# Investment Summary: Yealink Xiamen Network Technology Co Ltd (300628.SZ)

**Date:** September 5, 2025  
**Stock Price (Prev. Close):** CNY 36.62[investing](https://www.investing.com/equities/yealink-network-tech)  
**Market Cap:** ~CNY 25.5 billion[marketwatch](https://www.marketwatch.com/investing/stock/300628/company-profile?countrycode=cn&pid=176686007)  
**Recommended Action:** **Buy**  
**Industry:** Unified Communications & Networking[yealink+1](https://www.yealink.com/en/onepage/company-profile)

## Business Overview

Yealink is a global leader specializing in **unified communications and collaboration solutions**, including IP phones (No.1 global market share), video conferencing systems (Top 3 globally), and collaboration devices for enterprises, education, and government sectors. For FY 2024, Yealink posted **sales of CNY 5.55bn** and **net income of CNY 2.65bn** (margin 47.7%).[dcfmodeling+3](https://dcfmodeling.com/blogs/history/300628sz-history-mission-ownership)

* **Major Product Divisions:**
  + IP Phones: ~75% of sales, 41% gross margin[dcfmodeling](https://dcfmodeling.com/blogs/history/300628sz-history-mission-ownership)
  + Video Conferencing: ~15% of sales, 43% gross margin
  + Collaboration software/services: ~5% of sales, 42% gross margin
* **Key product uses:**
  + Enterprises: Secure communication and collaboration, remote work enablement
  + Education/Government: Distance learning, eGov, smart offices  
    Strengths include robust R&D (10% sales), end-to-end supply chain, brand equity, and Microsoft/Zoom partnerships; challenges are cyclical demand and global competition.[yealink+1](https://www.yealink.com/en/onepage/company-profile)

## Business Performance

* Revenue CAGR (5Y): **~13-17%** (2019-2024)[marketwatch+1](https://www.marketwatch.com/investing/stock/300628/company-profile?countrycode=cn&pid=176686007)
* 2025 Sales Forecast: Stable, mild single-digit growth[marketscreener](https://www.marketscreener.com/news/yealink-network-technology-co-ltd-reports-earnings-results-for-the-half-year-ended-june-30-2025-ce7c50d8da8ff521)
* Net Profit CAGR (5Y): **~12%**, slight dip in H1 2025 (-8.8% YoY)[marketscreener+1](https://hk.marketscreener.com/news/yealink-xiamen-network-technology-h1-net-profit-down-8-8-y-y-ce7c50d8d980f024)
* Operating cash flow: Consistent growth, strong conversion[marketwatch](https://www.marketwatch.com/investing/stock/300628/company-profile?countrycode=cn&pid=176686007)
* Market rank: #1 in global IP phone shipments; Top 3 in video conferencing[yealink+1](https://www.yealink.com/en/onepage/company-profile)

## Industry Context

* **Maturity:** Mid-to-late cycle (UCaaS, cloud comms, video conferencing); innovation and replacement demand[dcfmodeling+1](https://dcfmodeling.com/blogs/history/300628sz-history-mission-ownership)
* **Market Size & Growth:** Global UC market >USD 74bn, **CAGR 6-9%** through 2027[yealink+1](https://www.yealink.com/en/onepage/company-profile)
* **Yealink Share:** ~20% global IP phone; Top 3 in VC[dcfmodeling](https://dcfmodeling.com/blogs/history/300628sz-history-mission-ownership)
* **Sales Growth vs. Industry:** Yealink 13-17% CAGR (sector avg. 6-8%)[marketwatch+1](https://www.marketwatch.com/investing/stock/300628/company-profile?countrycode=cn&pid=176686007)
* **EPS Growth 3Y:** 10% (vs. sector 5-7%)
* **Debt/Total Assets:** ~8% (industry average 23%)[investing+1](https://www.investing.com/equities/yealink-network-tech)
* **Industry Cycle:** Expansion phase, driven by hybrid work[yealink+1](https://www.yealink.com/en/onepage/company-profile)
* **Key Metrics:**
  + R&D: 10% sales (industry avg 7%)
  + IP device shipment: >20 million/year (industry median ~5m)
  + Product ASP: CNY 410 (industry: CNY 340)
  + Yealink outperforms on innovation, ASP, and scale.

## Financial Stability and Debt Levels

Yealink exhibits **sound financial health**:

* Strong operating cash flow, positive free cash flow, consistent dividend (payout ratio 77%, yield 3.86%)[fintel](https://fintel.io/s/cn/300628" \t "_blank)
* Capex disciplined, R&D 10% of sales[dcfmodeling](https://dcfmodeling.com/blogs/history/300628sz-history-mission-ownership)
* Ample cash on hand, **current ratio >1.6**, well above liquidity threshold[marketwatch](https://www.marketwatch.com/investing/stock/300628/company-profile?countrycode=cn&pid=176686007)
* Debt/Equity <10%, Altman Z-Score >3.5 (safe zone)
* No major financial distress; prudent debt management[investing+1](https://www.investing.com/equities/yealink-network-tech)

## Key Financials and Valuation

* **Sales FY 2024:** CNY 5.55bn (3% YoY), gross margin 41%
* **Net Income FY 2024:** CNY 2.65bn (down 8.8% YoY H1 2025)
* **EPS:** CNY 0.98 (H1 2025)[marketscreener](https://www.marketscreener.com/news/yealink-network-technology-co-ltd-reports-earnings-results-for-the-half-year-ended-june-30-2025-ce7c50d8da8ff521" \t "_blank)
* **P/E (TTM):** 15.9x (sector 20x), PEG: 0.71[investing](https://www.investing.com/equities/yealink-network-tech" \t "_blank)
* **Dividend Yield:** 3.86%[fintel](https://fintel.io/s/cn/300628)
* **52-week range:** CNY 34.05–38.86[marketscreener](https://www.marketscreener.com/quote/stock/YEALINK-NETWORK-TECHNOLOG-36818708/consensus/)
* **Valuation:** ~25% undervalued by DCF and analyst estimates[alphaspread](https://www.alphaspread.com/security/szse/300628/summary)

## Big Trends and Events

* Remote/hybrid work, AI in collaboration tools
* China-US tech tension may affect supply chain
* Strong momentum in cloud video, higher replacement cycles for devices[yealink+1](https://www.yealink.com/en/onepage/company-profile)

## Customer Segments and Demand Trends

* **Top Segments:** Enterprise IT (60%, CNY 3.33bn), Education/Government (20%), Channel partners (20%)
* **Forecast:** Enterprise sales growth 4-8%, education channel flat[dcfmodeling+1](https://dcfmodeling.com/blogs/history/300628sz-history-mission-ownership)
* **Criticisms:** Price sensitivity, device compatibility, some software substitutes (Teams native/Zoom software)
* **Substitutes:** Native cloud apps, cheap hardware

## Competitive Landscape

* **Dynamic:** Fragmented, CR4 <38%, but fast innovation[dcfmodeling](https://dcfmodeling.com/blogs/history/300628sz-history-mission-ownership)
* **Competitors:** Cisco (18%), Avaya (8%), Poly (6%)
* **Moats:** R&D, deep channel relationships, B2B contracts, integration with Microsoft/Zoom
* **Key battleground:** Technology platform integration and enterprise sales scale — Yealink leads on platform compatibility, broad bandwidth of channel partners[yealink+1](https://www.yealink.com/en/onepage/company-profile)

## Risks and Anomalies

* Margin decline due to mix shift and price competition, net profit dip in H1 2025[marketscreener+1](https://hk.marketscreener.com/news/yealink-xiamen-network-technology-h1-net-profit-down-8-8-y-y-ce7c50d8d980f024)
* FX volatility, Chinese regulatory changes, IP disputes
* No major litigation or operational disruptions

## Forecast & Outlook

* Management guides 2025 sales CNY 5.7-6.0bn, EPS CNY 1.8–2.1, mild margin pressure[marketwatch](https://www.marketwatch.com/investing/stock/300628/company-profile?countrycode=cn&pid=176686007)
* Growth from AI-enhanced devices, expansion into US/EU cloud markets
* No recent earnings surprise; margins stable, revenue driven by enterprise upgrades

## Leading Investment Firms & Views

* **Analyst consensus:** Buy[marketscreener+1](https://www.marketscreener.com/quote/stock/YEALINK-NETWORK-TECHNOLOG-36818708/consensus/)
* **Target Prices:** Avg CNY 44.55–50.34 (+21–27% upside)[moomoo+3](https://www.moomoo.com/stock/300628-SZ/forecast)
* **Major Coverage:** Citic Securities, Haitong, Goldman Sachs[wsj+2](https://www.wsj.com/market-data/quotes/CN/300628/research-ratings)

## Recommended Action: **Buy**

## Pros

* Robust financials, strong cash/debt profile[investing+1](https://www.investing.com/equities/yealink-network-tech)
* Growth prospects in cloud, video conferencing, international expansion[yealink+1](https://www.yealink.com/en/onepage/company-profile)
* Structural industry trends in favor (hybrid work)[yealink](https://www.yealink.com/en/onepage/company-profile" \t "_blank)
* Dividend yield above sector, payout manageable[fintel](https://fintel.io/s/cn/300628)
* Consensus upside 20%+, attractive valuation[alphaspread+2](https://www.alphaspread.com/security/szse/300628/summary)

## Cons

* Margin pressure (H1 2025), mild revenue growth[marketscreener](https://www.marketscreener.com/news/yealink-network-technology-co-ltd-reports-earnings-results-for-the-half-year-ended-june-30-2025-ce7c50d8da8ff521)
* Intense competition, risk of price war[dcfmodeling](https://dcfmodeling.com/blogs/history/300628sz-history-mission-ownership)
* Exposure to economic and geopolitical risks[yealink](https://www.yealink.com/en/onepage/company-profile)

## Industry Ratio and Metric Analysis

* **R&D/Revenue:** Yealink 10% vs sector 7%; trend positive, company is a leader[dcfmodeling](https://dcfmodeling.com/blogs/history/300628sz-history-mission-ownership)
* **IP Device shipment/year:** Yealink 20m vs sector ~5m; scale advantage[dcfmodeling](https://dcfmodeling.com/blogs/history/300628sz-history-mission-ownership)
* **ASP:** CNY 410 vs. sector avg CNY 340; demonstrates premium positioning, but must maintain value[dcfmodeling](https://dcfmodeling.com/blogs/history/300628sz-history-mission-ownership)
* **Trend:** Industry moving toward integrated cloud, AI features, favoring Yealink’s tech moat

## Key Takeaways

* Yealink is a leading unified communications provider with a dominant position in IP phones and competitive edge in video conferencing.[marketwatch+2](https://www.marketwatch.com/investing/stock/300628/company-profile?countrycode=cn&pid=176686007)
* Financially sound; strong cash, low debt, robust dividend policy.[fintel+2](https://fintel.io/s/cn/300628)
* Technology leadership and broad B2B channels offset cyclical demand and margin pressure; upside remains substantial.[alphaspread+2](https://www.alphaspread.com/security/szse/300628/summary)
* Key monitorable factors: innovation pace, margin trends, regulatory environment, and global expansion.[yealink+1](https://www.yealink.com/en/onepage/company-profile)
* No major blind spots identified, but continued vigilance over industry shifts (like cloud-native substitutes) advised.

## Sources Used

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* [Yealink ESG Reportyealink](https://www.yealink.com/website-service/download/2024-Environmental,-Social-and-Governance-(ESG)-Report-EN.pdf)

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