

Asia Vital Components Co. Ltd. | Asia Pacific

Takeaways from Asia AI Summit 2026

- AVC retains its 2026 outlook for sequential growth from both a revenue and margin perspective. In 2027–28, AI ASIC projects will add incremental drivers through shipment volume increases and high customization requirements. Beyond 2028, China AI projects will see contribution growth as an additional driver.
- AVC expects the new cold plate module project for the next-generation GPU platform to begin volume shipments in 3Q26, while the new AI ASIC project should start in late 3Q26 or early 4Q26.
- Two-phase liquid cooling represents a new thermal solution that AVC is currently developing, targeting a 15% improvement in thermal performance. Current tasks focus on pump design and air pressure management within liquid loops.
- The capacity expansion plan this year aims to increase cold plate module capacity by 5x. By end-2026, AVC targets a 50:50 capacity split between China and Vietnam. The current plan for next year is to double the land area at its Vietnam site.
- LEO satellite thermal solutions remain under development to meet high reliability requirements across a wide operating temperature range.

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Asia Vital Components Co. Ltd. (3017.TW, 3017 TT)

Greater China Technology Hardware | Taiwan

Stock Rating	Overweight
Industry View	In-Line
Price target	NT\$3,333.00
Up/downside to price target (%)	29
Shr price, close (May 28, 2026)	NT\$2,580.00
52-Week Range	NT\$3,010.00-601.00
Sh out, dil, curr (mn)	376
Mkt cap, curr (mn)	NT\$970,214
EV, curr (mn)	NT\$936,959
Avg daily trading value (mn)	NT\$9,837

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS (NT\$)**	49.03	96.50	145.03	191.80
Prior EPS (NT\$)**	-	-	-	-
EPS (NT\$)§	49.29	93.64	134.74	160.78
Revenue, net (NT\$ mn)	139,639	215,747	284,159	354,092
EBITDA (NT\$ mn)	30,417	58,794	85,632	111,735
ModelWare net inc (NT \$ mn)	19,129	37,654	56,588	74,837
P/E	30.8	26.7	17.8	13.5
P/BV	11.7	12.5	8.2	5.8
RNOA (%)	106.1	240.7	239.4	216.6
ROE (%)	57.1	74.5	70.0	61.0
EV/EBITDA	18.3	15.6	10.3	7.5
Div yld (%)	0.7	0.7	1.4	2.1
FCF yld ratio (%)**	4.1	2.9	4.4	6.2
Leverage (EOP) (%)	(75.9)	(74.4)	(73.6)	(75.1)

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

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Valuation Methodology and Risks

Asia Vital Components Co. Ltd. (3017.TW)

Base case, derived from our multi-stage residual income (RI) valuation model, similar to the rest of our tech hardware coverage universe. We assume a cost of equity of 10%, a medium-term growth rate of 13%, and a terminal growth rate of 3%.

Risks to Upside

- Faster-than-expected thermal upgrade trend for data centers, including server and switch designs
- Accelerating 5G network deployment momentum
- Better-than-expected PC/NB demand or share gains

Risks to Downside

- Slower-than-expected thermal design trend for data centers, including server and switch designs
- Decelerating 5G network deployment momentum
- Intensifying industry competition

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(as of April 30, 2026)

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Stock Rating Category	Coverage Universe		Investment Banking Clients (IBC)			Other Material Investment Services Clients (MISC)	
	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1546	42%	467	51%	30%	709	44%
Equal-weight/Hold	1568	43%	358	39%	23%	715	44%
Not-Rated/Hold	4	0%	0	0%	0%	1	0%
Underweight/Sell	555	15%	84	9%	15%	202	12%
Total	3,673		909			1627	

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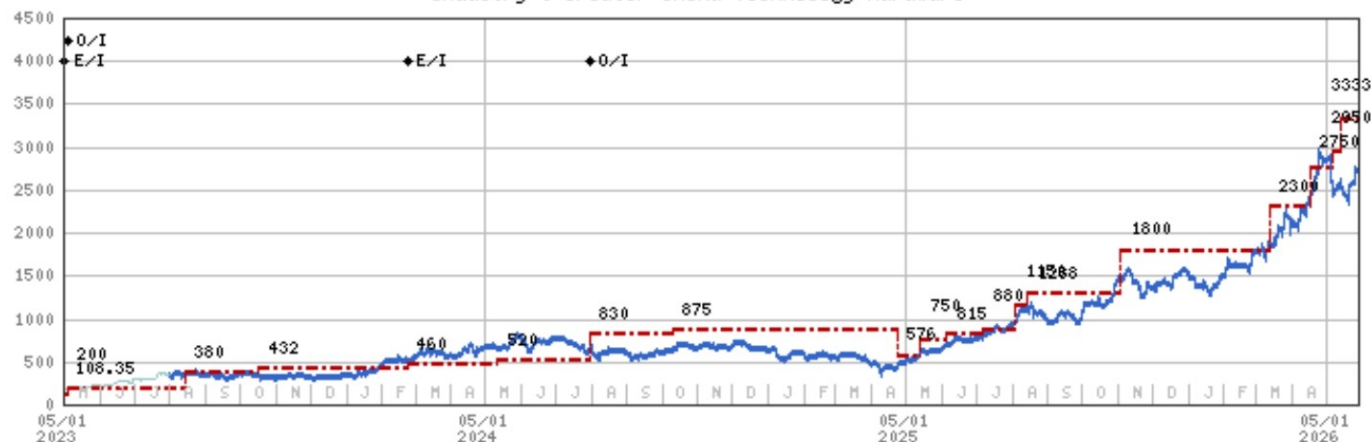
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Stock Price, Price Target and Rating History (See Rating Definitions)



Asia Vital Components Co. Ltd. (3017.TW) - As of 05/28/26 GMT in TWD
Industry : Greater China Technology Hardware



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INDUSTRY COVERAGE: Greater China Technology Hardware

COMPANY (TICKER)	RATING (AS OF)	PRICE* (05/27/2026)
Andy Meng, CFA		
AAC Technologies Holdings (2018.HK)	O (01/29/2024)	HK\$44.72
Accelink Technologies Co. Ltd. (002281.SZ)	U (05/12/2022)	Rmb202.70
BYD Electronics (0285.HK)	O (04/28/2023)	HK\$29.06
China TransInfo Technology Co Ltd (002373.SZ)	E (07/18/2023)	Rmb8.38
Dahua Technology Co. Ltd. (002236.SZ)	E (12/12/2024)	Rmb17.71
Eoptolink Technology Inc Ltd (300502.SZ)	O (02/27/2026)	Rmb695.00
Genius Electronic Optical Co. Ltd. (3406.TW)	E (04/23/2025)	NT\$572.00
Gosuncn Technology Group Co Ltd (300098.SZ)	U (11/07/2022)	Rmb5.63
HIKVision Digital Technology (002415.SZ)	E (12/12/2024)	Rmb31.65
Largan Precision (3008.TW)	E (10/17/2025)	NT\$3,425.00
LianChuang Electronic Technology Co Ltd (002036.SZ)	U (06/12/2024)	Rmb10.02
OFILM Group Co Ltd (002456.SZ)	U (06/12/2024)	Rmb9.37
Q Technology (Group) Company Ltd (1478.HK)	U (03/23/2026)	HK\$9.35
Quectel Wireless Solutions Co Ltd (603236.SS)	E (10/09/2024)	Rmb78.80
Shanghai Conant Optical Co Ltd (2276.HK)	O (04/10/2026)	HK\$45.62
Shenzhen Transsion Holdings Co Ltd (688036.SS)	E (03/23/2026)	Rmb61.55
Sunny Optical (2382.HK)	E (03/23/2026)	HK\$75.15
Suzhou TFC Optical Communication Co Ltd. (300394.SZ)	E (11/06/2025)	Rmb428.61
Wingtech Technology Co Ltd (600745.SS)	U (05/18/2026)	Rmb18.75
Xiaomi Corp (1810.HK)	O (04/14/2021)	HK\$28.40
Yangtze Optical Fibre and Cable JSC Ltd (601869.SS)	U (10/13/2021)	Rmb366.10
Yangtze Optical Fibre and Cable JSC Ltd (6869.HK)	E (04/20/2023)	HK\$206.20
Yongxin Optics Co Ltd (603297.SS)	E (11/15/2022)	Rmb139.58
Zhejiang Crystal-Optech Co Ltd (002273.SZ)	O (11/15/2022)	Rmb42.05

Zhongji Innolight Co Ltd (300308.SZ)	++	Rmb1,111.37
ZTE Corporation (0763.HK)	E (03/11/2024)	HK\$24.60
ZTE Corporation (000063.SZ)	U (07/02/2021)	Rmb34.82
Derrick Yang		
Accton Technology Corporation (2345.TW)	O (06/06/2024)	NT\$2,435.00
Advantech (2395.TW)	O (01/20/2021)	NT\$490.50
AirTAC International (1590.TW)	O (04/16/2025)	NT\$1,390.00
AU Optronics (2409.TW)	E (02/10/2026)	NT\$21.20
Bizlink (3665.TW)	O (03/10/2025)	NT\$2,115.00
BOE Technology (000725.SZ)	O (09/06/2019)	Rmb5.72
Chenbro (8210.TW)	O (07/23/2025)	NT\$1,325.00
Chroma Ate Inc. (2360.TW)	O (10/05/2021)	NT\$2,570.00
E Ink Holdings Inc. (8069.TWO)	O (05/11/2026)	NT\$249.00
Ennostar Inc (3714.TW)	U (09/23/2022)	NT\$72.70
Hiwin Technologies Corp. (2049.TW)	O (03/30/2026)	NT\$388.00
Innolux (3481.TW)	E (04/07/2025)	NT\$46.40
King Slide Works Co. Ltd. (2059.TW)	O (11/08/2023)	NT\$4,700.00
Lens Technology (300433.SZ)	E (07/22/2020)	Rmb40.28
Radiant Opto-Electronics Corporation (6176.TW)	E (03/01/2024)	NT\$102.00
Sanan Optoelectronics (600703.SS)	U (08/21/2023)	Rmb16.61
TCL Corp. (000100.SZ)	E (04/07/2025)	Rmb4.68
Tianma Microelectronics (000050.SZ)	U (01/24/2018)	Rmb8.22
Wuhan Jingce Electronic Group Co Ltd (300567.SZ)	E (11/26/2021)	Rmb209.79
Howard Kao		
Acer Inc. (2353.TW)	U (04/23/2025)	NT\$32.00
Asustek Computer Inc. (2357.TW)	U (11/16/2025)	NT\$692.00
Compal Electronics (2324.TW)	U (04/23/2025)	NT\$33.50
FIT Hon Teng Ltd (6088.HK)	O (11/03/2025)	HK\$8.62
Giga-Byte Technology Co. Ltd. (2376.TW)	E (11/16/2025)	NT\$337.50
Gold Circuit Electronics Ltd. (2368.TW)	O (10/06/2022)	NT\$1,305.00
Inspur Electronic Information (000977.SZ)	E (08/28/2023)	Rmb64.52
Lenovo (0992.HK)	E (11/16/2025)	HK\$19.00
Lotes Co. Ltd. (3533.TW)	E (05/12/2025)	NT\$2,485.00
Nan Ya PCB (8046.TW)	O (02/23/2026)	NT\$850.00
Pegatron Corporation (4938.TW)	E (03/25/2026)	NT\$83.40
Quanta Computer Inc. (2382.TW)	O (05/01/2023)	NT\$308.50
Shengyi Technology Co Ltd. (600183.SS)	E (05/26/2022)	Rmb131.76
Shennan Circuits Co Ltd (002916.SZ)	E (08/24/2023)	Rmb396.05
Unimicron (3037.TW)	O (02/23/2026)	NT\$1,025.00
Wistron Corporation (3231.TW)	O (07/12/2023)	NT\$144.50
Wiwynn Corp (6669.TW)	O (11/10/2025)	NT\$4,950.00
Yageo Corp. (2327.TW)	O (10/28/2025)	NT\$742.00
Zhen Ding (4958.TW)	O (05/18/2026)	NT\$486.00
Sharon Shih		
Asia Vital Components Co. Ltd. (3017.TW)	O (07/30/2024)	NT\$2,580.00
Auras Technology Co Ltd (3324.TWO)	E (05/04/2023)	NT\$1,035.00
Catcher Technology (2474.TW)	U (11/17/2025)	NT\$190.50
Delta Electronics Inc. (2308.TW)	O (07/13/2017)	NT\$2,390.00
Fositek Corp (6805.TW)	O (06/25/2025)	NT\$1,765.00
Foxconn Industrial Internet Co. Ltd. (601138.SS)	O (07/10/2019)	Rmb70.08
Foxconn Technology (2354.TW)	U (04/23/2025)	NT\$58.30
GoerTek Inc (002241.SZ)	U (04/23/2025)	Rmb28.27
Hon Hai Precision (2317.TW)	O (03/15/2024)	NT\$263.00
LandMark Optoelectronics Corporation (3081.TWO)	E (03/26/2026)	NT\$2,885.00
Lingyi Itech Guangdong Co (002600.SZ)	U (04/23/2025)	Rmb15.52

Lite-On Technology (2301.TW)	E (01/15/2025)	NT\$230.50
Luxshare Precision Industry Co., Ltd. (002475.SZ)	O (10/24/2016)	Rmb71.59
Sunonwealth Electric Machine Industry Co (2421.TW)	E (02/23/2024)	NT\$156.50
Tong Hsing (6271.TW)	E (03/18/2019)	NT\$244.50
Visual Photonics Epitaxy Co Ltd (2455.TW)	E (09/11/2023)	NT\$391.50

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* Historical prices are not split adjusted.

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