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UPDATE

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Greater China Technology Hardware | Asia Pacific

GB200 and GB300 NVL72 Racks in May 2026

We provide our monthly and quarterly rack shipment forecasts for ODMs. Within the major GPU AI server ODMs, our order of preference is Wistron > Hon Hai > Quanta, based on upside to price target.

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GREATER CHINA TECHNOLOGY HARDWARE
Asia Pacific
Industry View In-Line

Key Takeaways

- We estimate GB200/300 rack output in May 2026 at ~7.7K (-7% m/m), within which:
- Quanta shipped 1.8-1.9K GB200/GB300 racks.
- Wistron shipped 1.3-1.4K GB200/GB300 racks.
- Hon Hai shipped ~3.3K GB200/300 racks.

We continue to forecast 70-80K racks in CY26: This year should remain a strong one for downstream rack assembly. We expect over 100% y/y growth in rack shipments, vs. ~29k last year.

We believe actual rack deliveries to end-customers are likely lower than these numbers because we include Wistron's computing tray (L10) rack equivalent (without accounting for rack assembly and test times for L11).

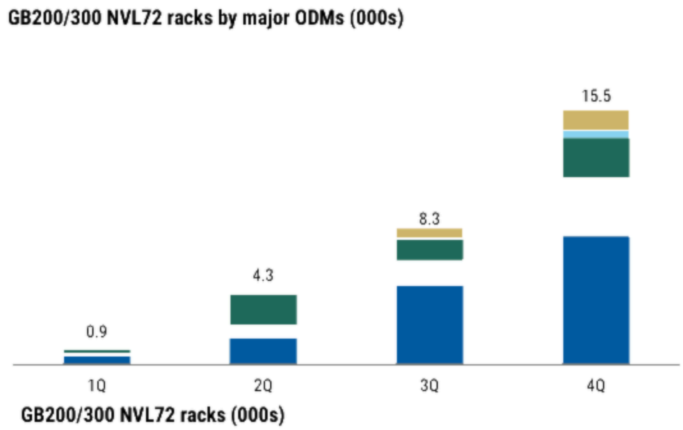
Quanta (2382.TW, OW): May revenue was NT$311.5bn (-8% m/m, +94% y/y). We attribute the m/m decline primarily to lower GB200/300 rack shipments in the month, while NB shipments were flat m/m at 3.5mn units. But for GB200/300 rack shipments in the month, we estimate Quanta shipped 1.8-1.9K, slightly lower than the ~2.1K racks shipped in April. Given the lower May, we think overall 2Q shipments will likely come down slightly to ~6.7K (+40% q/q), with the lowered rack shipments pushed out into 2H and the full-year remaining unchanged at ~18.7K racks.

Wistron (3231.TW, OW): May revenue was NT$290bn (+2% m/m, +39% y/y). We attribute the m/m growth to 1) higher revenue from Wiwynn (revenue grew 2% m/m, to NT$84.1bn), 2) higher monitor shipments at 950K units (+6% m/m), 3) slightly higher GB200/300 server computing tray shipments (1,300-1,400 rack equivalents, by our estimates, 2% higher m/m), despite slightly lower NB units at 1.7mn (-6% m/m) and lower DT units at 600k (-25% m/m). We maintain our 2Q rack shipment estimate at ~4.2K (+4% q/q), implying ~1.5K rack equivalents in June.

Hon Hai (2317.TW, OW, covered by Sharon Shih): Based on our checks, Hon Hai's GB rack shipments were down ~11% m/m in May, to 3.3K. For 2Q26, we think Hon Hai should continue to increase AI server rack shipments q/q, with 2Q26 AI rack shipments expected to reach ~10K units (+18% q/q).

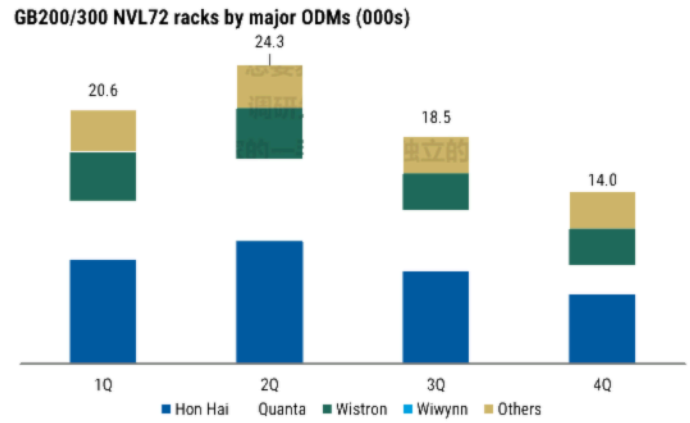
GB200/300 Exhibits

Exhibit 1: Industry-wide GB200/300 NVL72-equivalent monthly rack output, by major ODMs (2025)



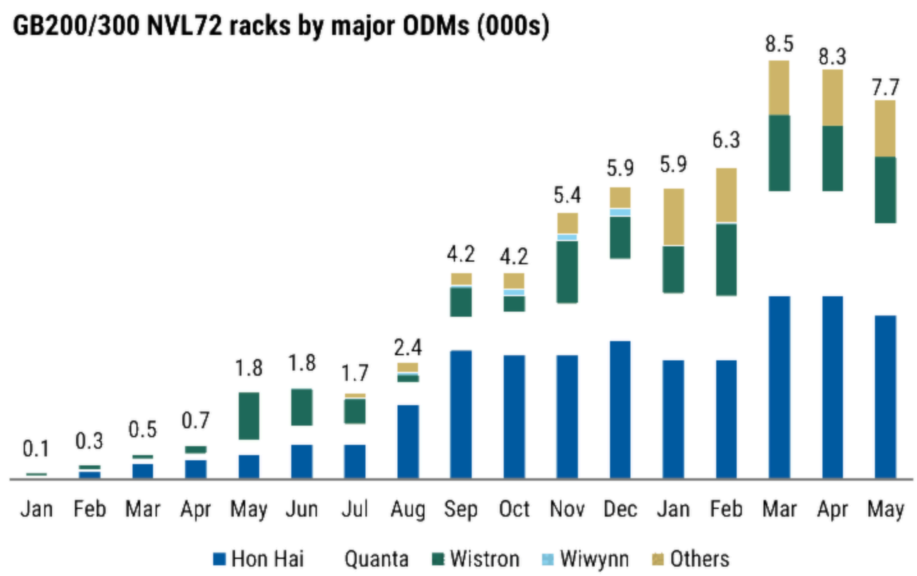
Source: Morgan Stanley Research estimates.

Exhibit 2: Industry-wide GB200/300 NVL72-equivalent monthly rack output, by major ODMs (2026)



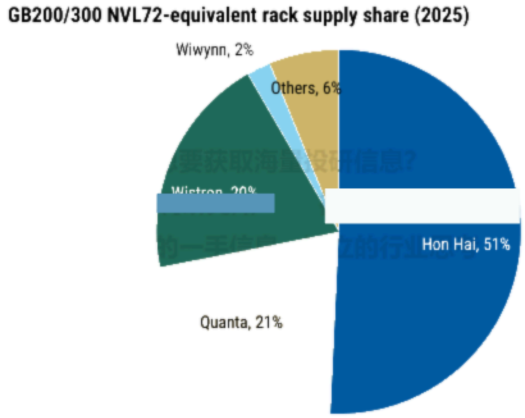
Source: Morgan Stanley Research estimates.

Exhibit 3:
Industry-wide GB200/300 NVL72-equivalent monthly rack output, by major ODMs (2025-2026)



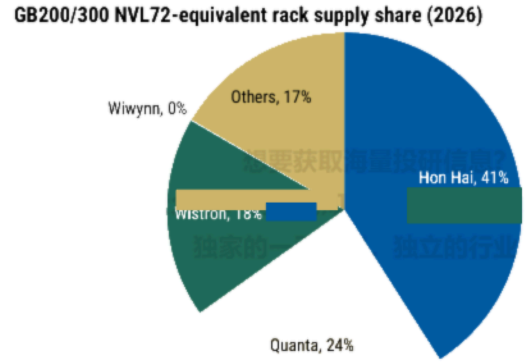
Source: Morgan Stanley Research estimates

Exhibit 4: GB200/300 rack supply share, by major ODMs (2025)



Source: Morgan Stanley Research estimates.

Exhibit 5: GB200/300 rack supply share, by major ODMs (2026)



Source: Morgan Stanley Research estimates.

Valuation Methodology and Risks

Hon Hai Precision (2317.TW)

Base case scenario value, derived from a residual income valuation model. Our key assumptions include a cost of equity of 8.5%, a medium-term growth rate of 13%, and a terminal growth rate of 3%.

Risks to Upside

- Better-than-expected iPhone sell-through
- Faster progress in AI server business
- Faster EV business development progress
- Any new M&A activity that could improve sentiment

Risks to Downside

- Lower iPhone sell-through
- Smaller profit contribution from AI business
- Slower EV business development progress
- Geopolitical developments that could negatively affect foreign investment

Quanta Computer Inc. (2382.TW)

Base case, residual income model. Key assumptions include a cost of equity of 9.0% (beta of 1.2, equity premium of 6.0% and risk-free rate of 1.5%), an 8.5% medium-term growth rate, and a 3% terminal growth rate.

Risks to Upside

- Stronger-than-expected NB demand
- Stronger-than-expected Apple Watch demand
- Stronger-than-expected server demand
- Faster-than-expected AI server penetration

Risks to Downside

- Weaker-than-expected NB demand
- Softer-than-expected Apple Watch demand
- Weak margin performance owing to rising labor costs and sales shortfalls
- Fierce price competition in the mega data center segment
- Slower-than-expected AI server penetration

Wistron Corporation (3231.TW)

Base case, residual income valuation. Key assumptions: 8.7% cost of ... term growth rate and 3% terminal growth rate.

Risks to Upside

- Faster-than-expected divestiture of consumer electronics busi...
- Stronger-than-expected NB demand
- Margin expansion from better product mix

- Faster-than-expected AI server penetration

Risks to Downside

- Slower-than-expected divestiture of consumer electronics business
- Weaker-than-expected NB demand
- Margin contraction from sales shortfall and fierce competition
- Slower-than-expected AI server penetration