

Semiconductors

A quick read on recently reported CPO and 800VDC deployment delay

We noticed SemiAnalysis published an article on Jun 9 discussing potential deployment delays in 1) co-packaged optics (CPO) and 2) Nvidia's native single-ended 800VDC architecture, which has triggered market debate and put pressure on AI infrastructure-related names, particularly optical, power semiconductor and datacom interconnect suppliers. We think the note is better interpreted as **a timing reset rather than a demand reset**. On optics, its conclusion is broadly consistent with our prior view that mass CPO adoption is unlikely before late-2027 at the earliest ([see our prev. note](#)), while pluggable optical modules and NPO should remain key deployment paths for the foreseeable future, supporting leading domestic optical module suppliers including Innolight (300308 CH, BUY) and Eoptolink (300502 CH, NR).

On power, we have yet to see concrete evidence that broader HVDC adoption is being delayed; the potential pushout appears more specific to Nvidia's single-ended 800VDC architecture, while ± 400 VDC for hyperscaler ASIC platforms remains on schedule. This distinction is important for our covered name InnoScience (2577 HK, BUY), whose near-term opportunity is more closely linked to ± 400 VDC and ASIC-side power architecture, such as collaboration with Google, rather than Nvidia single-ended 800VDC alone. **Reiterate BUY on Innolight and InnoScience as we see the near-term fundamentals intact.**

- **Potential CPO delay extends the NPO and pluggable optics window, without changing CPO's long-term direction.** CPO remains an important architecture as AI interconnects move toward higher bandwidth density and better power efficiency, but near-term challenges in integration, yield and serviceability could make large-scale adoption more gradual than earlier expectations. This creates a longer transition window for NPO and high-end pluggables. We believe NPO may remain relevant for longer and become a more meaningful scale-up architecture than the market currently assumes, as it offers a practical balance between improved signal/power performance and better manufacturability versus CPO. We believe this is positive for Innolight (300308 CH, BUY), whose NPO participation appears broader than traditional module assembly, potentially extending into key optical sub-components, integration, testing and qualification.
- **Potential 800VDC deployment should be separated from broader HVDC adoption, in our view.** The market concern is mainly around Nvidia's native single-ended 800VDC architecture, where near-term adoption may be slower if base Rubin platforms do not require it. However, we do not think this should be read as a broad delay in HVDC power architectures. HVDC adoption is driven by rising rack power density and system-level efficiency, not by one GPU platform alone. As racks exceed 200kW, higher-voltage DC can already reduce bus current, copper usage, distribution loss and thermal burden, even before even higher power platforms make it mandatory. For InnoScience, the near-term opportunity is more closely linked to hyperscaler ASIC-side ± 400 VDC applications rather than Nvidia single-ended 800VDC alone, in our view. Therefore, a potential pushout in Nvidia's 800VDC timeline does not change our view on InnoScience's AIDC GaN opportunity.

OUTPERFORM
(Maintain)

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Relevant reports:

1. Innolight (300308 CH) - 1Q26 earnings: Brighter than a shooting star ([link](#))
2. Innolight (300308 CH) - Stronger into 2026 on 1.6T ramp and SiPh mix ([link](#))
3. Innolight (300308 CH) - Pluggables first, new architecture later ([link](#))
4. InnoScience (2577 HK) - GaN-ning momentum one step at a time ([link](#))
5. InnoScience (2577 HK) - Global integrated GaN leader with significant growth potential ([link](#))

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