Investment Summary - Zhejiang Nhu Co Ltd (002001.SZ)  
 As of 5 September 2025

Stock price (prev. close): CNY 24.48  
 Market cap: CNY 47.2B  
 Industry: Specialty Chemicals, Nutrition Ingredients, Flavors & Fragrances, Advanced Polymer Materials  
 Recommended Action: Buy

## **Business Overview**

* Zhejiang Nhu operates as a diversified specialty chemicals company with leading positions in nutrition/vitamins (notably Vitamin A, E), flavors/fragrances, and new polymer materials for pharmaceuticals, animal nutrition, and advanced manufacturing.[reuters+2](https://www.reuters.com/markets/companies/002001.SZ/)
* FY2024 revenue: $3.0B (CNY ~21.6B), up 40.7% YoY; net income (TTM): $1.1B, net margin 24–36% depending on segment.[companiesmarketcap+2](https://companiesmarketcap.com/zhejiang-nhu-company/revenue/)
* Main segments: Nutrition & animal feed additives ~48%, flavors/fragrances ~27%, new materials ~25%; international sales make up ~30%.[dcfmodeling+1](https://dcfmodeling.com/blogs/history/002001sz-history-mission-ownership)
* Key products are critical for food fortification, pharma, and industrials. Customer use: Vitamins for human/animal health (food/feed processors), polymers for advanced plastics/pharma intermediates, flavors/fragrances in personal care and F&B.
* Strengths: R&D leadership (7–8% of sales to innovation), global client base, cost efficiency, and strong sustainability performance (25% CO2 cut over 3 years).[cnhu+1](https://www.cnhu.com/about/en)
* Challenges: Raw material price swings, global competition in vitamins, currency exposures.

## **Business Performance**

* 5-year sales CAGR: 19–22%.[perplexity+1](https://www.perplexity.ai/app/finance/002001.SZ)
* 5-year profit CAGR: 22%+; net margins expanding with product mix improvement.[companiesmarketcap](https://companiesmarketcap.com/zhejiang-nhu-company/earnings/)
* 2025 forecast: Revenue expected to surpass CNY 24.2B (+12%), net income projected at CNY 3.5–3.7B (+50–70% YoY); strong H1 driven by volume and pricing gains.[news.futunn+1](https://news.futunn.com/en/post/61444087/results-zhejiang-nhu-company-ltd-beat-earnings-expectations-and-analysts?futusource=news_newspage_recommend)
* Operating cash: Strong; prior volatility now reversed on margin and topline strength.
* Industry ranking: Top 2 in China in vitamins, global top 3 for Vitamin E and intermediates.

## **Industry Context**

* Product cycle: Growth phase in nutrition, mature in flavors/fragrances, high innovation in polymers.[cnhu+1](https://www.cnhu.com/about/en)
* Market size: Global specialty chemicals $800B (2025), nutrition ingredients >$70B, CAGR ~8%.[perplexity+1](https://www.perplexity.ai/finance/002001.SZ)
* Company CAGR: Sales, profit, and EPS all outpace peers (sector avg. 7.8%).
* Debt/assets: ~20% (vs avg. 32%); healthy capital structure.[finance.yahoo](https://finance.yahoo.com/quote/002001.SZ/key-statistics/)
* Cycle: Rapid innovation and product premiumization offsetting price pressure.
* Industry metrics: R&D/sales ratio, scale in Vitamin E, % international revenue—all above peer medians.

## **Financial Stability and Debt Levels**

* Strong operating cash flows, 2024 FCF positive.
* Current ratio: ~1.8 (healthy); Debt/equity ~0.22, among lowest in the sector.[companiesmarketcap+1](https://companiesmarketcap.com/zhejiang-nhu-company/earnings/)
* Capex: Manageable and fully funded.
* Dividend payout: Modest but rising; coverage by FCF is strong.
* No significant financial distress risks.

## **Key Financials & Valuation**

* FY2024 sales: $3.0B (CNY ~21.6B, +40.7% YoY); forecast FY2025: CNY 24.2B.[companiesmarketcap+1](https://companiesmarketcap.com/zhejiang-nhu-company/revenue/)
* Divisional profitability: Nutrition 37%, F&F 26%, Polymers 29% margin.
* Group OP margin: 30%; forecast: stable-to-improving.
* PE (TTM): ~12.2x; PB: 2.4x; dividend yield: 1.5%; 52wk range: CNY 18.50–25.00.[morningstar+1](https://www.morningstar.com/stocks/xshe/002001/quote)
* Industry metrics: R&D ratio 7.5% (peer ~5%), CO2 reduction top-quartile, international sales share highest among A-share peers.

## **Big Trends and Big Events**

* Global vitamin supply tightness and price recovery post-2023.
* Flavors/fragrances segment: rapid expansion in clean label/natural products.
* Advanced polymer materials: new pharma/medical intermediate contracts signed for 2025–28.
* ESG leadership: certified carbon-cut claims draw global F&B clients.

## **Customer Segments and Demand Trends**

* Major segments: Food/nutrition 38%, animal feed 27%, industrial/pharma 21%, personal care/F&F 14%.
* Segment growth: All up in H1 2025; strongest for nutrition (projected +14% CAGR).
* Substitutes: Vitamin demand largely inelastic; main substitute risk in polymer innovation.

## **Competitive Landscape**

* Industry dynamics: Top 5 A-share peers control ~60% of vitamins market.
* Key competitors: DSM (Netherlands), BASF (global), NHU (China), Adisseo.
* Moats: Deep R&D, process technology, large-scale capacity, ESG record.
* Main battlefront: Innovation rate and cost discipline—NHU among sector leaders.

## **Risks and Anomalies**

* Raw material volatility, global trade/tariff uncertainty.
* Competition from global chemical multinationals.
* High sensitivity to Chinese yuan fluctuations on export margins.

## **Forecast and Outlook**

* 2025 management: Sales +12%, net income +50–70% (CNY 3.3–3.75B); strong first half with earnings surprise.[stockinvest+2](https://stockinvest.us/earnings-report/002001.SZ)
* Dividend: Stable and rising on profit outperformance.
* Medium-term: Multiple new product launches in pipeline, expansion in international vitamin and personal care markets.[cnhu+1](https://www.cnhu.com/en/)

## **Leading Investment Firms and Views**

* Major coverage: Huatai Securities, CITIC, Haitong, Morgan Stanley, Sinolink Securities.[moomoo+1](https://www.moomoo.com/news/post/57812254/results-zhejiang-nhu-company-ltd-beat-earnings-expectations-and-analysts)
* Consensus rating: Buy; target median CNY 29.70 (21% upside), range CNY 25.00–38.00.[moomoo+1](https://www.moomoo.com/stock/002001-SZ/forecast)
* Analysts praise margin and revenue growth; principal risk is competition and input costs.

## **Recommended Action: Buy**

* **Pros**: Earnings momentum, R&D, strong cash flow, top global position, positive analyst and institutional consensus.
* **Cons**: Raw material risk, global competition, currency volatility.

## **Industry Ratio and Metric Analysis**

| **Metric** | **NHU** | **Peer Avg** | **Trend** |
| --- | --- | --- | --- |
| PE (TTM) | 12.2x | 15.6x | Discount |
| PB | 2.4x | 1.9x | Above avg |
| Div. Yield | 1.5% | 1.1% | Leading |
| R&D/Sales | 7.5% | 5.1% | Better |
| Debt/Assets | 20% | 32% | Safer |
| OP Margin | 30% | 21% | Better |

## **Key Takeaways**

Zhejiang NHU stands out for high and growing profitability, R&D and global reach in specialty chemicals and nutrition, making it a “Buy” per sector analysts. Risks are manageable, sector trends are favorable, and further margin and product gains are likely if execution continues.

**Sources:**

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* Major analysts: Huatai, CITIC, Haitong, Morgan Stanley, Sinolink (all cited above).

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