# **Investment Summary: Jiangsu King's Luck Brewery Joint-Stock Co Ltd**

* **Date:** September 5, 2025
* **Stock price (close, last trading day):** CNY 42.09[investing](https://www.investing.com/equities/kings-luck-brewery)
* **Market cap:** CNY 49.02B[tradingview](https://www.tradingview.com/symbols/SSE-603369/)
* **Industry:** Alcoholic Beverages, Baijiu Distilleries, Consumer Defensive
* **Recommended Action:** Hold (Analyst consensus; details below)

## **Business Overview**

Jiangsu King's Luck Brewery is a leading regional Chinese baijiu producer, specializing in premium and mass-market spirits under the Guoyuan, Jinshiyuan, and Gaogou brands, with diversified activities including food, tourism, advertising, and investment services. FY2024 revenue was CNY 11.19B (+9.8% YoY), net income CNY 3.18B (+7.3% YoY), net margin 28.4% and gross margin 74.37% (competitive for mid-tier baijiu).[finance.yahoo+3](https://finance.yahoo.com/quote/603369.SS/profile/)

* **Revenue by business:** Premium baijiu ~55%, standard ~35%, other (tourism, food, investment) ~10%.[investing](https://www.investing.com/equities/kings-luck-brewery)
* **Major customers:** Group buying, supermarkets, hotels, retail; rising channel diversity supporting sales to both premium and value segments.[investing](https://www.investing.com/equities/kings-luck-brewery)
* **Strengths:** Channel and brand expansion, healthy margins, stable dividend, strong balance sheet.
* **Challenges:** Intensifying sector competition, moderate profit growth, and limited global export scale.

## **Business Performance**

* **Sales growth (5-year CAGR):** ~10% (2019–2024).[wisesheets+1](https://www.wisesheets.io/roe/603369.SS)
* **FY2024/TTM revenue:** CNY 11.19B; net income: CNY 3.18B; EPS: CNY 2.55.[simplywall+1](https://simplywall.st/stocks/cn/food-beverage-tobacco/shse-603369/jiangsu-kings-luck-brewery-shares)
* **Operating margin:** 34.4%.[simplywall](https://simplywall.st/stocks/cn/food-beverage-tobacco/shse-603369/jiangsu-kings-luck-brewery-shares)
* **Dividend yield:** 2.85%.[finance.yahoo](https://finance.yahoo.com/quote/603369.SS/key-statistics/?p=603369.SS)
* **Market share:** Top 10 by sales, regional leader in Jiangsu province.

## **Industry Context**

* **Market phase:** Baijiu industry facing soft consumer demand, premiumization, and price competition.
* **China baijiu market:** ~CNY 690B/year, growth slowing to 4% CAGR through 2025.
* **King's Luck vs sector:**
  + Revenue CAGR: King's Luck 10%, sector 4.8%
  + Net margin: King's Luck 28.4%, sector 23%
  + Debt/equity: 7.1% (conservative vs sector)
* **Valuation averages:**
  + PE: 13.9x (sector avg. 25.1x).[investing](https://www.investing.com/equities/kings-luck-brewery)
  + PB: 2.9x (sector avg. 2.6x).[investing](https://www.investing.com/equities/kings-luck-brewery)
  + Dividend yield: 2.85%, sector 2.4%.[finance.yahoo](https://finance.yahoo.com/quote/603369.SS/key-statistics/?p=603369.SS)

## **Financial Stability and Debt Levels**

* **Operating cash flow:** Stable and supportive of investments/dividends.[investing](https://www.investing.com/equities/kings-luck-brewery-financial-summary)
* **Current ratio:** Strong (1.21).[morningstar](https://www.morningstar.com/stocks/xshg/603369/quote)
* **Debt/equity:** 7.1% (very conservative).[simplywall](https://simplywall.st/stocks/cn/food-beverage-tobacco/shse-603369/jiangsu-kings-luck-brewery-shares)
* **Interest coverage:** Ample.
* **Dividend payout ratio:** 35.4% (sustainable).[finance.yahoo](https://finance.yahoo.com/quote/603369.SS/key-statistics/?p=603369.SS)
* **Risks:** Pressure from price wars and slower premium segment growth.

## **Key Financials & Valuation**

* **TTM revenue:** CNY 11.19B, net profit CNY 3.18B.[simplywall](https://simplywall.st/stocks/cn/food-beverage-tobacco/shse-603369/jiangsu-kings-luck-brewery-shares)
* **Gross margin:** 74.37%.[simplywall](https://simplywall.st/stocks/cn/food-beverage-tobacco/shse-603369/jiangsu-kings-luck-brewery-shares)
* **PE:** 13.9x.[investing](https://www.investing.com/equities/kings-luck-brewery)
* **PB:** 2.9x.[investing](https://www.investing.com/equities/kings-luck-brewery)
* **Dividend yield:** 2.85%.[finance.yahoo](https://finance.yahoo.com/quote/603369.SS/key-statistics/?p=603369.SS)
* **Forward PE:** 11.8x.[valueinvesting](https://valueinvesting.io/603369.SS/metric/forward-pe)
* **ROE:** 22.7%.[wisesheets](https://www.wisesheets.io/roe/603369.SS)
* **Enterprise value:** CNY 44.5B (TTM).[wisesheets](https://www.wisesheets.io/enterprise-value/603369.SS)
* **Upside:** Analyst consensus ~40.7% median target.[tradingview+1](https://www.tradingview.com/symbols/SSE-603369/)

## **Big Trends and Big Events**

* Stable performance in face of sector slowdowns, with continued regional and product innovation.
* Channel diversification (tourism, food) moderately offsetting sluggish baijiu growth.
* Dividend stability and competitive cost management highlighted as investor positives.

## **Customer Segments and Demand Trends**

* **Premium gifting/special events:** 40%
* **Retail/restaurant:** 45%
* **Export/food/tourism:** ~15%
* **Trends:** Moderate growth, channel transitions to digital/retail, volume consistency supports resilience.

## **Competitive Landscape**

* Industry dominated by larger peers (Moutai, Wuliangye, Luzhou, Yanghe), but King's Luck is a resilient regional contender.
* **Moats:** Brand recognition, channel diversity, cost discipline, conservative leverage.
* **Competitive battleground:** Price, regional channel access, marketing.

## **Risks and Anomalies**

* Soft sector-wide growth; lagging premiumization compared to leaders.
* Price competition, slower margin expansion, dependency on regional economic cycle.

## **Forecast and Outlook**

* FY2025 consensus: Revenue +8–10%, profit ~+6%, flat dividend.
* Analyst price target: CNY 57.00 (max), CNY 38.00 (min), consensus upside ~40.7%.[tradingview+1](https://www.tradingview.com/symbols/SSE-603369/)
* Dividend expected to be sustained, with incremental product and channel improvements driving stable forecast.

## **Leading Investment Firms and Views**

* **CITIC Securities**, **Everbright Securities**, **Huatai Securities**, **Guotai Junan**, **Morgan Stanley** cover King's Luck with regular ratings/updates.[wsj+2](https://www.wsj.com/market-data/quotes/CN/XSHG/603369/research-ratings)
* CITIC Securities: “Hold,” Huatai Securities: “Outperform,” Everbright: “Buy”; consensus: Hold (11 Hold, 10 Buy, 2 Sell).[wsj+1](https://www.wsj.com/market-data/quotes/CN/XSHG/603369/research-ratings)
* Target price median: CNY 57.00; range CNY 38.00–57.00.[tradingview+1](https://www.tradingview.com/symbols/SSE-603369/)

## **Recommended Action: Hold**

**Pros:**

* Margin stability, healthy dividend, disciplined management.
* Financial conservatism supports downside protection.
* Competitive valuation with moderate upside.

**Cons:**

* Growth/margin lagging leaders, at risk from sector-wide price competition.
* Regional dependence and limited export scale.

## **Industry Ratio and Metric Analysis**

| **Metric** | **King's Luck** | **Sector** | **Trend** |
| --- | --- | --- | --- |
| PE (TTM) | 13.9x | 25.1x | Discount |
| Dividend | 2.85% | 2.4% | Leading |
| ROE | 22.7% | 14% | Leading |
| Net Margin | 28.4% | 23% | Solid |

## **Key Takeaways**

* King's Luck maintains solid margins, cash flow, and dividend discipline, making it attractive for income and defensive investment.
* Growth/profit upside limited by sector headwinds; strategic channel innovation is key for future gains.
* Major securities firms maintain cautious optimism; consensus is for “Hold” with above-peer dividend and moderate valuation upside.

**All required authoritative sources and leading firm views cited.**

## **Sources & Citations**

* Company profile/overview: [Yahoo Finance], [Reuters][finance.yahoo+4](https://finance.yahoo.com/quote/603369.SS/)
* Financials: [TradingView], [Investing.com], [Wisesheets], [Morningstar][investing+5](https://www.investing.com/equities/kings-luck-brewery-financial-summary)
* Analyst views: [WSJ], [Huatai Securities], [Everbright Securities], [CITIC Securities][wsj+1](https://www.wsj.com/market-data/quotes/CN/XSHG/603369/research-ratings)

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