


Hong Kong | Industrial

11 March 2026

Impro Precision Industries (1286 HK)
FY25 top and bottom line reached record high

- A solid set of FY25 results with revenue reached HK\$5.1bn (+8.7% YoY) while reported NP amounted to HK\$726.2m (+12.7% YoY); both set new records
- A second interim DPS of HK\$8.0cents was declared. Along with the first interim DPS of HK\$8.0cents, final DPS amounted to HK\$16.0cents, translating to 44% dividend payout

A solid set of FY25 results

Impro Precision's FY25 revenue increased by 8.7% YoY to HK\$5.1bn. Its FY25 GPM was 27.5% compared to 27.1% in FY24. The marginal improvement in GPM was mainly due to the robust demand from high horsepower engine end-market, partially offset by the lower-than-expected revenue growth from the Mexican plants and the decline in profit in precision machining and other business. On the back of lower financing costs (-23.0% YoY) and income tax (-37.5% YoY), reported NP subsequently grew by 12.7% YoY to HK\$726.2m in FY25. Stripping off the deferred tax assets recognition in FY25, insurance compensation received from the Nantong fire incident in 2024 and the amortization/depreciation of the past acquisition, its adjusted NP increased by 12.1% YoY to HK\$689.9m in FY25.

High horsepower engines and medical end-markets performed exceptionally well

Impro is best known for serving a well-diversified global customer base with its products sold to different end-markets. Last year, artificial intelligence continued to boom, fueling sustained demand for data centers. This has significantly boosted the need for high-horsepower engines which is a critical component of distributed power generation. As a result, Impro's sales in this segment surged by 43.3% YoY, making it the largest sub-sector end market by contributing 22.1% of the total sales in FY25. Demand for liquid cooling systems supporting AI data centers also expanded rapidly, driving a 38.4% YoY increase in revenue from the diversified industrials other end-market. Additionally, with new products entering mass production, revenue from medical end-market recorded a robust 55.2% YoY growth.

Sales from energy end-market however saw a 14.8% YoY decline due to the sluggish oil and gas market. Affected by the weakening demand in the European and US markets, sales of passenger cars and commercial vehicle end-markets decreased by 6.2% and 12.7% respectively in FY25.

FY26 outlook: anticipating mid-double digits sales growth

Looking ahead, Impro anticipates accelerated sales revenue growth over the next two to three years, supported by continued strong demand for artificial intelligence data center products, a substantial pipeline of new orders at the Mexico SLP Campus, and recovering demand in certain end-markets. Based on current outstanding orders backlog and the progress of new project development, the Group forecasts mid-double-digit YoY sales growth in 2026.

The diversified industrials sector is expected to maintain robust momentum this year. For the high-horsepower engine segment, product upgrades from castings and rough machining to deeper processing and partial full-finishing, combined with the successive mass production of new projects for both existing and new customers, are expected to drive a new growth trajectory for this segment. Furthermore, the Phase II large-scale sand casting workshop at the Mexico SLP Campus is scheduled to commence mass production in mid-2026, which will provide additional capacity to support this expansion. For the aerospace sector, given the specialized processes involved, additional certifications are anticipated in the 2H26, paving the way for gradual commencement of mass production. In the medical sector, Impro will continue advancing surgical robots and related products, which are expected to deliver meaningful growth potential over the coming years.

NON-RATED

Last Price (HK\$)*	8.40
Target Price (HK\$)	N/A
Upside / (Downside)(%)	N/A
Previous rating	NON-RATED
Previous TP	N/A
Hang Seng Index*	25,898.76
*Prices as of	11-Mar-26

Key Data

Ticker	1286 HK
Market Cap (HK\$m)	15,853
3M avg daily T/O (HK\$m)	28.7
52-week High (HK\$)	9.01
52-week Low (HK\$)	1.92
Free Float (%)	16.2%
Shares O/S (m)	1,887.3

Performance	Absolute	Relative
1 month	13.2%	19.2%
3 months	77.2%	74.7%
6 months	124.0%	125.6%

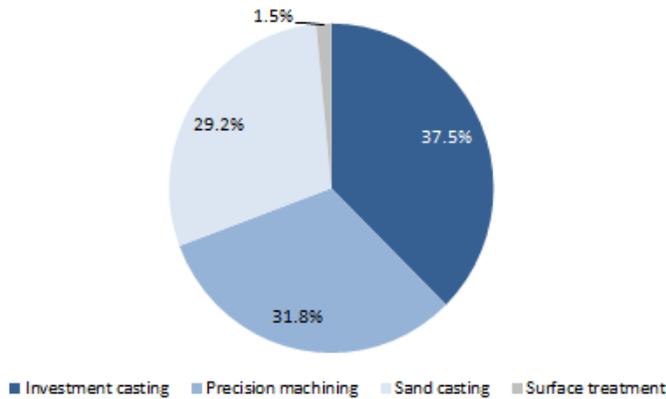
Price Chart

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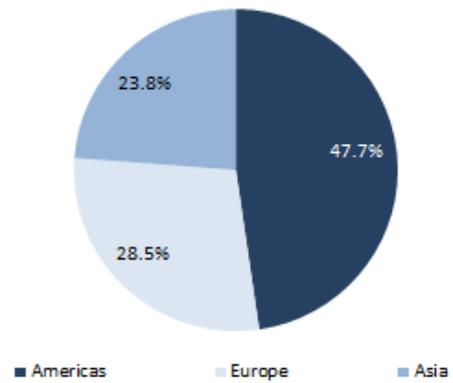
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Figure 1 Revenue breakdown by business



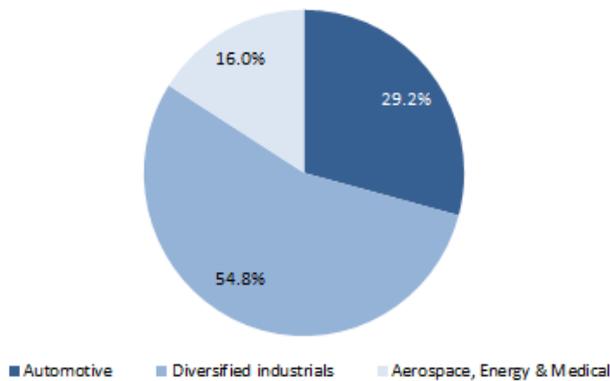
Source: Company data

Figure 2 Geographical breakdown



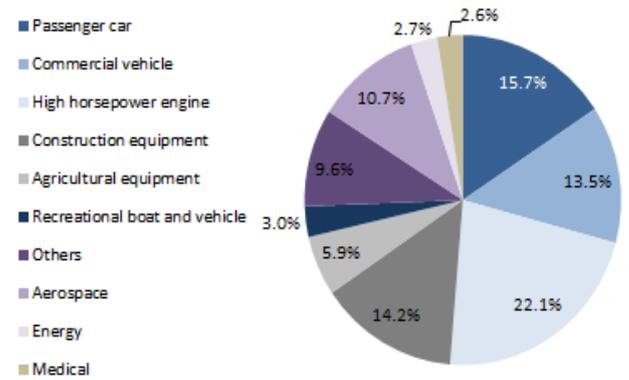
Source: Company data

Figure 3 Revenue by end market (i)



Source: Company data

Figure 4 Revenue by end market (ii)



Source: Company data

Figure 5 End-market breakdown

By end-market (Yr ended Dec)	2025		2024		YoY change	
	HK\$m	% to total	HK\$m	% to total	HK\$m	Change (%)
Diversified Industrials	2,792.7	54.8	2,260.0	48.2	532.7	23.6
- High horsepower engine	1,125.9	22.1	785.8	16.8	340.1	43.3
- Construction equipment	721.3	14.2	648.5	13.8	72.8	11.2
- Agricultural equipment	302.5	5.9	324.3	6.9	(21.8)	(6.7)
- Recreational boat and vehicles	154.4	3.0	148.4	3.2	6.0	4.0
- Others	488.6	9.6	353.0	7.5	135.6	38.4
Automotive	1,487.2	29.2	1,640.5	35.0	(153.3)	(9.3)
- Passenger car	799.1	15.7	852.0	18.2	(52.9)	(6.2)
- Commercial vehicle	688.1	13.5	788.5	16.8	(100.4)	(12.7)
Aerospace, energy and medical	815.6	16.0	786.3	16.8	29.3	3.7
- Aerospace	544.4	10.7	538.6	11.5	5.8	1.1
- Energy	138.0	2.7	161.9	3.5	(23.9)	(14.8)
- Medical	133.2	2.6	85.8	1.8	47.4	55.2
Total	5,095.5	100.0	4,686.8	100.0	408.7	8.7

Source: Company data



Figure 6 Profit and loss statement

Year ended Dec (HK\$m)	FY23	FY24	FY25	YoY change (%)
Revenue				
Investment casting	1,914.8	1,804.7	1,909.9	5.8
Precision machining and others	1,808.3	1,720.3	1,619.8	(5.8)
Sand casting	823.9	1,101.3	1,487.5	35.1
Surface treatment	57.4	60.5	78.3	29.4
Total	4,604.4	4,686.8	5,095.5	8.7
Costs of sales	(3,426.0)	(3,417.7)	(3,695.4)	
Gross profit	1,178.4	1,269.1	1,400.1	10.3
Other revenue	30.2	33.2	31.5	
Other net income	20.0	125.5	12.1	
Selling and distribution expenses	(158.5)	(177.0)	(189.7)	
Administrative and other operating expenses	(341.8)	(362.6)	(359.6)	
Operating profit	728.3	888.2	894.4	0.7
Net finance costs	(108.4)	(102.3)	(78.8)	
Before tax profit	619.9	785.9	815.7	3.8
Tax	(33.1)	(140.1)	(87.6)	
MI	(1.7)	(1.5)	(1.9)	
Net profit	585.1	644.3	726.2	12.7

Source: Company data

Figure 7 Peer comparable

11-Mar-26		Price	Mkt cap (US\$m)	3-mth avg t/o (US\$m)	P/E (x)				EPS YoY%		Div Yld (%)			P/B (x)		ROE (%)		ROIC Hist (%)	Share px chg (%)		
Company	Ticker				Hist	FY1	FY2	FY3	FY1	FY2	Hist	FY1	FY2	Hist	FY1	Hist	FY1		Hist	FY1	1-mth
HSI		25,899			12.1	12.8	11.4	10.1	(5.7)	12.6	3.0	3.1	3.2	1.39	1.36	10.4	10.3	4.1	(5.0)	1.4	8.9
MSCI ACWI		1,024.09			21.8	18.5	16.2	14.6	17.4	13.9	1.7	1.8	2.0	3.54	3.17	15.0	16.4	6.6	(3.0)	0.9	23.9
Sector Average					14.3	13.5	11.4	9.2	9.7	17.6	4.5	3.6	4.2	1.5	1.8	11.8	12.1	8.9	-1.0	18.6	66.6
Sector Median					14.5	14.1	11.9	9.6	10.4	16.1	2.4	2.5	2.9	1.2	1.7	12.8	13.0	8.6	-2.8	9.7	47.6
Eva Precision	838 HK	0.81	179	0.3	5.9	N/A	N/A	N/A	N/A	N/A	5.3	N/A	N/A	0.43	N/A	7.8	N/A	5.1	(10.0)	(6.9)	12.5
Tk Group Holding	2283 HK	2.41	257	0.2	7.7	7.3	6.3	5.2	5.0	15.2	9.6	9.5	10.8	1.19	N/A	15.3	15.8	14.4	(2.8)	(5.9)	29.3
Minth Group Ltd	425 HK	38.42	5,752	32.9	17.6	14.1	11.9	10.3	18.6	18.1	1.1	2.0	2.8	1.79	1.72	12.0	12.6	8.8	(4.7)	22.4	71.9
Xin Point Holdin	1571 HK	4.05	519	0.2	6.6	6.8	5.9	5.7	(7.6)	15.4	12.3	N/A	N/A	1.01	N/A	16.2	N/A	11.3	2.3	6.6	6.9
Impro Precision	1286 HK	8.40	2,025	3.8	21.8	19.3	16.6	N/A	12.7	16.1	1.9	2.6	3.0	2.83	2.85	14.1	15.0	10.7	13.2	77.2	232
Nexteer	1316 HK	6.69	2,145	14.7	21.7	16.1	12.6	11.0	33.9	28.3	1.0	2.0	2.6	1.04	1.02	5.0	6.4	5.5	(5.9)	12.8	25.5
Weichai Power-H	2338 HK	30.30	33,696	68.4	21.6	18.6	15.9	14.1	10.4	17.1	2.5	3.0	3.5	2.46	2.46	13.6	13.5	6.7	2.4	52.8	89.1
Johnson Elec H	179 HK	26.60	3,176	18.9	11.4	11.9	10.5	8.9	(4.7)	13.3	2.3	2.4	2.6	1.14	1.10	10.6	9.5	8.4	(2.7)	(10.3)	65.8

Source: Bloomberg, Crosby



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