2025)	NT$735.00
Catcher Technology (2474.TW)	U (11/17/2025)	NT$184.50
Compal Electronics (2324.TW)	U (04/23/2025)	NT$34.70
FIT Hon Teng Ltd (6088.HK)	O (11/03/2025)	HK$4.86
Foxconn Industrial Internet Co. Ltd. (601138.SS)	O (07/10/2019)	Rmb58.08
Giga-Byte Technology Co. Ltd. (2376.TW)	E (11/16/2025)	NT$327.00
Gold Circuit Electronics Ltd. (2368.TW)	O (10/06/2022)	NT$809.00
Hon Hai Precision (2317.TW)	O (03/15/2024)	NT$238.00
Inspur Electronic Information (000977.SZ)	E (08/28/2023)	Rmb79.85
LandMark Optoelectronics Corporation (3081.TWO)	E (03/26/2026)	NT$1,710.00
Lenovo (0992.HK)	O (07/10/2026)	HK$23.42
Lotes Co. Ltd. (3533.TW)	E (05/12/2025)	NT$1,835.00
Nan Ya PCB (8046.TW)	O (02/23/2026)	NT$976.00
Pegatron Corporation (4938.TW)	E (03/25/2026)	NT$83.20
Quanta Computer Inc. (2382.TW)	O (05/01/2023)	NT$313.50
Shengyi Technology Co Ltd. (600183.SS)	E (05/26/2022)	Rmb113.39
Shennan Circuits Co Ltd (002916.SZ)	E (08/24/2023)	Rmb318.10
Unimicron (3037.TW)	O (02/23/2026)	NT$764.00
Visual Photonics Epitaxy Co Ltd (2455.TW)	E (09/11/2023)	NT$302.50
Wistron Corporation (3231.TW)	O (07/12/2023)	NT$170.00
Wiwynn Corp (6669.TW)	O (11/10/2025)	NT$5,315.00
Yageo Corp. (2327.TW)	O (10/28/2025)	NT$563.00
Zhen Ding (4958.TW)	O (05/18/2026)	NT$427.50

Stock Ratings are subject to change. Please see latest research for each company.

* Historical prices are not split adjusted.