Hong Kong |Industrial

23 October 2026

Impro Precision Industries (1286 HK)

Encouraging 3Q26 led FY26 sales guidance upgrade

- **A solid set of 3Q26 results with revenue reached HK$1.8bn, representing a YoY increase of 31.0%. 9M26 sales amounted to HK$4.8bn, up 26.0% YoY.**
- **Supported by sizable backlog, FY26 sales guidance further revised up to 25-30% YoY**

3Q26 growth supported by AI-driven application

Impro reported a robust 3Q26 performance, achieving strong sales growth despite an on-going challenging global economic and geopolitical environment. The company's strategic focus on a diversified end-market portfolio and global manufacturing footprint continued to demonstrate its effectiveness, driving broad-based growth across multiple sectors. Benefitting from these strategies, the company's 3Q26 sales grew by 31.0% YoY to HK$1.8bn.

Demand from artificial intelligence data centers remained a key growth catalyst, while the thermal management, energy, and high-horsepower engine segments delivered particularly strong results. Sales from thermal management/ energy/ high-horsepower engine segments recorded 241.2%/71.6%/53.3% YoY growth to HK$194.8m/ HK$54.9m/ HK$494.7m in 3Q26 respectively. Sales in construction equipment also recorded an encouraging growth of 46.9% YoY to HK$259.2m in 3Q26. Revenue from the auto sector amounted to HK$343.4m in 3Q26 with the declining rate narrowing to 3.4% YoY. The passenger car end-market remained affected by subdued demand in Europe, leading to a 25.2% YoY decrease in 3Q26 sales. However, the commercial vehicle end-market demonstrated renewed momentum, driven by new customers/ orders win, resulting in a 24.0% YoY increase in 3Q26 sales. In all, Impro's revenue for first 9M26 achieved 26.0% YoY growth, reaching HK$4.8bn.

Further upgrade FY26 sales guidance on promising order backlog

The global investment casting market is projected to expand from approximately US$17.5 billion in 2025 to over US$23.8 billion by 2031, with approximately US$4 billion of growth driven by the aerospace, energy, and medical sectors. To capture this opportunity, Impro is actively evaluating capacity expansion to position itself for long-term, sustainable growth.

Looking ahead, this growth momentum is expected to continue through the 4Q26 and into FY27 on the back of sustained demand from AI-driven applications, coupled with moderate recovery across certain end markets. The high-horsepower engine end-market is expected to register stronger demand growth in 2H26 once the Mexican plant kicks start mass production in 3Q/4Q26 after customer certification. Meanwhile, liquid cooling systems business is expected to accelerate in 2H26, supported by the Mexican plant's successful transition to full-scale mass production.

Supported by a healthy order pipeline and continued market momentum, the company expects strong sales growth to continue in the 4Q26 and has increased its full-year 2026 sales growth outlook to 25%-30%.

NON-RATED

Last Price (HK$)*	6.17
Target Price (HK$)	**N/A**
Upside / (Downside)(%)	N/A
Previous rating	*NON-RATED*
Previous TP	*N/A*
Hang Seng Index*	23,093.37
**Prices as of*	*23-Oct-26*

Key Data

Ticker	1286 HK
Market Cap (HK$m)	12,005
3M avg daily T/O (HK$m)	30.3
52-week High (HK$)	11.80
52-week Low (HK$)	4.39
Free Float (%)	19.3%
Shares O/S (m)	1,947.3

Performance	Absolute	Relative
1 month	-13.0%	-6.4%
3 months	-18.7%	-11.2%
6 months	-32.5%	-24.3%

Price Chart

Source: Bloomberg

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Figure 1 End-market breakdown

By end-market (Yr ended Dec)	3Q25 HK$m	3Q25 % to total	3Q26 HK$m	3Q26 % to total	YoY change HK$m	YoY change Change (%)
Diversified Industrials	**777.9**	***57.2***	**1,165.3**	**65.4**	**387.4**	***49.8***
- High horsepower engine	322.6	*23.7*	494.7	*27.8*	172.1	*53.3*
- Construction equipment	176.5	*13.0*	259.2	*14.5*	82.7	*46.9*
- Thermal management	57.1	*4.2*	194.8	*10.9*	137.7	*241.2*
- Agricultural equipment	77.7	*5.7*	78.0	*4.4*	0.3	*0.4*
- Recreational boat and vehicles	42.1	*3.1*	45.9	*2.6*	3.8	*9.0*
- Others	101.9	*7.5*	92.7	*5.2*	(9.2)	*(9.0)*
Automotive	**355.4**	***26.1***	**343.4**	**19.3**	**(12.0)**	***(3.4)***
- Commercial vehicle	157.8	*11.6*	195.6	*11.0*	37.8	*24.0*
- Passenger car	197.6	*14.5*	147.8	*8.3*	(49.8)	*(25.2)*
Aerospace, energy and medical	**227.5**	***16.7***	**273.5**	**15.3**	**46.0**	***20.2***
- Aerospace	158.7	*11.7*	180.7	*10.1*	22.0	*13.9*
- Energy	32.0	*2.4*	54.9	*3.1*	22.9	*71.6*
- Medical	36.8	*2.7*	37.9	*2.1*	1.1	*3.0*
Total	**1,360.8**	***100.0***	**1,782.2**	***100.0***	**421.4**	***31.0***

Source: Company data

Figure 2 Business segment breakdown

By business segment (Yr ended Dec)	3Q25	3Q26	YoY change (%)
Investment casting	507.1	693.0	*36.7*
Sand casting	414.4	594.3	*43.4*
Precision machining and others	420.6	472.5	*12.3*
Surface treatment	18.7	22.4	*19.8*
Total	**1,360.8**	**1,782.2**	***31.0***

Source: Company data

Figure 3 Geographical breakdown

By geographical market (Yr ended Dec)	3Q25	3Q26	YoY change (%)
America	**677.6**	**888.7**	***31.2***
- United States	592.3	743.0	*25.4*
- Others	85.3	145.7	*70.8*
Asia	**312.0**	**540.7**	***73.3***
- PRC	281.8	502.0	*78.1*
- Others	30.2	38.7	*28.1*
Europe	**371.2**	**352.8**	***(5.0)***
Total	**1,360.8**	**1,782.2**	***31.0***

Source: Company data

Figure 4 Profit and loss statement

Year ended Dec (HK$m)	FY24	FY25	1H25	1H26	YoY change (%)
Revenue					
Investment casting	1,804.7	1,909.9	922.6	1,161.7	*25.9*
Precision machining and others	1,720.3	1,619.8	793.3	907.7	*14.4*
Sand casting	1,101.3	1,487.5	695.2	911.0	*31.0*
Surface treatment	60.5	78.3	38.8	37.6	*(3.1)*
Total	**4,686.8**	**5,095.5**	**2,449.9**	**3,018.0**	*23.2*
Costs of sales	(3,417.7)	(3,695.4)	(1,768.4)	(2,161.2)	
Gross profit	**1,269.1**	**1,400.1**	**681.5**	**856.8**	*25.7*
Other revenue	33.2	31.5	12.7	19.2	
Other net income	125.5	12.1	24.1	(66.1)	
Selling and distribution expenses	(177.0)	(189.7)	(94.4)	(78.5)	
Administrave and other operating expenses	(362.6)	(359.6)	(162.1)	(195.8)	
Operating profit	**888.2**	**894.4**	**461.8**	**535.6**	*16.0*
Net finance costs	(102.3)	(78.8)	(41.0)	(44.0)	
Before tax profit	**785.9**	**815.7**	**420.8**	**491.7**	*16.9*
Tax	(140.1)	(87.6)	(73.3)	(69.7)	
MI	(1.5)	(1.9)	(1.1)	(1.0)	
Net profit	**644.3**	**726.2**	**346.3**	**421.0**	*21.6*

Source: Company data

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