BERNSTEIN
SOCIETE GENERALE GROUP

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Asia Tech Hardware

Luxshare Precision Industry Co Ltd

Rating

Outperform

Price Target

002475.CH **86.00 CNY** (74.00 *OLD*)

Luxshare deep dive: the Next AI Server Winner; PT raised to RMB 86, Outperform

Since our 2024 deep dive on Luxhsare, the company has absorbed tariff impacts, closed the Leoni and Wingtech deals, and showed early success of its AI server components overseas. This note deciphers Luxshare's business by segments, focusing on its growing AI server business.

Luxshare's communication revenue is set to grow at a mid-40% CAGR till 2028, driven by the ramp of 1.6T optical transceivers and copper cartridges. About 40% of 2025 communication revenue came from server components, mainly copper connectivity, and we expect Luxshare's long track record in copper links plus customer dual-sourcing needs to support share gains in the Vera Rubin cycle. Client's adoption of CPC in late 2027 should extend this growth into 2028. In optical transceiver, we estimate roughly RMB 1B revenue from 100/400/800G this year, with a sharp inflection in 2027 on 2M units of 1.6T shipments. At a low-teens net margin, we expect the communication segment to account for a mid-teens share of Luxshare's 2028 revenue and a mid-20s share of net profit (Exhibit 6-Exhibit 15).

We model Luxshare's auto/consumer revenue to grow at a 36%/7% CAGR till 2028 after consolidating Leoni and Wingtech. We model Leoni to reach ~5% NPM by 2028, contributing ~10% of revenue and ~5% of profit, while Luxshare's core auto business grows at ~39% YoY annually. In consumer, non-Apple revenue is set to grow double-digit, reaching ~RMB126bn by 2028 (~40% of segment rev.), driven by Wingtech ODM and broader customer diversification. Apple-related revenue and profit are projected to grow at 3% and 10% CAGR, respectively, supported by resilient iPhone demand and margin improvement at Lizhen (Exhibit 16-Exhibit 19).

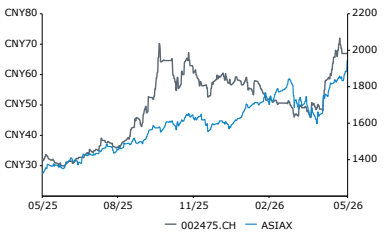
Overall, we forecast Luxhsare revenue and EPS CAGR of 14% and 26% respectively in 2025-28E. Rising revenue mix of server and auto will lift corporate GPM by ~1ppts to 13.2% by 2028. Upcoming catalysts include WWDC, progress in cable cartridge & optical transceiver, and OpenAI's consumer device launch.

Close Date	6 May 2026
002475.CH Close Price (CNY)	67.08
Price Target (CNY)	86.00
Upside/(Downside)	28%
52-Week Range	72.60/30.12
ASIAX	1,945.40
FYE	Dec
Div Yield	0.4%
Market Cap (CNY) (M)	488,744
EV (CNY) (M)	560,785

Performance	YTD	1M	6M	12M
Absolute (%)	18.3	37.5	8.8	110.9
ASIAX (%)	19.0	16.3	20.0	45.3
Relative (%)	(0.7)	21.2	(11.2)	65.5

Source: Bloomberg, Bernstein estimates and analysis.

Price Performance, 1YR



Investment Implications

We raise P/E to 25x (vs. old 22x) on its AI server components progress and accelerated EPS growth. Applying this to 2027 EPS of RMB3.5 (vs. old 2026-27 avg. EPS of RMB3.4), we raise price target to RMB86.

Reported EPS	F25A	F26E	F27E
002475.CH (CNY)	**2.26**	**2.66**	**3.45**
OLD	--	2.98	3.74

Financials	F25A	F26E	F27E	CAGR
Revenues (M)	332,344	386,536	431,670	14.0%
EBIT Margin (%)	5.8	5.8	6.8	--

Valuation Metrics	F25A	F26E	F27E
Reported P/E (x)	29.7	25.2	19.4
EV/EBITDA (x)	17.3	14.0	11.8

Source: Bloomberg, Bernstein estimates and analysis.

See the Disclosure Appendix of this report for required disclosures, analyst certifications and other important information. Alternatively, visit our Global Research Disclosure Website.

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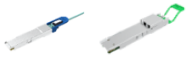
DETAILS

It's been almost two years since we published previous Luxshare deep dive (A quality play in Apple supply chain & the foray into the U.S. server market provides optionality). Since then, the company has weathered through the tariff impact, completed acquisition of Leoni (auto) and WingTech ODM (consumer), and most importantly, demonstrated early success of its AI server components in overseas market. This note deciphers Luxshare's diversified product portfolio, with a focus on it's growing server business.

Luxshare is a leading Chinese precision manufacturing and assembly company serving global technology brands across consumer electronics, communications, and automotive. Originally focused on connectors for Apple, it has evolved into an integrated supplier providing components, modules, and full product assembly along the Apple value chain. (Exhibit 1) In 2016-25, Luxshare has grown its revenue by 24x and operating profit by 14x. (Exhibit 2)

Luxshare is diversifying into automotive and communications to reduce reliance on Apple. In communications, it is expanding AI-driven offerings such as high-speed copper interconnects, optical transceivers, and thermal/power solutions for servers. In automotive, it leverages strong manufacturing plus growing engineering capabilities to supply connectors, harnesses, ADAS controllers, and powertrain components. Alongside organic growth, Luxshare is strengthening its value chain through M&A. In 2H25, it acquired Leoni (a global leading automotive harness and connector provider) and Wingtech's ODM business (primarily Andriod smartphone ODM and Mac assembly), enhancing its manufacturing scale and customer reach. As a result, Apple's revenue share declined from 74% in 2021 to 57% in 2025 (about half from Apple assembly) and we expect it to fall to ~40% by 2028. (Exhibit 3-Exhibit 5)

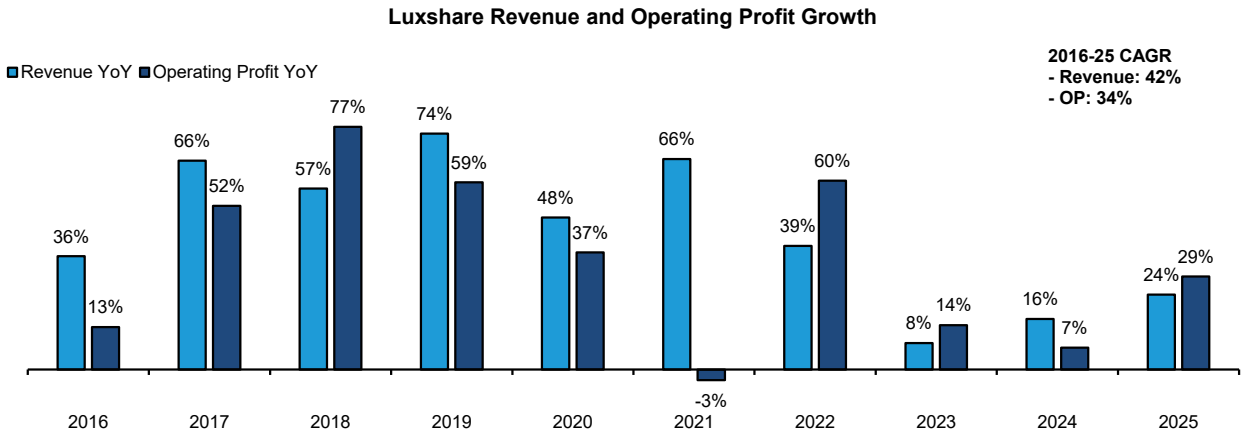
EXHIBIT 1: **With a wide product portfolio and services for Apple, Luxshare is also expanding its communication and automotive segments with a variety of products and assembly services**

Segments	Products (Example)				Assembly Business
Consumer	 Cable/Connector	 Charger/Wireless Charging	 Acoustics	 Motor Module/Voice Coil Motor/System-in-Package (SiP)	-Vision Pro, Airpod, Apple Watch - AR glasses -iPhone top module and bottom module -iPhone (not consolidated) - Smartphone, laptops
Communication	 Cable/Connector/cable cartridge	 Optical Connector/Transceiver	 Radiator/Liquid Cooling	 Server Power Module/ Power System	-Server system (for Chinese customers)
Automotive	 Power Distribution Unit/Inverter	 Harness	 Connector	 Control Unit/Sensor	- ADAS domain controller -Powertrain (e.g. Huawei EV)

Source: Luxshare, Bernstein estimates and analysis

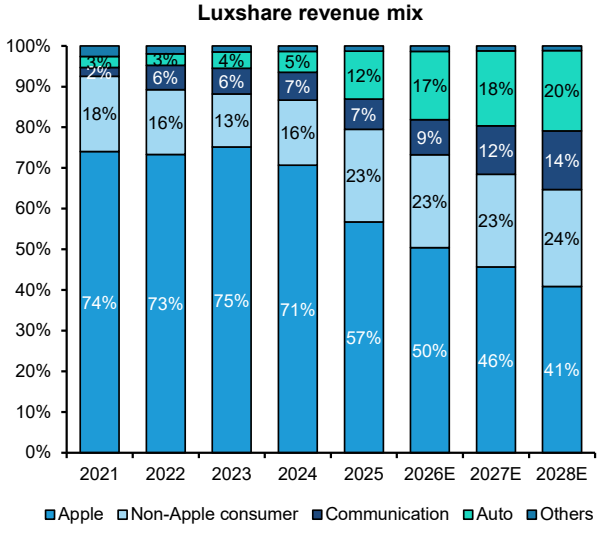
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EXHIBIT 2: **Luxshare has grown its revenue by 24x and operating profit by 14x in 2016-25**



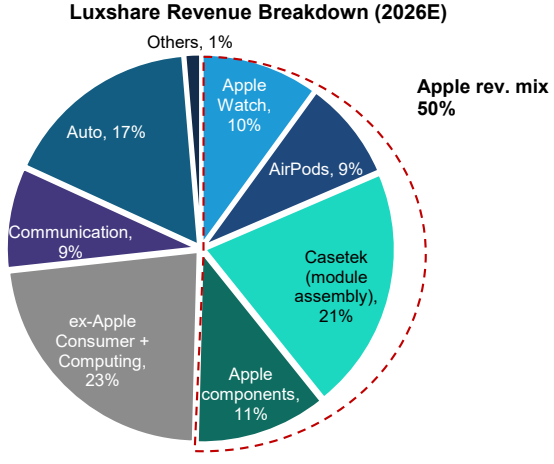
iPhone assembly business (Lizhen) is not consolidated. 80-90% of its profit is shared by Luxshare and is booked under "Equity Income from JV and Affiliates", which is included in OP in the chart. Operating profit = Gross Profit-SG&A-R&D + Equity Income from JV and Affiliates
Source: Company disclosure, Bernstein estimates and analysis

EXHIBIT 3: **Luxshare is diversifying its business and we expect revenue mix of Apple will decrease to ~40% by 2028**



Company reports, Bernstein analysis and estimates
Source: Company reports, Bernstein analysis

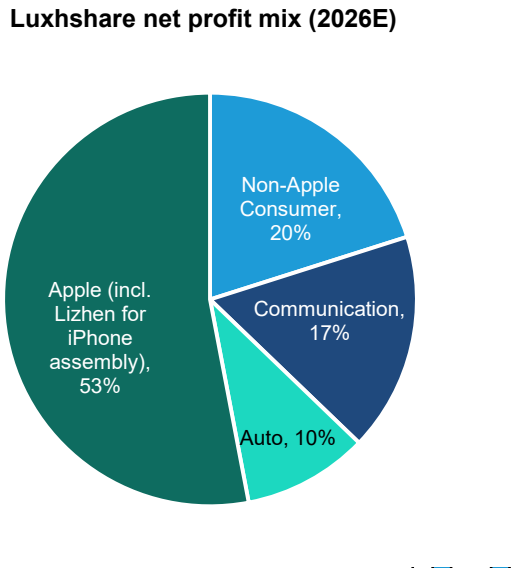
EXHIBIT 4: **We model Apple to account for ~50% of Luxshare revenue in 2026, with assembly business contributing ~39%**



Source: Company reports, Bernstein analysis and estimates

07-May-2026

EXHIBIT 5: **We model coomunication to account for ~17% of Luxshare net profit in 2026, despite lower revenue mix**



Source: Company reports, Bernstein analysis and estimates

COMMUNICATION SEGMENT

We model Luxshare's communication revenue to grow at a mid-40% CAGR through 2028, driven by the ramp of 1.6T optical transceivers and cable cartridges. With a low-teens net margin, we expect communication to account for a mid-teens share of group revenue and a mid-20s share of net profit by 2028.

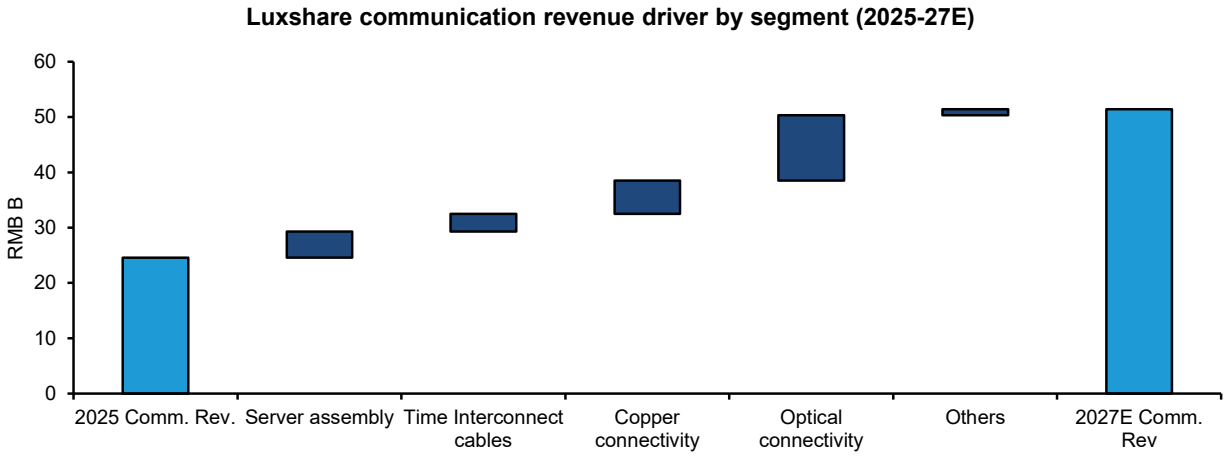
Luxshare's communication business include copper connectivity, power and thermal management solutions, optical transceivers and server assembly. Revenues are generated from two entities - LuxshareTech (100% owned subsidiary) and Time Interconnect (1729 HK, not covered; 66% owned by Luxshare). 40% of the RMB 24B communication revenue in 2025 was from server components, with a large portion coming from copper connectivity (DAC, AEC, etc.). We model this segment to grow topline by 35% this year, and accelerate to 40-55% YoY in the next two years driven by backplane copper connector in GB300/Vera Rubin and 1.6T optical transceiver.

The optical transceiver market is set for rapid growth over next few years, driven by robust AI demand and ongoing product upgrades. Rising CSP capex is fueling demand for optical modules, with Ethernet transceiver sales expected to grow by 65% in 2026E and 20%+ next year, according to LightCounting. The transition toward higher data rates is also accelerating, with 1.6T expected to become mainstream in 2029E, supporting ASP expansion and margin improvement. LightCounting has raised its 2027E shipment forecasts for 800G and 1.6T transceivers to over 400mn and 10mn units, respectively, while our channel checks suggest even stronger demand, albeit constrained by supply shortages.

We model Luxshare to ship 2M 1.6T optical transceiver next year, generating RMB12B revenue, or nearly 3% of company revenue. We estimate that Luxhsare generated RMB 400M optical transceiver revenue last year from 100G, 200G and 400G, and will exceed RMB 1B this year with ramp up of 800G and initial shipment of 1.6T SiPh product. For 1.6T, we believe company's production line has been qualified, and product will be tested by customers in 3Q26. Despite being a latecomer in optical links market, Luxshare excels in automation lines, which is being highly valued by customers for high-speed products. Its expertise in copper connectivity and broad product portfolio in AI server also paves the way for 1.6T order next year.

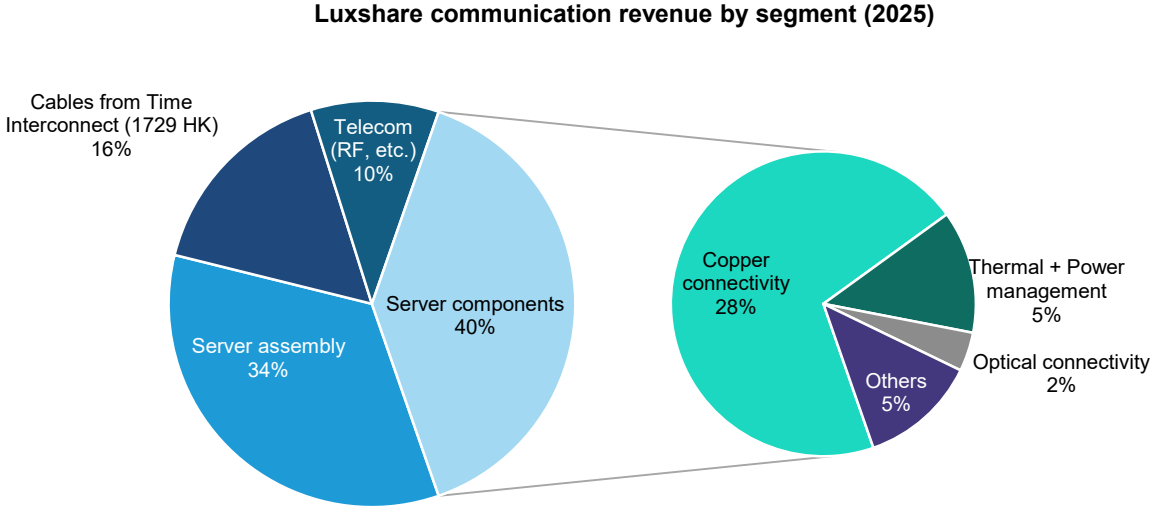
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EXHIBIT 6: **Components for AIDC will be major growth driver for Luxshare in 2026-27E**



Source: Company reports, Bernstein analysis and estimates

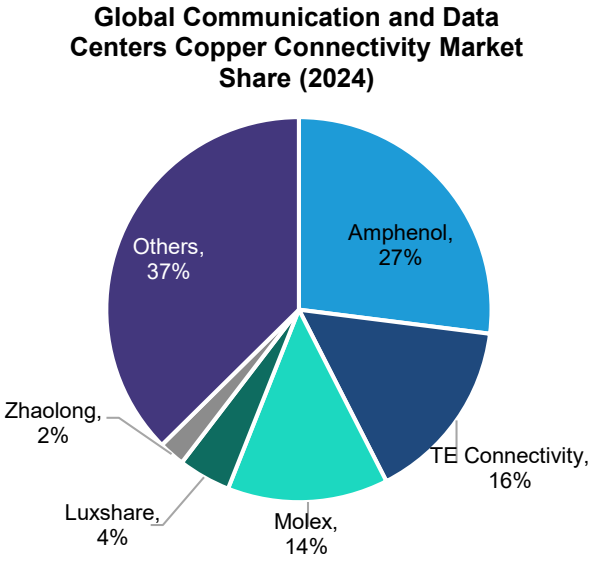
EXHIBIT 7: **Luxshare's communication segment revenue breakdown in 2025**



Source: Company reports, Bernstein analysis and estimates

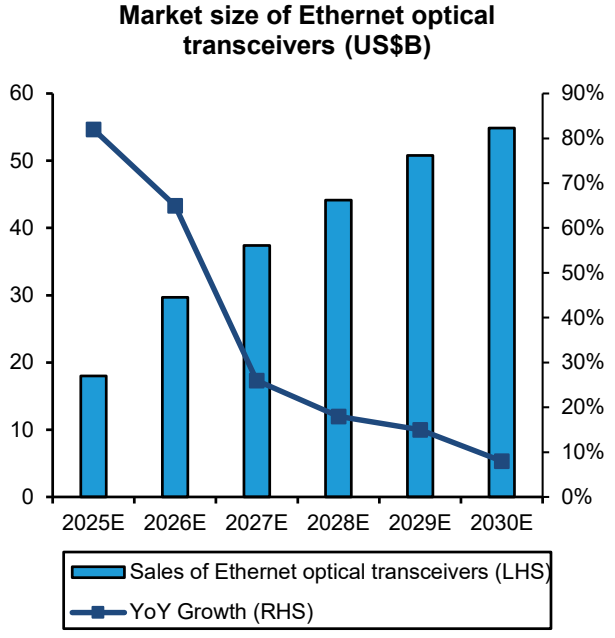
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EXHIBIT 8: **Luxshare ranks 4th in the global communication & data center copper connector market**



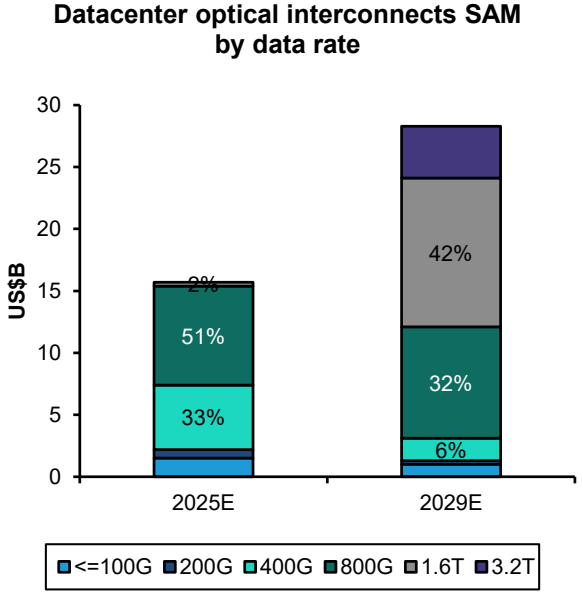
Source: Frost & Sullivan, Bernstein analysis

EXHIBIT 9: **The Ethernet optical transceiver market is expected to sustain strong growth over the next five years**



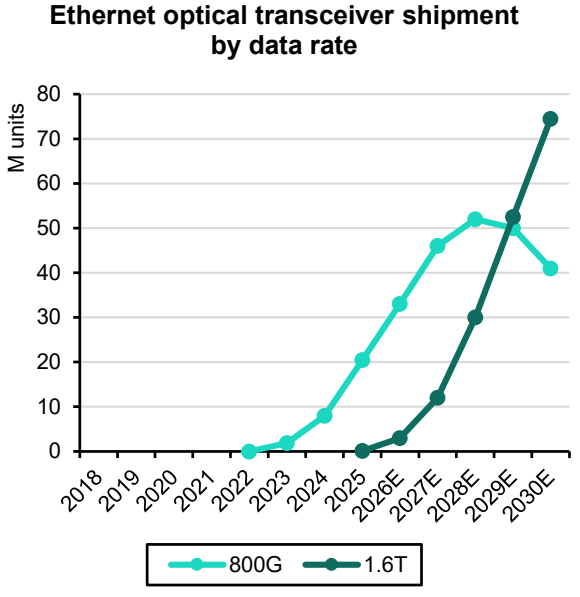
Lightcounting forecasts are update in April 2026; 2025E numbers are Lightcounting estimates
Source: Lightcounting and Bernstein analysis

EXHIBIT 10: **Optical interconnects product mix will shift towards higher rates**



Forecast from Coherent and Lightcounting; SAM refers to Coherent's Service Addressable Market
Source: Coherent, Lightcounting, Bernstein analysis

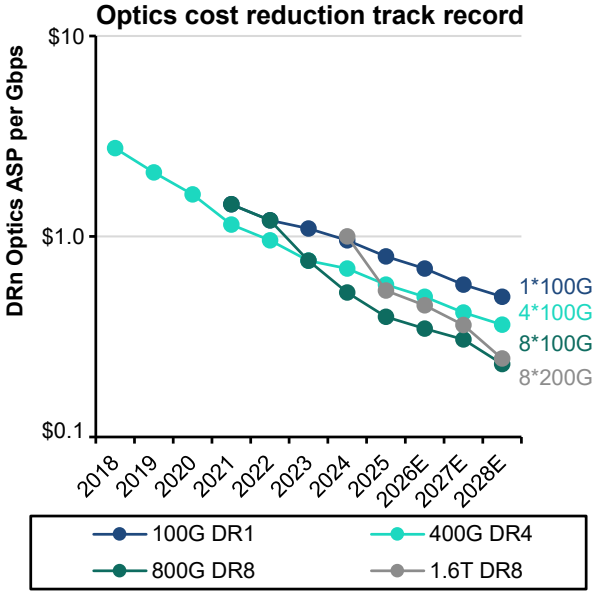
EXHIBIT 11: **LightCounting has raised its 2027E shipment forecasts for 800G and 1.6T optical transceivers to over 400mn and 10mn units, respectively**



Forecasts updated by Lightcounting in 2H25
Source: HGTech, Lightcounting and Bernstein analysis

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EXHIBIT 12: **Given robust demand and tight supply, we expect the pace of cost declines to moderate in 2026–2027E**



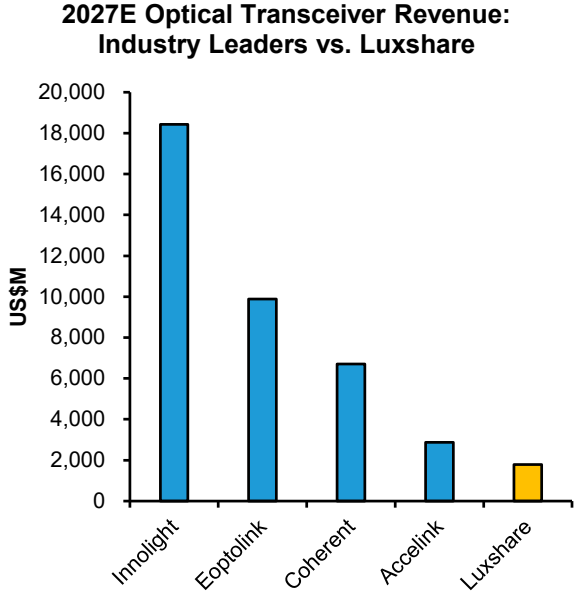
Source: Innolight, Lightcounting, Bernstein analysis and estimates

EXHIBIT 13: **We model Luxshare to ship 2M 1.6T optical transceiver next year, generating RMB 12B revenue, or nearly 3% of company revenue**

Optical transceiver

	2026E	2027E	2028E
# of 1.6T transceiver shipment (K units)	70	2,000	4,000
ASP (US$)	1,050	850	640
YoY		-19%	-25%
Revenue (RMB B)	0.5	11.6	17.5
Revenue (US$M)	73.5	1,700	2,560
Net profit (RMB B)	0.1	1.7	2.6
NPM	10%	15%	15%
As % of communication revenue	1.5%	22.6%	24.3%
As % of company revenue	0.1%	2.7%	3.5%
As % of company profit	0.2%	6.5%	7.5%

EXHIBIT 14: **Luxshare's 2027E optical transceiver revenue remains relatively small compared with industry leaders**



Source: Bloomberg, Bernstein analysis and estimates

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EXHIBIT 15: **Luxshare's key R&D projects in Communications segments**

R&D project	Progress	Note
Copper connectivity		
APEX VH High-Speed Backplane Connector	In pilot production; Mass production and volume delivery by Q3 2026	Developed for customer demand on AI server interconnect
Intrepid Apex VR Cable Backplane Connector Module	In pilot production; Mass production and volume delivery by Q3 2026	Developed for customer demand on AI server interconnect
OminClip 224G Chip-Side High-Speed NPC Connector	Sample submission and certification; Mass production planned for Q3 - Q4 2026	Supports backplane module (Cable Tray) business
Nearstack 2.0 Plug-Cable Connector	Sample submission and certification; Mass production planned for Q4 2026 - Q1 2027	Co-developed with overseas customers
Nexus XH Backplane Connector Module	R&D verification and testing; Mass production and customer volume delivery by Q2 2026	Enable 224G transmission
CPC High-Speed Bit Error Rate Tester	Prototype debugging completed; BER testing enabled; Co-packaged copper (CPC) interconnect application validated and product development finished	Enables deployment of in-house 112G CPC end-to-end solution
Optical connectivity		
OmniX to OSFP Technology	In pilot production; Mass production and volume delivery by Q3 2026	New product
FP801-800G OSFP 2×FR4 Optical Module	In pilot production; Development completed by Q4 2025 with industry-leading performance; Mass production and revenue generation expected in 2026	New product for overseas CSP
OSFP224 2×1 High-Speed External Optical Connector	In R&D verification and testing; Mass production to start by Q3 2026	Developed to meet customer demand for 224G AI servers
DPA03-1.6T OSFP DR/FR Optical Module	In R&D verification and testing; Initial validation by Q4 2025; Product maturation and revenue generation in 2026	Addresses emerging market demand for 1.6T optical modules
Others		
33 kW High Power Density Rack Power Supply Product	Sample submission and certification; Development completion by Q4 2025; Revenue to ramp in 2026	Designed for AI server racks to capture market share
AI Rack Stainless-Steel Cable Box Housing	In mass production	Developed for ultra-large AI computing cluster

Source: Company reports and Bernstein analysis

AUTO

In July 2025, Luxshare acquired Leoni, a leading global provider of automotive cables and wiring systems with over 100 years of history. The acquisition enhances Luxshare's existing portfolio (connectors, harnesses, ADAS, smart cockpit), while creating a more integrated and differentiated offering in automotive wiring harnesses and connectors, which are critical to vehicle power and signal transmission. It also accelerates Luxshare's global expansion by combining Leoni's international footprint with Luxshare's manufacturing and R&D capabilities, enabling synergies in customer access, product development, and capacity deployment.

Leoni operates two core segments: Automotive Cable Solutions (ACS) and Wiring Systems Division (WSD).

- **ACS (cables):** In July 2025, Luxshare acquired 100% of Leoni K (holding entity of ACS business) for €320m, via a Singapore entity, TIME Interconnect Singapore. TIME Interconnect Singapore is created as a JV between Luxshare (51% holding) and Luxshare's subsidiary, TIME Interconnect (49% holding). In April 2026, Luxshare has transferred its 51% ownership of Luxshare Singapore to TIME Interconnect, so that ACS business will be fully consolidated under TIME Interconnect. Afterwards, Luxshare's effective ownership of ACS will be 65.95%, i.e. fully via its holding in TIME Interconnect. Accordingly, the non-controlling interest (NCI) of ACS will be ~34% for Luxshare.

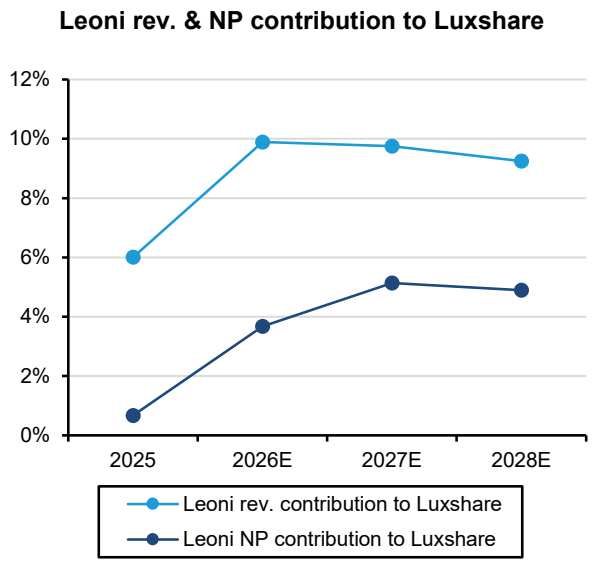
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- **WSD (wiring systems):** In July 2025, Luxshare acquired 50.1% of Leoni AG for €205m (remaining 49.9% retained by existing shareholder), which holds 100% share in Leoni Bordnetze-Systeme GmbH (Leoni B). In April 2026, Luxshare has acquired additional 24.8% share of Leoni B (announcement). As a result, the NCI in WSD will also be ~25% for Luxshare.

In 2H25, Leoni achieved breakeven, which was faster than expected by leveraging Luxhsare's strong balance sheet and solid management execution. In FY25 earnings call, management guides ~5% Leoni NPM by 2028 and high-single-digit in the longer term. We expect Leoni to contribute ~9-10% of revenue and 5% of net profit to Luxhsare by 2028E.

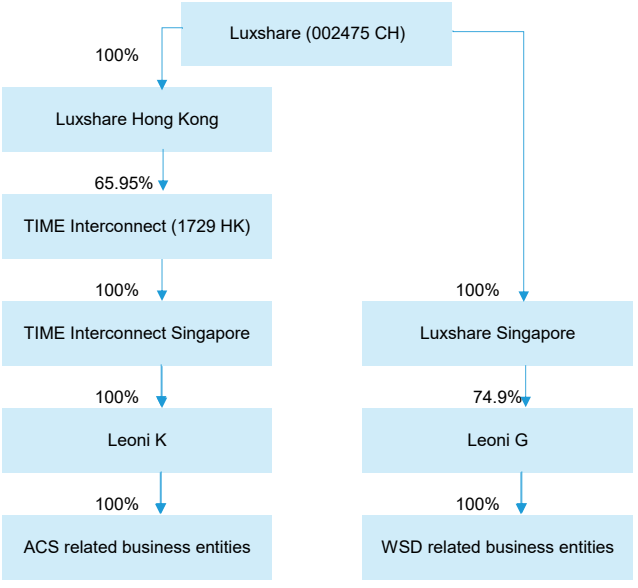
Luxshare's own auto business also delivered strong growth in 2025 with over 40% YoY, reaching RMB19B+; we expect it to continue 35-40% YoY growth every year till 2028, reading RMB52B. **Combined with Leoni, we expect Luxshare's auto business will grow at 36% CAGR in 2025-28E, reaching RMB99B by 2028E.**

EXHIBIT 16: **We expect Leoni to contribute ~10% of revenue and 5% of net profit to Luxhsare by 2028E**



Source: Company reports, Bernstein analysis and estimates

EXHIBIT 17: **Leoni's holding structure post 2Q26**



Source: Company reports, Bernstein analysis

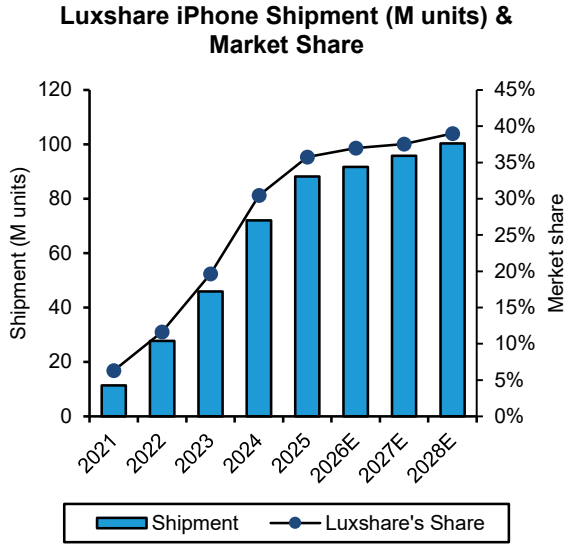
CONSUMER

While Apple represents 70% of Luxshare consumer business last year, we expect non-Apple revenue to grow double-digit every year, reaching ~RMB126B by 2028 (~40% of total consumer revenue). Despite memory cost pressures, Apple demand remains resilient, with global iPhone shipments up 5% YoY in 1Q26 (per Counterpoint). We forecast overall iPhone shipments from ODM side to grow 1% in 2026 and 3% in 2027. For iPhone assembly under Lizhen that flow to Luxshare's bottom line through profit sharing scheme, we model Lizhen's share to reach nearly 40% by 2028. Overall we model Apple-related revenue and net profit to grow 3% and 6% CAGR in 2025-28E respectively.

Beyond Apple, the Wingtech ODM business should scale with broader handset customer diversification, and Luxshare is winning shares in PC ODM market. We expect non-Apple consumer revenue to grow 16% CAGR in the next three years.

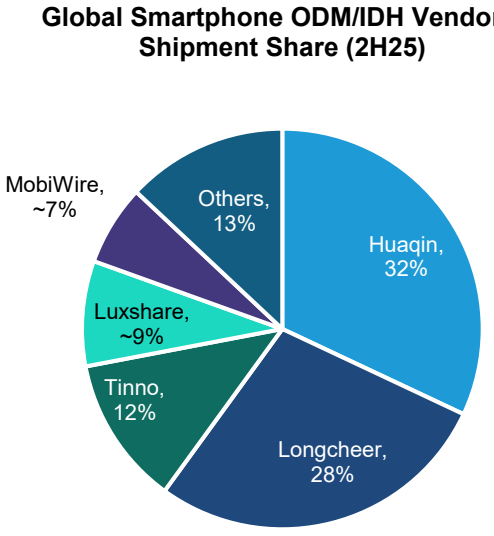
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EXHIBIT 18: **We expect Lizhen's iPhone assembly market share to reach 39% by 2028**



Source: IDC, Bernstein estimates and analysis

EXHIBIT 19: **Luxshare (via WingTech) has ~9% in global smartphone ODM/IDH market**



Starting from 2025, Wingtech's ODM business becomes part of Luxshare.
Source: Counterpoint, Bernstein analysis

COMPANY MODEL UPDATE - PT RAISED TO RMB86, OUTPERFORM

We model Luxshare's non-Apple business to grow at a 27% CAGR from 2025 to 2028 after reflecting the full-year consolidation effect of Leoni & WingTech, revenue from Vera Rubin backplane copper connectivity and ramp up of 1.6T optical transceiver next year. For **communication** segment, we model 43% revenue CAGR in 2025-28, factoring in power/thermal/optical components shipment starting from later 2026. Higher-margin component sales (vs. assembly) would lift communication GM by ~3ppts to reach 21% by 2027. For **auto**, we model Leoni's integration to contribute ~9-10% of total revenue, driving overall auto segment to grow at 36% CAGR in 2025-28. We lowered gross margin drag from Leoni for the overall auto division to only 1ppts in 2026, given smoother-than-expected breakeven of Leoni and its higher synergies with original auto business. For bottom line, we expect Leoni to contribute ~5% of net profit by 2028. For **non-Apple consumer**, we model it to grow at 16% revenue CAGR in 2025-28, factoring in WingTech's Andriod ODM and Luxshare's foray into PC ODM market.

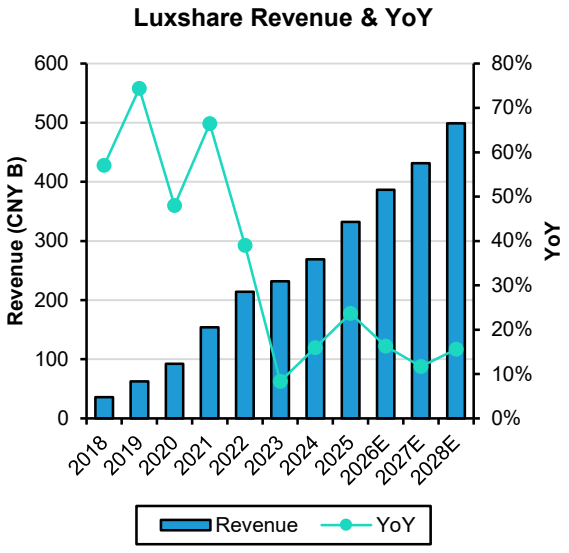
For the Apple business, we expect iPhone shipments to grow at 2% CAGR in 2025-28. Factoring WingTech's Mac assembly business, we model total Apple-related revenue to grow at 3% CAGR into 2028. Regarding iPhone assembly business, we expect the net profit margin of Lizhen to improve steadily from current 1.3% to 1.7% by 2026, and the net profit attributed to Luxshare will reach nearly c.RMB5B (or 15% of Luxshare's adjusted operating profit) by 2027E.

Overall, **we project Luxshare's revenue/EPS to grow at c.14%/26% CAGR from 2025 to 2028**. With improved return, we estimate company ROE to stay above 20% going forward, increasing from 21% in 2026E to 24% in 2028E.

We raise P/E to 25x (vs. old 22x) as we believe its steadily progress in AI server components and accelerated EPS growth in 2027-28 warrants a re-rating. Applying this to 2027 EPS of RMB3.5 (vs. old 2026-27 avg. EPS of RMB3.4), we raise price target to RMB86. The upcoming WWDC, progress in cable cartridge and optical transceiver, and launch of OpenAI's consumer device should support sentiment over the next 12-months. (Exhibit 20 -Exhibit 28)

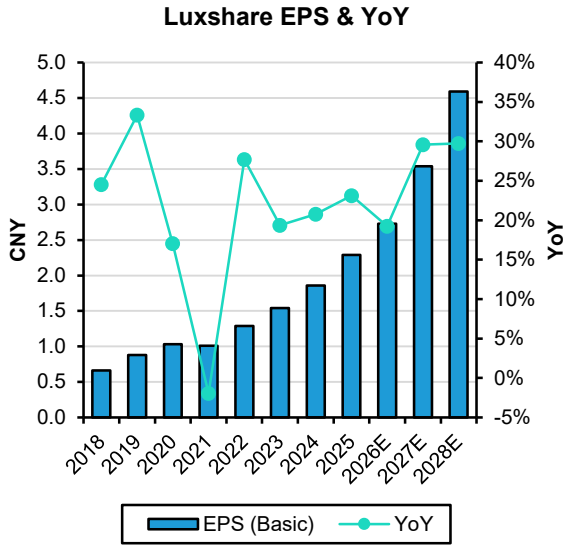
Alex Wang, CFA +852 2123 2613 alex.wang@bernsteinsg.com

EXHIBIT 20: **Overall, we project Luxshare's revenue to grow at c.14% from 2025 to 2028...**



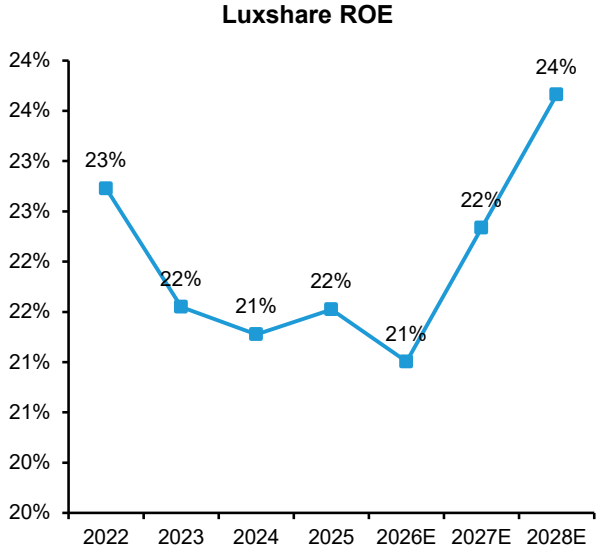
Source: Company reports, Bernstein estimates and analysis

EXHIBIT 21: **...And Luxshare's EPS to grow at ~26% CAGR**



Source: Company reports, Bernstein estimates and analysis

EXHIBIT 22: **We estimate company ROE to stay above 20% going forward**



Source: Company disclosure, Bernstein estimates and analysis

EXHIBIT 23: **We project Luxshare's revenue/EPS to grow at c.14%/26% CAGR from 2025 to 2028**

Luxshare Comparision Table	2026E	2027E	2028E
Revenue (RMB B)			
Bernstein Old	405	453	
YoY	20%	12%	
Bernstein	387	432	499
YoY	16%	12%	16%
Consensus	407	467	540
YoY	22%	15%	16%
New vs. old	-5%	-5%	
BERN vs. consensus	-5%	-8%	-8%
GM			
Bernstein Old	12.3%	12.7%	
Bernstein	12.0%	12.7%	13.2%
Consensus	11.9%	12.4%	12.9%
New vs. old	-0.3%	0.0%	
BERN vs. consensus	0.1%	0.3%	0.3%
OPM			
Bernstein Old	6.4%	7.1%	
Bernstein	5.8%	6.8%	7.5%
Consensus	5.6%	6.2%	6.5%
New vs. old	-0.6%	-0.3%	
BERN vs. consensus	0.3%	0.6%	1.0%
Profit Attributable to Shareholders (RMB B)			
Bernstein	19.9	25.8	33.4
YoY	20%	30%	30%
Consensus	21.6	27.1	33.0
YoY	26%	25%	22%
Basic EPS (RMB)			
Bernstein Old	2.9	3.6	
YoY	24%	23%	
Bernstein	2.7	3.5	4.6
YoY	19%	30%	30%
Consensus	3.0	3.7	4.5
YoY	25%	26%	22%
New vs. old	-7%	-3%	
BERN vs. consensus	-7%	-5%	1%

Source: Company reports, Bernstein estimates and analysis

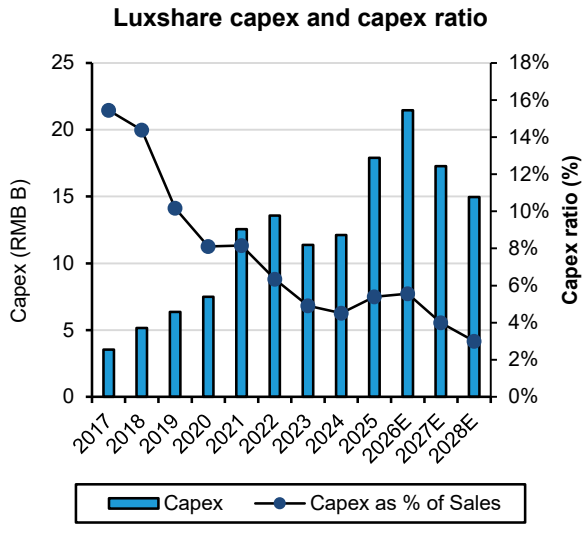
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EXHIBIT 24: **Concerns Luxshare's consumer electronics business have been eased since they guided 18-22% NP growth for 1H26**

ODM	2025 Rev. (US$M)	2025 Consumer segment mix	2025 YoY		1Q26E YoY		2026 / 2Q26 Guidance
			Sales	Net profit	Sales	Net profit	
Luxshare	46,259	56%	24%	21%	36%	20%	2Q26 guidance: 16-22% net profit growth
Hon Hai	260,716	53%	18%	23%	30%	14%	Consumer segment is guided to see growth YoY in FY26
Huaqin	23,862	47%	56%	32%	16%	NA	Stable growth for consumer electronics
Lens Tech	10,357	91%	7%	12%	-17%	-135%	Actual: 1Q26 sales -17% YoY, net profit turning negative, NPM down 3.6% YoY
Longcheer	5,863	95%	-10%	-11%	-19%	-90%	Face sales pressure, will cut low-end projects and focus on high-end

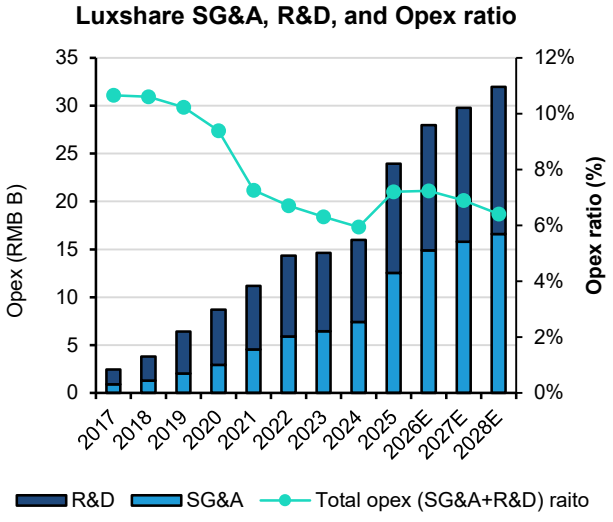
Source: Bloomberg, Company reports, Bernstein analysis

EXHIBIT 25: **We model Luxshare's capex to peak in 2026 for AI expansion and we do not expect capex to return to that level in 2027/28**



Source: Company reports, Bernstein analysis and estimates

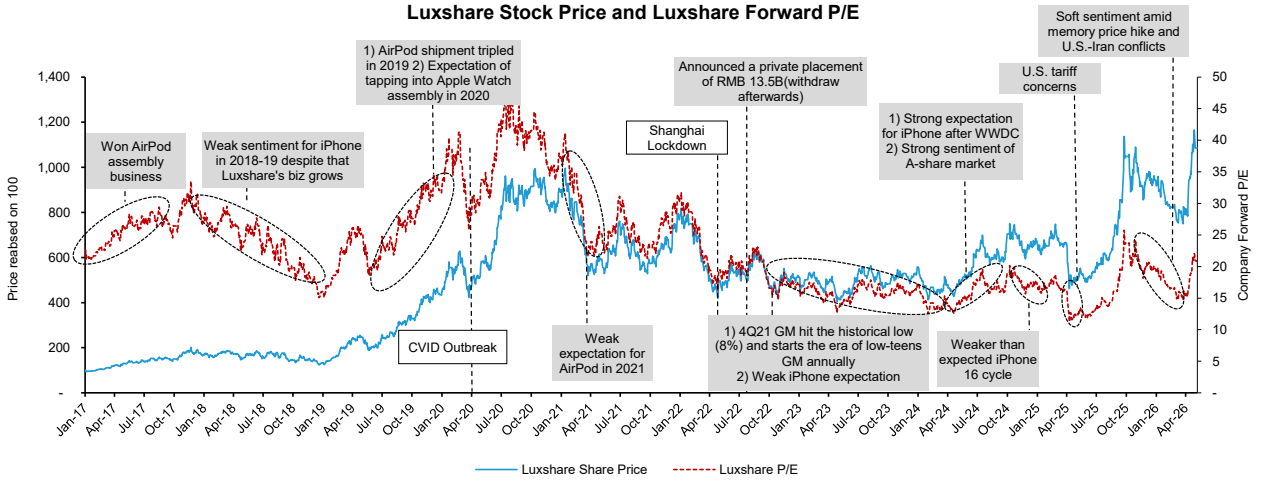
EXHIBIT 26: **We expect Luxshare's opex ratio to drop in 2026-28E with operating leverage**



Source: Company reports, Bernstein analysis and estimates

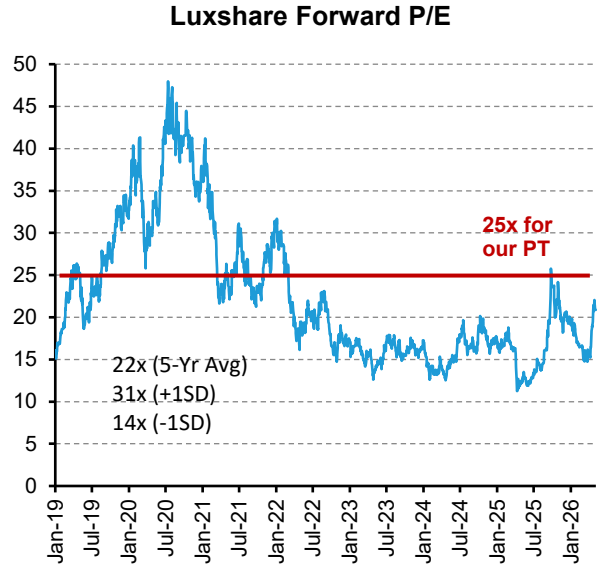
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EXHIBIT 27: **Luxshare's breakthrough into AI server components is likely to result in a re-rate of the stock**



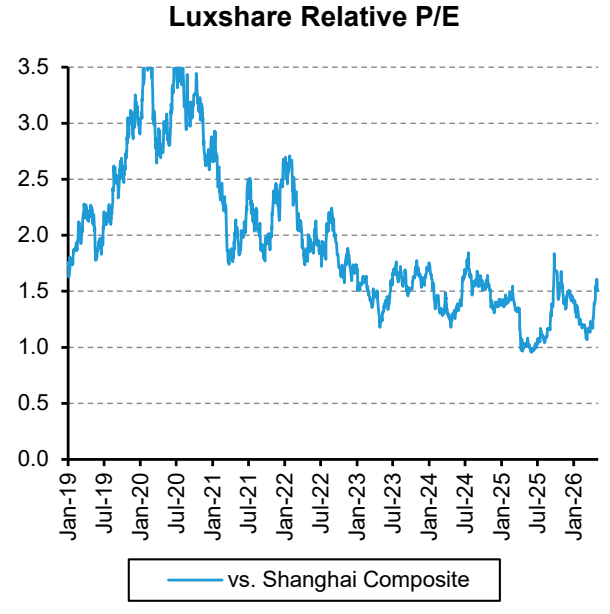
Source: Bloomberg and Bernstein analysis

EXHIBIT 28: **We set target P/E for Luxshare at 25x**



Source: Bloomberg, Bernstein estimates and analysis

EXHIBIT 29: **Luxshare's relative P/E to Shanghai Composite is not stretched**



Source: Bloomberg, Bernstein analysis

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APPENDIX - FINANCIAL FORECASTS

EXHIBIT 30: **Luxshare Financial Statements**

RMB in Millions	2022	2023	2024	2025	2026E	2027E	2028E
Income Statement							
Net Sales	214,028	231,905	268,795	332,344	386,536	431,670	498,832
Gross Profit	26,100	26,864	27,985	39,589	46,445	54,950	65,617
SG&A Expense	5,907	6,432	7,412	12,529	14,898	15,791	16,580
R&D Expense	8,447	8,189	8,556	11,428	13,090	13,983	15,382
EBIT	11,154	12,860	16,142	19,156	22,593	29,175	37,644
EBITDA	18,728	22,889	26,972	32,419	39,999	47,693	56,460
Pretax Income	11,158	12,885	16,109	19,550	22,600	29,175	37,644
Tax	667	642	1,530	1,380	1,394	1,807	2,432
Net Income	9,163	10,953	13,366	16,600	19,893	25,781	33,447
Earnings Per Share (RMB) (Diluted)	1.3	1.5	1.9	2.3	2.7	3.5	4.5
Margin Analysis							
Gross Profit	12.2%	11.6%	10.4%	11.9%	12.0%	12.7%	13.2%
EBIT	5.2%	5.5%	6.0%	5.8%	5.8%	6.8%	7.5%
Net Income	4.3%	4.7%	5.0%	5.0%	5.1%	6.0%	6.7%
Sequential Growth							
Net Sales	39.0%	8.4%	15.9%	23.6%	16.3%	11.7%	15.6%
EBIT	36.6%	15.3%	25.5%	18.7%	17.9%	29.1%	29.0%
Net Income	29.6%	19.5%	22.0%	24.2%	19.8%	29.6%	29.7%
Earnings Per Share	29.3%	19.5%	20.9%	22.2%	17.9%	29.6%	29.7%
Balance Sheet							
Cash and Cash Equivalents	19,367	33,620	48,360	61,159	75,784	88,162	95,146
Accounts Receivable	26,993	23,766	34,017	50,224	51,634	61,592	82,298
Inventory	37,363	29,758	31,703	42,333	47,547	55,994	73,870
Net Fixed Assets	46,721	46,787	53,610	70,191	66,955	65,703	61,852
Total Assets	148,384	161,992	223,828	306,538	328,847	365,868	423,376
Accounts Payable	50,302	46,401	65,966	84,013	87,101	102,574	135,322
Total Debt	26,851	35,470	58,394	80,496	88,601	82,176	68,129
Total Equity	58,784	70,285	84,687	104,020	125,198	149,581	180,926
Cash Flow							
Cash Flow From Operations	10,167	30,127	25,804	19,431	47,230	40,740	42,262
Cash Flow From Investments	(13,326)	(19,560)	(35,656)	(24,207)	(29,467)	(17,146)	(14,932)
Cash Flow From Financing	8,156	4,070	25,890	19,290	(1,100)	(9,409)	(17,915)
Depreciation & Amortization	7,573	10,029	10,830	13,263	17,406	18,519	18,816
Capex	(13,584)	(11,387)	(12,111)	(17,904)	(21,465)	(17,267)	(14,965)
FCF	(4,088)	18,074	12,193	(219)	24,365	21,666	35,034
As % of EBITDA	-22%	79%	45%	-1%	61%	45%	62%
Key Financial Metrics							
ROE	22.7%	21.5%	21.3%	21.5%	21.1%	22.3%	23.6%
ROA	7.8%	7.9%	7.6%	6.9%	6.7%	7.9%	8.9%
Debt / Equity	45.7%	50.5%	69.0%	77.4%	70.8%	54.9%	37.7%
Net Debt / Equity	12.7%	2.6%	11.8%	18.6%	10.2%	-4.0%	-14.9%
Debt / Capital	31.4%	33.5%	40.8%	43.6%	41.4%	35.5%	27.4%
Dividend Per Share (RMB)	0.1	0.1	0.3	0.2	0.3	0.4	0.5
Dividend Payout Ratio	10.0%	8.8%	17.6%	10.0%	12.0%	14.1%	14.1%

Source: Company reports, Bernstein analysis and estimates

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BERNSTEIN TICKER TABLE

			6 May 2026		TTM		Reported EPS			Reported P/E (x)		
Ticker	Rating	Cur	Closing Price	Price Target	Rel. Perf.	Cur	2025A	2026E	2027E	2025A	2026E	2027E
002475.CH (Luxshare)	O	CNY	67.08	**86.00**	65.5%	CNY	2.26	**2.66**	**3.45**	29.7	25.2	19.4
OLD				74.00				2.98	3.74			
ASIAX			1,945.40									

PRICE TARGET CHANGE / ESTIMATE CHANGE IN BOLD

O - Outperform, M - Market-Perform, U - Underperform, NR - Not Rated, CS - Coverage Suspended

Source: Bloomberg, Bernstein estimates and analysis.

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VALUATION METHODOLOGY

Luxshare Precision Industry Co Ltd

We set a RMB86 target price using a P/E multiple of 25x against our 2027 EPS of RMB3.5.

RISKS

Luxshare Precision Industry Co Ltd

Downside risks to our price target for Luxshare include:

- Weaker-than-expected iPhone 18 replacement cycle
- Slower-than-expected share gains for key products in AI server
- Stronger-than-expected margin pressure due to new product ramp or competition
- Higher-than-expected memory price impact

RATINGS DEFINITIONS, BENCHMARKS AND DISTRIBUTION

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The Autonomous brand rates common stocks as indicated below. As our benchmarks we use the Bloomberg Europe 500 Banks And Financial Services Index (BEBANKS) and Bloomberg Europe Dev Mkt Financials Large and Mid Cap Price Ret Index EUR (EDMFI) index for developed European banks and Payments, the Bloomberg Europe 500 Insurance Index (BEINSUR) for European insurers, the S&P 500 and S&P Financials for US banks and Payments coverage, S5LIFE for US Insurance, the S&P Insurance Select Industry (SPSIINS) for US Non-Life Insurers coverage, and the Bloomberg Emerging Markets Financials Large, Mid and Small Cap Price Return Index (EMLSF) for emerging market banks and insurers and Payments. Ratings are stated relative to the sector (not the market).

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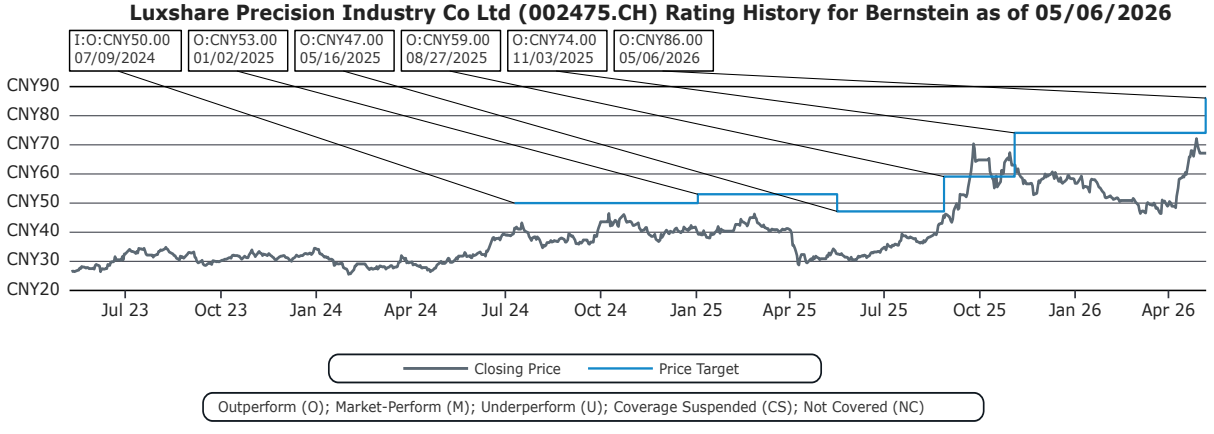
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Underperform	SELL	12.6%	14.9%

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