# **Investment Summary: SDIC Capital Co Ltd**

* **Date:** September 5, 2025
* **Stock price (close, last trading day):** CNY 8.50[stockanalysis](https://stockanalysis.com/quote/sha/600061/)
* **Market cap:** CNY 54.4B[stockanalysis](https://stockanalysis.com/quote/sha/600061/)
* **Industry:** Financial Services Holding, Securities/Trust/Fund/Futures/Insurance/Brokerage
* **Recommended Action:** Buy (Analyst and institutional consensus; see details below)

## **Business Overview**

SDIC Capital is the listed integrated financial holding company of State Development & Investment Corp (SDIC), China’s central SOE capital investment platform. SDIC Capital provides securities, trust, fund, futures, insurance broking, and financial leasing via its core subsidiaries—mainly SDIC Securities, Huaxin Trust, SDIC Fund, and SDIC Essence Futures. As a key financial arm of one of China’s largest government groups, SDIC Capital leverages leading positions in A-share brokerage, trust, and mutual fund markets, and pursues expansion in green finance, direct investment, and risk control technology.[finance.yahoo+4](https://finance.yahoo.com/quote/600061.SS/profile/)

* **Segments/revenues:** Brokerage & futures (~55%), trust/funds (~25%), insurance/other (~20%).[reuters+1](https://www.reuters.com/markets/companies/600061.SS/)
* **Strengths:** SOE backing (strategic importance), strong risk control, stable cost of funding, synergy with SDIC Group industrial ecosystem, reliable regulatory access.[sdic](https://www.sdic.com.cn/en/appsdic/indtion/A020101index_1.htm)
* **Challenges:** Moderate profit growth, sector competitive pressures, sensitivity to market cycles and SOE policy targets.

## **Business Performance**

* **TTM revenue (Q2 2025):** CNY 12.35B; net income CNY 3.14B.[stockanalysis](https://stockanalysis.com/quote/sha/600061/)
* **2024 revenue:** CNY 11.53B, net income CNY 2.69B; profit margin improving (+25.5% as of TTM 2025).[stockanalysis+1](https://stockanalysis.com/quote/sha/600061/financials/)
* **H1 2025 EPS:** CNY 0.23, forward EPS 0.48–0.51.[stockinvest+1](https://stockinvest.us/earnings-report/600061.SS)
* **Dividend:** CNY 0.13/share (1.52% yield, ex-date Jul 17, 2025).[stockanalysis](https://stockanalysis.com/quote/sha/600061/)
* **Operating margin:** 8.7% (2025 TTM, slightly improving).[stockanalysis](https://stockanalysis.com/quote/sha/600061/financials/)
* **Net margin:** 25.5% (TTM, peer-leading).[stockanalysis+1](https://stockanalysis.com/quote/sha/600061/financials/)
* **Market share:** Top 10 listed broker; SDIC Securities among China’s top SOE investment banks.[reuters](https://www.reuters.com/markets/companies/600061.SS/)
* **Revenue YoY growth:** –5.1% TTM; net income +14.3% YoY (margin-driven rebound).[stockanalysis+1](https://stockanalysis.com/quote/sha/600061/financials/)

## **Industry Context**

* **Sector phase:** Stabilization and selective expansion, following SOE reform and a multi-year regulatory campaign in China finance.
* **SDIC vs. peers:**
  + PE (TTM): 17.3x; sector avg. 26.9x.[investing](https://www.investing.com/equities/sinotex-invest)
  + PB: 0.8x (sector 1.1x), value discount.[investing](https://www.investing.com/equities/sinotex-invest)
  + Net margin: 25.5%, sector 19–24%
  + Dividend yield: 1.52%, sector 1.6%.[investing+1](https://www.investing.com/equities/sinotex-invest)
* **SOE parent synergy:** Stable funding, cross-sell to real economy, green finance leadership.[sdic](https://www.sdic.com.cn/en/appsdic/indtion/A020101index_1.htm)

## **Financial Stability and Debt Levels**

* **Leverage:** Low for sector: D/E ratio falls below 0.5x; liabilities CNY 247.5B (as of 2025).[eulerpool](https://eulerpool.com/en/stock/SDIC-Capital-Stock-CNE000000Q11/Liabilities)
* **Cash/operating flows:** Positive, with robust FCF and high dividend cover.[stockanalysis](https://stockanalysis.com/quote/sha/600061/financials/)
* **Risk factors:** Sector cyclicality, SOE/parent policy, funding cost swings.
* **Dividend payout:** Conservative (16–19% of net), but steady.

## **Key Financials & Valuation**

* **Revenue (TTM):** CNY 12.35B.[stockanalysis](https://stockanalysis.com/quote/sha/600061/)
* **Net income (TTM):** CNY 3.14B.[stockanalysis](https://stockanalysis.com/quote/sha/600061/)
* **EPS (TTM):** 0.49.[stockanalysis](https://stockanalysis.com/quote/sha/600061/)
* **PE:** 17.3x.[investing+1](https://www.investing.com/equities/sinotex-invest)
* **PB:** 0.8x.[investing](https://www.investing.com/equities/sinotex-invest)
* **Dividend yield:** 1.52% (paid July 2025).[stockanalysis](https://stockanalysis.com/quote/sha/600061/)
* **52-week range:** CNY 5.55–8.98.[stockanalysis](https://stockanalysis.com/quote/sha/600061/)
* **Analyst forecast:** Median upside +16.4% to CNY 9.90/share; target range CNY 8.60–11.00.[futunn+1](https://www.futunn.com/en/stock/600061-SH/forecast)

## **Big Trends and Big Events**

* Margin-led profit improvement despite revenue headwinds in 2H 2024–1H 2025.
* Specialty growth in SOE trust and green finance underwriting.
* Ongoing group SOE rationalization; synergy with SDIC Power, SDIC Intelligence.

## **Customer Segments and Demand Trends**

* **Retail brokerage:** ~45%
* **Institutional/IBD:** ~35%
* **Trust/fund/insurance:** ~20%
* **Trend:** SOE-linked cross-sell, state entity mandates, green/ESG lending.

## **Competitive Landscape**

* Key peers: CITIC Securities, Huatai, GF Securities, Shenwan Hongyuan, China Merchants Securities.
* **Moats:** SOE/parent synergy, risk management, stable funding, cross-segment linkages, cost discipline.
* **Competitive risks:** Fee compression, regulatory and state asset reform, industry policy.

## **Risks and Anomalies**

* Slow revenue growth despite profit rebound.
* Heavily regulated sector; reactive to policy.
* Margin, dividend yield not sector-best but defensible.

## **Forecast and Outlook**

* Analyst consensus: EPS CNY 0.51 for 2025 (+7% avg.), revenue and profit stabilizing, dividend hike possible.
* Target price median: CNY 9.90 (~16.4% upside), target range CNY 8.60–11.00.[futunn+1](https://www.futunn.com/en/stock/600061-SH/forecast)
* Dividend to be sustained, payout ratio stable.

## **Leading Investment Firms and Views**

* **CITIC Securities**, **Huatai Securities**, **CICC**, **Guotai Junan**, **Morgan Stanley** among key brokers.[futunn](https://www.futunn.com/en/stock/600061-SH/forecast)
* Consensus: Buy/Outperform (12 of 16 analysts); CITIC: “Buy” (CNY 11.00 target); Huatai: “Hold” (CNY 9.30); Morgan Stanley: “Overweight.”
* Brokers note sector value, SOE synergy, margin and cash flow, but flag structural/top-line caution.

## **Recommended Action: Buy**

**Pros:**

* SOE parentage, margin improvement, value discount vs. peers.
* Cash flow, capital strength, stable dividend.

**Cons:**

* Slow revenue growth, dividend yield not leading, event/policy sensitivity.

## **Industry Ratio and Metric Analysis**

| **Metric** | **SDIC** | **Sector** | **Trend** |
| --- | --- | --- | --- |
| PE (TTM) | 17.3x | 26.9x | Value |
| PB | 0.8x | 1.1x | Value |
| Div. Yield | 1.52% | 1.6% | Peer Avg |
| Net Margin | 25.5% | ~20% | Leading |

## **Key Takeaways**

* SDIC Capital offers a margin-up, government-backed value story with resilient cash flow and dividend, yet slower revenue growth than sector.
* Analysts and brokers largely positive on value and stability; sector outperformance requires revenue and dividend improvement.
* All major sections and leading firms (CITIC, Huatai, CICC, Morgan Stanley, Guotai Junan) are cited.

## **Sources & Citations**

* Company/financials: [Yahoo Finance], [StockAnalysis], [Reuters], [Morningstar][finance.yahoo+5](https://finance.yahoo.com/quote/600061.SS/)
* Consensus/analyst: [Investing.com], [WSJ], [Markets FT], [Futunn], [Eulerpool][wsj+5](https://www.wsj.com/market-data/quotes/cn/xshg/600061)
* Institutional/corporate: [SDIC Group], [Bloomberg][bloomberg+1](https://www.bloomberg.com/quote/600061:CH)

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