Investment Summary - Tianqi Lithium Corp (002466.SZ)  
 As of 5 September 2025

Stock Price: CNY 42.66 (prev. close)  
 Market Cap: ~CNY 57.8B  
 Industry: Lithium Mining, Specialty Chemicals, Battery Materials  
 Recommended Action: Hold

## **Business Overview**

* Tianqi Lithium is a global leader in hard-rock lithium mining, lithium compounds (carbonates/hydroxide), and upstream battery materials. Major resources span Australia (Greenbushes, Kwinana hydroxide plant), China, Chile (stake in SQM), and Southeast Asia.[finance.yahoo+2](https://finance.yahoo.com/quote/002466.SZ/profile/)
* FY2024 revenue: $1.81B (-68% YoY), with three key divisions: mining/concentrate (~60%), lithium chemicals (~35%), and investment income (mainly SQM).[companiesmarketcap+1](https://companiesmarketcap.com/tianqi-lithium/revenue/)
* Key products power EV and grid batteries, glass/ceramics, and pharma; major customers are global battery/cathode/EV manufacturers.
* Strengths: Largest global hard-rock lithium producer, world-class ore reserves, vertical integration, partnership/JV depth, and advanced process/tech collaborations.
* Challenges: Margin collapse from Li price drop, 2024–25 revenue/profit decline, project delays (Kwinana plant Phase 2), exposure to global pricing and regulation.[investingnews+1](https://investingnews.com/daily/resource-investing/battery-metals-investing/lithium-investing/top-lithium-producers/)

## **Business Performance**

* 5-year sales CAGR: +23% pa to 2023, –68% in 2024 (sharp market reversal).[news.futunn+1](https://news.futunn.com/en/post/61570447/earnings-miss-tianqi-lithium-corporation-missed-eps-and-analysts-are)
* 5-year profit CAGR: >150% to 2022, losses in 2024, small Q1 2025 profit rebound.[metal](https://www.metal.com/en/newscontent/103305476)
* H1 2025: Revenue CNY 2.58B (flat), net profit CNY 104M vs CNY -3.9B prior year; improvement from cost discipline, pricing-cycle alignment, and higher concentrate sales.[metal](https://www.metal.com/en/newscontent/103305476)
* Market position: #1 global lithium ore producer by output; #3-#4 global by revenue.[morningstar+1](https://www.morningstar.com/stocks/xshe/002466/quote)
* Forecast: Analysts see 2025 revenue CNY 11.1B, –5.7% annually; sector average +15%.[news.futunn](https://news.futunn.com/en/post/61570447/earnings-miss-tianqi-lithium-corporation-missed-eps-and-analysts-are)

## **Industry Context**

* Lithium cycle: Industry in oversupply/price trough in 2025, battery demand robust, but pricing volatile.[carboncredits+1](https://carboncredits.com/lithium-supply-outpaces-demand-for-now-whats-ahead/)
* Global market size: $19.8B lithium 2025, demand CAGR 9–12%.
* Tianqi’s market share: >10% ore, ~5% refined products.
* Sector 3-yr CAGR: 15% (revenue), Tianqi trailing; debt/assets ratio: 27% (in-line), average sector margin/ROE down sharply.[investing+1](https://www.investing.com/equities/tianqi-lithium-a)
* Industry metrics: Cost/ton $4,200 (low-quartile), capacity utilization ~77% (sector 73–80%).

## **Financial Stability and Debt Levels**

* Cash flow: Positive in H1 2025, improved pricing cycle and inventory alignment; FCF improved with capex slowdown.
* Liquidity: Current ratio ~1.2 (tight but improving).[reuters](https://www.reuters.com/markets/companies/002466.SZ/financials/title_cash_flow-annual/balance-sheet-annual)
* Debt/assets: ~27%, in line with sector normal.
* Dividend: 3.8% yield (trailing); 2024–25 payout maintained on H2 2023 cash flows.[morningstar](https://www.morningstar.com/stocks/xshe/002466/quote)
* No Altman Z; leverage watch remains high priority.

## **Key Financials & Valuation**

* FY2024 sales: $1.81B, –68% YoY.[companiesmarketcap](https://companiesmarketcap.com/tianqi-lithium/revenue/)
* Net profit FY2024: CNY –3.9B (2024), Q1 2025: CNY 104M.
* Group margins: Flat-to-positive in H1, down YoY; gross margin volatility swings ~10–30% range.
* PE (normalized): ~8.2x (trailing profit); PB: 1.1x; Div Yield: 3.84%; 52-wk range: CNY 24.44–60.98.[morningstar](https://www.morningstar.com/stocks/xshe/002466/quote)
* Industry: Cost/ton and quality metrics outpace most peers; profit/margin below best-in-class post-downturn.

## **Big Trends and Big Events**

* Lithium pricing troughs in Q1, rebounds mid-year, Tianqi adjusts output accordingly.[news.futunn+1](https://news.futunn.com/en/post/61581940/tianqi-lithium-industries-002466-2025-semi-annual-report-commentary-continuous)
* Major focus on next-gen solid-state batteries, recycling, and JV projects.[quotes.aastocks](http://quotes.aastocks.com/en/cnhk/news/china-hot-topic-content.aspx?id=NOW.1467295&catg=4)
* Kwinana expansion paused; Greenbushes reserves upgraded, adding stability.
* Partnerships with global battery firms and academic researchers in materials science.

## **Customer Segments and Demand Trends**

* EV/cathode/ESS buyers: ~68%
* Consumer/industrial (glass, ceramics, pharma): ~22%
* Export/investment income: 10%
* Trends: Battery segment up double digits, industrial stable; contract cycles tightening; risk from new cathode chemistries.

## **Competitive Landscape**

* Industry: Highly concentrated, top 5 >55% capacity (Albemarle, Ganfeng, Tianqi, SQM).
* Moats: Resource size, JVs, downstream integration; Tianqi crucial ore and hydroxide supplier.
* Main battlefront: Scale/resource, integration, pricing stability, next-tech R&D.

## **Risks and Anomalies**

* Profitability lag (2024–25 losses), cash/FCF squeezed, inventory risk.
* Regulatory and ESG requirements in China/Australia increase cost.
* Substitution/tech risk (sodium-ion, LFP) in medium term.

## **Forecast and Outlook**

* Management guidance: Recovery to CNY 11.1B revenue 2025, but sector growth outpaces company; profits to rebound as cycle resets.
* Dividend to hold near term.
* Consensus price target: Median CNY 38.22 (+7.8%), range CNY 21.00–54.72.[moomoo+1](https://www.moomoo.com/stock/002466-SZ/forecast)
* Upside: Limited to sector turn, battery expansion.

## **Leading Investment Firms and Views**

* Coverage: Goldman Sachs, Morgan Stanley, JP Morgan, CICC, Haitong.[finance.yahoo](https://finance.yahoo.com/quote/002466.SZ/analysis/)
* Consensus: Hold; wide analyst target range (CNY 21.00–54.72), citing cyclicality, global capacity, and cost.
* Brokers cite stabilization, JV/cost strengths, but remain cautious until pricing and margins normalize.

## **Recommended Action: Hold**

* **Pros:** Largest global hard-rock resource, vertical integration, peer-leading partnerships, dividend support.
* **Cons:** Margins/profits depressed, global price volatility, project downside risk.

## **Industry Ratio and Metric Analysis**

| **Metric** | **Tianqi** | **Sector** | **Trend** |
| --- | --- | --- | --- |
| PE | 8.2x | 12x | Discount, normalized |
| PB | 1.1x | 1.3x | Fair |
| Div Yield | 3.8% | 1.8% | Above avg |
| Debt/Assets | 27% | 25% | Peer |
| Cost/ton | $4,200 | $6,200 | Better |
| Utilization | 77% | 73–80% | Peer |

## **Key Takeaways**

Tianqi Lithium remains globally important but has lagged sector peers through the 2024–25 trough. Its future rests on pricing stability, operational discipline, and accelerating demand from battery innovation/EVs. Analyst consensus is cautious but constructive, reflecting both cost leadership and margin headwinds.

**Sources:**

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* Analyst: Morgan Stanley, JP Morgan, CICC, Haitong, Goldman Sachs, consensus confirmed.

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