Flash | Citi Research

02 Jun 2026 07:18:38 ET | 11 pages

Airtac (1590.TW)

Strong QTD Sales Suggest Upside to Market's Expectation

CITI'S TAKE

Airtac reported May-26 sales of NT$3.9bn (or Rmb844mn, +26% y/y) rose 40% y/y driven mostly by sustained strong demand for pneumatics. Daily shipment of pneumatics increased 27% y/y and flat m/m to Rmb38.5mn bolstered by solid demand from battery, machine tools and machinery. Mgmt continues to observe strong order backlog, and expects positive policy support along with upward FA cycle to boost pneumatic demand for the remainder of the year. QTD sales grew 32% y/y, achieving 75%/79% of 2Q26E our/BBG sales estimates vs. historical range of 66-70%, suggesting upside to expectations. Despite solid fundamentals with intact share gains and strong margin expansion, Airtac's share price retreated 17% from its recent peak vs. TAIEX +9% over the same period, which we attribute to unfavorable fund rotation to tech sector. Any further pull-back would look like a good entry point to us. Reiterate buy.

Buy	
Short-Term View: Upside, expires 07-JUN-26	
Price (02 Jun 26 13:30)	NT$1,280.00
Target price	NT$1,750.00
Expected share price return	36.7%
Expected dividend yield	2.9%
Expected total return	39.6%
Market Cap	NT$256,000M
	US$8,136M

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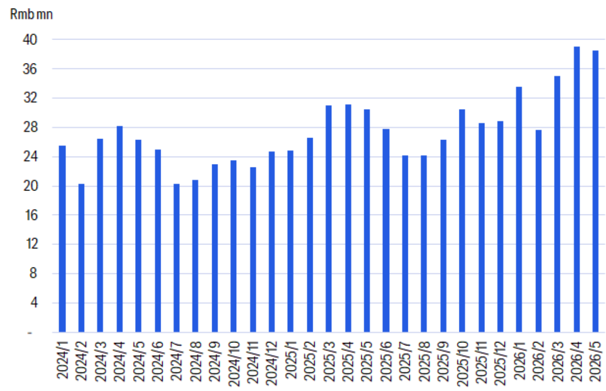
Earnings Summary

Year to 31 Dec	Net Profit (NT$M)	Diluted EPS (NT$)	EPS growth (%)	P/E (x)	P/B (x)	ROE (%)	Yield (%)
2024A	7,624	38.12	9.4	33.6	5.3	16.8	1.7
2025A	8,400	42.00	10.2	30.5	4.9	16.7	2.2
2026E	11,060	55.30	31.7	23.1	4.6	20.3	2.9
2027E	12,601	63.00	13.9	20.3	4.3	21.7	3.4
2028E	14,152	70.76	12.3	18.1	4.0	22.7	na

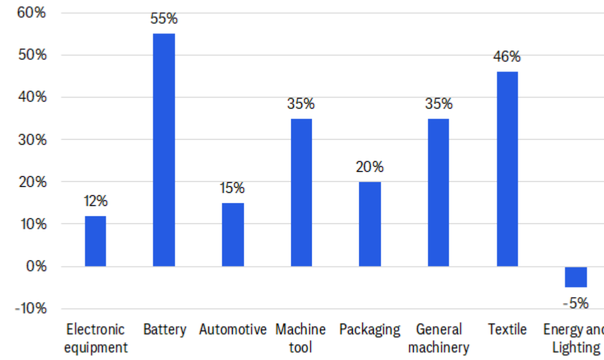
Source: Powered by dataCentral

Figure 1. Airtac: Daily Run Rate of Pneumatics by Month (Based on Our Calculations)



Source: Company Reports, Citi Research

Figure 2. Airtac: Sales Growth by Industry in May-26 (Direct Sales Only)



Source: Company Reports, Citi Research

Airtac

Valuation

We derive our target price of NT$1,750 for Airtac by using a P/E methodology, as we believe the margin and earnings growth outlooks will be the key drivers of the stock. We apply a P/E of 30x for 2Q26-1Q27E, which we derive from the mid range of prior upcycle valuation 25-35x during 2021 in view of a strong upcycle with solid FA demand and ongoing share gains.

Risks

Key downside risks that could impede the Airtac stock from reaching our target price include: 1) a softer-than-expected China macro economy, resulting in downside to our sales forecasts; 2) intensifying competition leading to gross margin pressures; and 3) slower-than-expected progress of its linear guide business, causing low utilization of capacity.

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Appendix A-1

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Airtac (1590.TW)

Ratings and Target Price History
Fundamental Research

Analyst: Angela Hsu

	Date	Rating	Target Price	Closing Price
1	03-Oct-23 05:54:40	*1	*1,250.00	998.00
2	30-Apr-24 10:21:43	1	*1,350.00	1,160.00
3	06-Sep-24 14:42:18	1	*1,050.00	816.00
4	31-Jul-25 08:08:45	1	*1,000.00	856.00
5	30-Oct-25 09:57:38	1	*1,100.00	904.00
6	29-Jan-26 08:12:57	1	*1,350.00	1,040.00
7	29-Apr-26 10:42:32	1	*1,750.00	1,490.00

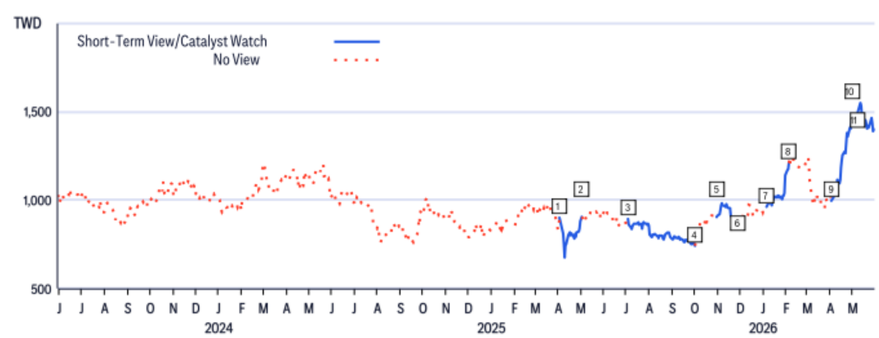
*Indicates Change

Rating/target price changes above reflect Eastern Time

Airtac (1590.TW)

Short-Term View/Catalyst Watch Research

Analyst: Angela Hsu



	Date	Action	Expected Direction	Duration	Closing Price
1	03-Apr-25 15:20:52	Add CW	Upside	30 Days	900.00
2	02-May-25 14:22:25	Remove CW	Upside	30 Days	905.00
3	03-Jul-25 02:23:51	Add STV	Upside	90 Days	893.00
4	01-Oct-25 21:44:22	Remove STV	Upside	90 Days	741.00
5	30-Oct-25 05:57:38	Add STV	Upside	30 Days	904.00
6	28-Nov-25 12:04:22	Remove STV	Upside	30 Days	903.00
7	05-Jan-26 10:25:45	Add STV	Upside	30 Days	962.00
8	04-Feb-26 19:57:43	Remove STV	Upside	30 Days	1,210.00
9	02-Apr-26 01:31:06	Add STV	Upside	30 Days	996.00
10	01-May-26 14:16:41	Remove STV	Upside	30 Days	1,455.00
11	07-May-26 05:36:56	Add STV	Upside	30 Days	1,490.00

CW - Catalyst Watch , STV - Short-Term View

Rating/target price changes above reflect Eastern Time

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	12 Month Rating			Catalyst Watch		
Data current as of 01 Apr 2026	**Buy**	**Hold**	**Sell**	**Buy**	**Hold**	**Sell**
Citi Research Global Fundamental Coverage (Neutral=Hold)	61%	32%	8%	37%	47%	16%
% of companies in each rating category that are investment banking clients	38%	41%	28%	42%	37%	36%

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Citigroup Global Markets Taiwan Securities Company Limited	Angela Hsu

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