April 23, 2026 06:29 AM GMT

Greater China Technology Hardware | Asia Pacific

Power and Cooling Solutions – Implications for Greater China Tech Hardware from Vertiv 1Q26 Results

Sharon Shih
Equity Analyst
Sharon.Shih@morganstanley.com +886 2 2730-2865

Samantha Chen
Research Associate
Samantha.Chen@morganstanley.com +886 2 2730-2876

GREATER CHINA TECHNOLOGY HARDWARE	
Asia Pacific	
Industry View	In-Line

Key Takeaways

- We view Vertiv's comments as consistent with its Asian power and cooling peers, most of which expect >30% YoY revenue growth in CY2Q26.
- Capacity additions are still needed while margin should still trend higher for scale benefits and favorable mix.
- The elongated order visibility and favorable pricing bode well for the data center power and cooling solutions outlook into 2026-27.
- Echoes our view that cohesive power and cooling turnkey solutions will be the next key area to win. 800 VDC power architecture will be a key driver for both.
- We are OW Delta (2308.TW), AVC (3017.TW), and Fositek (6805.TW), but EW on Lite-On Tech (2301.TW), Auras (3324.TWO), and Sunonwealth (2421.TW).

Vertiv (VRT.N, covered by Christopher Snyder), a major data center and power & cooling solutions provider in the US, announced the following on its 1Q26 earnings call:

- The company raised its 2026 organic sales growth to 30% YoY, vs. 27-29% previously, and expects orders and the backlog to be up YoY in 2026.
- Vertiv sees system-level integration and convergence becoming a bigger part of the market, and expects no major margin dilution as product mix shifts toward solutions.
- Vertiv views 800 VDC power architecture as an important portion of the total market into 2027 and beyond. It expects launches of the portfolio in 2H26 and shipping in 2027. The trend should help expand Vertiv's opportunities across power and thermal offerings.

Global Technology: Delta Electronics vs. Vertiv – Data Center Power and Cooling Face-Off (29 Sep 2025)

Delta Electronics Inc.: March Revenue Beat; Business on a Roll; Raising PT to NT $1,976 (9 Apr 2026)

Greater China Technology Hardware: Thermal Solutions - AI Liquid Cooling TAM Expanding (15 Apr 2026)

Vertiv Holdings Co.: Healthy Beat & Raise, Questions on Industry Capacity (22 Apr 2026)