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Chenbro | Asia Pacific

June Sales Rose 29% MoM, 98% YoY

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

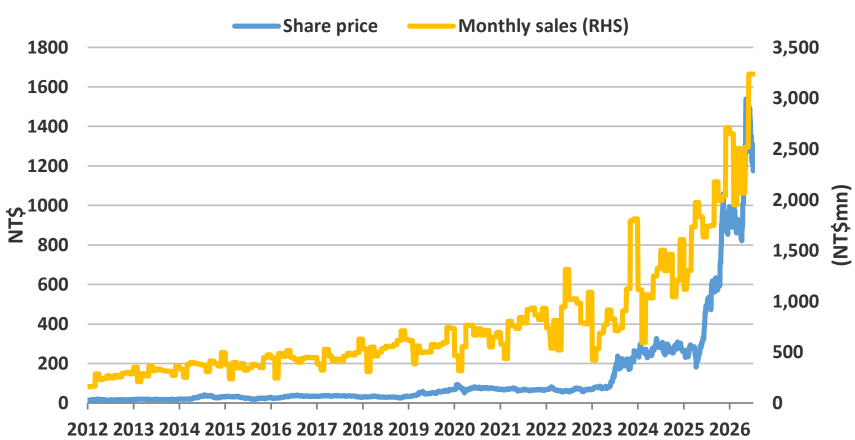
Details:

- June sales were NT$3,238mn (+29% MoM/+98% YoY), a record high.
- 2Q26 revenue came in at NT$7,821mn (+10% QoQ/+44% YoY), above our estimate of NT$7,596mn (+7% QoQ/+40% YoY) and consensus at NT $7,711mn (+8% QoQ/+42% YoY) by 3% and 1%, respectively.

Our view:

- Management remains optimistic on the 2H26 outlook, supported by GPU/ ASIC and general servers, as well as increasing rack shipments.
- Looking ahead, it is also leveraging its expertise in chassis manufacturing to tap in more mechanical components and integration services in AI clusters.
- We maintain our view that Chenbro should benefit from AI server shipment growth and its share gains, as well as incremental contribution from rack offerings, in the coming years.

Exhibit 1: Chenbro's monthly sales vs. its share price since 2012



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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Chenbro (8210.TW, 8210 TT)

Greater China Technology Hardware | Taiwan

Stock Rating	**Overweight**
Industry View	**In-Line**
Price target	NT$1,780.00
Up/downside to price target (%)	51
Shr price, close (Jul 7, 2026)	NT$1,175.00
52-Week Range	NT$1,590.00-473.50
Sh out, dil, curr (mn)	122
Mkt cap, curr (mn)	NT$143,863
EV, curr (mn)	NT$141,311
Avg daily trading value (mn)	NT$2,357

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS (NT$)**	29.06	47.77	58.77	68.77
EPS (NT$)§	28.97	48.99	65.13	71.11
Revenue, net (NT$ mn)	22,001	33,442	41,504	48,078
EBITDA (NT$ mn)	5,101	8,320	10,119	11,741
ModelWare net inc (NT $ mn)	3,558	5,848	7,195	8,420
P/E	34.6	24.6	20.0	17.1
P/BV	11.4	9.7	7.5	6.0
RNOA (%)	48.5	68.6	66.4	72.9
ROE (%)	49.0	52.8	47.3	43.0
EV/EBITDA	24.2	16.8	13.4	11.2
Div yld (%)	0.7	1.2	2.0	2.4
FCF yld ratio (%)**	2.1	2.5	4.5	5.5
Leverage (EOP) (%)	(28.3)	(32.8)	(44.3)	(53.5)

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

Catalyst Event Reaction

Company / Catalyst	Date	Impact to thesis	Catalyst versus expectation
Chenbro 8210.TW			
June 2026 sales	07 Jul 2026	Unchanged	| In-line

Source:Company data, Morgan Stanley Research

Valuation Methodology and Risks

Chenbro (8210.TW)

Base case, derived from 30x 2027e P/E. We view our target multiple as justified by the 33% earnings CAGR we see for 2025-28, which implies a PEG of 0.9. This is in line the average of 0.9 over 2014-24, when the stock was trading at an average P/E of 12x for a 14% earnings CAGR.

Risks to Upside

- Stronger AI capex outlook
- Larger market share gains within existing customers
- Faster penetration into new customers
- Higher entry barrier among peers that leads to higher ASP/profitability
- Better macro outlook

Risks to Downside

- Softer AI capex
- Less share gains within existing customers
- Slower penetration into new customers
- Intensifying competition leading to lower ASP/profitability
- Continuous macro uncertainties

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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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Overweight (O). The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.
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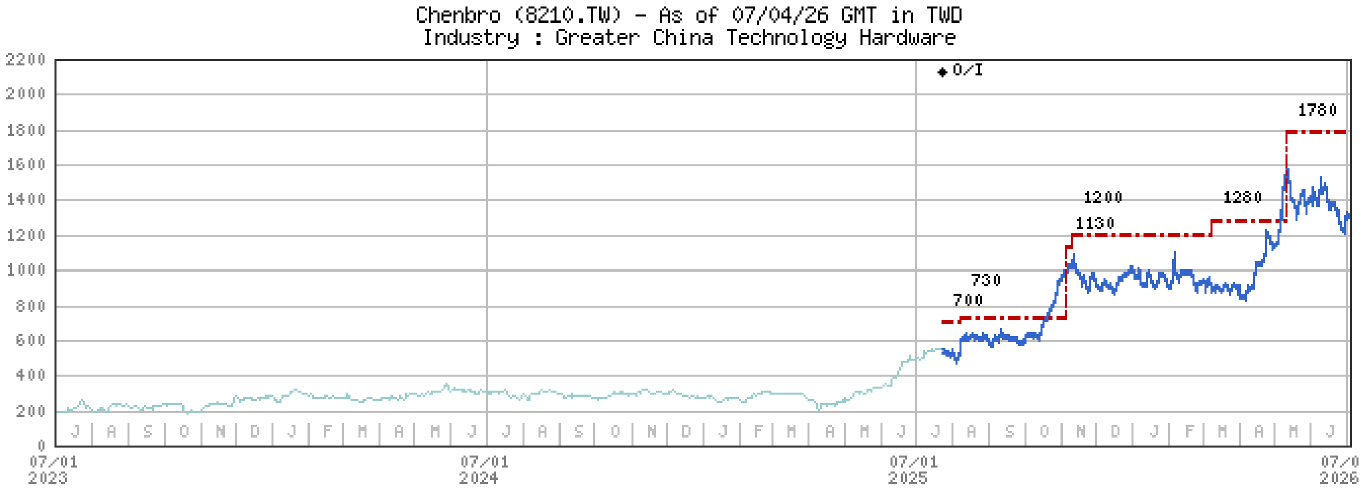
Stock Price, Price Target and Rating History (See Rating Definitions)



Stock Rating History: 7/23/25 : O/I

Price Target History: 7/23/25 : 700; 8/8/25 : 730; 11/4/25 : 1130; 11/10/25 : 1200; 3/9/26 : 1280; 5/11/26 : 1780

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 COVERAGE: Greater China Technology Hardware

COMPANY (TICKER)	RATING (AS OF)	PRICE* (07/07/2026)
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)	Rmb221.67
BYD Electronics (0285.HK)	O (04/28/2023)	HK$20.30
China TransInfo Technology Co Ltd (002373.SZ)	E (07/18/2023)	Rmb6.92
Dahua Technology Co. Ltd. (002236.SZ)	E (12/12/2024)	Rmb16.43
Eoptolink Technology Inc Ltd (300502.SZ)	O (02/27/2026)	Rmb510.10
Genius Electronic Optical Co. Ltd. (3406.TW)	E (04/23/2025)	NT$609.00
Gosuncn Technology Group Co Ltd (300098.SZ)	U (11/07/2022)	Rmb4.33
HIKVision Digital Technology (002415.SZ)	E (12/12/2024)	Rmb33.86
Largan Precision (3008.TW)	E (10/17/2025)	NT$3,890.00
LianChuang Electronic Technology Co Ltd (002036.SZ)	U (06/12/2024)	Rmb6.73
OFILM Group Co Ltd (002456.SZ)	U (06/12/2024)	Rmb9.09
Q Technology (Group) Company Ltd (1478.HK)	U (03/23/2026)	HK$6.52
Quectel Wireless Solutions Co Ltd (603236.SS)	E (10/09/2024)	Rmb50.55
Shanghai Conant Optical Co Ltd (2276.HK)	O (04/10/2026)	HK$34.90
Shenzhen Transsion Holdings Co Ltd (688036.SS)	E (03/23/2026)	Rmb63.78
Sunny Optical (2382.HK)	E (03/23/2026)	HK$55.65
Suzhou TFC Optical Communication Co Ltd. (300394.SZ)	E (11/06/2025)	Rmb244.09
Wingtech Technology Co Ltd (600745.SS)	U (05/18/2026)	Rmb17.92
Xiaomi Corp (1810.HK)	O (04/14/2021)	HK$23.10
Yangtze Optical Fibre and Cable JSC Ltd (601869.SS)	U (10/13/2021)	Rmb429.16
Yangtze Optical Fibre and Cable JSC Ltd (6869.HK)	E (04/20/2023)	HK$158.20
Yongxin Optics Co Ltd (603297.SS)	E (11/15/2022)	Rmb122.76
Zhejiang Crystal-Optech Co Ltd (002273.SZ)	O (11/15/2022)	Rmb34.17
Zhongji Innolight Co Ltd (300308.SZ)	++	Rmb1,121.90
ZTE Corporation (0763.HK)	O (06/04/2026)	HK$22.66

ZTE Corporation (000063.SZ)	E (06/04/2026)	Rmb35.79
Derrick Yang		
Accton Technology Corporation (2345.TW)	O (06/06/2024)	NT$2,455.00
Advantech (2395.TW)	O (01/20/2021)	NT$496.50
AirTAC International (1590.TW)	O (04/16/2025)	NT$1,380.00
AU Optronics (2409.TW)	E (02/10/2026)	NT$29.35
Bizlink (3665.TW)	O (03/10/2025)	NT$1,980.00
BOE Technology (000725.SZ)	O (09/06/2019)	Rmb7.58
Chenbro (8210.TW)	O (07/23/2025)	NT$1,175.00
Chroma Ate Inc. (2360.TW)	O (10/05/2021)	NT$1,965.00
E Ink Holdings Inc. (8069.TWO)	O (05/11/2026)	NT$198.50
Ennostar Inc (3714.TW)	U (09/23/2022)	NT$61.30
Hiwin Technologies Corp. (2049.TW)	O (03/30/2026)	NT$344.50
Innolux (3481.TW)	E (04/07/2025)	NT$64.20
King Slide Works Co. Ltd. (2059.TW)	O (11/08/2023)	NT$8,260.00
Lens Technology (300433.SZ)	E (07/22/2020)	Rmb51.85
Radiant Opto-Electronics Corporation (6176.TW)	E (03/01/2024)	NT$91.20
TCL Corp. (000100.SZ)	E (04/07/2025)	Rmb5.26
Tianma Microelectronics (000050.SZ)	U (01/24/2018)	Rmb8.33
Wuhan Jingce Electronic Group Co Ltd (300567.SZ)	E (11/26/2021)	Rmb269.00
Howard Kao		
Acer Inc. (2353.TW)	U (04/23/2025)	NT$32.00
Asustek Computer Inc. (2357.TW)	U (11/16/2025)	NT$663.00
Compal Electronics (2324.TW)	U (04/23/2025)	NT$35.30
FIT Hon Teng Ltd (6088.HK)	O (11/03/2025)	HK$5.97
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$1,135.00
Inspur Electronic Information (000977.SZ)	E (08/28/2023)	Rmb71.06
Lenovo (0992.HK)	E (11/16/2025)	HK$20.88
Lotes Co. Ltd. (3533.TW)	E (05/12/2025)	NT$1,965.00
Nan Ya PCB (8046.TW)	O (02/23/2026)	NT$1,030.00
Pegatron Corporation (4938.TW)	E (03/25/2026)	NT$82.30
Quanta Computer Inc. (2382.TW)	O (05/01/2023)	NT$373.00
Shengyi Technology Co Ltd. (600183.SS)	E (05/26/2022)	Rmb150.77
Shennan Circuits Co Ltd (002916.SZ)	E (08/24/2023)	Rmb412.10
Unimicron (3037.TW)	O (02/23/2026)	NT$840.00
Wistron Corporation (3231.TW)	O (07/12/2023)	NT$155.50
Wiwynn Corp (6669.TW)	O (11/10/2025)	NT$5,015.00
Yageo Corp. (2327.TW)	O (10/28/2025)	NT$905.00
Zhen Ding (4958.TW)	O (05/18/2026)	NT$548.00
Sharon Shih		
Asia Vital Components Co. Ltd. (3017.TW)	O (07/30/2024)	NT$2,450.00
Auras Technology Co Ltd (3324.TWO)	E (05/04/2023)	NT$970.00
Catcher Technology (2474.TW)	U (11/17/2025)	NT$196.00
Delta Electronics Inc. (2308.TW)	O (07/13/2017)	NT$1,890.00
Fositek Corp (6805.TW)	O (06/25/2025)	NT$1,490.00
Foxconn Industrial Internet Co. Ltd. (601138.SS)	O (07/10/2019)	Rmb63.78
GoerTek Inc (002241.SZ)	U (04/23/2025)	Rmb21.08
Hon Hai Precision (2317.TW)	O (03/15/2024)	NT$237.00
LandMark Optoelectronics Corporation (3081.TWO)	E (03/26/2026)	NT$1,905.00
Lingyi Itech Guangdong Co (002600.SZ)	U (04/23/2025)	Rmb15.93
Lite-On Technology (2301.TW)	E (01/15/2025)	NT$213.00
Luxshare Precision Industry Co., Ltd. (002475.SZ)	O (10/24/2016)	Rmb63.28
Visual Photonics Epitaxy Co Ltd (2455.TW)	E (09/11/2023)	NT$318.50

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* Historical prices are not split adjusted.