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Jiangsu Zhongtian Technology | Asia Pacific

China BEST Conference 2026 Feedback

MORGAN STANLEY ASIA LIMITED+

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Jiangsu Zhongtian Technology Co. Ltd. (600522.SS, 600522 CG)

China Utilities | China

Stock Rating	**Overweight**
Industry View	**Attractive**
Price target	Rmb53.23
Up/downside to price target (%)	44
Shr price, close (Sep 21, 2026)	Rmb36.95
52-Week Range	Rmb68.10-15.38
Sh out, dil, curr (mn)	3,413
Mkt cap, curr (mn)	Rmb126,108
EV, curr (mn)	Rmb114,592
Avg daily trading value (mn)	Rmb5,816

Fiscal Year Ending	12/25	12/26e	12/27e	12/28e
EPS (Rmb)**	0.85	1.88	2.43	3.01
Prior EPS (Rmb)**	-	-	-	-
EPS (Rmb)§	0.92	2.10	2.93	2.88
Revenue, net (Rmb mn)	52,500	62,480	72,252	84,380
EBITDA (Rmb mn)	4,770	8,537	10,773	13,105
ModelWare net inc (Rmb mn)	2,902	6,421	8,306	10,282
P/E	21.3	19.6	15.2	12.3
P/BV	1.7	3.0	2.6	2.2
RNOA (%)	10.6	22.1	24.9	27.6
ROE (%)	8.3	17.4	19.6	21.1
EV/EBITDA	10.6	13.2	10.2	8.1
Div yld (%)	1.4	1.6	2.1	2.7
FCF yld ratio (%)**	2.7	3.1	4.8	6.0
Leverage (EOP) (%)	(40.8)	(42.5)	(45.2)	(47.8)

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

Key Takeaways

- Earnings momentum remains strong across key business segments.
- Optical communications profitability continues to improve, supported by improving product mix and ongoing price increase.
- Optical fiber demand remains robust. Supply shortage is likely to persist in the near term, given slower than expected preform capacity expansion.
- Copper foil is entering a turnaround, and a rising contribution from AI-related customers could further improve the product mix and profitability into 2027.
- Submarine cable orders from European offshore wind projects are also likely to be confirmed within 2026. Orders from China are moving towards tendering soon.

Optical communications product mix continues to shift – from conventional G.652D fiber toward higher-value G.657 A1/A2 products. G.652D contribution (~50% in 1Q26, ~40% in 2Q26, and 30-35% in 2H26) is expected to drop further in 2027. New preform capacity (800-1,000t) to be commissioned around 1H27 (vs. 3,200t now and 2,800t in 2025) will also be mainly dedicated to A1/A2 products for long-term contracts in North America.

Optical fiber demand from data centers/CSPs remains solid: Preform capacity expansion remains technically challenging given largely self-developed equipment and lengthy ramp-up cycles. This should keep supply-demand relatively tight and support fiber pricing in the medium term.

Offshore wind orders are approaching a new delivery cycle: A sizable pipeline of offshore wind projects across Jiangsu (3GW), Zhejiang (2GW), Guangdong (3GW), Shanghai (4GW), Shandong Qingdao (3GW), and other regions (including Fujian and Liaoning) is moving toward tendering.

Copper foil revenue is expected to grow to ~Rmb2bn in 2026 vs. ~Rmb1bn in 2025 – supported by both volume growth and price increases. The business targets break-even this year after losses in 2025.

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Valuation Methodology and Risks

Jiangsu Zhongtian Technology Co. Ltd. (600522.SS)

Base case, discounted cash flow model, which captures long-term cash flows for 2027-37. Key assumptions:

- WACC of 9.67% - CoE of 10.55% (beta of 1.2, risk-free rate of 3.15%, risk premium of 4.5%, China premium of 2.0%); after-tax CoD of 5.25%; target debt to capital ratio of 20.0%
- 2% terminal growth

Risks to Upside

- Revenue acceleration in optical I&C segment, amid ASP boost for optical fiber
- Higher offshore wind submarine cable penetration in overseas markets (especially Europe)
- Better-than-expected operating cost management

Risks to Downside

- Lower-than-expected optical I&C revenue growth
- Subpar order intake of submarine cable in overseas markets
- Subpar operating cost management

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(as of August 31, 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	1555	42%	450	48%	29%	767	44%
Equal-weight/Hold	1577	43%	395	42%	25%	770	44%
Not-Rated/Hold	3	0%	1	0%	33%	1	0%
Underweight/Sell	559	15%	93	10%	17%	216	12%
Total	3,694		939			1754	

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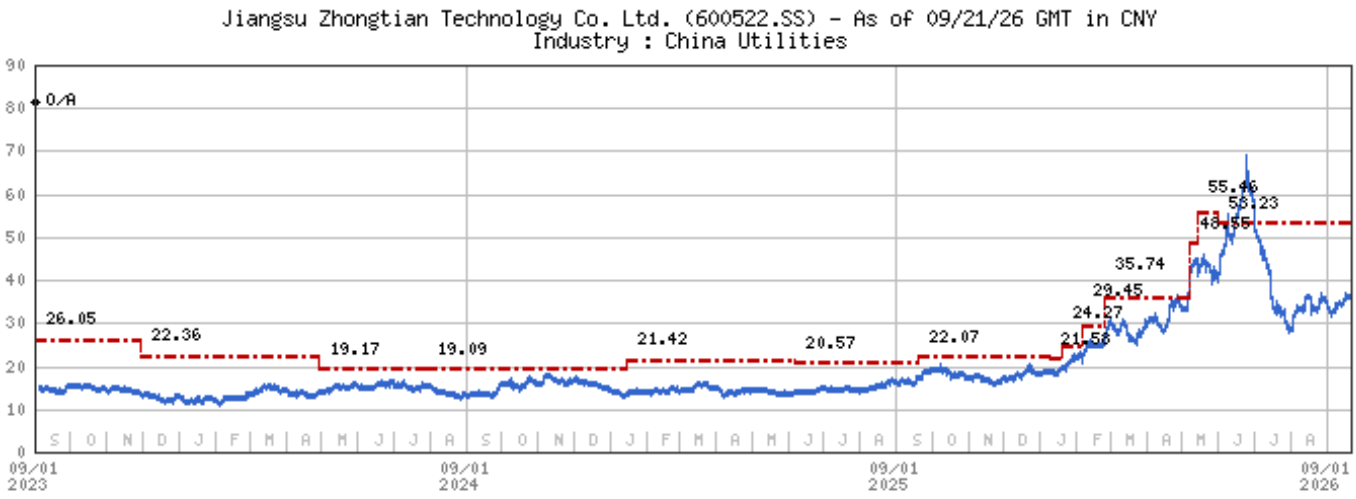
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Stock Price, Price Target and Rating History (See Rating Definitions)





Stock Rating History: 9/1/21 : O/A

Price Target History: 3/26/21 : 16.07; 12/16/21 : 24.31; 8/17/22 : 35.38; 3/20/23 : 30.42; 7/27/23 : 26.05; 11/29/23 : 22.36; 4/29/24 : 19.17; 7/29/24 : 19.09; 1/15/25 : 21.42; 6/6/25 : 20.57; 9/19/25 : 22.07; 1/9/26 : 21.58; 1/19/26 : 24.27; 2/6/26 : 29.45; 2/25/26 : 35.74; 5/7/26 : 48.55; 5/14/26 : 55.46; 6/1/26 : 53.23

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: China Utilities

COMPANY (TICKER)	RATING (AS OF)	PRICE* (09/21/2026)
Eva Hou		
CGN Power Co., Ltd (1816.HK)	E (03/21/2026)	HK$2.95
CGN Power Co., Ltd (003816.SZ)	U (03/29/2021)	Rmb4.23
China Longyuan Power Group (0916.HK)	E (01/20/2026)	HK$5.20
China Longyuan Power Group (001289.SZ)	E (08/06/2024)	Rmb15.05
China Resources Power (0836.HK)	E (03/21/2026)	HK$18.94
China Yangtze Power Co. (600900.SS)	O (11/14/2023)	Rmb28.10
Dajin Heavy Industry (002487.SZ)	O (04/18/2026)	Rmb39.70
Goldwind (002202.SZ)	U (01/20/2026)	Rmb18.13
Goldwind (2208.HK)	E (08/17/2022)	HK$8.95
Hangzhou First Applied Material Co. Ltd (603806.SS)	O (01/18/2023)	Rmb14.48
Henan Pinggao Electric (600312.SS)	O (01/18/2024)	Rmb19.49
Huaneng Power International Inc. (0902.HK)	E (06/30/2022)	HK$5.65
Huaneng Power International Inc. (600011.SS)	U (04/07/2021)	Rmb6.79
JA Solar Technology Co Ltd (002459.SZ)	E (09/02/2025)	Rmb6.95
Jiangsu Zhongtian Technology Co. Ltd. (600522.SS)	O (10/12/2020)	Rmb36.95
LONGi Green Energy Technology Co Ltd (601012.SS)	U (09/02/2025)	Rmb11.36
NARI Technology (600406.SS)	O (11/01/2015)	Rmb22.10
Ningbo Orient Wires & Cables Co Ltd (603606.SS)	O (08/17/2022)	Rmb36.36
Riyue Heavy Industry Co., Ltd. (603218.SS)	O (02/11/2025)	Rmb9.42
Shanghai Electric (2727.HK)	U (03/26/2021)	HK$2.96
Shanghai Electric (601727.SS)	U (03/26/2021)	Rmb6.51
Sieyuan Electric Co.Ltd. (002028.SZ)	O (07/01/2025)	Rmb138.89
Sinoma Science & Technology Co. Ltd. (002080.SZ)	O (09/23/2025)	Rmb66.24
Sungrow Power Supply Co. Ltd (300274.SZ)	O (06/09/2026)	Rmb88.47
Tongwei Co. Ltd. (600438.SS)	E (09/02/2025)	Rmb11.59

XJ Electric (000400.SZ)	E (03/21/2026)	Rmb20.38
Hannah Yang, CFA		
Xinyi Solar Holdings Ltd (0968.HK)	O (07/30/2020)	HK$2.04
Tom Li		
Anhui Yingliu I Co Ltd (603308.SS)	O (04/08/2026)	Rmb41.97
China Gas Holdings (0384.HK)	E (07/10/2026)	HK$5.39
China Resources Gas (1193.HK)	E (07/10/2026)	HK$16.38
Huaming Power Equipment (002270.SZ)	O (04/08/2026)	Rmb18.38
Ningbo Sanxing Medical Electric Co. Ltd. (601567.SS)	O (04/08/2026)	Rmb14.58

Stock Ratings are subject to change. Please see latest research for each company.
* Historical prices are not split adjusted.

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