October 8, 2026 12:09 PM GMT

Chenbro | Asia Pacific

September Sales +1% MoM/ +14% YoY

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

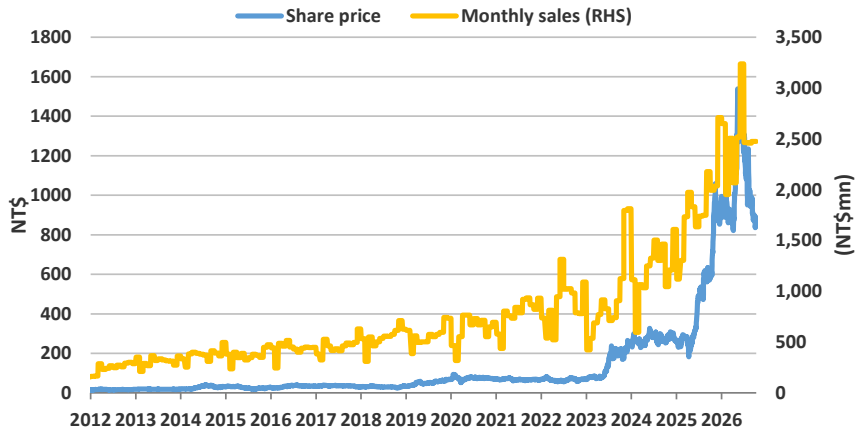
Details:

- September sales were NT$2,476mn (+1% MoM/+14% YoY).
- 3Q26 sales came in at NT$7,395mn (-5% QoQ/+31% YoY), short of our 3Q26 estimate at NT$8,368mn (+7% QoQ/+48% YoY) and the consensus at NT $8,552mn (+9% QoQ/+51% YoY).

Our view:

- 3Q26 revenue fell slightly short of the buyside expectation of roughly flat QoQ, in our view, and 4Q26 should be flat to up slightly QoQ.
- We think near-term sentiment will remain lackluster amid the temporary hiccup resulting from supply-chain management issues and its customer's model transition. That said, demand from its GPU/ASIC server clusters and general servers should remain strong, driving orders for its chassis and rack offerings.
- Stay OW.

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$1,600.00
Up/downside to price target (%)	83
Shr price, close (Oct 8, 2026)	NT$874.00
52-Week Range	NT$1,590.00-597.00
Sh out, dil, curr (mn)	122
Mkt cap, curr (mn)	NT$107,010
EV, curr (mn)	NT$104,457
Avg daily trading value (mn)	NT$2,402

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	48.20	63.98	83.20
Revenue, net (NT$ mn)	22,001	32,467	42,173	49,177
EBITDA (NT$ mn)	5,101	8,347	10,106	11,733
ModelWare net inc (NT $ mn)	3,558	5,849	7,196	8,420
P/E	34.6	18.3	14.9	12.7
P/BV	11.4	7.2	5.6	4.5
RNOA (%)	48.5	68.8	67.5	74.5
ROE (%)	49.0	52.8	47.3	43.0
EV/EBITDA	24.2	12.3	9.8	8.0
Div yld (%)	0.7	1.6	2.6	3.2
FCF yld ratio (%)**	2.1	3.5	6.1	7.5
Leverage (EOP) (%)	(28.3)	(34.1)	(45.7)	(54.8)

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

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AlphaSignals Catalyst Event Reaction

Company / Catalyst	Date	Impact to thesis	Catalyst versus expectation
Chenbro 8210.TW			
September 2026 Sales	08 Oct 2026	Unchanged	↓ Modest downside surprise

Source: Company data, Morgan Stanley Research

Valuation Methodology and Risks

Chenbro (8210.TW)

Base case, derived from 27x 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 0.8. This is in line the average of 0.8 over 2014-24, when the stock was trading at an average P/E of 12x for a 15% 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 September 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	1599	43%	455	48%	28%	783	44%
Equal-weight/Hold	1563	42%	394	42%	25%	763	43%
Not-Rated/Hold	2	0%	1	0%	50%	1	0%
Underweight/Sell	570	15%	96	10%	17%	227	13%
Total	3,734		946			1774	

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.

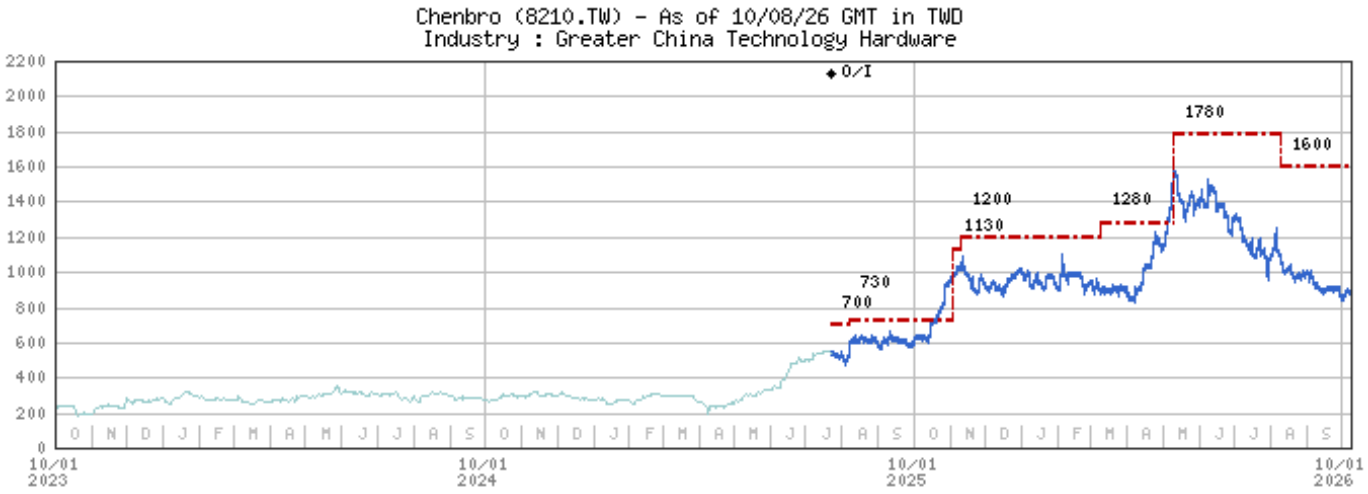
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Stock Price, Price Target and Rating History (See Rating Definitions)



Stock Rating History: 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; 8/10/26 : 1600

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* (10/08/2026)
Andy Meng, CFA		
AAC Technologies Holdings (2018.HK)	O (01/29/2024)	HK$37.24
Accelink Technologies Co. Ltd. (002281.SZ)	U (05/12/2022)	Rmb152.01
BYD Electronics (0285.HK)	O (04/28/2023)	HK$22.14
China TransInfo Technology Co Ltd (002373.SZ)	E (07/18/2023)	Rmb7.18
Dahua Technology Co. Ltd. (002236.SZ)	E (12/12/2024)	Rmb15.29
Eoptolink Technology Inc Ltd (300502.SZ)	O (02/27/2026)	Rmb378.50
Genius Electronic Optical Co. Ltd. (3406.TW)	U (09/10/2026)	NT$1,060.00
GoerTek Inc (002241.SZ)	E (08/14/2026)	Rmb21.70
Gosuncn Technology Group Co Ltd (300098.SZ)	U (11/07/2022)	Rmb4.10
HIKVision Digital Technology (002415.SZ)	E (12/12/2024)	Rmb33.00
Largan Precision (3008.TW)	E (09/10/2026)	NT$6,660.00
LianChuang Electronic Technology Co Ltd (002036.SZ)	U (06/12/2024)	Rmb5.83
Lingyi Itech Guangdong Co (002600.SZ)	U (04/23/2025)	Rmb11.42
Lingyi Itech Guangdong Co (1688.HK)	O (08/14/2026)	HK$5.18
Luxshare Precision Industry Co., Ltd. (2475.HK)	O (08/14/2026)	HK$50.80
Luxshare Precision Industry Co., Ltd. (002475.SZ)	O (10/24/2016)	Rmb48.43
OFILM Group Co Ltd (002456.SZ)	U (06/12/2024)	Rmb6.39
Q Technology (Group) Company Ltd (1478.HK)	U (03/23/2026)	HK$4.84
Quectel Wireless Solutions Co Ltd (603236.SS)	E (10/09/2024)	Rmb68.49
Shanghai Conant Optical Co Ltd (2276.HK)	O (04/10/2026)	HK$35.06
Shenzhen Transsion Holdings Co Ltd (688036.SS)	E (03/23/2026)	Rmb46.10
Sunny Optical (2382.HK)	E (03/23/2026)	HK$60.05
Suzhou TFC Optical Communication Co Ltd. (300394.SZ)	E (11/06/2025)	Rmb235.07
Wingtech Technology Co Ltd (600745.SS)	U (05/18/2026)	Rmb16.00
Xiaomi Corp (1810.HK)	O (04/14/2021)	HK$23.66
Yangtze Optical Fibre and Cable JSC Ltd (601869.SS)	U (10/13/2021)	Rmb393.99

Yangtze Optical Fibre and Cable JSC Ltd (6869.HK)	O (07/15/2026)	HK$167.60
Yongxin Optics Co Ltd (603297.SS)	E (11/15/2022)	Rmb101.20
Zhejiang Crystal-Optech Co Ltd (002273.SZ)	O (11/15/2022)	Rmb23.15
Zhongji Innolight Co Ltd (300308.SZ)	O (09/07/2026)	Rmb783.00
Zhongji Innolight Co Ltd (3308.HK)	O (09/07/2026)	HK$999.50
ZTE Corporation (0763.HK)	O (06/04/2026)	HK$20.70
ZTE Corporation (000063.SZ)	E (06/04/2026)	Rmb29.32
Derrick Yang		
Accton Technology Corporation (2345.TW)	O (06/06/2024)	NT$2,070.00
Advantech (2395.TW)	O (01/20/2021)	NT$727.00
AirTAC International (1590.TW)	O (04/16/2025)	NT$1,205.00
Asia Vital Components Co. Ltd. (3017.TW)	O (07/30/2024)	NT$3,440.00
AU Optronics (2409.TW)	E (02/10/2026)	NT$36.60
Auras Technology Co Ltd (3324.TWO)	E (05/04/2023)	NT$1,520.00
Bizlink (3665.TW)	O (03/10/2025)	NT$2,360.00
BOE Technology (000725.SZ)	O (09/06/2019)	Rmb5.50
Chenbro (8210.TW)	O (07/23/2025)	NT$874.00
Chroma Ate Inc. (2360.TW)	O (10/05/2021)	NT$2,330.00
Delta Electronics Inc. (2308.TW)	O (07/13/2017)	NT$1,965.00
E Ink Holdings Inc. (8069.TWO)	E (08/10/2026)	NT$144.00
Ennostar Inc (3714.TW)	U (09/23/2022)	NT$67.00
Fositek Corp (6805.TW)	O (06/25/2025)	NT$2,370.00
Hiwin Technologies Corp. (2049.TW)	O (03/30/2026)	NT$332.50
Innolux (3481.TW)	E (04/07/2025)	NT$51.00
King Slide Works Co. Ltd. (2059.TW)	O (11/08/2023)	NT$10,615.00
Lens Technology (300433.SZ)	E (07/22/2020)	Rmb30.04
Lite-On Technology (2301.TW)	E (01/15/2025)	NT$297.50
TCL Corp. (000100.SZ)	E (04/07/2025)	Rmb4.63
Tianma Microelectronics (000050.SZ)	U (01/24/2018)	Rmb6.18
Wuhan Jingce Electronic Group Co Ltd (300567.SZ)	E (11/26/2021)	Rmb175.19
Howard Kao		
Acer Inc. (2353.TW)	U (04/23/2025)	NT$31.30
Asustek Computer Inc. (2357.TW)	U (11/16/2025)	NT$996.00
Catcher Technology (2474.TW)	U (11/17/2025)	NT$195.50
Compal Electronics (2324.TW)	U (04/23/2025)	NT$35.50
Elite Material Co. (2383.TW)	O (09/14/2026)	NT$6,000.00
FIT Hon Teng Ltd (6088.HK)	O (11/03/2025)	HK$4.67
Foxconn Industrial Internet Co. Ltd. (601138.SS)	O (07/10/2019)	Rmb55.69
Giga-Byte Technology Co. Ltd. (2376.TW)	E (11/16/2025)	NT$363.00
Gold Circuit Electronics Ltd. (2368.TW)	O (10/06/2022)	NT$1,285.00
Hon Hai Precision (2317.TW)	O (03/15/2024)	NT$249.00
Inspur Electronic Information (000977.SZ)	E (08/28/2023)	Rmb64.56
Kingboard Laminates Holdings Ltd. (1888.HK)	O (09/14/2026)	HK$50.15
LandMark Optoelectronics Corporation (3081.TWO)	E (03/26/2026)	NT$2,960.00
Lenovo (0992.HK)	O (07/10/2026)	HK$32.32
Lotes Co. Ltd. (3533.TW)	E (05/12/2025)	NT$1,915.00
Nan Ya PCB (8046.TW)	O (02/23/2026)	NT$1,475.00
Pegatron Corporation (4938.TW)	E (03/25/2026)	NT$89.70
Quanta Computer Inc. (2382.TW)	O (05/01/2023)	NT$325.50
Shengyi Technology Co Ltd. (600183.SS)	E (05/26/2022)	Rmb131.86
Shennan Circuits Co Ltd (002916.SZ)	E (08/24/2023)	Rmb368.02
Unimicron (3037.TW)	O (02/23/2026)	NT$1,270.00
Visual Photonics Epitaxy Co Ltd (2455.TW)	E (09/11/2023)	NT$558.00
Wistron Corporation (3231.TW)	O (07/12/2023)	NT$188.50
Wiwynn Corp (6669.TW)	O (11/10/2025)	NT$2,240.00

Yageo Corp. (2327.TW)	O (10/28/2025)	NT$635.00
Zhen Ding (4958.TW)	++	NT$592.00
Irene Yen		
Co-Tech Development Corp. (8358.TWO)	O (09/14/2026)	NT$535.00
Taiwan Union Technology Corporation (6274.TWO)	O (09/14/2026)	NT$1,740.00

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