Company report

Jiangxi Copper Co Ltd - H

China | Materials

Research Team

Rating	BUY (as at 16 September 2025)
Last Close	HKD 26.50
Fair Value	HKD 40.00

Benefiting from favourable copper and gold prices

- **Strong share price performance year-to-date (YTD)**
- **1H25 results beat expectations**
- **Interim dividend a positive surprise**

Investment thesis

Jiangxi Copper is one of the largest copper producers in China. With most of its major assets located in China, the company's operations should be relatively less affected by geopolitical tension. Copper demand should benefit from incremental demand from grid investment and renewable energy.

Investment summary

- **Jiangxi Copper's share prices continued to outperform –** Jiangxi Copper's H share price gained over ~30% since our last published report on 20 Aug 2025. YTD, its share price rallied ~106%, outperforming the MSCI China Index which is up ~35%. We attribute its robust share price performance to favourable commodity prices especially for copper and gold, the company's stronger-than-expected 1H25 results, and "anti-involution" measures in China.
- **Strong 1H25 boosted by higher gold and sulfuric acid prices –** Jiangxi Copper posted a 1H25 net profit of CNY4.2b, up 15% year-on-year (YoY), ahead of market expectations. The implied 2Q25 net profit rose 17% YoY and 14% quarter-on-quarter (QoQ) to CNY2.2b, supported mainly by stronger gold and sulfuric acid prices. The company declared an interim dividend per share of CNY0.4 vs no payout in 1H24, representing a 31% dividend payout ratio (vs 35% for FY24). Despite pressures from negative treatment charges (TC) and refining charges (RC) caused by oversupply, Jiangxi Copper's smelting profit held up well, supported by stronger sulfuric acid earnings and a higher share of long-term contracts locked in as USD21/t for 2025. Coupled with stronger profit from mined copper and gold, these factors should continue to underpin Jiangxi Copper's solid earnings

Security information

Ticker	0358.HK
Market Cap (USD b)	13.5
Daily turnover (HKD m)	19.1
Free Float	54%
Shares Outstanding (m)	3,452
Top Shareholder	Jiangxi Copper Corporation Limited 27.2%

Price performance chart

Financial summary

CNY b	FY24	FY25E	FY26E
Revenue	519.2	558.7	566.7
Gross profit	16.0	14.9	15.3
Net profit	6.9	7.5	8.5
Earnings per share (CNY)	2.0	2.2	2.4
Dividend per share (CNY)	0.7	0.8	0.9

Key ratios

	FY24	FY25E	FY26E
Gross margin	3.1%	2.7%	2.7%
Net margin	1.3%	1.4%	1.5%
Net gearing	58.8%	43.7%	37.8%
ROE	8.9%	9.1%	9.5%

Source: Refinitiv, Company, Internal estimates in 2H25. We revise our estimates to reflect better-than-expected 1H25 earnings and updated commodity prices. After adjustments, we lift our fair value estimate from HKD25.90 to HKD40.00.

Potential catalysts

- Higher-than-expected copper prices
- Lower-than-expected operating costs
- Strict execution of scrap copper ban leading to higher treatment charge (TC) and/or refining charge (RC)

Investment risks

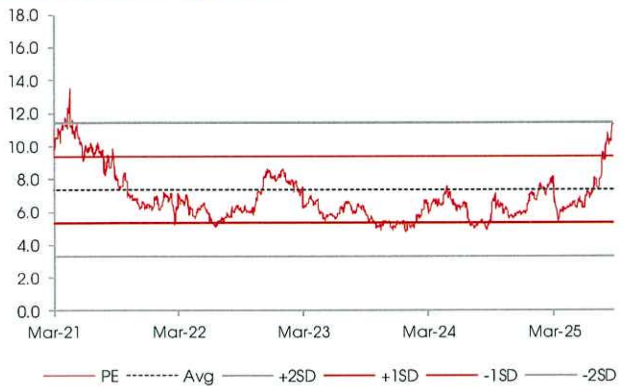
- The company's earnings are highly sensitive to commodity prices, which hinges on industry supply and global economic growth
- Factors that adversely affect copper demand, such as, a slowdown in China's grid investment
- Weaker-than-expected housing demand
- Operation risks such as higher-than-expected mining or smelting costs and a sudden drop in ore grade

Valuation analysis

	Price/Earnings		Price/Book		EV/EBITDA		Dividend Yield (%)		ROE (%)	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
JIANGXI COPPER CO LTD (0358.HK)	11.4	11.3	1.0	1.0	10.3	10.4	3.0	3.1	8.2	8.0
TONGLING NONFERROUS METALS (000630.SZ)	15.5	10.8	1.6	1.5	8.4	7.7	2.1	3.0	10.7	13.9
YUNNAN COPPER CO LTD (000878.SZ)	29.3	13.1	2.1	1.9	N.A	N.A	1.3	3.1	7.3	14.7

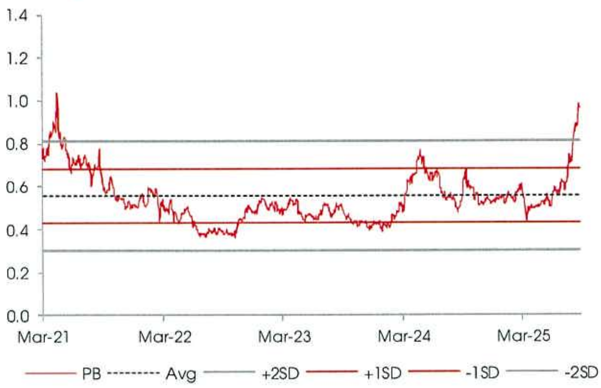
Source: Refinitiv

Price/Earnings chart



Source: Refinitiv

Price/Book chart



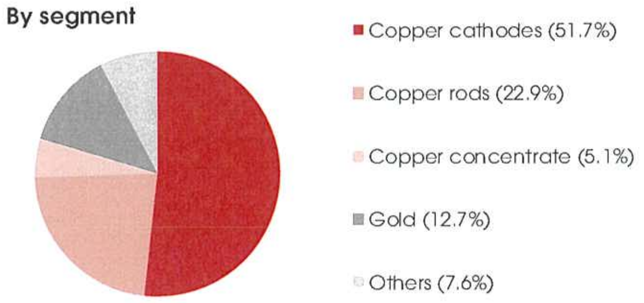
Source: Refinitiv

Company overview (as of 31 December 2024)

Company description

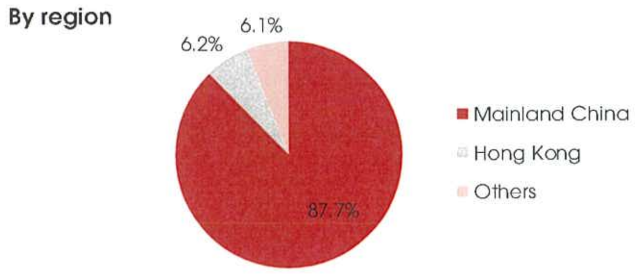
Listed in Hong Kong in 1997 and then in Shanghai in 2002, Jiangxi Copper is one of the biggest copper producers in China. It is mainly involved in copper mining, smelting and refining, and copper product processing. Products include copper cathode, copper wire and rod, and byproducts such as gold, silver, sulfuric acid and pyrite concentrate. It owns the largest domestic copper mine, Dexin Copper Mine. The major end-markets of copper include the electricity grid, appliances, machinery and NEVs. The ultimate controlling shareholder is Jiangxi Provincial SASAC.

FY24 Revenue breakdown



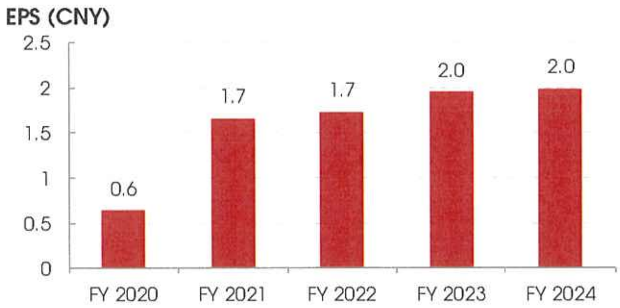
Source: Company

FY24 Revenue breakdown



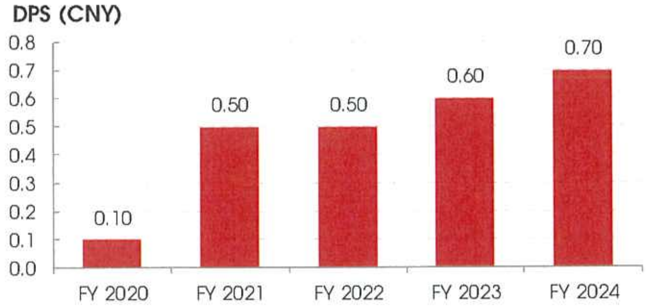
Source: Company

Earning per share



Source: Company

Dividends per share



Source: Company

Company financials

Income Statement

In Millions of CNY except Per Share 12 Months Ending	FY2020 31/12/2020	FY2021 31/12/2021	FY2022 31/12/2022	FY2023 31/12/2023	FY2024 31/12/2024
Revenue	**317,756.5**	**441,614.4**	**478,392.8**	**520,338.5**	**519,248.2**
- Cost of Revenue	307,687.1	425,422.9	466,336.5	508,322.2	503,202.8
Gross Profit	**10,069.4**	**16,191.6**	**12,056.4**	**12,016.3**	**16,045.4**
+ Other Operating Income	--	--	--	--	--
- Operating Expenses	4,966.6	6,598.1	2,375.3	1,147.7	3,926.2
Operating Income or Losses	**5,102.8**	**9,593.5**	**9,681.1**	**10,868.6**	**12,119.3**
- Interest Expense	1,950.1	2,018.8	1,967.2	2,323.8	2,517.8
- Foreign Exchange Losses (Gains)	--	--	--	--	--
- Net Non-Operating Losses (Gains)	-99.4	157.8	215.4	-87.6	562.1
Pretax Income	**3,252.1**	**7,416.9**	**7,498.6**	**8,632.5**	**9,039.4**
- Income Tax Expense (Benefit)	892.6	1,387.4	1,403.0	1,404.3	1,685.7
Income Before XO Items	**2,359.5**	**6,029.4**	**6,095.6**	**7,228.2**	**7,353.7**
- Extraordinary Loss Net of Tax	--	--	--	--	--
- Minority/Non Controlling Interests (Credits)	131.8	256.9	94.1	482.3	452.7
Net Income/Net Profit (Losses)	**2,227.7**	**5,772.5**	**6,001.5**	**6,745.8**	**6,901.0**
Net Inc Avail to Common Shareholders	**2,227.7**	**5,772.5**	**6,001.5**	**6,745.8**	**6,901.0**
Abnormal Losses (Gains)	--	--	--	--	--
Tax Effect on Abnormal Items	--	--	--	--	--
Normalized Income	**2,802.3**	**7,008.9**	**6,164.3**	**7,409.4**	**7,641.3**
Basic Earnings per Share	**0.6**	**1.7**	**1.7**	**1.9**	**2.0**
Basic Weighted Avg Shares	3,462.7	3,462.7	3,462.7	3,462.7	3,455.3
Diluted EPS Before Abnormal Items	**0.6**	**1.7**	**1.7**	**1.9**	**2.0**
Diluted EPS Before XO Items	**0.6**	**1.7**	**1.7**	**1.9**	**2.0**
Diluted EPS	**0.6**	**1.7**	**1.7**	**1.9**	**2.0**
Diluted Weighted Avg Shares	3,462.7	3,462.7	3,462.7	3,462.7	3,455.3

Profitability Ratios

12 Months Ending	FY2020 31/12/2020	FY2021 31/12/2021	FY2022 31/12/2022	FY2023 31/12/2023	FY2024 31/12/2024
Returns					
Return on Common Equity	3.95	8.90	8.38	9.57	9.49
Return on Assets	1.71	3.99	3.71	4.31	4.07
Return on Capital	6.50	5.97	5.56	5.49	5.10
Return on Invested Capital	16.30	14.00	13.11	13.45	12.96
Margins					
Operating Margin	1.61	2.17	2.02	2.09	2.33
Incremental Operating Margin	0.76	1.35	0.93	1.03	1.12
Pretax Margin	1.02	1.68	1.57	1.66	1.74
Income before XO Margin	0.70	1.31	1.25	1.30	1.33
Net Income Margin	0.70	1.31	1.25	1.30	1.33
Net Income to Common Margin	0.70	1.31	1.25	1.30	1.33
Additional					
Effective Tax Rate	27.45	18.71	18.71	16.27	18.65
Dvd Payout Ratio	15.92	28.73	28.17	30.76	35.91
Sustainable Growth Rate	3.95	8.88	8.35	9.54	9.46

Credit Ratios

12 Months Ending	FY2020 31/12/2020	FY2021 31/12/2021	FY2022 31/12/2022	FY2023 31/12/2023	FY2024 31/12/2024
Total Debt/EBIT	8.25	4.45	6.53	6.83	5.83
Net Debt/EBIT	5.07	2.31	4.13	3.35	3.15
EBIT to Interest Expense	3.04	5.85	4.08	3.57	4.59
Long-Term Debt/Total Assets	10.61	8.42	5.84	11.30	8.98
Net Debt/Equity	0.62	0.51	0.56	0.55	0.59

Source: Refinitiv

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