04 Aug 2026 06:54:28 ET | 11 pages

Airtac (1590.TW)

Solid July-26 Sales Driven by Sustained Broad-Based Growth and An Easy Base

CITI'S TAKE

Airtac reported July-26 sales of NT$4.0bn, up 51% y/y or Rmb841mn, up 30% y/y, driven by broad-based demand strength and a low base. Pneumatic daily shipments increased 29% y/y to Rmb31.mn but declined 8% m/m due to normal seasonality. By end application, growth was led by battery (+65% y/y), machine tools (+40%), electronics and machinery (+33% each). July-26 sales reached 36-37% of our/BBG 3Q26 sales forecasts vs. historical range of 32-34%, suggesting a solid start to the quarter. While approaching low season could lead to sequential sales moderation and near-term share price volatility, order intake continued to exceed shipments, and we believe sustained share gains, supportive industrial policies and new products still underpin a solid growth outlook in 2H26E. Retain Buy.

Buy	
Price (04 Aug 26 13:30)	NT$1,425.00
Target price	NT$1,750.00
Expected share price return	22.8%
Expected dividend yield	2.6%
Expected total return	25.4%
Market Cap	NT$285,000M US$8,793M

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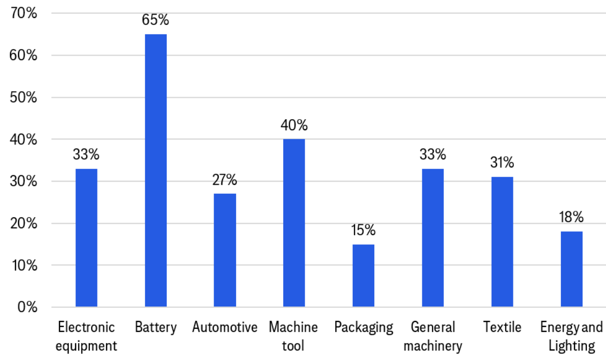
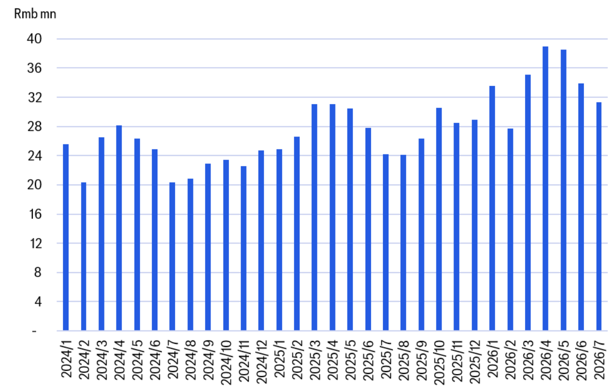
See Appendix A-1 for Analyst Certification, Important Disclosures and Research Analyst Affiliations

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 July-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 27.5x for 2H26-1H27E, 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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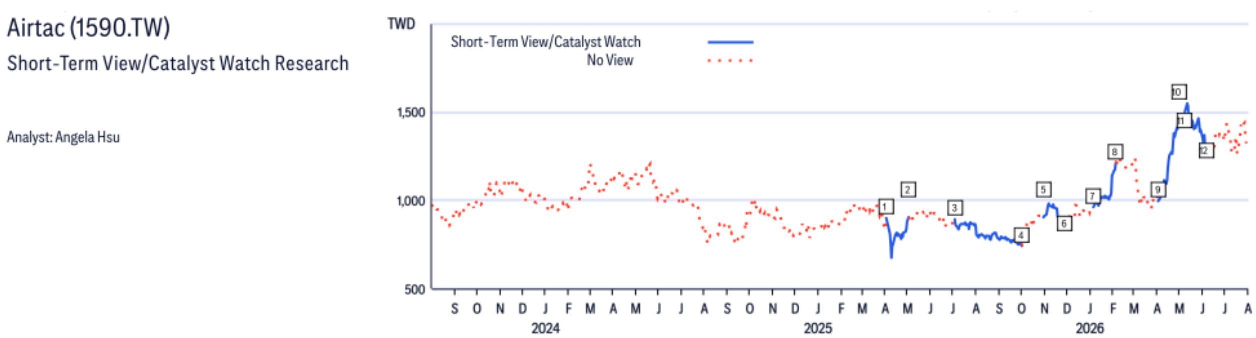
	Date	Rating	Target Price	Closing Price
1	03-Oct-23 05:54:40	*1	*1,250.00	998.00
2	30-Apr-24 10:21:43	1	*1,350.00	1,160.00
3	06-Sep-24 14:42:18	1	*1,050.00	816.00
4	31-Jul-25 08:08:45	1	*1,000.00	856.00
5	30-Oct-25 09:57:38	1	*1,100.00	904.00
6	29-Jan-26 08:12:57	1	*1,350.00	1,040.00
7	29-Apr-26 10:42:32	1	*1,750.00	1,490.00

*Indicates Change

Rating/target price changes above reflect Eastern Time



	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
12	05-Jun-26 14:27:33	Remove STV	Upside	30 Days	1,320.00

CW - Catalyst Watch , STV - Short-Term View

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	12 Month Rating			Catalyst Watch		
Data current as of 01 Jul 2026	**Buy**	**Hold**	**Sell**	**Buy**	**Hold**	**Sell**
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% of companies in each rating category that are investment banking clients	38%	42%	27%	42%	37%	36%

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