Investment Summary - Satellite Chemical Co Ltd (002648.SZ)  
 As of 5 September 2025

Stock Price: CNY 19.42 (prev. close)  
 Market Cap: ~CNY 47B  
 Industry: Functional Chemicals, Polymer Materials, New Energy Materials, Low-Carbon Chemicals  
 Recommended Action: Buy

## **Business Overview**

* Satellite Chemical is a leading low-carbon chemical and polymer materials company in China, specializing in functional chemicals (C2/C3 derivatives like acrylic acid, acrylates, polyether), advanced polymer materials (metallocene polyolefins, polyolefin elastomers), and new energy materials for emerging energy and cooling applications.[finance.yahoo+2](https://finance.yahoo.com/quote/002648.SZ/profile/)
* FY2024 revenue: CNY 49.7B (+8.9% YoY); H1 2025: CNY 23.46B (+20.93% YoY), H1 net profit: CNY 2.74B (+33.4% YoY).[hzeyun+2](https://hzeyun.com/research/2606441.html)
* Segment mix: Functional chemicals 52%, polymer new materials 22%, new energy materials and others 26%; exports 13.9% of H1 2025 revenue (+82% YoY).[hzeyun](https://hzeyun.com/research/2606441.html)
* Major products are used in hygiene products, plastics, paints, automotive, data center cooling, and advanced packaging. Core C3/C2 derivatives serve major international FMCG and industrial conglomerates.[finance.yahoo+1](https://finance.yahoo.com/quote/002648.SZ/profile/)
* Strengths: R&D in high-end polyolefins and advanced materials, vertical supply chain from propane/ethylene to downstream, world’s second-largest acrylic acid producer, strong export and green innovation record.
* Challenges: High-end polyolefin localization gap, volatility in crude/naphtha/propylene prices, EU carbon tariffs, and rising R&D/capex needs.[hzeyun](https://hzeyun.com/research/2606441.html)

## **Business Performance**

* 5-year sales CAGR: ~18%, with robust double-digit profit growth (FY2024–H1 2025).[companiesmarketcap](https://companiesmarketcap.com/satellite-chemical/earnings/)
* 5-year profit CAGR: ~14% (even with margin compression in 2022–23 in cycle downturn); H1 2025 margin: 9.8%.
* Operating cash flow: Strong, exceeds dividend/capex, H1 2025 R&D: CNY 773M.[hzeyun](https://hzeyun.com/research/2606441.html)
* Market share: >20% of China’s C2/C3 derivative markets; world’s second-largest acrylic acid producer; key exporter to EU/Asia.[finance.yahoo+1](https://finance.yahoo.com/quote/002648.SZ/profile/)

## **Industry Context**

* Chemicals/polymer market in China: mature in C3, value-invention phase for high-end polymers.[hzeyun](https://hzeyun.com/research/2606441.html)
* Global specialty chemicals market: $940B+ (2025), C2/C3 derivatives $47B (5.7% CAGR); polyolefin elastomers: emerging >12% CAGR.[hzeyun](https://hzeyun.com/research/2606441.html)
* Debt/assets: 53% (industry avg 45–47%); current ratio 1.12 (tight, but improved), OPM above sector norm.
* Energy/materials cycle: recovering in 2025, benefiting ethylene/polyolefin and specialty chemical premiums.

## **Financial Stability and Debt Levels**

* Operating cash flow positive, debt/assets 53%, current ratio 1.12 (just below healthy 1.3).
* Ongoing capex (multi-billion RMB for global innovation platform, new polyolefin plants).
* Dividend: CNY 0.50/share 2024 (total CNY 1.68B payout; payout ratio ~60%); stable, FCF covered.
* No financial distress; continued cautious management against commodity risk.[morningstar+1](https://www.morningstar.com/stocks/xshe/002648/quote)

## **Key Financials & Valuation**

* FY2024 sales: CNY 49.7B (+8.9), H1 2025: CNY 23.46B (+20.9%).
* Group net margin: ~9.8% in H1 2025, up YoY.
* PE: 10.7x (TTM, sector: ~15.8x); PB: ~1.65x; Div. yield: ~2.5%; 52-wk range: CNY 15.58–21.88.[finance.yahoo+2](https://finance.yahoo.com/quote/002648.SZ/financials/)
* Industry metrics: Segment leading in OPM and R&D/sales (~3.5%), export penetration far above A-share sector norm.

## **Big Trends and Big Events**

* High-end material (mPE/POE) breakthrough; global expansion with 82% YoY export revenue growth H1 2025.[hzeyun](https://hzeyun.com/research/2606441.html)
* Major new C2/C3 (polyolefin) capacity online, fueling supply chain entry with global consumer brands.
* Sustainability focus: National “Green Factory”, MSCI ESG up to BBB, “AAA” Wind ESG; carbon intensity industry-leading; CBAM readiness.

## **Customer Segments and Demand Trends**

* Key segments: Hygiene/personal care (34%), plastics/packaging (29%), automotive/industrial (18%), new energy applications (12%), export FMCG (13.9%).
* Segment growth: International segment up 82% H1 2025; high-end polymer sales expanding into EU/US markets.[webull+1](https://www.webull.com/news/13317266575418368)
* Substitutes: Limited; main risk in price-sensitive segments and commodity oversupply.

## **Competitive Landscape**

* CR4 in China C3/C2 sector: ~40%; main rivals: Wanhua Chemical, Sinopec, Luxi Chemical.
* Moats: R&D (CNY 773M in H1), vertical integration, best-in-class energy recovery/carbon practices, export network.
* Key battlefront: High-end polymer innovation, global value chain partnerships, green premium realization.

## **Risks and Anomalies**

* Raw material (propane/crude/ethylene) price swings; cyclicality of basic chemical margins.
* Tariff/CBAM risks in EU; high ongoing capex.
* High-end products face localization bottlenecks; need for continuous innovation.

## **Forecast and Outlook**

* Management/analyst: FY2025 sales forecast +11–14%; margin improvement from high-end materials/exports.
* Consensus target: CNY 23.30 (+20% upside); range CNY 21–28.
* Dividends projected stable.

## **Leading Investment Firms and Views**

* Coverage: Guosen, CITIC, Haitong, Morgan Stanley, Sinolink.[poems](https://www.poems.com.hk/en-us/research-and-analysis/research-report/?codeval=002648.SZ&num=4714)
* Consensus: Buy; growing international/green premium, leading high-end shifts.
* Top broker targets: CNY 23–25 (+20–35% upside); “Buy” consensus holds.

## **Recommended Action: Buy**

* Pros: Profit/exports growing, global leader in C3/C2 downstream, outstanding ESG/innovation credentials, undervalued vs sector.
* Cons: Commodity price/capex cycles, moderate liquidity, green premium realization still ramping.

## **Industry Ratio and Metric Analysis**

| **Metric** | **Satellite** | **Sector Avg** | **Trend** |
| --- | --- | --- | --- |
| PE (TTM) | 10.7x | 15.8x | Discount |
| PB | 1.65x | 1.5x | Peer |
| Debt/Assets | 53% | 45% | Higher |
| OPM | 9.8% | 7.5% | Leading |
| Export Share | 13.9% | 5% | Leading |

## **Key Takeaways**

Satellite Chemical has emerged as an R&D and integration powerhouse, underpinned by export growth, green leadership, and global expansion in high-end materials. Analyst consensus strongly positive based on earnings momentum and sector leadership; continued innovation, supply chain and carbon execution will be key to future premium.

**Sources:**

* [Company/profilefinance.yahoo](https://finance.yahoo.com/quote/002648.SZ/profile/)
* [Yahoo Finance][finance.yahoo+1](https://finance.yahoo.com/quote/002648.SZ/)
* [Reuters][reuters+1](https://www.reuters.com/markets/companies/002648.SZ)
* [H1 financial/earnings news][moomoo+4](https://www.moomoo.com/stock/002648-SZ/news)
* [Morningstar][morningstar](https://www.morningstar.com/stocks/xshe/002648/quote)
* [Moomoo/analyst targets][moomoo+2](https://www.moomoo.com/stock/002648-SZ/earnings)
* [StockInvest][stockinvest](https://stockinvest.us/stock/002648.SZ)
* Major brokers: Guosen, CITIC, Haitong, Morgan Stanley, Sinolink (consensus reflected).

1. <https://finance.yahoo.com/quote/002648.SZ/profile/>
2. <https://www.reuters.com/markets/companies/002648.SZ>
3. <https://www.moomoo.com/stock/002648-SZ/news>
4. <https://hzeyun.com/research/2606441.html>
5. <https://www.webull.com/news/13317266575418368>
6. <https://finance.yahoo.com/quote/002648.SZ/financials/>
7. <https://companiesmarketcap.com/satellite-chemical/earnings/>
8. <https://www.morningstar.com/stocks/xshe/002648/quote>
9. <https://www.poems.com.hk/en-us/research-and-analysis/research-report/?codeval=002648.SZ&num=4714>
10. <https://finance.yahoo.com/quote/002648.SZ/>
11. <https://www.reuters.com/markets/companies/002648.SZ/profile>
12. <https://www.moomoo.com/stock/002648-SZ/earnings>
13. <https://www.moomoo.com/stock/002648-SZ>
14. <https://stockinvest.us/stock/002648.SZ>
15. <https://www.perplexity.ai/finance/002648.SZ>
16. <https://finance.yahoo.com/quote/002648.SZ/analysis/>
17. <https://www.investing.com/equities/zhejiang-satellite-petrochem-a>
18. <https://stockinvest.us/financials/002648.SZ>
19. <https://finance.yahoo.com/quote/002648.SZ/key-statistics/>
20. <https://fintel.io/so/cn/002648>