03 Nov 2026 04:22:30 ET | 11 pages

Airtac (1590.TW)

Daily Shipment Momentum Improved in Oct-26. Battery Recovery Likely Offers Near-Term Relief

CITI'S TAKE

Airtac reported Oct-26 sales of NT$3.6bn (+32% y/y) or Rmb740mn (+18% y/y). Oct-26 sales declined 8% m/m owing to fewer working days, while daily pneumatic shipment +7% y/y to Rmb33mn, exceeding the levels recorded over the past three months. Battery sales returned to positive growth of 27% y/y from -10% in Sep-26, while electronics (+30% y/y), machine tools (+31%) and textiles (+30%) maintained solid momentum. Oct-26 sales made up 31%/33% of our/BBG's 4Q26E sales forecasts, on track with the historical range of 30-33%. We believe the improvement in daily shipment and recovery in battery demand could support near-term stock sentiment, particularly following the stock's c.24%% correction in past two months. We maintain Buy, favoring Airtac's sustained share gains in China, solid execution, and long-term growth opportunities from semi-related products. That said, still high uncertainties surrounding battery-sector demand and a high sales base might lead to near-term share price volatility.

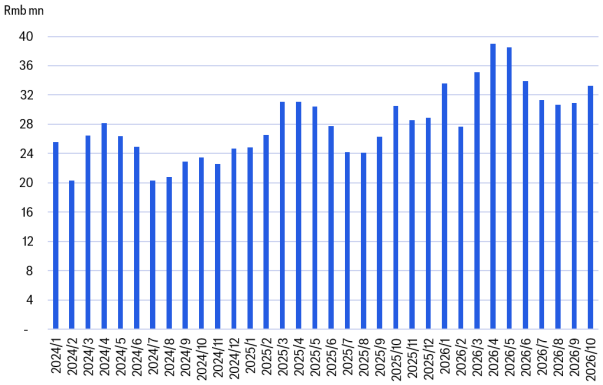
Buy

Price (03 Nov 26 13:30)	NT$1,050.00
Target price	NT$1,430.00
Expected share price return	36.2%
Expected dividend yield	3.6%
Expected total return	39.8%
Market Cap	NT$210,000M US$6,438M

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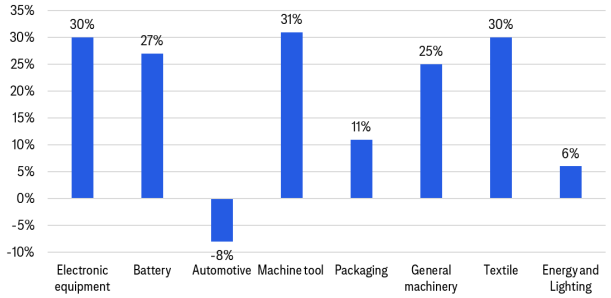
Figure 1. Airtac: Daily Run Rate of Pneumatics by Month (Based on Our Calculations)



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Source: Company Reports, Citi Research

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



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Source: Company Reports, Citi Research

Airtac

Valuation

We derive our target price of NT$1,430 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 21.5x for 2027E, which is at par with its historical average.

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	30-Apr-24 10:21:43	1	*1,350.00	1,160.00
2	06-Sep-24 14:42:18	1	*1,050.00	816.00
3	31-Jul-25 08:08:45	1	*1,000.00	856.00
4	30-Oct-25 09:57:38	1	*1,100.00	904.00
5	29-Jan-26 08:12:57	1	*1,350.00	1,040.00
6	29-Apr-26 10:42:32	1	*1,750.00	1,490.00
7	29-Oct-26 15:40:21	1	*1,430.00	1,150.00

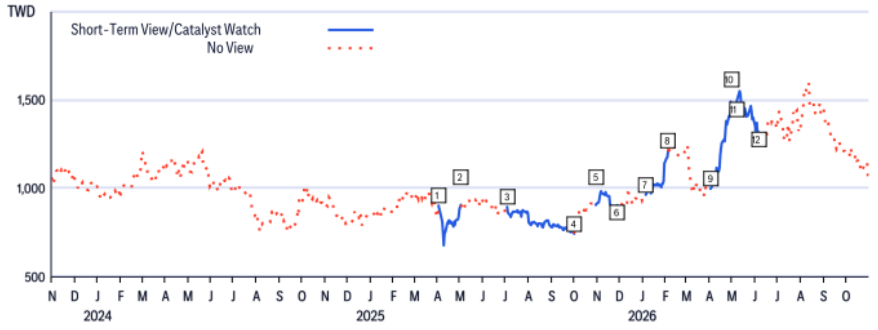
*Indicates Change

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 Oct 2026	**Buy**	**Hold**	**Sell**	**Buy**	**Hold**	**Sell**
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% of companies in each rating category that are investment banking clients	39%	43%	30%	42%	38%	36%

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