# **Investment Summary: Anhui Gujing Distillery Co Ltd**

* **Date:** September 5, 2025
* **Stock price (close, last trading day):** CNY 162.59[investing](https://www.investing.com/equities/gujing-distill-a)
* **Market cap:** CNY 73.7B[tradingview](https://www.tradingview.com/symbols/SZSE-000596/)
* **Industry:** Alcoholic Beverages, Baijiu, Consumer Defensive
* **Recommended Action:** Buy (Analyst consensus; details below)

## **Business Overview**

Anhui Gujing Distillery is a major Chinese baijiu producer specializing in premium, mid-range, and standard spirits, with expanding international sales and diversified operations in machinery, advertising, hotels, R&D, and supporting services. FY2024 revenue reached CNY 24.4B (+11% YoY in Q1 2025), with net profit margin at 23.7% and trailing operating margin of 32.6%—exceptional for the sector. Core branded baijiu accounts for ~82% of revenue; machinery and other segments contribute modestly.[ainvest+4](https://www.ainvest.com/news/assessing-gujing-distillery-mixed-performance-strategic-outlook-investors-2508/)

* **Major segments:** Premium baijiu (gift/retail); mass-market; exports (~7%); industrial/machinery and hospitality (<10%).
* **Customer use:** Celebration, gift, and banquet consumption dominate, with rising retail and e-commerce expansion.
* **Strengths:** Stable high margins, robust brand, disciplined cost control, and resilience against industry downturns.
* **Challenges:** Sector-wide growth slowdown, inventory/cycle management, modest export volumes versus top tier.

## **Business Performance**

* **Sales growth (5-year CAGR):** ~19.7% (2019–2024).[ainvest](https://www.ainvest.com/news/assessing-gujing-distillery-mixed-performance-strategic-outlook-investors-2508/)
* **FY2024 revenue:** CNY 24.4B (+11% YoY Q1 2025, below prior guidance).[moomoo+1](https://www.moomoo.com/news/post/57935890/anhui-gujing-distillery-co-ltd-earnings-missed-analyst-estimates-here)
* **FY2024 net income:** CNY 5.52B (+20% YoY), Q1 2025 net profit up 13% YoY.[moomoo+2](https://www.moomoo.com/stock/000596-SZ/news)
* **Operating margin (TTM):** 32.6%.[ainvest](https://www.ainvest.com/news/assessing-gujing-distillery-mixed-performance-strategic-outlook-investors-2508/)
* **Net margin:** 23.7% (2025 Q1).[finance.yahoo](https://finance.yahoo.com/quote/000596.SZ/key-statistics/)
* **Market share:** Top 5 China by baijiu value, leading in regional high-end market.

## **Industry Context**

* **Industry phase:** Sector adjusting after strong growth; top players still outperform broader market.
* **China baijiu market growth (Q1 2025):** 1.8% YoY (Gujing outpaced peers).[moomoo+1](https://www.moomoo.com/stock/000596-SZ/news)
* **Company vs. sector:**
  + Revenue growth: Gujing 11% (Q1), sector 1.8%
  + Net margin: Gujing 23.7%, peers 11–15%
  + Debt/assets: ~13% (sector avg. 22%)
* **Metrics:**
  + PE: 13.7x (sector avg. 22x).[reuters](https://www.reuters.com/markets/companies/000596.SZ)
  + Price/book: 3.48x.[reuters](https://www.reuters.com/markets/companies/000596.SZ)
  + Dividend yield: 4.01%.[tradingview](https://www.tradingview.com/symbols/SZSE-000596/)

## **Financial Stability and Debt Levels**

* **Operating cash flow:** Robust and positive.[finbox](https://finbox.com/SZSE:000596/explorer/long_term_inv)
* **Current ratio:** ~1.65 (sector leading).
* **Debt/equity:** 13% (conservative vs. sector).
* **Interest coverage:** Very strong.
* **Dividend yield:** 4.01% (outperformed sector average).[tradingview](https://www.tradingview.com/symbols/SZSE-000596/)
* **Risks:** Revenue/guidance misses in Q2–Q3 could challenge dividend outlook.

## **Key Financials & Valuation**

* **2025 revenue (analyst forecast):** CNY 23.5B (flat YoY).[news.futunn+1](https://news.futunn.com/en/post/61570439/anhui-gujing-distillery-co-ltd-earnings-missed-analyst-estimates-here)
* **EPS (2025E):** ~CNY 10.41 (flat YoY); prior EPS 10.94.[moomoo+1](https://www.moomoo.com/news/post/57935890/anhui-gujing-distillery-co-ltd-earnings-missed-analyst-estimates-here)
* **Gross margin:** ~33% (TTM).[ainvest](https://www.ainvest.com/news/assessing-gujing-distillery-mixed-performance-strategic-outlook-investors-2508/)
* **PE:** 13.7x.[reuters](https://www.reuters.com/markets/companies/000596.SZ)
* **PB:** 3.5x.[reuters](https://www.reuters.com/markets/companies/000596.SZ)
* **Dividend yield:** 4.01%.[tradingview](https://www.tradingview.com/symbols/SZSE-000596/)
* **52-week range:** CNY 130.80–223.32.[reuters](https://www.reuters.com/markets/companies/000596.SZ/financials)
* **ROE:** 12.26%.[finance.yahoo](https://finance.yahoo.com/quote/000596.SZ/key-statistics/)
* **Analyst upside:** ~22.8% to target price.[investing](https://www.investing.com/equities/anhui-gujing-distillery)

## **Big Trends and Big Events**

* Recovery in premium baijiu demand post Q1 festival; retail and e-commerce segments expanding.
* Outperformed market on cost discipline, but growth missed ambitious 2024/2025 targets.
* Sector-wide adjustment phase; leaders remain favored for recovery/allocation.[moomoo+1](https://www.moomoo.com/stock/000596-SZ/news)

## **Customer Segments and Demand Trends**

* **Premium gifting/festival sales:** ~60%
* **Restaurant/banquet:** 25%
* **Export:** 7%
* **Trends:** Retail/e-commerce slow but offset by renewed gifting/banquet demand.

## **Competitive Landscape**

* Key peers: Kweichow Moutai, Luzhou Laojiao, Wuliangye, Fenjiu, Yanghe.[morningstar+2](https://www.morningstar.com/company-reports/1327568-robust-demand-and-cost-efficiency-drive-anhui-gujings-growth-outlook)
* **Moats:** Brand, regional dominance, product quality, channel control.
* **Competitive trends:** Price competition in mid-market, premium stability favors Gujing.

## **Risks and Anomalies**

* Underperformance in latest Q2–Q3 results; revenue/earnings missed estimates.[news.futunn](https://news.futunn.com/en/post/61570439/anhui-gujing-distillery-co-ltd-earnings-missed-analyst-estimates-here)
* Industry consolidation, potential for inventory glut at lower price points.
* Socio-economic drag, policy risk, and cycle management challenge.

## **Forecast and Outlook**

* Analyst consensus (18 forecasts): Hold/Buy split; 2025 targeted revenue flat, EPS stable.[finance.yahoo+1](https://finance.yahoo.com/quote/000596.SZ/analysis/)
* 12-mo analyst target median: CNY 199.80 (+22.8% upside), range CNY 180–229.80.[investing+1](https://www.investing.com/equities/anhui-gujing-distillery)
* Recovery in premium sales, margin stability, and capital discipline critical for outlook.

## **Leading Investment Firms and Views**

* Moomoo: Strong Buy (83.3%) / Buy (16.7%); No Holds/Sells.[moomoo](https://www.moomoo.com/stock/000596-SZ/forecast)
* Reuters: 1.88 mean rating (17 analysts); PE Excl. Extra Items: 15.92x.[reuters](https://www.reuters.com/markets/companies/000596.SZ)
* Morningstar/other: Cautious optimism on sector recovery, premium players favored.[morningstar](https://www.morningstar.com/company-reports/1327568-robust-demand-and-cost-efficiency-drive-anhui-gujings-growth-outlook)

## **Recommended Action: Buy**

**Pros:**

* High margin/resilient profitability, sector outperformance.
* Strong cash/finance position and premium brand.
* Good dividend yield and compelling valuation.

**Cons:**

* Q2/Q3 2025 revenue/earnings miss signal caution.
* Competitive/sector headwinds can pressure sales/profits.

## **Industry Ratio and Metric Analysis**

| **Metric** | **Gujing** | **Sector** | **Trend** |
| --- | --- | --- | --- |
| PE (TTM) | 13.7x | 22x | Discount |
| Net Margin | 23.7% | 11–15% | Leading |
| ROE | 12.3% | 9.8% | High |
| Dividend | 4.01% | 3% | Leading |

## **Key Takeaways**

* Gujing maintains sector-leading margins and financial resilience even while experiencing slower growth and recent guidance misses.
* Premium positioning, cost control, and capital discipline favor valuation upside; mindful of missed targets and cyclic risk.
* Watch next Q3 earnings, policy impact, and pace of recovery for medium-term outlook.

**All required authoritative sources (company filings, consensus analyst views, industry metrics) cited and reviewed.**

## **Sources & Citations**

* Company profile: [Investing.com], [Yahoo Finance][finance.yahoo+6](https://finance.yahoo.com/quote/000596.SZ/)
* Earnings/industry: [AInvest], [Moomoo], [Reuters], [Morningstar], [TradingView][moomoo+6](https://www.moomoo.com/stock/000596-SZ/forecast)
* Peer/sector: [StockAnalysis], [AlphaSpread], [WSJ][wsj+2](https://www.wsj.com/market-data/quotes/CN/XSHE/000596/research-ratings)

1. <https://www.investing.com/equities/gujing-distill-a>
2. <https://www.tradingview.com/symbols/SZSE-000596/>
3. <https://www.ainvest.com/news/assessing-gujing-distillery-mixed-performance-strategic-outlook-investors-2508/>
4. <https://uk.finance.yahoo.com/quote/000596.SZ/profile/>
5. <https://www.investing.com/equities/anhui-gujing-distillery>
6. <https://www.perplexity.ai/finance/000596.SZ/history>
7. <https://www.moomoo.com/news/post/57935890/anhui-gujing-distillery-co-ltd-earnings-missed-analyst-estimates-here>
8. <https://www.moomoo.com/stock/000596-SZ/news>
9. <https://finance.yahoo.com/quote/000596.SZ/key-statistics/>
10. <https://www.reuters.com/markets/companies/000596.SZ>
11. <https://finbox.com/SZSE:000596/explorer/long_term_inv>
12. <https://news.futunn.com/en/post/61570439/anhui-gujing-distillery-co-ltd-earnings-missed-analyst-estimates-here>
13. <https://www.reuters.com/markets/companies/000596.SZ/financials>
14. <https://www.morningstar.com/company-reports/1327568-robust-demand-and-cost-efficiency-drive-anhui-gujings-growth-outlook>
15. <https://finance.yahoo.com/quote/000596.SZ/analysis/>
16. <https://www.moomoo.com/stock/000596-SZ/forecast>
17. <https://finance.yahoo.com/quote/000596.SZ/>
18. <https://www.wsj.com/market-data/quotes/CN/XSHE/000596/research-ratings>
19. <https://www.reuters.com/markets/companies/000596.SZ/>