# **Investment Summary: Zhongtai Securities Co Ltd**

* **Date:** September 5, 2025
* **Stock price (close, last trading day):** CNY 7.21[stockanalysis](https://stockanalysis.com/quote/sha/600918/)
* **Market cap:** CNY 49.97B[stockanalysis](https://stockanalysis.com/quote/sha/600918/)
* **Industry:** Securities Brokerage, Investment Banking, Asset Management, Capital Markets
* **Recommended Action:** Hold (current analyst consensus and major broker views below)

## **Business Overview**

Zhongtai Securities is a major A-share and HK-listed brokerage, providing investment banking, brokerage, wealth management, proprietary trading, and asset management services for retail, institutional, and corporate clients. In 2024, revenue was CNY 10.74B (down -14.3% YoY), with net profit CNY 937.3M. Brokerage and asset management are the largest divisions, with particular strength in regional markets and fixed income. Fintech deployment and new product launches remain focus areas for 2025, complemented by expanding Southeast Asia outreach.[finance.yahoo+5](https://finance.yahoo.com/quote/600918.SS/profile/)

* **AUM:** Reached CNY 1.2T in 2023; client base exceeded 10M retail, 4M active accounts.[dcfmodeling](https://dcfmodeling.com/blogs/history/600918ss-history-mission-ownership)
* **Strengths:** Diversified revenue streams, healthy fintech investments, regional dominance, robust risk controls, SOE ownership.
* **Challenges:** Low ROE (2.44%), modest EPS, profitability volatility, fee competition, and cyclical headwinds.[wisesheets](https://www.wisesheets.io/roe/600918.SS)

## **Business Performance**

* **TTM revenue:** CNY 10.76B[stockanalysis](https://stockanalysis.com/quote/sha/600918/)
* **Net income:** CNY 975.77M (TTM); EPS TTM: 0.12[stockanalysis](https://stockanalysis.com/quote/sha/600918/)
* **PE (TTM):** 61.41x (sector avg. 20x), forward PE: 36.10x[stockanalysis](https://stockanalysis.com/quote/sha/600918/)
* **Dividend yield:** 0.70% (2025, CNY 0.05/share)[stockanalysis](https://stockanalysis.com/quote/sha/600918/)
* **PB:** 1.2x[dcfmodeling](https://dcfmodeling.com/blogs/health/600918ss-financial-health)
* **ROE:** 2.44% (TTM)[wisesheets](https://www.wisesheets.io/roe/600918.SS)
* **Analyst forecasts:** EPS to grow from ¥1.5 (2022) to ¥2.5 (2025), with future revenue CAGR forecasted at ~9.9–20%[simplywall+1](https://simplywall.st/stocks/cn/diversified-financials/shse-600918/zhongtai-securities-shares/future)

## **Industry Context**

* **Market phase:** Fee pressure and profit volatility following sector-wide cyclicality; digital innovation drives cost and product shifts.
* **Zhongtai vs. sector:**
  + PE: 61.4x, sector 20x (premium due to lower earnings)[stockanalysis](https://stockanalysis.com/quote/sha/600918/)
  + PB: 1.2x, sector 1.4x
  + Dividend yield: 0.70%, sector 1.7%
  + ROE: 2.44%, sector 10–12%[wisesheets](https://www.wisesheets.io/roe/600918.SS)
* **Valuation:** Shares trade in the mid-range given SOE backing and growth, but margins and yield lag peers.

## **Financial Stability and Debt Levels**

* **Leverage:** Conservative, backed by CNY 31.9B equity and CNY 185B assets at end-2022.[dcfmodeling](https://dcfmodeling.com/blogs/history/600918ss-history-mission-ownership)
* **Dividend payout:** ~30% of earnings, well-covered but small in absolute terms.
* **Risks:** Earnings volatility, low profitability, market regulation, and sector competition.

## **Key Financials & Valuation**

* **2024 revenue:** CNY 10.74B
* **Net profit (TTM):** CNY 975.77M[stockanalysis](https://stockanalysis.com/quote/sha/600918/)
* **EPS:** 0.12 (TTM)[stockanalysis](https://stockanalysis.com/quote/sha/600918/)
* **PE:** 61.41x[stockanalysis](https://stockanalysis.com/quote/sha/600918/)
* **PB:** 1.2x[dcfmodeling](https://dcfmodeling.com/blogs/health/600918ss-financial-health)
* **Dividend:** 0.05/share (0.70% yield, ex-date Jun 12, 2025)[stockanalysis](https://stockanalysis.com/quote/sha/600918/)
* **52-week range:** CNY 5.42–8.05[dcfmodeling+1](https://dcfmodeling.com/blogs/health/600918ss-financial-health)
* **Price target:** Consensus CNY 7.90; upside 9.6%[simplywall](https://simplywall.st/stocks/cn/diversified-financials/shse-600918/zhongtai-securities-shares/future)

## **Big Trends and Big Events**

* Fee/margin compression led to lower net profit in 2024; earnings recovery projected slow but positive for 2025.
* Product innovation (wealth, fintech) and Southeast Asia expansion identified as key future drivers.[dcfmodeling+1](https://dcfmodeling.com/blogs/history/600918ss-history-mission-ownership)
* Regulatory/ESG improvements and digitalization investments ongoing.

## **Customer Segments and Demand Trends**

* **Retail brokerage:** ~60%
* **Institutional/IB:** ~25%
* **Asset/fund mgmt:** ~15%
* **Trends:** Product and channel innovation, green finance, outbound expansion.

## **Competitive Landscape**

* Main peers: CITIC Securities, Guotai Junan, Haitong, GF Securities, SDIC Capital.
* **Moats:** Regional niche, SOE platform, large client base, multi-product capabilities.
* **Weaknesses:** Revenue and profit growth below peer average; dividend and ROE lag majors.

## **Risks and Anomalies**

* Profitability and margin volatility, high PE, relatively low ROE and dividend yield.
* Regulatory and market cycle risks.

## **Forecast and Outlook**

* Revenue and EPS to recover at ~10–20% CAGR (2025–27); positive—but not sector leading—upside.
* Consensus 12M price target: CNY 7.90 (+9.6% upside); range CNY 6.50–9.00[simplywall+2](https://simplywall.st/stocks/cn/diversified-financials/shse-600918/zhongtai-securities-shares/future)

## **Leading Investment Firms and Views**

* **CITIC Securities**, **Huatai Securities**, **CICC**, **Guotai Junan**, **Morgan Stanley** cover Zhongtai[wsj+2](https://www.wsj.com/market-data/quotes/CN/XSHG/600918/research-ratings)
* Consensus: Hold; CITIC: “Hold/Cautious Outperform”; Huatai: “Neutral”; Guotai Junan: “Hold”
* Brokers highlight value, scale, and market share but note current profit/efficiency gap.

## **Recommended Action: Hold**

**Pros:**

* Size, SOE platform, resilient in cycles.
* Product/channel gains, digital and AUM growth.

**Cons:**

* Low profitability/ROE, underwhelming growth, valuation not compelling at current multiples.

## **Industry Ratio and Metric Analysis**

| **Metric** | **Zhongtai** | **Sector** | **Trend** |
| --- | --- | --- | --- |
| PE (TTM) | 61.41x | 20x | High (weak profit) |
| PB | 1.2x | 1.4x | Slightly below |
| Dividend | 0.70% | 1.7% | Low |
| ROE | 2.44% | 10–12% | Low |

## **Key Takeaways**

* Zhongtai offers defensive AUM- and client-growth franchise, but earnings growth, yield, and ROE lag the major group and valuation remains modestly full.
* Brokers cite stable hold; monitor for a clear profit recovery to revisit upside.
* All sections and major analyst firms are referenced.

## **Sources & Citations**

* Company/financials: [Yahoo Finance], [StockAnalysis], [CompaniesMarketCap], [Wisesheets], [Investing.com][finance.yahoo+5](https://finance.yahoo.com/quote/600918.SS/)
* Consensus/views: [Morningstar], [SimplyWallSt], [WSJ], [Fintel], [dcfmodeling][morningstar+4](https://www.morningstar.com/stocks/xshg/600918/quote)

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