BERNSTEIN
SOCIETE GENERALE GROUP

31 July 2026

Asian Industrial Technology

Asian Industrial Tech: The Barometer (June/July 2026)

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In June and July, China FA continued to grow at near-peak rate. In the RoW, the recovery continued to strengthen, led by solid growth momentum in Japan. Readers can download the complete barometer data set here: Global Industrial Barometer.

We highlight three datasets for China: 1) In July, the official manufacturing PMI and the PMI for production fell to 49.2 (was 50.3, Exhibit 2), and 49.9 (was 51.4) due to the high base as well as the seasonal slowdown across certain manufacturing industries; PMI for new orders decreased to 48.5 at (was 51.2 , Exhibit 4). More relevant to factory automation, PMI for high-tech manufacturing and equipment manufacturing remained at expansion level 53.3 (was 53.5) and 51.4 (was 52.5). 2) In June, Japan's machine tool orders from China continued to grow strongly YoY (49.1% YoY in June vs. 42.7% YoY in May, excluding FX effects, Exhibit 17), and the strength remained broad-based with electrical and precision machinery recording the strongest momentum (Exhibit 18). The "twin peaks" pattern, similar to previous cycles, is forming. 3) In Q2, key automation products continued to grow robustly (Exhibit 16). AC servo and CNC sales grew 25% YoY, accelerating from 17% and 22%, respectively, in 1Q. We also observed double-digit growth and accelerating trends in medium/large PLCs, small PLCs, and HMIs, which grew 14%, 15%, and 11% YoY, respectively. Growth in low-voltage VFDs also improved from 4% in 1Q to 7% in 2Q. Production volumes of metal-cutting machine tools and industrial robots remained strong, growing 18.1% and 28.1% YoY, respectively, in June, following growth of 10.7% and 27.9% YoY in May (Exhibit 19, Exhibit 29)

Global: 1) In May, Japan's machine tool orders grew 52.7% YoY and accelerated by 14.9% MoM (Exhibit 37). Growth in Japan accelerated further to 45.5% YoY in June vs. 37.3% YoY in May (Exhibit 38) , while industry surveys indicate a meaningful improvement in confidence regarding 3Q order trends. Excluding FX effects, growth in North America was 29.4% YoY (4.2% YoY in May), and the growth was broad-based (Exhibit 41); growth in EU turned positive (6.7% YoY vs. -13.2% YoY in May), although electrical and precision machinery remained in decline. 2) In July, the manufacturing PMI in all major economies stayed in the expansion range (US. 53.8; Eurozone 52.0; Japan 54.7; Exhibit 34 to Exhibit 36). 3) In May, Japan's robot exports volume growth increased modestly to 11.2% YoY (9.1% YoY in May, Exhibit 45), supported by demand in Asia (China 23.7% YoY and Asia ex-China 15.5% YoY, Exhibit 46). Meanwhile, the overall Japan robot orders demonstrated solid momentum, rising 33.5% YoY (Exhibit 44).

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BERNSTEIN TICKER TABLE

			30 Jul 2026		TTM	Reported EPS				Reported P/E (x)		
			Closing	Price	Rel.							
Ticker	Rating	Cur	Price	Target	Perf.	Cur	2025A	2026E	2027E	2025A	2026E	2027E
CGNX (Cognex)	O	USD	62.62	75.00	68.6%	USD	0.67	1.46	1.62	93.5	42.9	38.8
6954.JP (Fanuc)	O	JPY	6,624.00	7,000.00	19.2%	JPY	178.47	207.32	193.15	37.1	32.0	34.3
002008.CH (Hans Laser)	O	CNY	81.90	130.00	179.6%	CNY	1.15	2.15	2.48	71.2	38.0	33.0
IPGP (IPG Photonics)	O	USD	84.90	125.00	(6.7)%	USD	0.73	1.30	2.24	116.3	65.4	37.9
6861.JP (Keyence)	O	JPY	78,970	95,000	7.2%	JPY	1,835.62	2,420.47	2,675.94	43.0	32.6	29.5
300124.CH (Inovance)	O	CNY	63.51	82.00	(23.9)%	CNY	1.87	2.19	2.65	34.0	29.0	24.0
002415.CH (Hikvision)	O	CNY	35.62	**45.00**	2.7%	CNY	1.55	**2.08**	**2.14**	23.0	17.2	16.6
OLD				40.00				1.79	1.98			
6324.JP (HDSI)	O	JPY	5,500.00	7,800.00	53.4%	JPY	16.99	57.37	79.51	323.7	95.9	69.2
1590.TT (AirTAC)	O	TWD	1,340.00	1,570.00	32.5%	TWD	41.97	57.19	59.53	31.9	23.4	22.5
6273.JP (SMC)	O	JPY	66,160	78,000	(10.3)%	JPY	2,640.86	2,975.39	3,256.00	25.1	22.2	20.3
002747.CH (Estun)	M	CNY	27.95	26.00	9.0%	CNY	0.05	0.31	0.32	559.0	90.9	86.4
2715.HK (Estun)	M	HKD	15.97	17.26	NA	CNY	0.05	0.31	0.32	319.4	52.0	49.4
SPX			7,437.63									
JPL			2,562.20									
ASIAX			1,808.17									

PRICE TARGET CHANGE / ESTIMATE CHANGE IN BOLD

O - Outperform, M - Market-Perform, U - Underperform, NR - Not Rated, CS - Coverage Suspended

6954.JP, 6861.JP, 6273.JP base year is 2026;

Source: Bloomberg, Bernstein estimates and analysis.

DETAILS

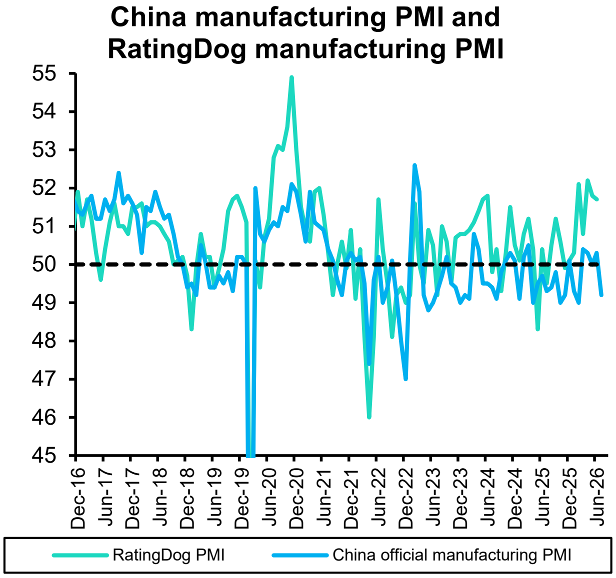
EXHIBIT 1: **Momentum Tracker**

		Lastest period	Data type / unit	(a) Latest	(b) Previous	(c) YTD	(d) Previous FY	Momentum (a) vs. (b)	Momentum (c) vs. (d)
China	**Macro Indicator**								
	M1	Jun-26	YoY Growth	4.0%	5.5%	5.1%	3.7%	↓	↑
	PMI in Manufacturing	Jul-26	Index	49.2	50.3	49.8	49.6	↓	↑
	RatingDog Manufacturing PMI	Jun-26	Index	51.7	51.8	51.5	50.3	↓	↑
	Emerging Industries PMI	Jul-26	Index	47.8	50.4	51.5	50.9	↓	↑
	FAI - Overall	Jun-26	YTD Growth	-5.7%	-4.1%	-1.0%	1.4%	↓	↓
	FAI in Manufacturing	Jun-26	YTD Growth	-1.2%	-0.4%	1.4%	5.8%	↓	↓
	FAI in Equipment Purchase	Jun-26	YTD Growth	8.1%	9.3%	10.9%	15.5%	↓	↓
	Manufacturing Capacity Utilization	2Q26	Value (%)	73.0	73.6	73.3	74.4	↓	↓
	Industrial Profit Growth	Jun-26	YoY Growth	15.1%	21.1%	18.7%	0.6%	↓	↑
	Manufacturing Value-Add	Jun-26	YoY Growth	6.0%	4.4%	5.4%	6.3%	↑	↓
	PPI: All Industries	Jun-26	Index	101.5	101.8	100.2	98.1	↓	↑
	Floor Space: Started	Jun-26	YTD Growth	-23.5%	-22.7%	-22.4%	-22.6%	↓	↑
	Equipment Production								
	Excavator (Sales Volume)	Jun-26	YoY Growth	35.3%	36.2%	49.8%	17.0%	↓	↑
	Electric Motors	Jun-26	YoY Growth	1.5%	6.3%	-0.5%	-0.5%	↓	–
	Metal-cutting Machine Tool	Jun-26	YoY Growth	18.1%	10.7%	5.9%	9.7%	↑	↓
	Packaging Machinery	Jun-26	YoY Growth	5.1%	-7.5%	-3.8%	18.2%	↑	↓
	Metal-shaping Machine Tool	Jun-26	YoY Growth	5.9%	6.3%	4.1%	7.2%	↓	↓
	Multiple Units	Jun-26	YoY Growth	109.4%	-76.0%	3.0%	6.7%	↑	↓
	Locomotives	Jun-26	YoY Growth	-6.9%	13.1%	40.7%	16.7%	↓	↑
	Industrial Robots	Jun-26	YoY Growth	28.1%	27.9%	28.1%	28.0%	↑	↑
World	**Purchasing Managers' Index (PMI)**								
	World	Jun-26	Index	52.2	52.7	51.9	50.3	↓	↑
	United States	Jul-26	Index	53.8	53.9	53.4	51.7	↓	↑
	Eurozone	Jul-26	Index	52.0	51.4	51.3	49.1	↑	↑
	Japan	Jul-26	Index	54.7	54.8	53.6	49.0	↓	↑
	Emerging Markets	Jun-26	Index	51.4	51.6	51.3	50.6	↓	↑
	Manufacturing Utilization and Investment								
	Japan Manufacturing Utilization	May-26	Index	103.0	102.9	103.9	102.5	↑	↑
	US Manufacturing Utilization	Jun-26	Value (%)	75.6	75.6	75.3	75.3	–	↓
	US Industrial Equipment Investment	2Q26	YoY Growth	11.0%	7.4%	9.2%	6.8%	↑	↑
	EU Manufacturing Utilization	2Q26	Value (%)	78.0	77.9	78.0	77.8	↑	↑
	Japan Machine Tool Orders								
	Total Japan Machine Tool Orders	Jun-26	YoY Growth	52.7%	37.5%	35.7%	8.0%	↑	↑
	from Japan	Jun-26	YoY Growth	45.5%	37.3%	22.8%	-0.2%	↑	↑
	from China	Jun-26	YoY Growth	49.1%	42.7%	38.2%	17.1%	↑	↑
	from Asia ex-China	Jun-26	YoY Growth	72.0%	67.4%	40.1%	5.6%	↑	↑
	from EU	Jun-26	YoY Growth	6.7%	-13.2%	9.2%	1.3%	↑	↑
	from North America	Jun-26	YoY Growth	29.4%	4.2%	27.6%	19.0%	↑	↑
	Japan Industrial Robot Export Volume								
	Total Industrial Robot Export	Jun-26	YoY Growth	11.2%	9.1%	24.8%	26.8%	↑	↓
	to China	Jun-26	YoY Growth	23.7%	5.7%	25.7%	37.6%	↑	↓
	to Asia ex-China	Jun-26	YoY Growth	15.5%	22.4%	29.9%	5.3%	↓	↑
	to US	Jun-26	YoY Growth	-14.0%	5.8%	10.6%	92.4%	↓	↓
	to EU	Jun-26	YoY Growth	-4.9%	10.8%	29.6%	-8.8%	↓	↑
	Japan Automation Production and Order								
	Servo Motor Production	May-26	YoY Growth	-15.9%	11.0%	11.3%	0.3%	↓	↑
	PLC Production	May-26	YoY Growth	-22.2%	-35.1%	-20.9%	41.2%	↑	↓
	Reducer Production	May-26	YoY Growth	8.2%	10.3%	17.3%	-8.7%	↓	↑
	Robot Production	May-26	YoY Growth	-0.6%	17.3%	14.9%	19.6%	↓	↓
	Pneumatic Components Production	May-26	YoY Growth	34.7%	31.1%	26.1%	5.6%	↑	↑
	Robot Order	May-26	YoY Growth	33.5%	33.5%	38.5%	41.1%	–	↓

NBS, JMTBA, METI, Japan Ministry of Finance, US BEA, PMIII, Haver, Bloomberg, Wind, Bernstein analysis.
Source: Momentum Tracker

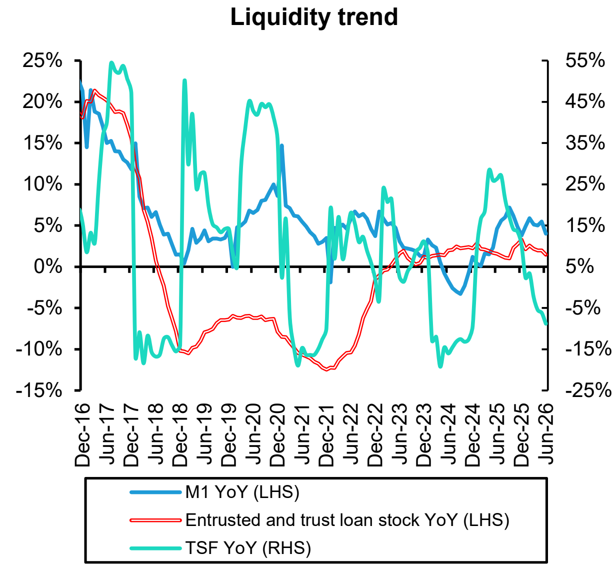
CHINA

EXHIBIT 2: **China manufacturing PMI trend**



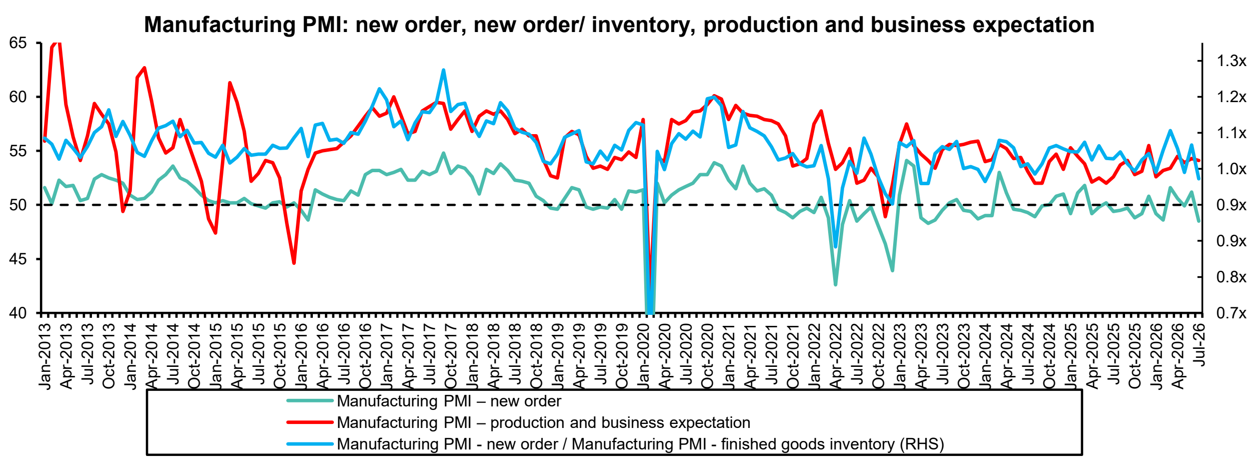
Source: Haver, Bloomberg, Bernstein analysis

EXHIBIT 3: **Liquidity tracker: M1, TSF and entrusted & trust loan trends**



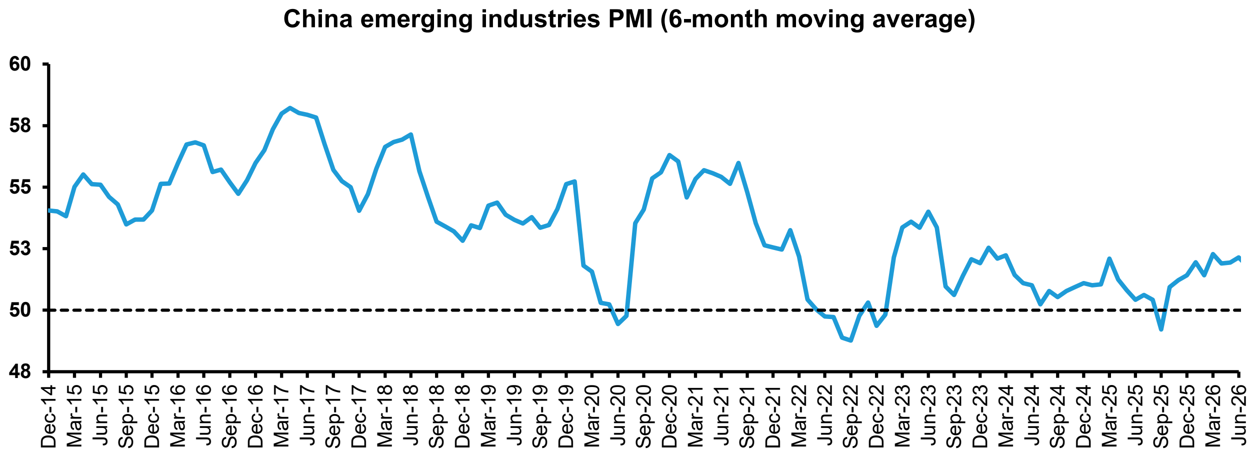
Source: Haver, Bernstein analysis

EXHIBIT 4: **China new order, new order/inventory, production and business expectation PMIs**



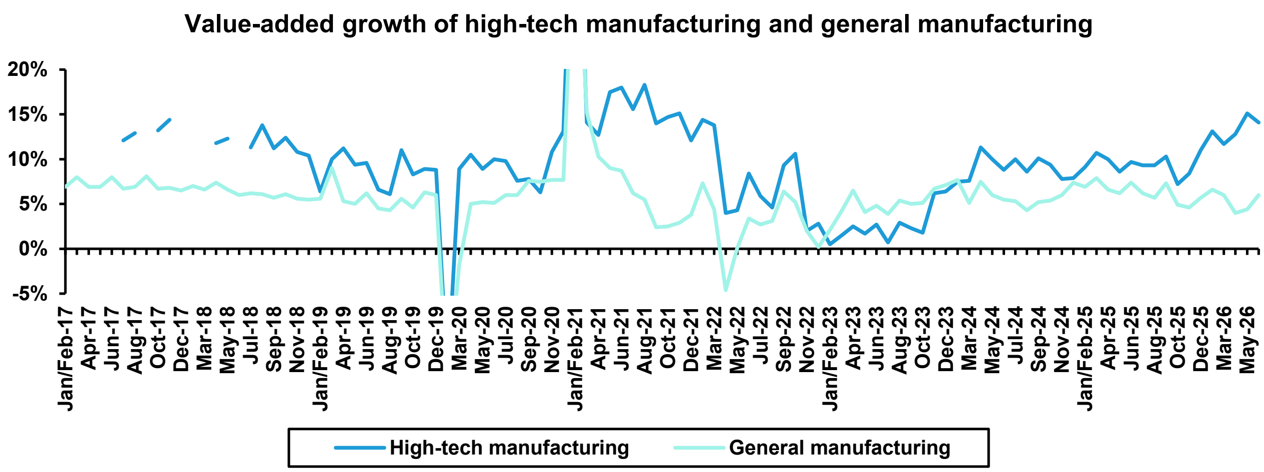
Source: Haver, China National Bureau of Statistics, Bernstein analysis.

EXHIBIT 5: **China emerging industries PMI (6-month moving average)**



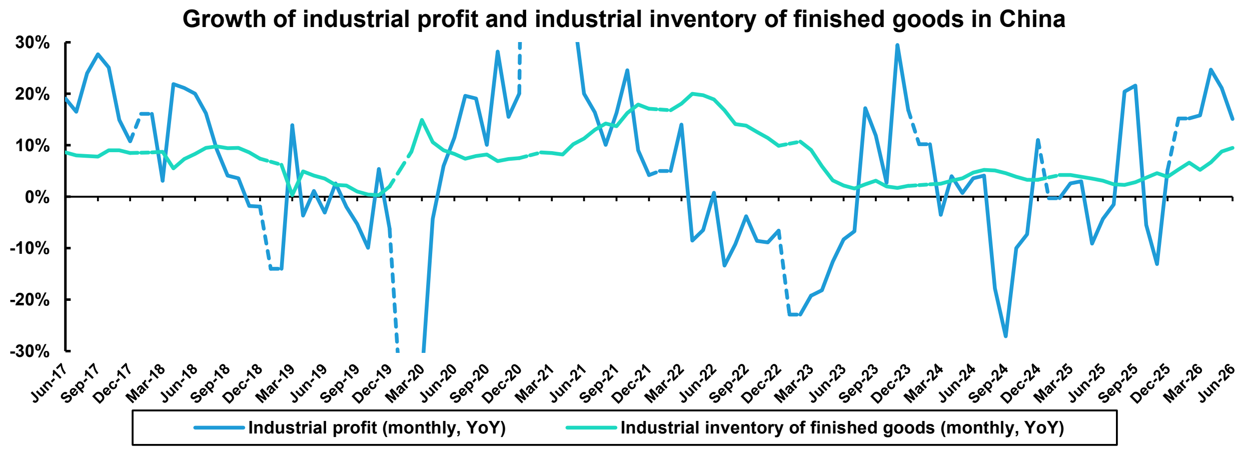
Note: The EPMI includes 280 sample companies in seven industries including energy conservation and environmental protection, new generation information technology, biotechnology, high-end equipment manufacturing, new energy, new materials, and new energy automobile industry. The EPMI survey is a monthly survey, which is greatly affected by seasonal factors and has large data fluctuations. The comprehensive index and sub-indices of EPMI currently released are seasonally adjusted data.
Source: Wind, Chinese Academy of Science and Technology for Development, PMIII, Bernstein analysis

EXHIBIT 6: **Value-add growth of high technology manufacturing and general manufacturing**



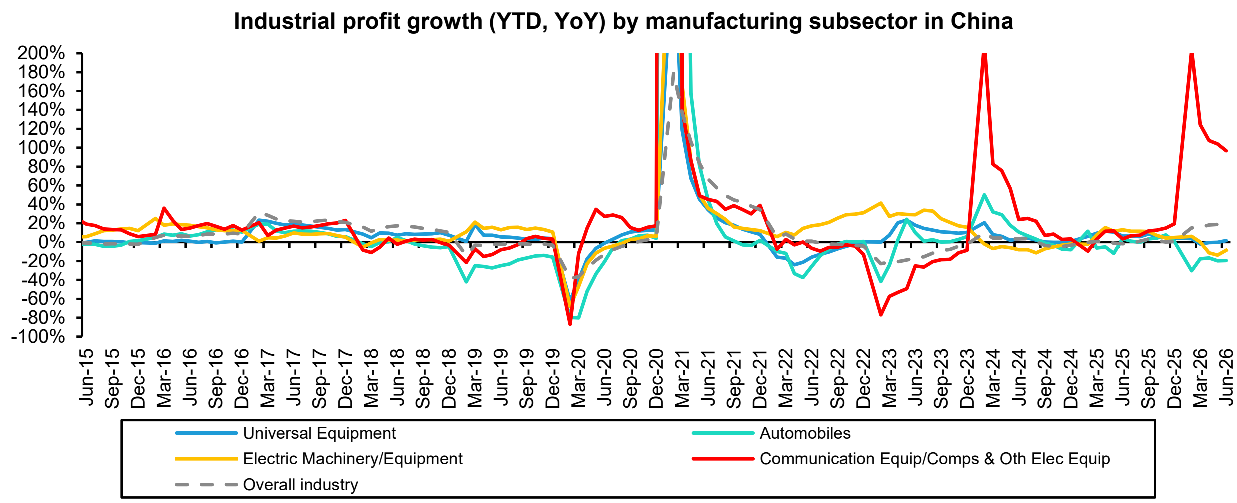
Note: Pricing effect has been removed from the valule-add growth rate.
Source: NBS, Bernstein analysis.

EXHIBIT 7: **Growth of industiral profit and inventory of finishd goods in China (yoy)**



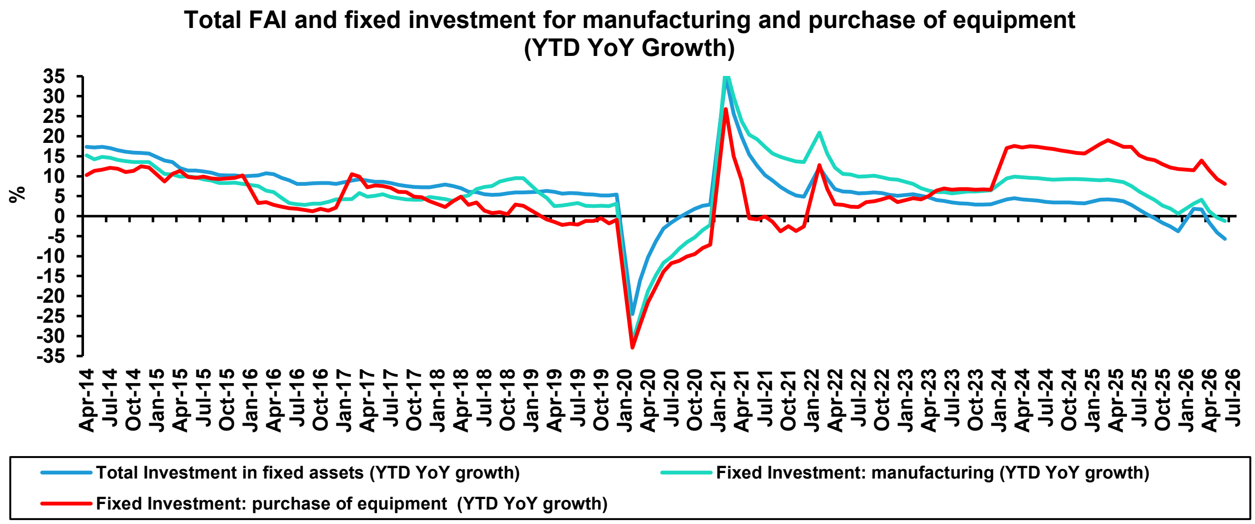
Source: Wind, National Bureau of Statistics of China, Bernstein analysis

EXHIBIT 8: **Industrial profit trend across key manufacturing subsectors**



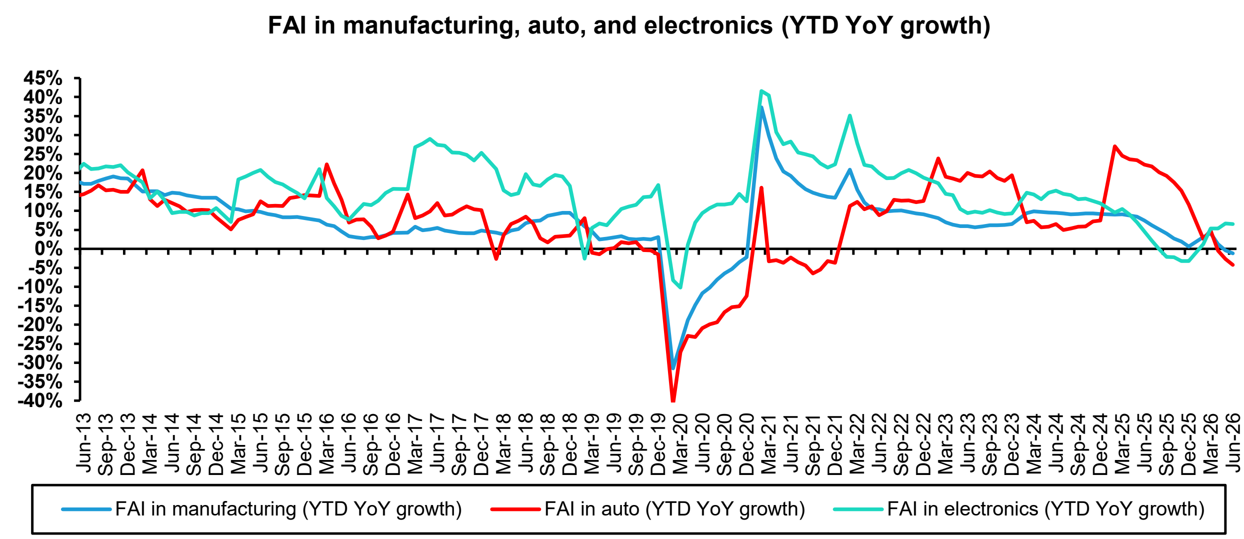
Source: NBS, Haver, Bernstein analysis

EXHIBIT 9: **Total Fixed Asset Investment (FAI), FAI in manufacturing, and FAI in purchase of equipment.**



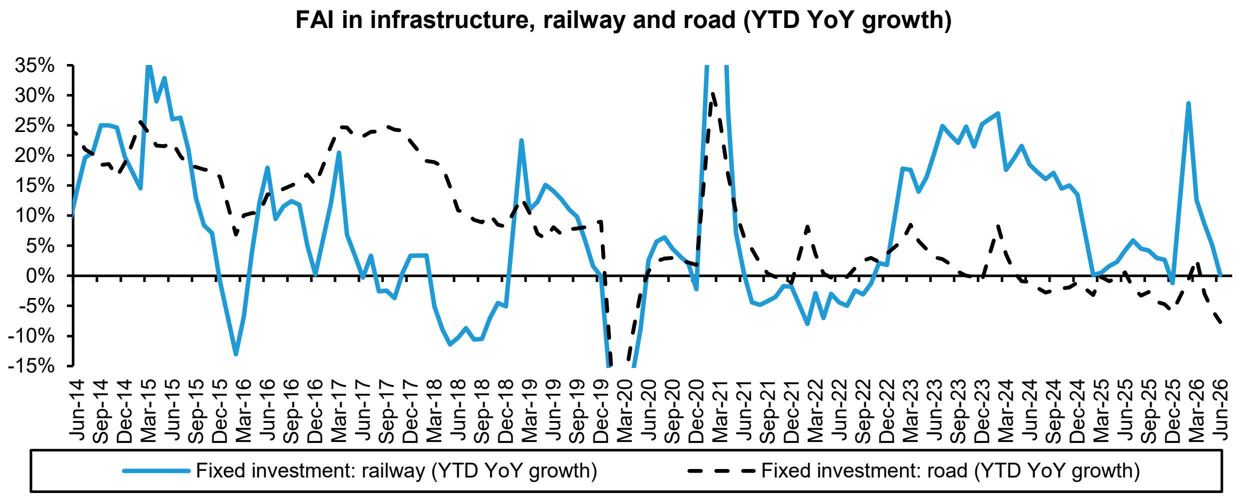
Source: National Bureau of Statistics (NBS), Haver, Bernstein analysis

EXHIBIT 10: **FAI in manufacturing, auto, and electronics**



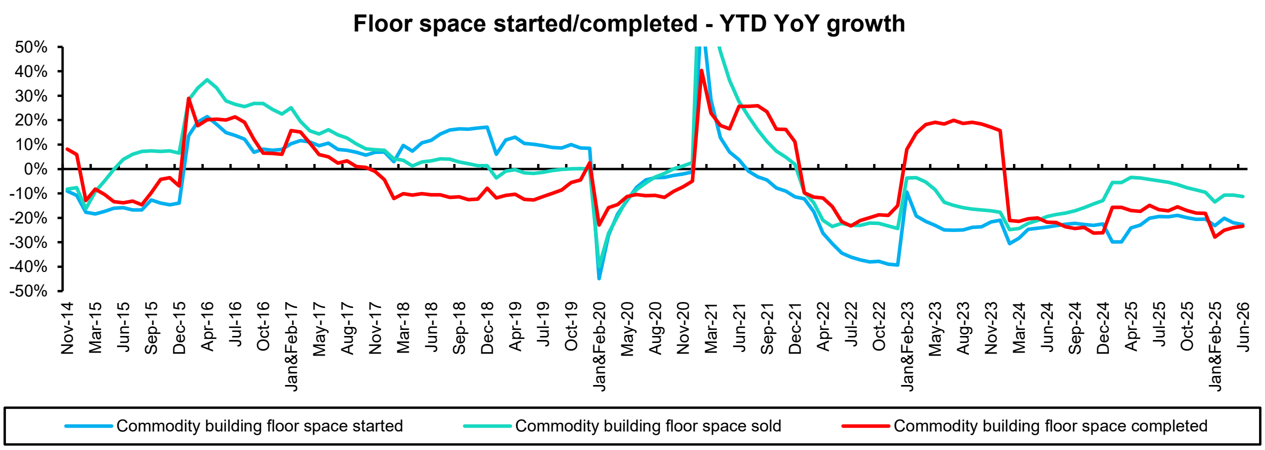
Source: NBS, Haver, Bernstein analysis

EXHIBIT 11: **Infrastructure investment in China is still growing, especially Railway-related investments**



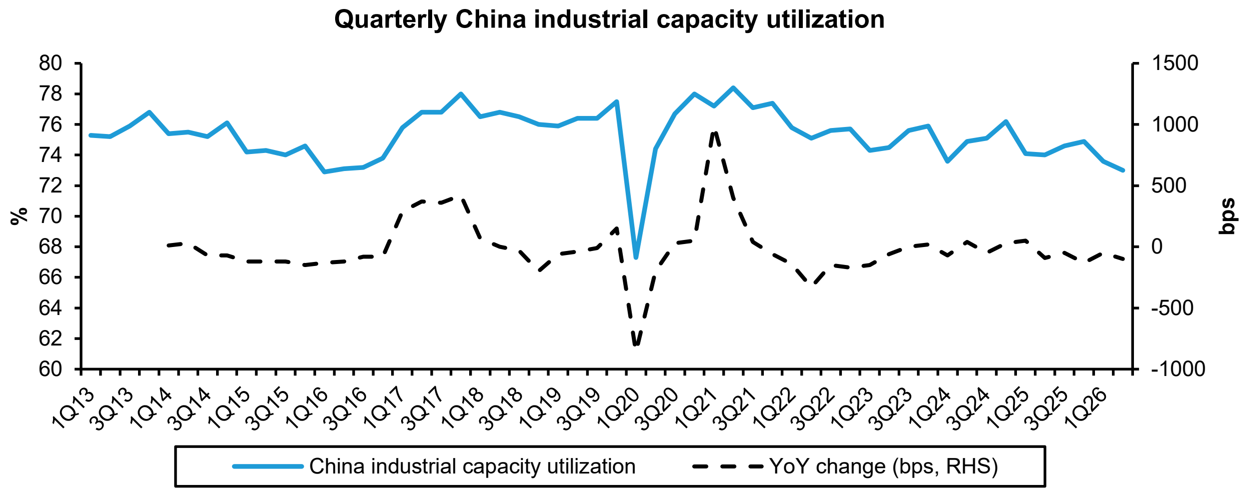
Source: Haver, Bernstein analysis

EXHIBIT 12: **Real estate development trend**



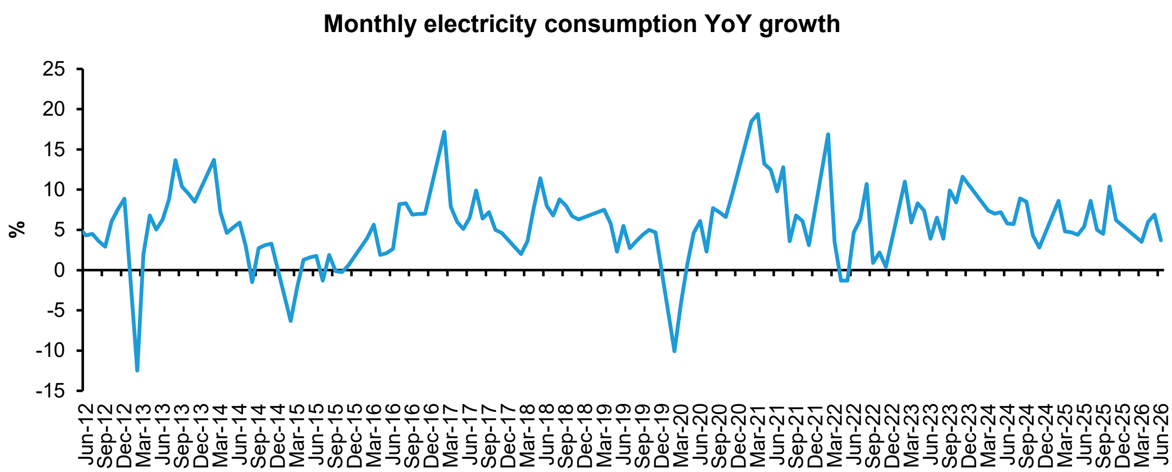
Source: NBS, Haver, Bernstein analysis

EXHIBIT 13: **China industrial capacity utilization by quarter**



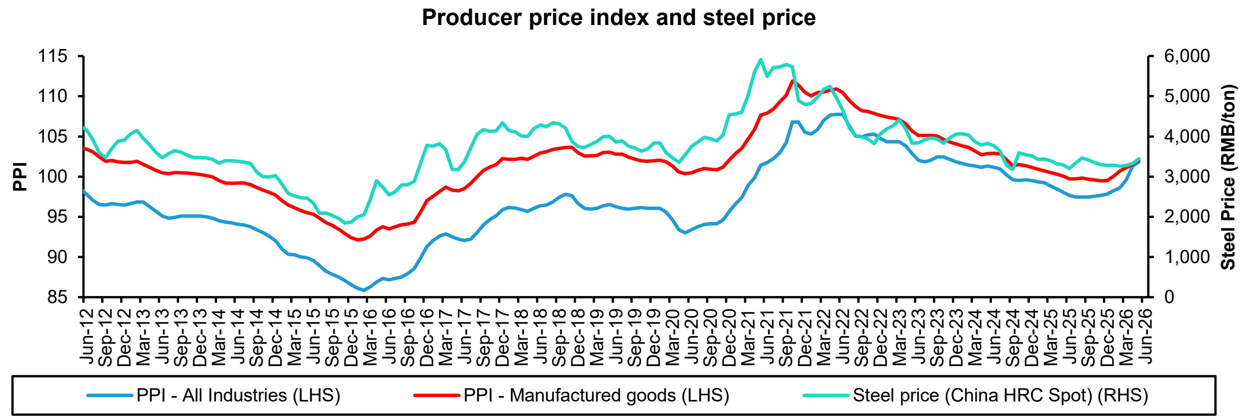
Source: Haver, Bernstein analysis

EXHIBIT 14: **Power consumption growth.**



Note: No data in December and January
Source: Haver, Bernstein analysis.

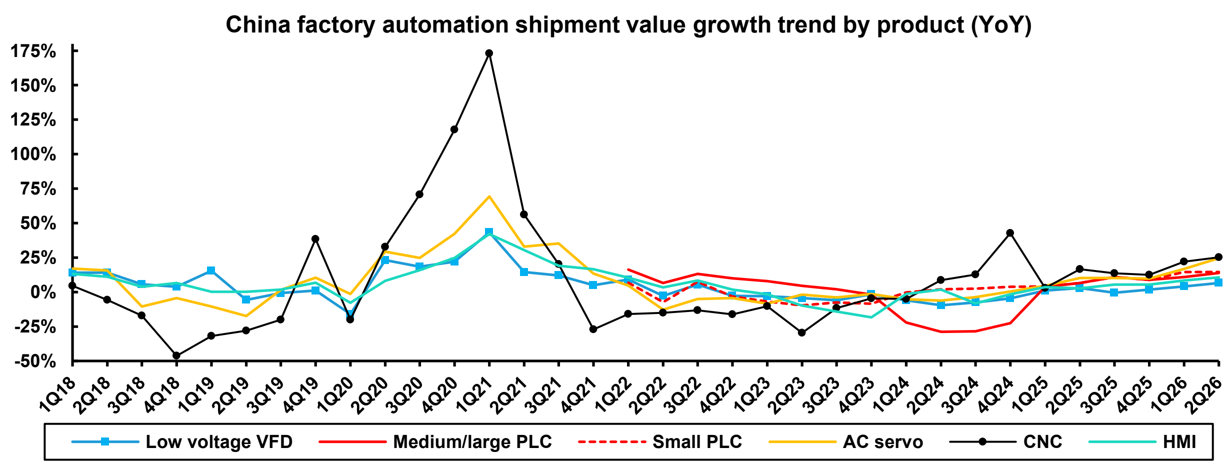
EXHIBIT 15: **PPI and steel price trends**



Note: Manufactured goods exclude mining, quarrying and raw materials.
Source: Haver, Bernstein analysis.

Equipment sales and production

EXHIBIT 16: **China factory automation shipment value growth trend by product (YoY)**



Source: MIR Databank, Bernstein analysis

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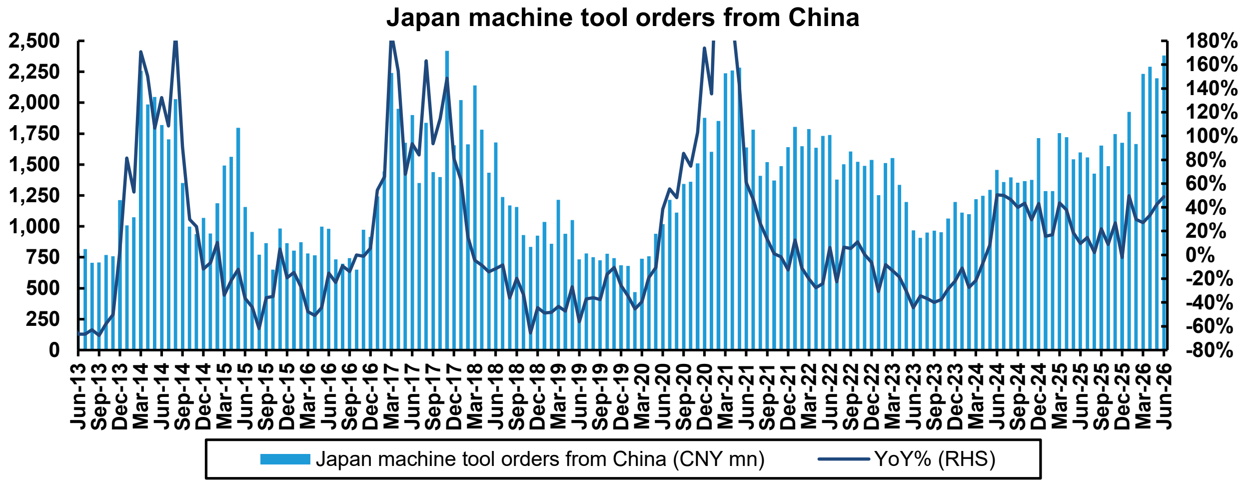
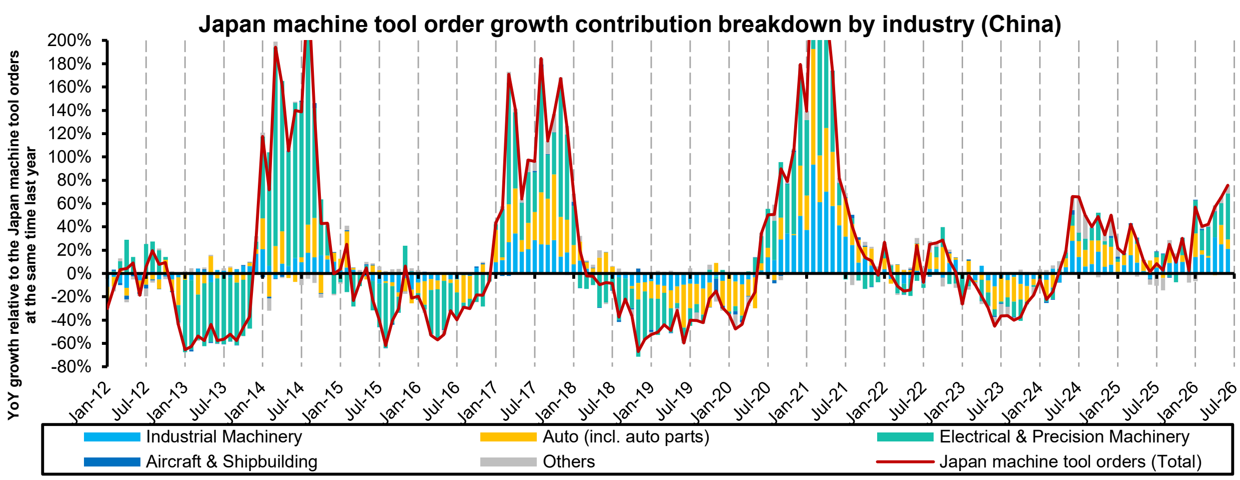
EXHIBIT 17: **Japan machine tool orders from China and YoY growth**



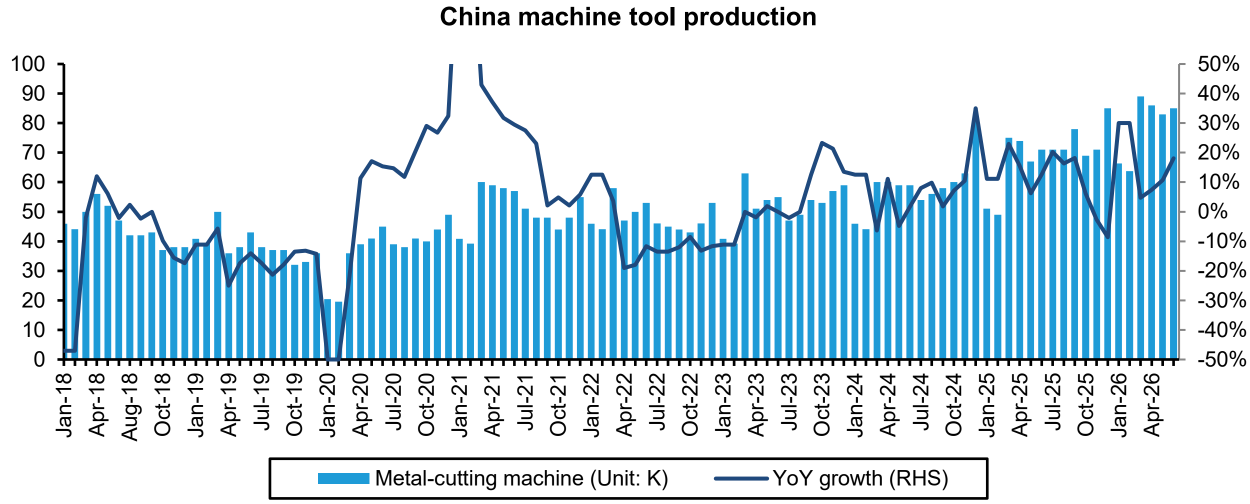
Note: We adjusted the value to local currency to reflect the true demand.
Source: Bloomberg, JMTBA, Bernstein analysis

EXHIBIT 18: **Japan machine tool order growth contribution breakdown by industry (China)**



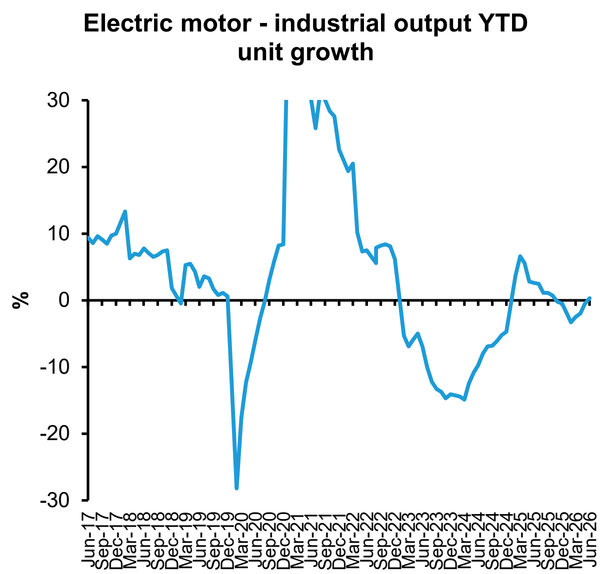
Source: JMTBA, Bernstein analysis

EXHIBIT 19: **China metal-cutting machine tool production and YoY growth**



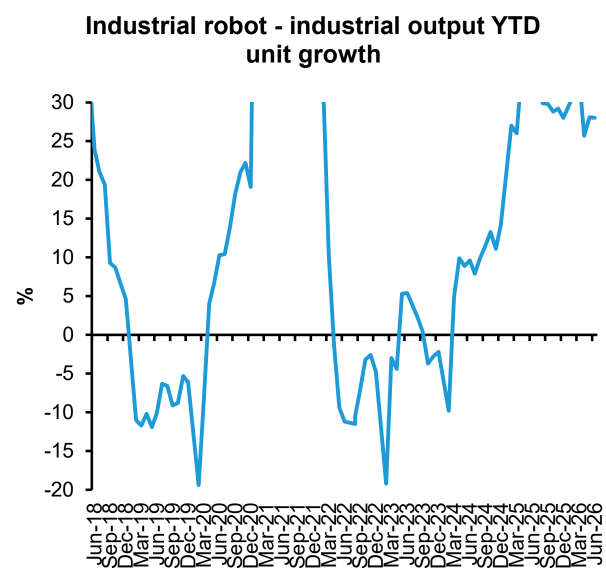
Note: The year-over-year percent changes of the monthly volume data do not always match the published year-over-year percent changes because the monthly volume data come from enterprises that are not the same from year to year whereas the published growth rates are calculated from enterprises that are the same from year to year.
Source: Haver, Bernstein analysis.

EXHIBIT 20: **Electric Motor: Industrial output YTD growth**



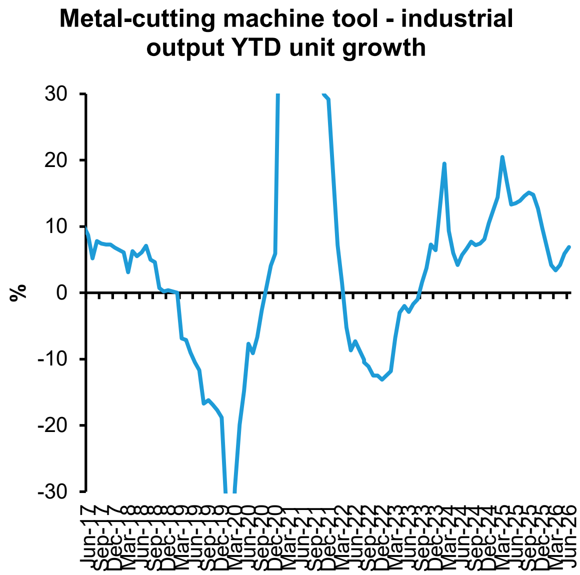
Note: The published year-to-year percent changes of the monthly YTD volume series are not always the same as the calculated year-to-year percent changes because the monthly YTD volume data come from enterprises that are not the same from year to year whereas the published growth rates are calculated from enterprises that are the same from year to year.
Source: Haver, Bernstein analysis.

EXHIBIT 21: **Industrial Robot: Industrial output YTD growth**



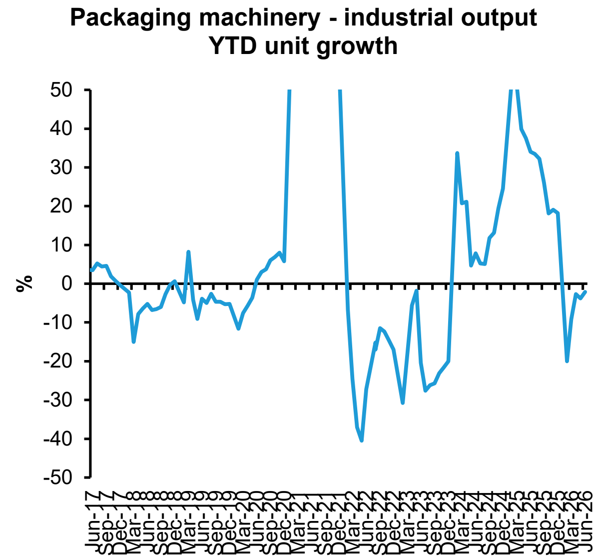
Note: The published year-to-year percent changes of the monthly YTD volume series are not always the same as the calculated year-to-year percent changes because the monthly YTD volume data come from enterprises that are not the same from year to year whereas the published growth rates are calculated from enterprises that are the same from year to year.
Source: Haver, Bernstein analysis

EXHIBIT 22: **Metal-cutting Machine Tool: Industrial output YTD growth**



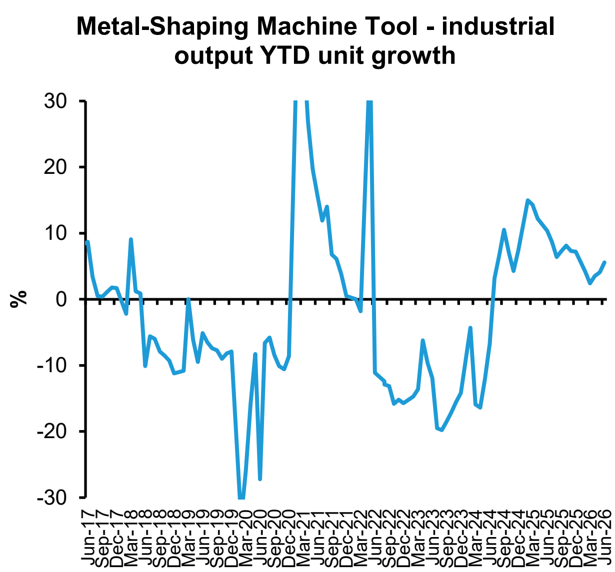
Note: The published year-to-year percent changes of the monthly YTD volume series are not always the same as the calculated year-to-year percent changes because the monthly YTD volume data come from enterprises that are not the same from year to year whereas the published growth rates are calculated from enterprises that are the same from year to year.
Source: Haver, Bernstein analysis.

EXHIBIT 23: **Packaging Machinery: Industrial output YTD growth**



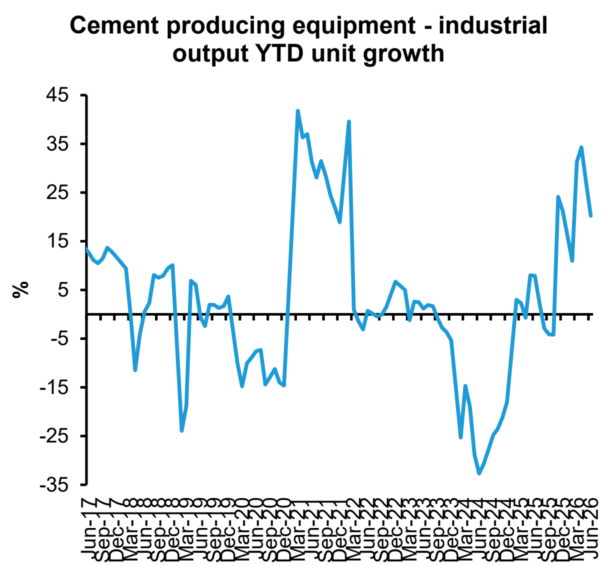
Note: The published year-to-year percent changes of the monthly YTD volume series are not always the same as the calculated year-to-year percent changes because the monthly YTD volume data come from enterprises that are not the same from year to year whereas the published growth rates are calculated from enterprises that are the same from year to year.
Source: Haver, Bernstein analysis.

EXHIBIT 24: **Metal-shaping Machine Tool: Industrial output YTD growth**



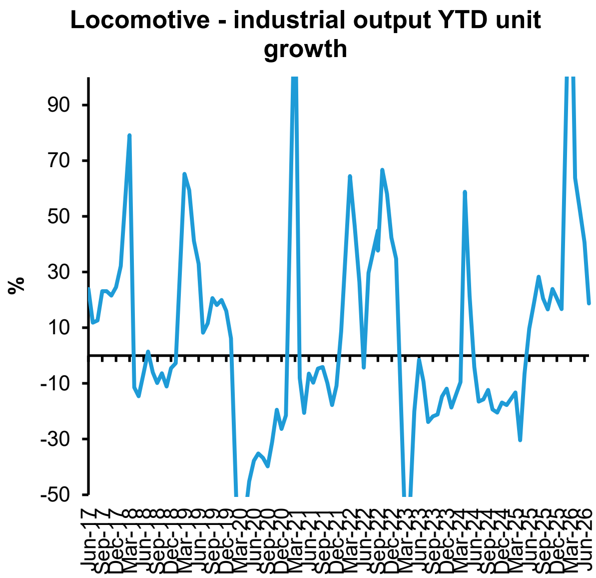
Note: The published year-to-year percent changes of the monthly YTD volume series are not always the same as the calculated year-to-year percent changes because the monthly YTD volume data come from enterprises that are not the same from year to year whereas the published growth rates are calculated from enterprises that are the same from year to year.
Source: Haver; Bernstein analysis.

EXHIBIT 25: **Cement Producing Equipment: Industrial output YTD growth**



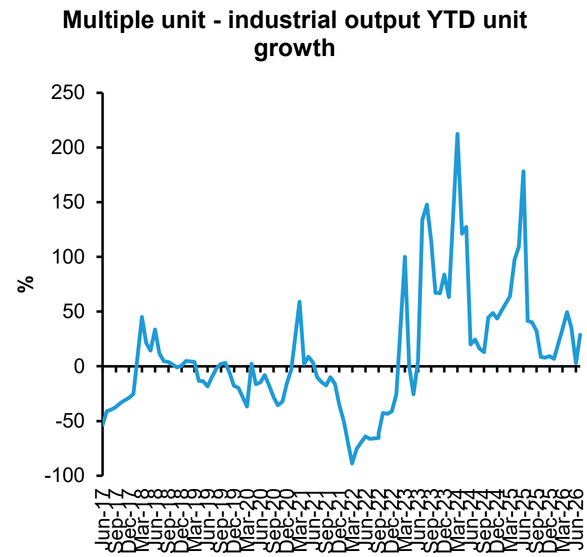
Note: The published year-to-year percent changes of the monthly YTD volume series are not always the same as the calculated year-to-year percent changes because the monthly YTD volume data come from enterprises that are not the same from year to year whereas the published growth rates are calculated from enterprises that are the same from year to year.
Source: Haver, Bernstein analysis.

EXHIBIT 26: **Locomotive: Industrial output YTD growth**



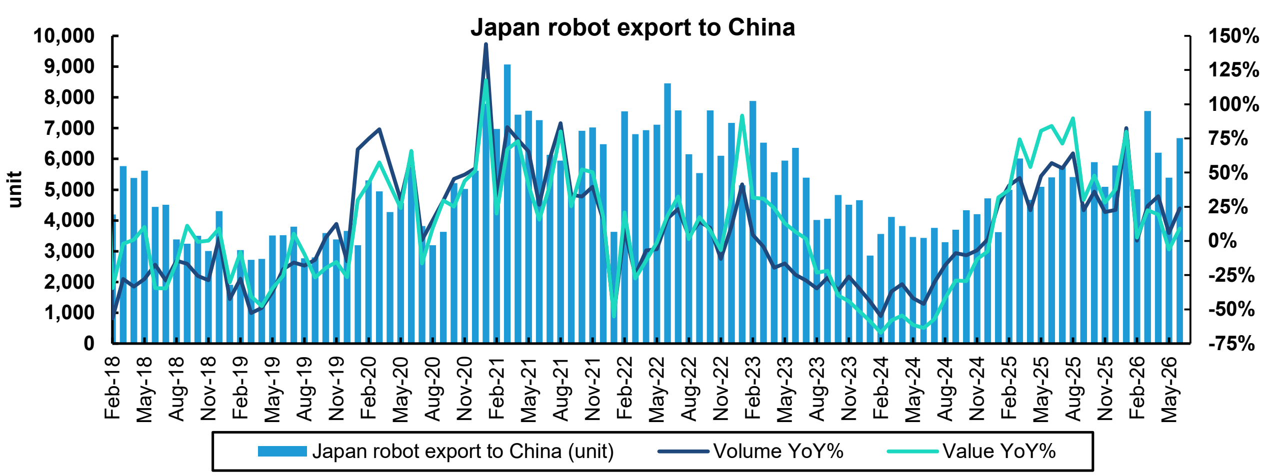
Note: The published year-to-year percent changes of the monthly YTD volume series are not always the same as the calculated year-to-year percent changes because the monthly YTD volume data come from enterprises that are not the same from year to year whereas the published growth rates are calculated from enterprises that are the same from year to year.
Source: Haver, Bernstein analysis.

EXHIBIT 27: **Multiple Unit: Industrial output YTD growth**



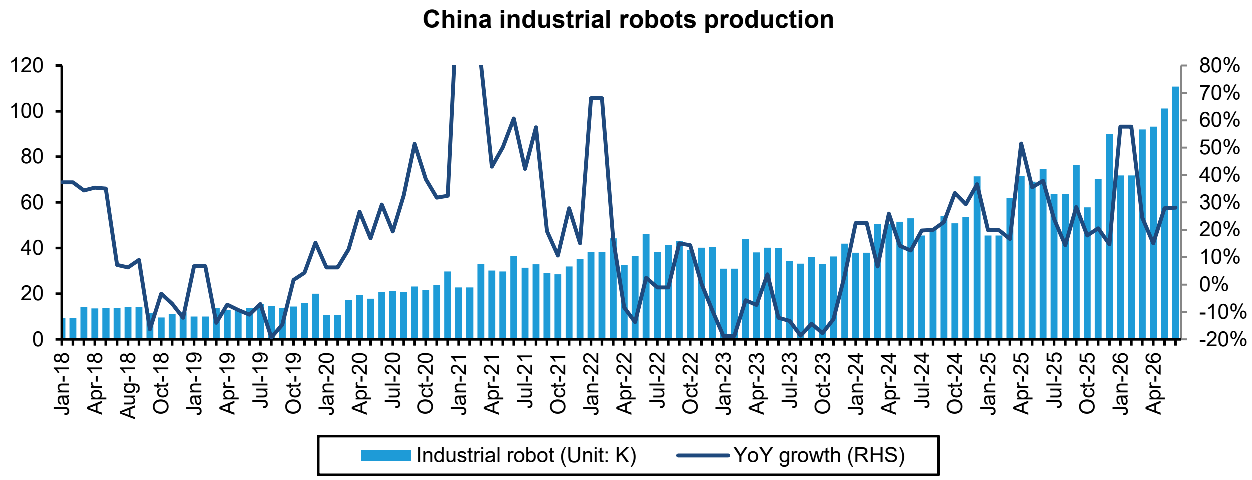
Note: The published year-to-year percent changes of the monthly YTD volume series are not always the same as the calculated year-to-year percent changes because the monthly YTD volume data come from enterprises that are not the same from year to year whereas the published growth rates are calculated from enterprises that are the same from year to year.
Source: Haver, Bernstein analysis.

EXHIBIT 28: **Growth rate of Japan robot export to China**



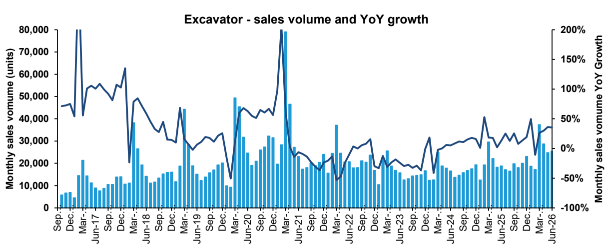
Note: We adjusted the export value to China in local currency to reflect the true demand.
Source: Bloomberg, Trade Statistics of Japan, Bernstein analysis

EXHIBIT 29: **China industrial robot production and YoY growth**



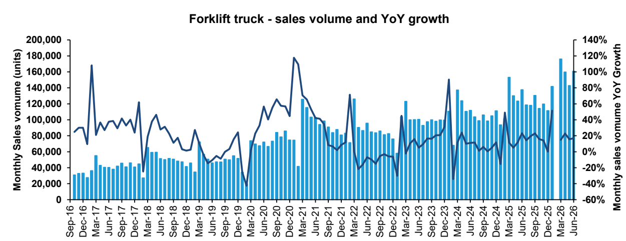
Note: The year-over-year percent changes of the monthly volume data do not always match the published year-over-year percent changes because the monthly volume data come from enterprises that are not the same from year to year whereas the published growth rates are calculated from enterprises that are the same from year to year. We estimates data in Jan. and Feb. as NBS reported the combined data.
Source: Haver, Bernstein analysis

EXHIBIT 30: **Excavator: sales volume and YoY growth**



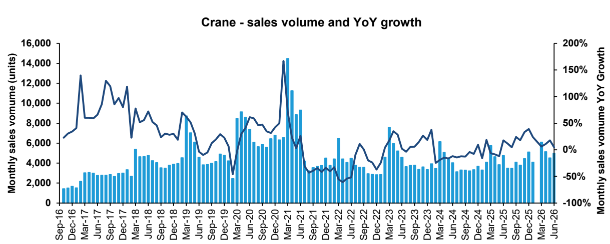
Source: Haver, Bernstein analysis

EXHIBIT 31: **Forklift Truck: sales volume and YoY growth**



Source: Haver, Bernstein analysis

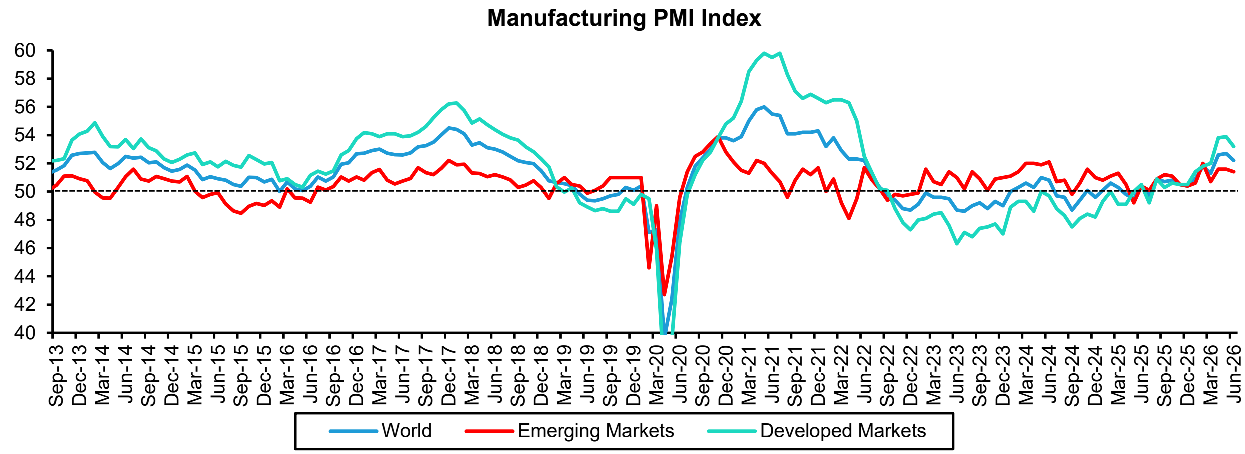
EXHIBIT 32: **Crane: sales volume and Y/Y growth**



Source: Haver, Bernstein analysis

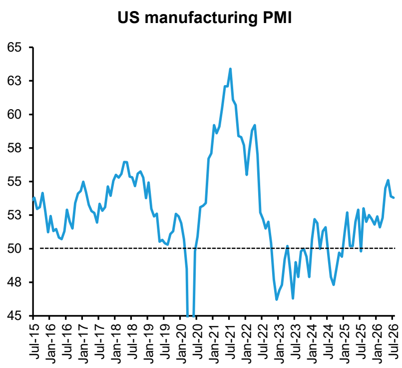
WORLD

EXHIBIT 33: **Manufacturing PMI for emerging markets, developed markets, and the world total**



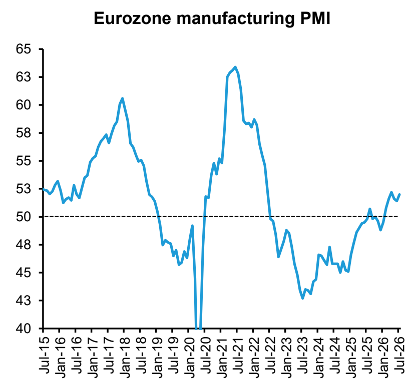
Source: Bloomberg, IHS Markit, Bernstein analysis

EXHIBIT 34: **US Manufacturing PMI**



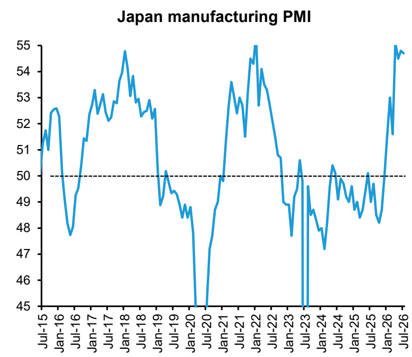
Source: Bloomberg, IHS Markit, Bernstein analysis

EXHIBIT 35: **Eurozone Manufacturing PMI**



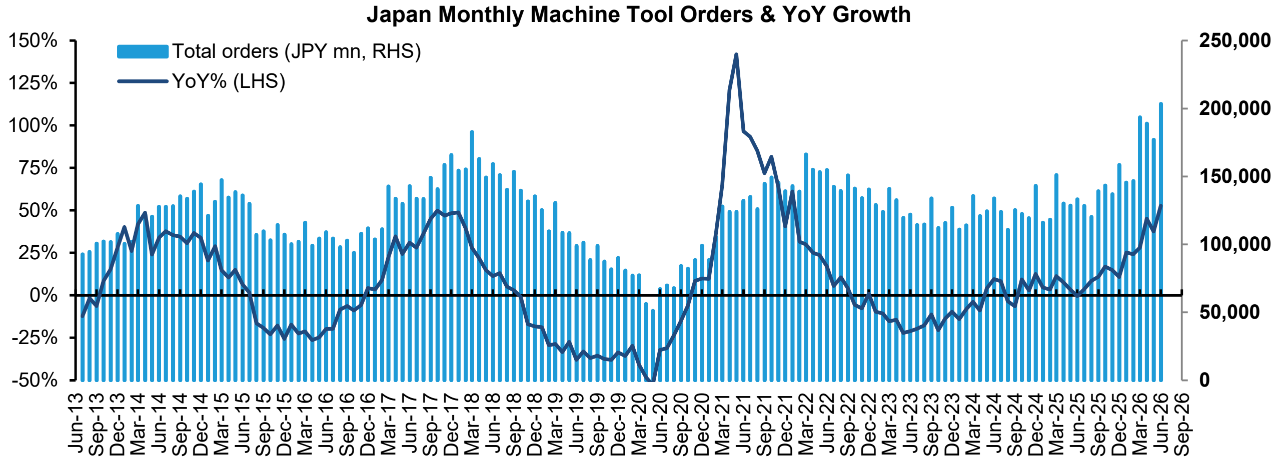
Source: Bloomberg, IHS Markit, Bernstein analysis.

EXHIBIT 36: **Japan Manufacturing PMI**



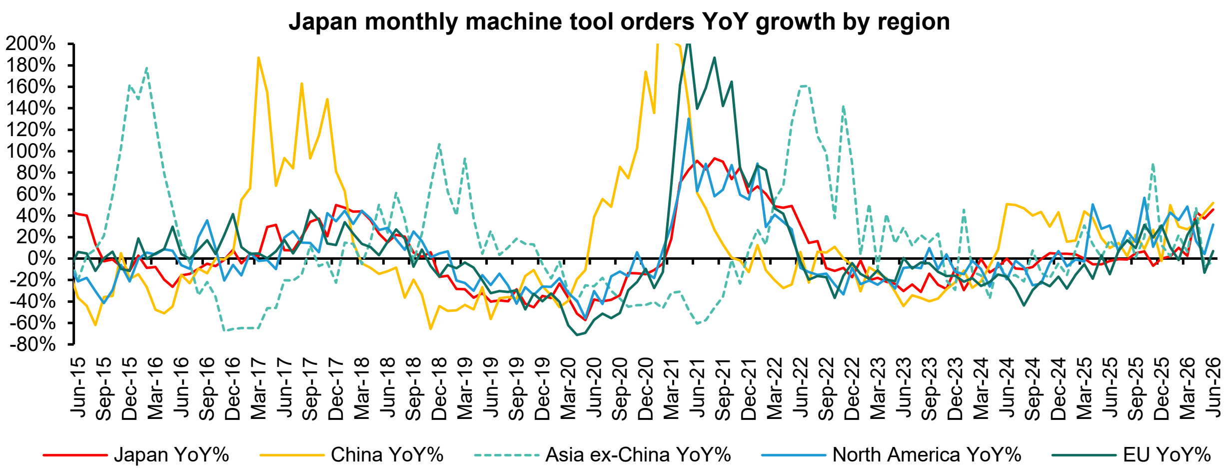
Source: Bloomberg, IHS Markit, Bernstein analysis

EXHIBIT 37: **Japan total machine tool order growth trend**



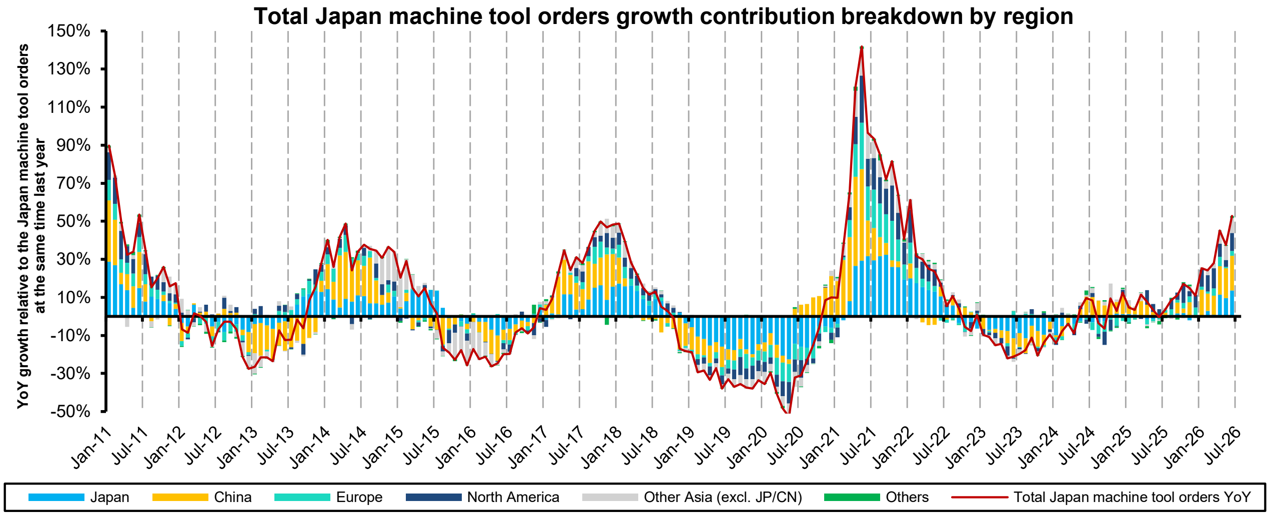
Source: JMTBA, Bloomberg, Bernstein analysis.

EXHIBIT 38: **Japan machine tool orders growth by region**



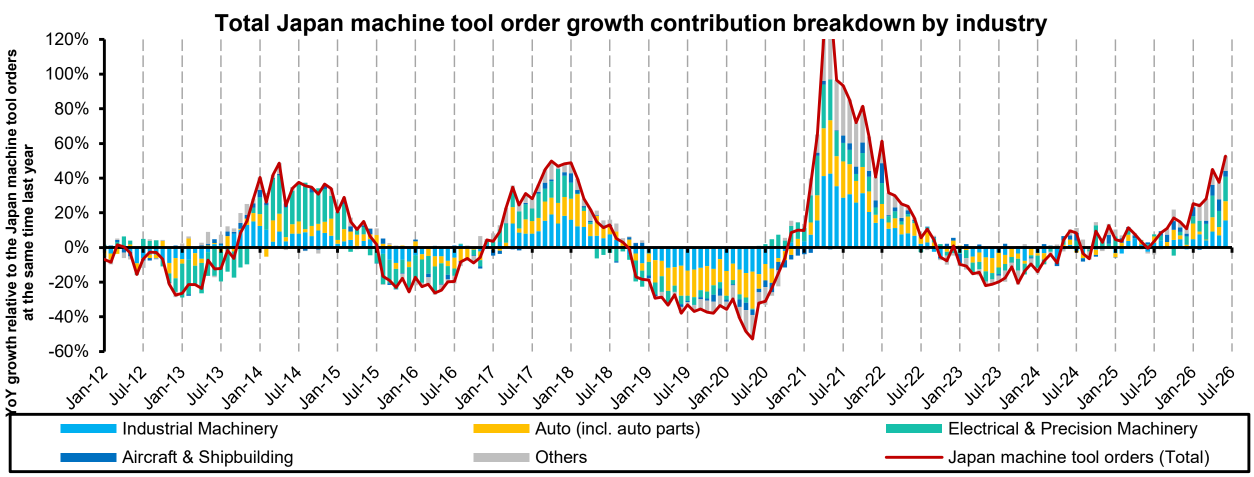
Note: We adjusted the order value from China, US, and EU to local currency to reflect the true demand
Source: JMTBA, Bloomberg, Bernstein analysis

EXHIBIT 39: **Japan machine tool orders growth contribution breakdown by region**



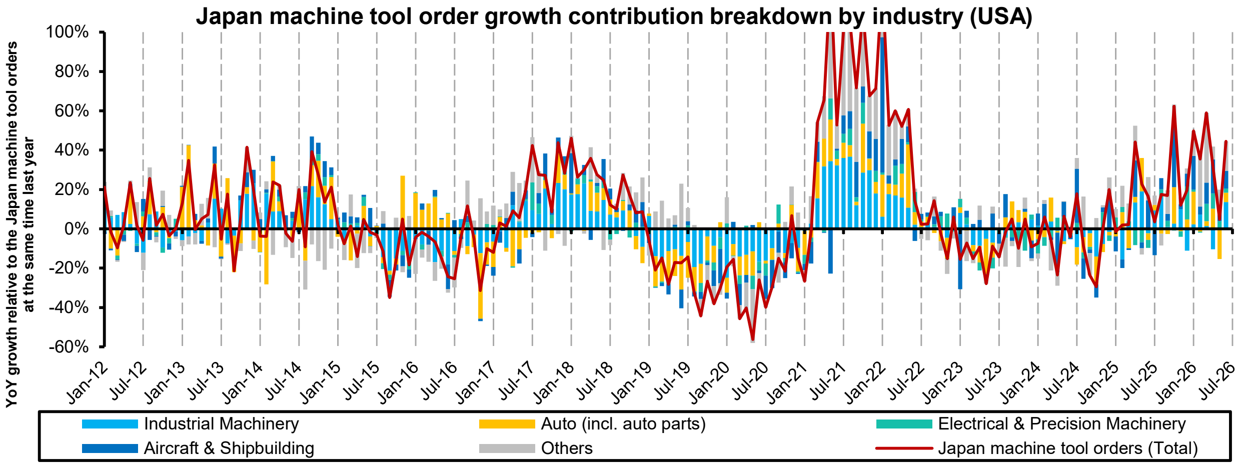
Source: JMTBA, Bernstein analysis

EXHIBIT 40: **Japan machine tool orders growth contribution breakdown by industry**



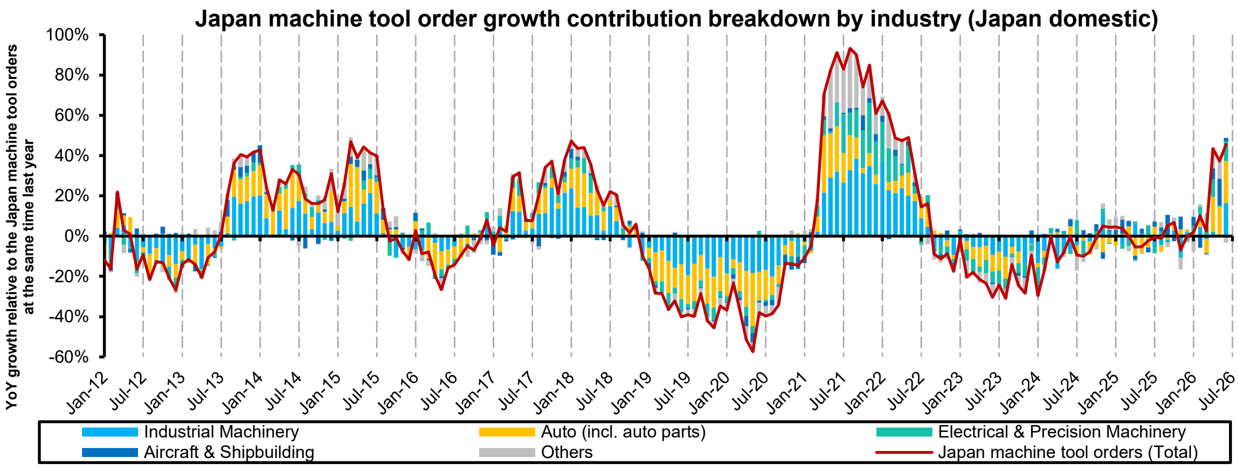
Source: JMTBA, Bernstein analysis

EXHIBIT 41: **Japan machine tool order growth contribution breakdown by industry (USA)**



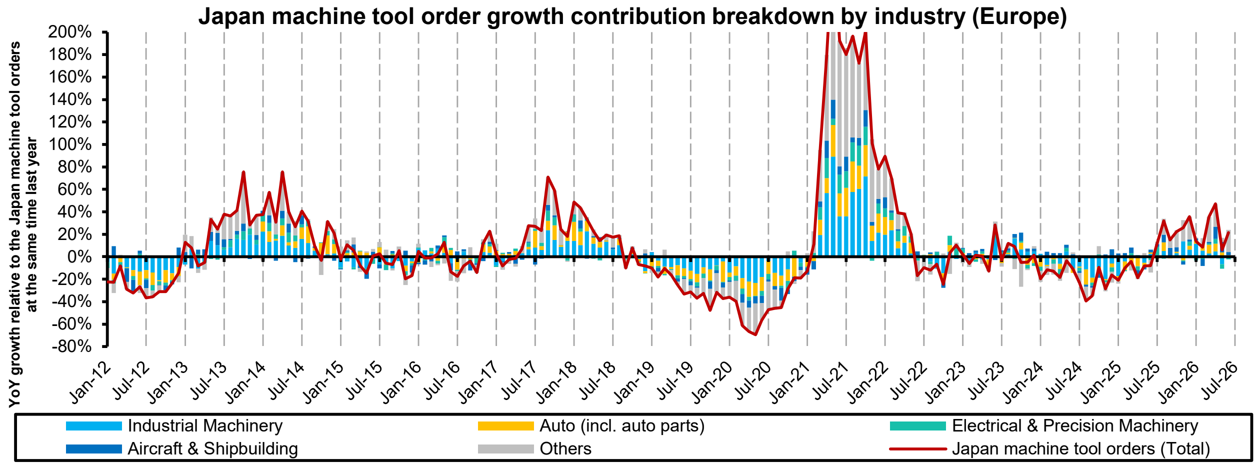
Source: JMTBA, Bernstein analysis

EXHIBIT 42: **Japan machine tool order growth contribution breakdown by industry (Japan domestic)**



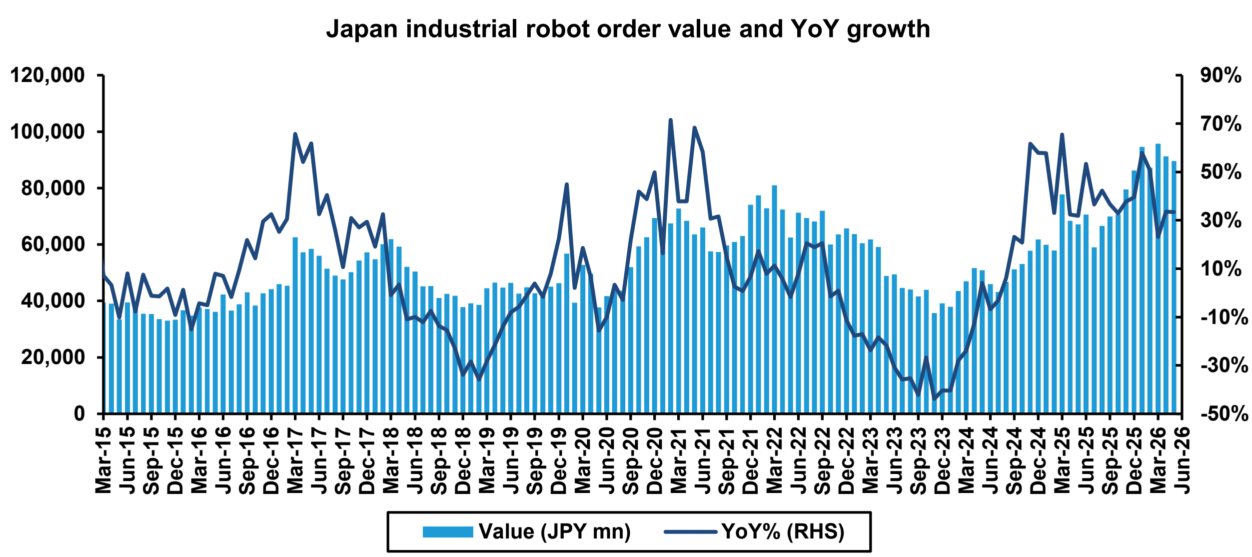
Source: JMTBA, Bernstein analysis

EXHIBIT 43: **Japan machine tool order growth contribution breakdown by industry (Europe)**



Note: Europe includes both EU and non-EU countries.
Source: JMTBA, Bernstein analysis

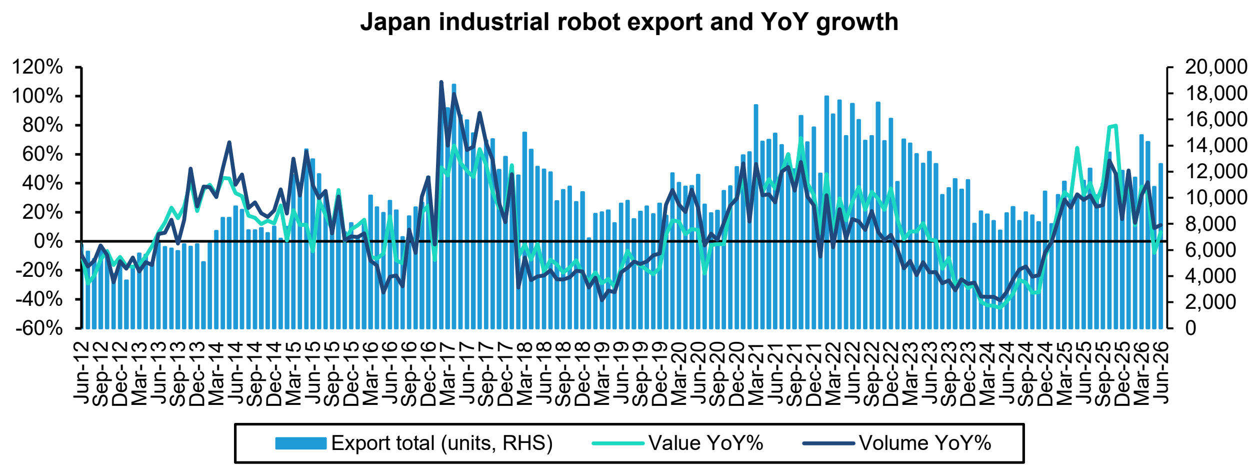
EXHIBIT 44: **Japan industrial robot orders growth trend**



Source: Cabinet Office (Government of Japan), Bernstein analysis.

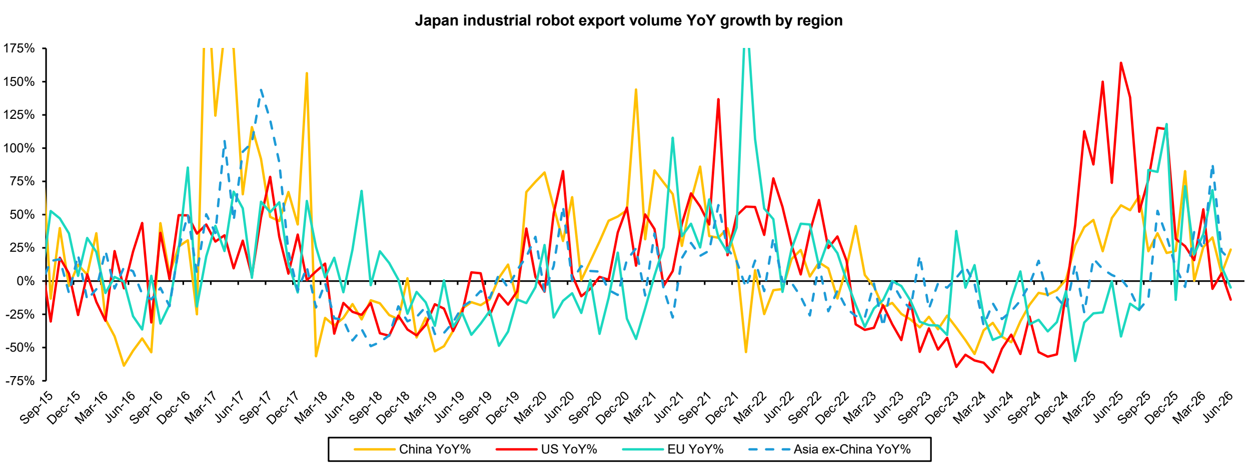
Jay Huang, Ph.D. +852 2123 2631 jay.huang@bernsteinsg.com

EXHIBIT 45: **Japan industrial robot export value and volume growth**



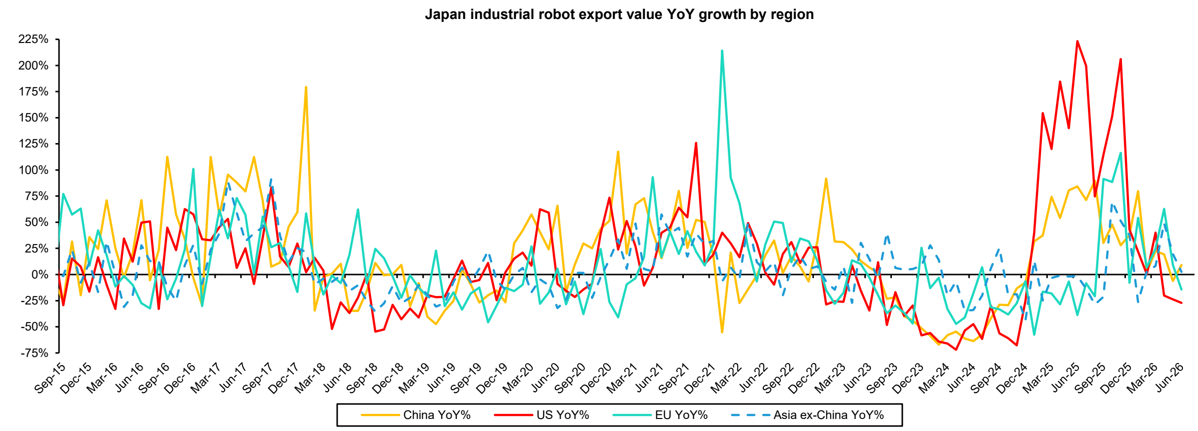
Source: Japan Ministry of Finance, Bernstein analysis

EXHIBIT 46: **Japan industrial robot export volume growth by region**



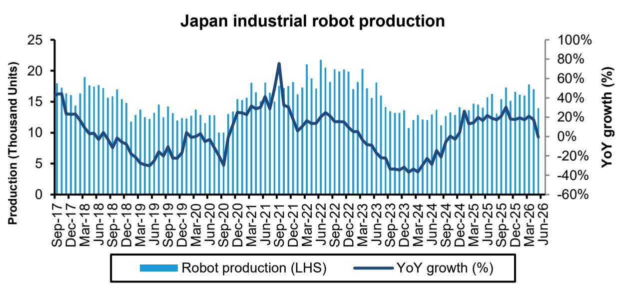
Source: Japan Ministry of Finance; Bloomber, Bernstein analysis.

EXHIBIT 47: **Japan industrial robot export value growth by region**



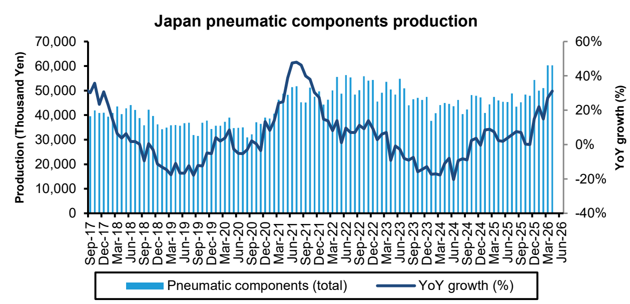
Note: We adjusted the export value to China, US, and EU to local currency to reflect the true demand.
Source: Japan Ministry of Finance; Bloomberg, Bernstein analysis

EXHIBIT 48: **Japan – Robot production**



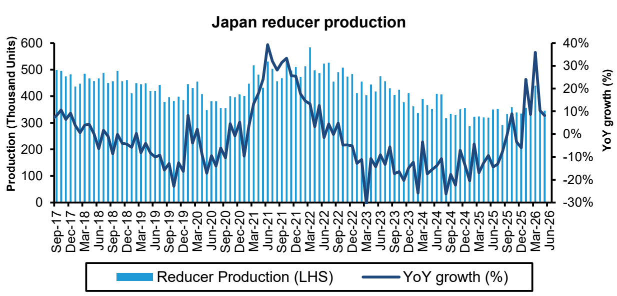
Source: Ministry of Economy, Trade, and Industry (METI) of Japan, Bernstein analysis

EXHIBIT 49: **Japan – PLC production**



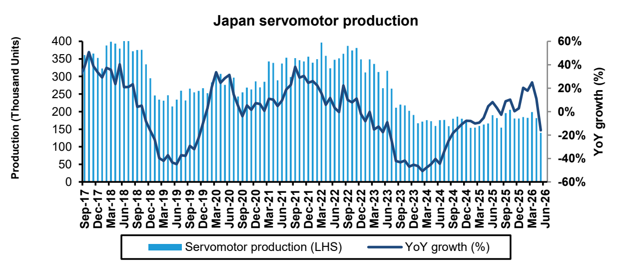
Source: METI, Bernstein analysis

EXHIBIT 50: **Japan – Reducer production**



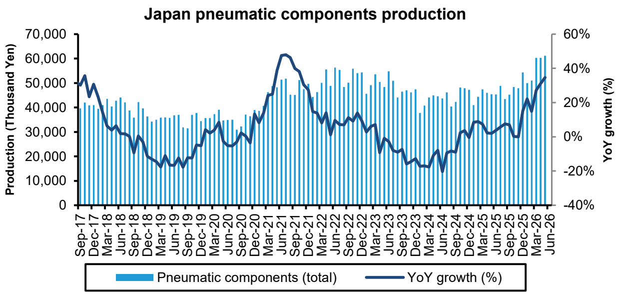
Source: METI, Bernstein analysis

EXHIBIT 51: **Japan - Servomotor production**



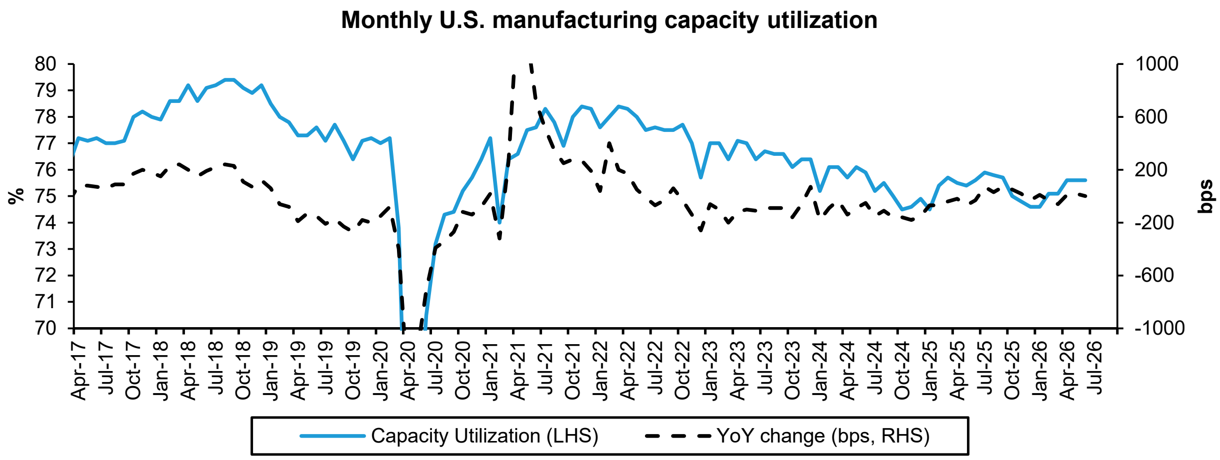
Source: METI, Bernstein analysis

EXHIBIT 52: **Japan - Pneumatic Components production**



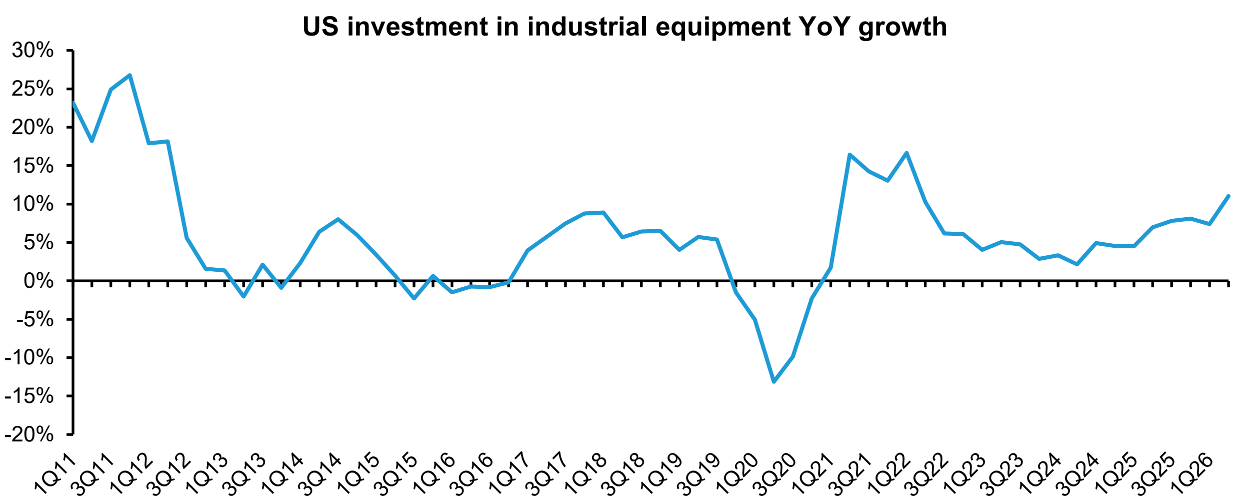
Source: METI, Bernstein analysis

EXHIBIT 53: **Historical U.S. manufacturing capacity utilization by month**



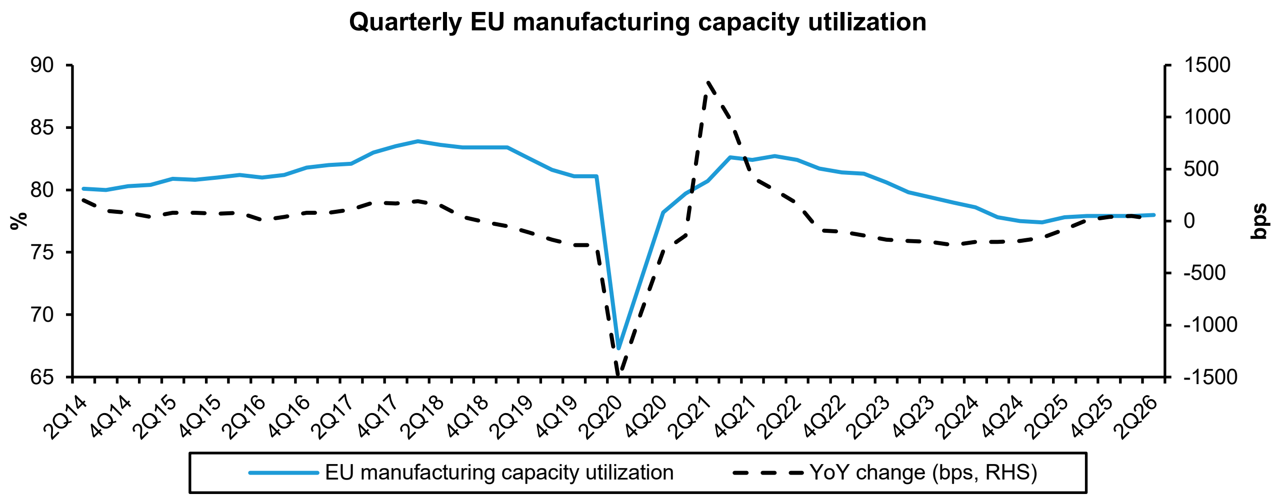
Source: Haver, Bernstein analysis

EXHIBIT 54: **US YoY investment growth in industrial equipment**



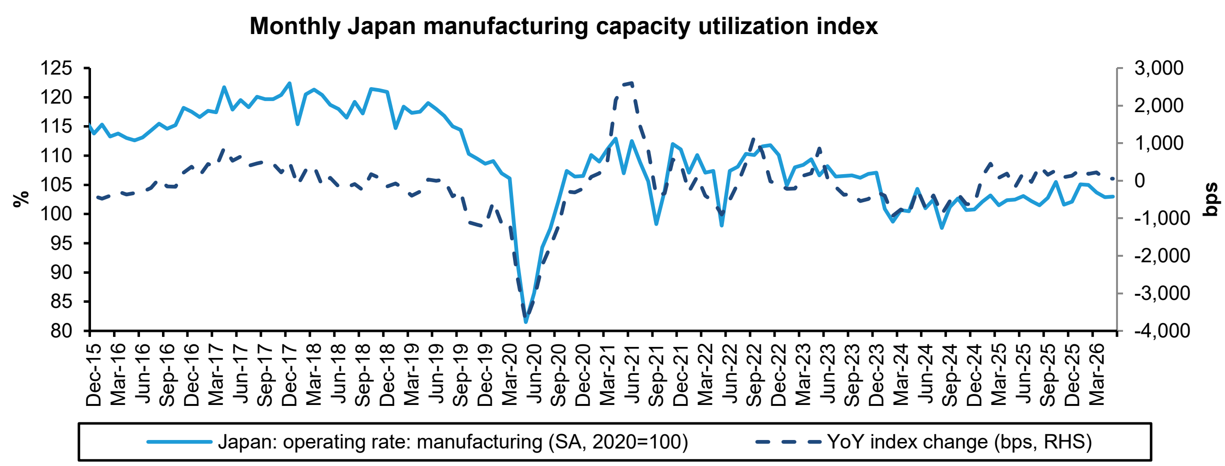
Source: Haver; US BEA; Bernstein analysis

EXHIBIT 55: **Historical EU manufacturing capacity utilization by quarter**



Source: Haver, Bernstein analysis.

EXHIBIT 56: **Historical Japan manufacturing capacity utilization index by month**



Source: Haver, Bernstein analysis.

EXHIBIT 57: **Hikvision: financial summary**

RMB Million	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Revenue	63,503	81,420	83,166	89,340	92,496	92,508	102,048	109,676	118,153	127,749	138,248
Gross Profit	29,546	36,091	35,170	39,703	40,542	42,440	50,550	50,671	53,460	57,513	62,125
Operating Profit	15,197	18,474	14,783	16,039	14,312	16,963	23,663	23,712	24,470	25,675	27,621
Profit before Tax	15,273	18,468	14,855	16,099	14,343	17,013	23,810	23,931	24,706	25,930	27,898
Attributable Net Profit	13,386	16,800	12,837	14,108	11,977	14,195	19,019	19,632	20,282	21,290	22,907
EBITDA	16,515	19,227	14,954	16,835	16,213	18,542	26,324	25,525	26,421	27,792	29,920
EPS (Basic) (RMB)	1.45	1.81	1.37	1.52	1.30	1.55	2.08	2.14	2.21	2.32	2.50
EPS (Diluted) (RMB)	1.45	1.81	1.37	1.52	1.30	1.55	2.08	2.14	2.21	2.32	2.50
P/B (x)	6.4	5.4	5.1	4.5	4.3	4.0	3.5	3.2	3.0	2.7	2.5
P/E (x)	25.5	20.3	26.9	24.2	28.4	23.8	17.7	17.2	16.6	15.9	14.7
EV/IC (x)	9.0	7.1	5.9	5.4	4.8	5.1	5.1	4.7	4.3	3.9	3.6
EV/EBITDA (x)	19.2	16.5	21.2	18.8	19.6	17.1	12.1	12.4	12.0	11.4	10.6
ROIC (excl. Goodwill)	42.3%	43.5%	25.7%	25.7%	20.9%	23.4%	34.5%	31.8%	30.0%	28.7%	28.2%
ROE	27.4%	29.2%	19.6%	19.5%	15.5%	17.3%	21.5%	19.3%	18.1%	17.3%	17.0%
Gross Margin	46.5%	44.3%	42.3%	44.4%	43.8%	45.9%	49.5%	46.2%	45.2%	45.0%	44.9%
Operating Profit Margin	23.9%	22.7%	17.8%	18.0%	15.5%	18.3%	23.2%	21.6%	20.7%	20.1%	20.0%
Net Margin	21.5%	21.5%	16.3%	17.0%	14.2%	16.7%	20.7%	19.4%	18.6%	18.1%	18.0%
EBITDA Margin	26.0%	23.6%	18.0%	18.8%	17.5%	20.0%	25.8%	23.3%	22.4%	21.8%	21.6%
Revenue Growth	10.1%	28.2%	2.1%	7.4%	3.5%	0.0%	10.3%	7.5%	7.7%	8.1%	8.2%
Operating Profit Growth	10.9%	21.6%	(20.0%)	8.5%	(10.8%)	18.5%	39.5%	0.2%	3.2%	4.9%	7.6%
Attributable Net Profit Growth	7.8%	25.5%	(23.6%)	9.9%	(15.1%)	18.5%	34.0%	3.2%	3.3%	5.0%	7.6%
EBITDA Growth	19.5%	16.4%	(22.2%)	12.6%	(3.7%)	14.4%	42.0%	(3.0%)	3.5%	5.2%	7.7%

Source: Company reports, Bernstein estimates and analysis

INVESTMENT IMPLICATIONS

Reiterate Outperform for Keyence, FANUC, Inovance, SMC, AirTAC, Cognex, Hikvision, Han's Laser, IPG Photonics, and Harmonic Drive; Market-Perform for Estun.

For Hikvision, we reiterate Outperform rating and raise the price target to RMB45.0 (was RMB40.0), based on an EV/EBITDA multiple of 15.0x applied to 1-yr forward-looking EBITDA estimates (from the PT date) of RMB 25,968mn (vs. 14.0x to RMB 23,400mn). We roll our price target date to June 2027 (was December 2026). Compared to the previous forecast, the higher EBITDA forecast is driven by stronger-than-expected performance in both the traditional and innovative business and margin improvement from product mix and innovation. We have also raised our target multiple to reflect better future growth prospects.

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RATINGS DEFINITIONS, BENCHMARKS AND DISTRIBUTION

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The Bernstein brand rates stocks based on forecasts of relative performance for the next 12 months versus the S&P 500 for stocks listed on the U.S. and Canadian exchanges, versus the Bloomberg Europe Developed Markets Large and Mid Cap Price Return Index EUR (EDME) for stocks listed on the European exchanges and emerging markets exchanges outside of the Asia Pacific region, versus the Bloomberg Japan Large and Mid Cap Price Return Index USD (JPL) for stocks listed on the Japanese exchanges, and versus the Bloomberg Asia ex-Japan Large and Mid Cap Price Return Index (ASIAX) for stocks listed on the Asian (ex-Japan) exchanges -unless otherwise specified.

The Bernstein brand has three categories of ratings:

- Outperform: Stock will outpace the market index by more than 15 pp

- Market-Perform: Stock will perform in line with the market index to within +/-15 pp

- Underperform: Stock will trail the performance of the market index by more than 15 pp

Coverage Suspended: Coverage of a company under the Bernstein research brand has been suspended. Ratings and price targets are suspended temporarily, are no longer current, and should therefore not be relied upon.

Not Rated: A rating assigned when the stock cannot be accurately valued, or the performance of the company accurately predicted, at the present time. The covering analyst may continue to publish research reports on the company to update investors on events and developments.

Not Covered (NC) denotes companies that are not under coverage.

Bernstein brand stock ratings are based on a 12-month time horizon.

Autonomous brand – common stocks

The Autonomous brand rates common stocks as indicated below. As our benchmarks we use the Bloomberg Europe 600 Financials Price Return Index (E600BK) and Bloomberg Europe Dev Mkt Financials Large and Mid Cap Price Ret Index EUR (EDMFI) index for developed European banks and Payments, the Bloomberg Europe 600 Insurance Price Return Index (E600IN) for European insurers, the S&P 500 and S&P Financials for US banks and Payments coverage, S5LIFE for US Insurance, the S&P Insurance Select Industry (SPSIINS) for US Non-Life Insurers coverage, the Bloomberg Emerging Markets Financials Large, Mid and Small Cap Price Return Index (EMLSF) for emerging market banks and insurers and Payments, and the Bloomberg Japan Financials Large & Mid Cap Price Return Index (JPFILM) for Japanese Financials. Ratings are stated relative to the sector (not the market).

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- Neutral (N): Stock will perform in line with the market index to within +/-10 pp
- Underperform (UP): Stock will trail the performance of the relevant index by more than 10 pp

Coverage Suspended: Coverage of a company under the Autonomous research brand has been suspended. Ratings and price targets are suspended temporarily, are no longer current, and should therefore not be relied upon.

Not Rated: A rating assigned when the stock cannot be accurately valued, or the performance of the company accurately predicted, at the present time. The covering analyst may continue to publish research reports on the company to update investors on events and developments.

Those denoted as ‘Feature’ (e.g., Feature Outperform FOP, Feature Under Outperform FUP) are our core ideas.

Not Covered (NC) denotes companies that are not under coverage.

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The Autonomous brand has three categories of preferred stock ratings:

- Outperform (OP): The total return of the preferred instrument is expected to outperform preferred securities of other issuers operating in similar sectors or rating categories over the next six months.
- Neutral (N): The total return of the preferred instrument is expected to perform in line with preferred securities of other issuers operating in similar sectors or rating categories over the next six months.
- Underperform (UP): The total return of the preferred instrument is expected to underperform preferred securities of other issuers operating in similar sectors or rating categories over the next six months.

Autonomous preferred stock ratings are based on a 6-month time horizon.

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Autonomous credit ratings are based on a 6-month time horizon.

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Outperform	BUY	51.2%	15.3%
Market-Perform (Bernstein Brand) Neutral (Autonomous Brand)	HOLD	35.8%	16.2%
Underperform	SELL	13.1%	13.6%

* These figures represent the percentage of companies within each equity rating category for which affiliates of Bernstein have provided investment banking services within the previous 12 months.
As of June 30, 2026. All figures are updated quarterly.

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