03 Sep 2026 05:43:41 ET | 11 pages

Airtac (1590.TW)

Broad-Based Growth Continued in Aug-26; Near-Term Volatility Ahead

CITI'S TAKE

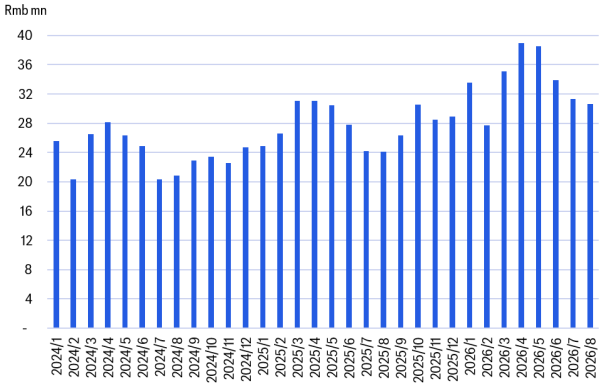
Airtac reported Aug-26 sales of NT$3.7bn, up 43% y/y or Rmb 780mn, up 27% y/y. Sales decreased 7% m/m due to normal low-season effects, while daily shipment of pneumatic eased 2% m/m to Rmb 30.7mn. Growth remained broad-based in the month, led by textiles (+47% y/y), electronics (+36%), machine tools (+35%) and battery (+30%). Mgmt indicated that order received continued to exceed shipments, implying resilient underlying demand and its ongoing share gains in China's pneumatic market. QTD sales reached 69-71% of our/BBG 3Q26E sales estimates, tracking ahead of the historical avg of 66%. We maintain Buy rating, supported by sustained market share gains and the upcoming launch of semi-related products, which should broaden Airtac's addressable market and support its longer-term growth. Nevertheless, we adopt a more balanced near-term view, as seasonal demand moderation and increasing challenging comparisons from 4Q26E could slow headline growth and trigger profit-taking pressure.

Buy	
Price (03 Sep 26 13:30)	NT$1,375.00
Target price	NT$1,750.00
Expected share price return	27.3%
Expected dividend yield	2.7%
Expected total return	30.0%
Market Cap	NT$275,000M US$8,660M

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

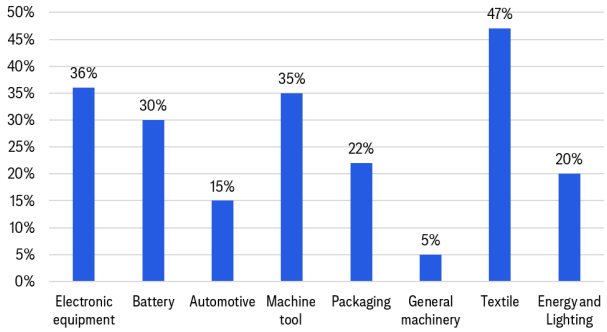
Figure 1. Airtac: Daily Run Rate of Pneumatics by Month (Based on Our Calculations)



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Source: Company Reports, Citi Research

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



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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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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

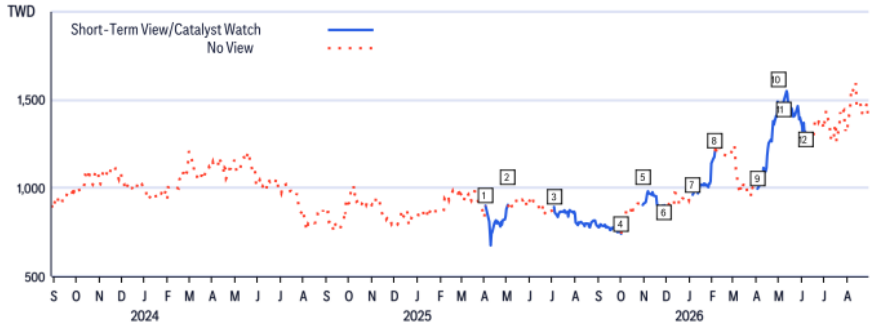
*Indicates Change

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
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**
Citi Research Global Fundamental Coverage (Neutral=Hold)	61%	32%	7%	36%	48%	16%
% of companies in each rating category that are investment banking clients	38%	42%	27%	42%	37%	36%

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