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Jianghai Capacitor (002484.SZ)

Post Call: 4Q Ramp on Track, 2027 Volumes Upside; Reiterate Buy

CITI'S TAKE

Jianghai's post-results call shows the AI ramp is on track but gradual. Snap-in shipments reached about 2mn units in Oct (3Q: about 3.5mn) and should reach 3mn a month by Dec; price increases took effect on 1-Oct. Using mgmt's volumes and prices, we estimate 4Q AI revenue at about Rmb350mn, above Rmb100mn a month and meeting mgmt's target. With the price increases we already model, 4Q NP would likely be Rmb315-345mn, mostly in line with about Rmb340mn implied by our FY26 estimate. Delta's snap-in approval and Google's LIC test remain the upside catalysts. For 2027, mgmt indicated 60-70mn snap-ins, about 40mn EDLC cells and 2-3mn LIC cells, implying an upside to our current forecasts. We reiterate our Buy rating and maintain our estimates.

Buy	
Price (23 Oct 26 15:00)	Rmb38.730
Target price	Rmb71.000
Expected share price return	83.3%
Expected dividend yield	1.6%
Expected total return	84.9%
Market Cap	Rmb32,941M US$4,935M

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Near-term catalysts: ramp and new lines on track, with Delta and Google LIC still ahead

Three catalysts are on schedule: 4Q AI revenue, two more automatic lines before end-2026, and Delta's move from a pre-order to EDLC batch orders in 4Q. Delta's commercial approval for snap-ins and the result of Google's LIC rack test remain the catalysts, and MLPC's next milestone is around end-1Q27.

4Q AI revenue to avg above Rmb100mn a month, meeting mgmt's target

We estimate 4Q AI revenue at about Rmb350mn across snap-ins, EDLC and polymer capacitors, roughly double the Rmb175mn we estimated for 3Q and above Rmb100mn a month (Figure 2). Snap-in shipments reached ~2mn units in Oct, vs about 3.5mn in all of 3Q, and mgmt maintains its target of 3mn units a month by end-2026. We assume a steady ramp, snap-in prices unchanged at Rmb35-40 and further EDLC deliveries. LIC and MLPC add little before 2027.

FY26E: Our bottom-up analysis suggests FY26 NP of Rmb938-970mn, vs our Rmb965mn estimate

Non-AI revenue is running ahead of our forecasts, which supports earnings. Assuming non-AI revenue and margins stay at 3Q levels, plus the 3-5% price increase already in our model, we estimate 4Q NP of Rmb315-345mn, vs Rmb340mn implied by our FY26E, which puts FY26 NP within -2.8% to +0.5% of our Rmb965mn estimate (Figure 3). The main sensitivity is how much of the price increase is realised: each pp is worth ~Rmb11mn of 4Q NP.

Automation limits shipments, and two new lines by end-2026

Orders exceed capacity and delivery has stretched to as long as a month and a half. The three automatic lines make 1.5mn units a month but only standard two-pin parts; the three and four-pin parts that carry the highest prices are made by hand and aged in ovens, under 30% of AI snap-in shipments. Jianghai makes most of its own foil, but some specifications, including laminated foil, are bought from outside and must be re-qualified; yield holds at about 99.5%, one point lower on laminated-foil parts.

Mgmt's 2027 volume outlook points to upside to our estimates, with delivery dependent on capacity expansion

Mgmt indicated 2027 snap-in shipments of 60-70mn units at an avg price of ~Rmb60, vs our 57mn and Rmb45 (Figure 1), and maintains monthly capacity of 3mn units by end-2026 and 10-12mn by end-2027. For EDLC, mgmt indicated about 40mn cells for the year vs our 21mn, at US$4-5 a cell, and is raising monthly capacity from about 1mn cells to 3mn. LIC is at earlier stage: mgmt indicated 2-3mn cells vs our 1mn, with prismatic cells quoted at US$45-70. Delivery depends on the capacity ramp, and further upside from LIC and MLPC depends on customer qualification.

Supercapacitors lift margins, with more to come in 4Q

9M GPM rose 1.1pp to 25.6%, with supercapacitors improving most: GPM rose 8.72pp to 23.59%, still below the group avg, while aluminium electrolytic rose 0.56pp to 27.10% (Figure 4). Price increases had only partly landed in 3Q, and a faster and larger improvement is expected in 4Q with its largest customers from 1 Oct (higher snap-in volumes and prices, and supercapacitors shipping in volume). Film shifted toward industrial customers, and AIDC reached 5% of supercapacitor revenue.

Figure 1. Mgmt's 2027 indications vs Citi FY27E

	Mgmt 2027	Citi Est. FY27E
Snap-in shipments (mn units)	60-70	57
Snap-in average price (Rmb)	~60	45
EDLC shipments (mn cells)	~40	21
LIC shipments (mn cells)	2-3	1.0

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Source: Company Reports and Citi Research Estimates

Figure 2. AI revenue: 3Q26 and 4Q26 implied by mgmt's volume guidance

	Units (mn)	Revenue (Rmb mn)
3Q26 snap-ins	3.5	131
3Q26 EDLC	0.6 (cells)	20
3Q26 polymer capacitors (Citi est.)		23
3Q26 AI revenue		**174**
4Q26E snap-ins: October	2.0	75
4Q26E snap-ins: November (Citi est.)	2.5	94
4Q26E snap-ins: December	3.0	113
4Q26E snap-ins	7.5	281
4Q26E EDLC		45
4Q26E polymer capacitors (Citi est.)		23
4Q26E AI revenue		**349**

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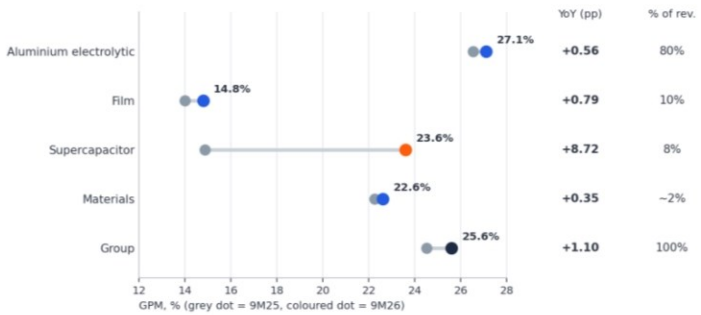
Figure 3. 4Q26 run-rate supports FY26E NP: Rmb938-970mn vs Citi Rmb965mn estimate (-2.8% to +0.5%)

	Bottom-up	Citi Est. FY26E
Revenue (Rmb mn)	1,982-2,007	1,905
Gross profit (Rmb mn)	573-599	533
GPM (%)	28.9-29.8	28.0
NP (Rmb mn)	314-346	341
FY26E NP (Rmb mn)	**938-970**	**965**

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Figure 4. Supercapacitor margins have improved sharply, though still below the group average (GPM, %)



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Source: Citi Research, Company Reports

Jianghai Capacitor

Valuation

Our TP of Rmb71 is based on 32.7x FY27E PE (+1SD to mean since 2021). This is ~9% above peers (~30x) and below the 35-36x of prior upcycles. Our call does not depend on the premium: at the peer average of ~30x, our TP would be Rmb66-67. We see the premium as justified by the AI-driven shift in earnings mix (close to half of group GP in FY27E, more than half in FY28E), ROE rising from 11% in FY25 to 24% in FY27E and a 54% NP CAGR over FY25-28E. We value on FY27E, the first year that fully reflects the snap-in and EDLC ramp; delivery should drive consensus upgrades and a re-rating to +1SD.

Risks

Downside risks that could impede the stock from reaching our TP mainly include: 1) rack deployment or capacitor content per rack below our assumptions, which would lower snap-in volumes; 2) price competition as Japanese and second-tier Chinese capacity arrives from 2027; 3) delays in LIC system testing or AI-server MLPC qualification, which could push back new-product revenue; and 4) an AI sector valuation de-rating.



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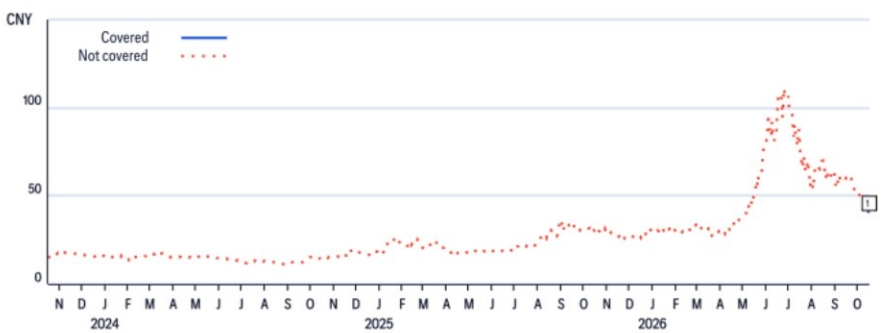
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Analyst: Alice Cai



	Date	Rating	Target Price	Closing Price
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