# **Investment Summary: Wuliangye Yibin Co Ltd**

* **Date:** September 5, 2025
* **Stock price (close, last trading day):** CNY 126.62[investing](https://www.investing.com/equities/wuliangye-a)
* **Market cap:** CNY 440B[perplexity+1](https://www.perplexity.ai/app/finance/000858.SZ)
* **Industry:** Alcoholic Beverages, Baijiu, Consumer Defensive
* **Recommended Action:** Buy (Analyst consensus; specific firm views below)

## **Business Overview**

Wuliangye Yibin is China’s #2 baijiu producer by revenue, selling premium, mid-range, and mass-market spirits under the flagship Wuliangye brand as well as Wuliang Chun, Wuliang Tequ, and Jianzhuang. FY2024 revenue was CNY 89B (+9.3% YoY), net profit CNY 32.7B, with a net margin of 36.7% and trailing operating margin of 38%—industry-leading among domestic distillers.[finance.yahoo+4](https://finance.yahoo.com/quote/000858.SZ/profile/)

* **Revenue mix (2024):** Premium baijiu 76%, standard baijiu ~21%, others 3%.[morningstar](https://www.morningstar.com/stocks/xshe/000858/quote)
* **Product/customer use:** Dominates premium gift, banqueting, restaurant trades; international sales accelerating, mainly in Asia/Europe.
* **Strengths:** Powerful brand, distribution, supply chain, production scale, innovation in high-end blends.
* **Challenges:** Slower sector growth, macro headwinds; premiumization/volume shift risk in mid-market.

## **Business Performance**

* **Sales growth (5-year CAGR):** ~10.8% (2019–2024).[companiesmarketcap+1](https://companiesmarketcap.com/wuliangye-yibin/revenue/)
* **2024 revenue:** CNY 89B (+9.3% YoY).[morningstar](https://www.morningstar.com/stocks/xshe/000858/quote)
* **2024 net income:** CNY 32.7B (+11.1%), H1 2025 net profit: CNY 16.5B (+5.7% YoY).[moomoo+1](https://www.moomoo.com/news/post/57796183/analysts-have-made-a-financial-statement-on-wuliangye-yibin-co)
* **Gross margin:** ~88%.
* **Operating cash flow:** Exceptionally strong.[investing](https://www.investing.com/equities/wuliangye-a)
* **Market share:** #2 by value, clear leader in premium baijiu.

## **Industry Context**

* **Sector phase:** Moderation after high growth; leading baijiu firms (Wuliangye, Moutai, Luzhou, Yanghe) outperform broader sector.
* **Market size/growth:** China baijiu market: CNY 690B sales, CAGR now 4.2%.
* **Company vs sector:**
  + Revenue CAGR: Wuliangye 10.8%, sector 4.2%
  + Net margin: Wuliangye 36.7%, sector 23%
  + Debt/assets: 19% (vs sector 22%)
* **Key metrics:**
  + PE: 15.0x (sector avg. 25.7x, value).[investing](https://www.investing.com/equities/wuliangye-a)
  + PB: 3.3x (sector avg. 3.1x).[investing](https://www.investing.com/equities/wuliangye-a)
  + Dividend yield: 5.56% TTM.[investing](https://www.investing.com/equities/wuliangye-a-dividends)

## **Financial Stability and Debt Levels**

* **Operating cash flow:** Top-tier among A-share baijiu majors.[finance.yahoo](https://finance.yahoo.com/quote/000858.SZ/financials/)
* **Current ratio:** 3.86 (excellent, sector-leading).[morningstar](https://www.morningstar.com/stocks/xshe/000858/quote)
* **Debt/equity:** 19%.
* **Interest coverage:** >1000x.[morningstar](https://www.morningstar.com/stocks/xshe/000858/quote)
* **Dividend yield:** 5.56% (next ex-div July 18, 2025; CNY 2.58/share).[investing](https://www.investing.com/equities/wuliangye-a-dividends)
* **Risks:** Minor, mostly tied to sector-wide sales velocity and macro shifts; financials remain robust.

## **Key Financials & Valuation**

* **Revenue (2024):** CNY 89B.[moomoo+1](https://www.moomoo.com/stock/000858-SZ/earnings)
* **Net profit:** CNY 32.7B; EPS (TTM): CNY 8.64; forward EPS: ~CNY 9.3.[moomoo](https://www.moomoo.com/news/post/57796183/analysts-have-made-a-financial-statement-on-wuliangye-yibin-co)
* **Gross margin:** ~88%.[morningstar](https://www.morningstar.com/stocks/xshe/000858/quote)
* **PE ratio (TTM):** 15.0x (vs sector 25.7x).[investing](https://www.investing.com/equities/wuliangye-a)
* **PEG:** 4.99 (vs sector 1.35x).[investing](https://www.investing.com/equities/wuliangye-a)
* **PB:** 3.3x.[investing](https://www.investing.com/equities/wuliangye-a)
* **Dividend yield:** 5.56%.[investing](https://www.investing.com/equities/wuliangye-a-dividends)
* **52-week range:** CNY 124.88–142.90.[investing](https://www.investing.com/equities/wuliangye-a)
* **ROE:** 23.5%.[morningstar](https://www.morningstar.com/stocks/xshe/000858/quote)
* **Upside:** Analyst target median +33.7%.[tradingview+1](https://www.tradingview.com/symbols/SZSE-000858/forecast/)

## **Big Trends and Big Events**

* Premiumization and channel shift to higher-margin segments.
* Modest rebound in gifting and restaurant segments H1 2025; retail/e-commerce driving incremental sales.
* Macroeconomic volatility continues to weigh on medium-price offerings.

## **Customer Segments and Demand Trends**

* **Premium gifting/banquet:** >75% revenue.
* **Retail/e-commerce:** ~20%.
* **Export:** ~5%.
* **Trends:** Resilient premium, mid/low-tier faces price and channel pressure.

## **Competitive Landscape**

* Major peers: Kweichow Moutai, Luzhou Laojiao, Yanghe, Gujing, Fenjiu.
* **Moats:** Brand, tradition, aging/quality, unrivaled nationwide distribution.
* **Battlefronts:** Product innovation, premium blend expansion, channel control.

## **Risks and Anomalies**

* Sector volume/margin squeeze in mid-price.
* Policy risk, market volatility, channel inventory trend possible drag.
* Wide analyst forecast dispersion (CNY 80 – 219 per share).[tradingview+1](https://www.tradingview.com/symbols/SZSE-000858/forecast/)

## **Forecast and Outlook**

* Consensus 2025 revenue: CNY 92.4B (+2.3% YoY, slower than historical).[moomoo](https://www.moomoo.com/news/post/57796183/analysts-have-made-a-financial-statement-on-wuliangye-yibin-co)
* Analyst price target: median CNY 153.54 (+21.3% upside).[tradingview](https://www.tradingview.com/symbols/SZSE-000858/forecast/)
* Target range: CNY 80–219 (reflects uncertainty in mid-market and macro environment).[tradingview](https://www.tradingview.com/symbols/SZSE-000858/forecast/)

## **Leading Investment Firms and Views**

* **CITIC Securities**, **UBS**, **Morgan Stanley**, **Goldman Sachs China**, **GF Securities**, and **Huatai Securities** among firms actively covering Wuliangye in 2025.[moomoo+1](https://www.moomoo.com/stock/000858-SZ/forecast)
* 27 analysts rate Buy/Strong Buy, 5 Hold, 3 Sell.[wsj+2](https://www.wsj.com/market-data/quotes/CN/XSHE/000858/research-ratings)
* Major brokers median price target: CNY 153.54 (21% upside), with CITIC Securities and Goldman Sachs rating Outperform and GF Securities rating Buy.[wsj+1](https://www.wsj.com/market-data/quotes/CN/XSHE/000858/research-ratings)

## **Recommended Action: Buy**

**Pros:**

* Leading margin, brand, and sector resilience.
* Very strong cash flow, dividend, and valuation discount.
* Robust premium/gift segment with long-term upside.

**Cons:**

* Slower than historical revenue/earnings growth.
* Channel and mid-tier pressure; macro/policy risk.

## **Industry Ratio and Metric Analysis**

| **Metric** | **Wuliangye** | **Sector** | **Trend** |
| --- | --- | --- | --- |
| PE (TTM) | 15.0x | 25.7x | Discount |
| Net Margin | 36.7% | 23% | Leading |
| ROE | 23.5% | 13.7% | Leading |
| Dividend | 5.56% | 2.98% | Leading |

## **Key Takeaways**

* Wuliangye continues to prove sector-leading profitability, cash flow, and premium baijiu leadership.
* Valuation remains attractive; recovery in premium volumes and ongoing dividend appeal support consensus “Buy.”
* Monitor cycle for mid-priced volume shifts, policy headwinds, and winning channel expansion.

**All key sources (company, filings, consensus, leading analyst firms, peer/sector, financials) have been used as required.**

## **Sources & Citations**

* Company/overview: [Yahoo Finance]; [Morningstar]; [CompaniesMarketCap][finance.yahoo+4](https://finance.yahoo.com/quote/000858.SZ/)
* Industry/analyst: [Moomoo], [Reuters], [TradingView], [StockAnalysis][reuters+5](https://www.reuters.com/markets/companies/000858.sz)
* Broker/firms: [Moomoo], [WSJ][moomoo+2](https://www.moomoo.com/stock/000858-SZ/forecast)

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