

Company report

Research Team

Jiangxi Copper Co Ltd - H

China | Materials

Rating BUY (as at 11 December 2025)
Last Close HKD 33.98
Fair Value HKD 48.30

Riding the metals rally

- Robust share price performance year-to-date (YTD)
- Low treatment charge (TC) and refining charge (RC) remain a drag
- But higher gold and copper prices could support FY26 earnings

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.

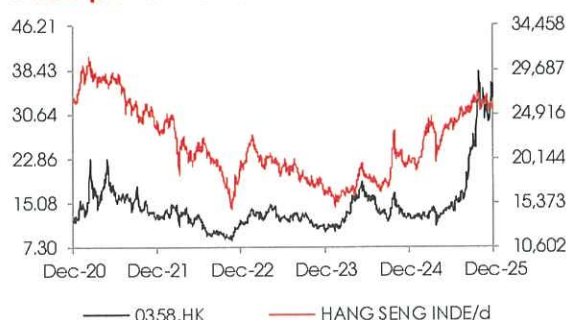
Investment summary

- **Jiangxi Copper's share prices continue to outperform** – Jiangxi Copper's H share price has surged ~168% YTD, outperforming the MSCI China Index which is up ~29%. Its A share price has rallied ~100% YTD, ahead of the Shanghai Shenzhen CSI 300 Index's ~16% gain. Gold and copper prices have both strengthened in 2025 and we expect gold's upward trend to continue into 2026. Our house view forecasts gold reaching USD4,600/oz by end-2026. Bloomberg consensus estimates copper price to remain largely stable from current level, at around USD11,453/tonnes in a year's time. We believe stronger gold and copper prices will remain the key drivers of Jiangxi Copper's earnings in FY26, especially against the backdrop of muted volume growth and still-weak treatment charge (TC) and refining charge (RC).
- **Potential reduction in China's copper smelting capacity could support copper price** – The China Nonferrous Metals Industry Association's recent plan to cap new smelting capacity and close ~2m tonnes of illegal facilities could benefit copper price and major copper players if carried out. Jiangxi copper's H and A-share prices have risen over 30% and 40% in the past three months, broadly tracking the sector's strength. The rally also reflects improving sentiment towards copper players, underpinned by

Security information

Ticker	0358.HK
Market Cap (USD b)	18.5
Daily turnover (HKD m)	22.2
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	15.6	16.0
Net profit	6.9	8.1	9.0
Earnings per share (CNY)	2.0	2.3	2.6
Dividend per share (CNY)	0.7	0.8	0.9

Key ratios

	FY24	FY25E	FY26E
Gross margin	3.1%	2.8%	2.8%
Net margin	1.3%	1.4%	1.6%
Net gearing	58.8%	43.0%	36.6%
ROE	8.9%	9.7%	10.0%

Source: Refinitiv, Company, Internal estimates

expectations of tighter supply and greater recognition of Jiangxi Copper's strategic adaptability. After adjustments, we lift our fair value estimate from HKD40.0 to HKD48.30.

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)	13.0	11.8	1.3	1.2	14.1	13.4	2.6	3.0	10.0	10.4
TONGLING NONFERROUS METALS (000630.SZ)	19.8	11.8	1.9	1.7	9.2	8.4	1.7	2.8	9.7	14.9
YUNNAN COPPER CO LTD (000878.SZ)	15.1	17.6	2.2	2.4	N.A	N.A	2.6	2.3	14.0	14.0

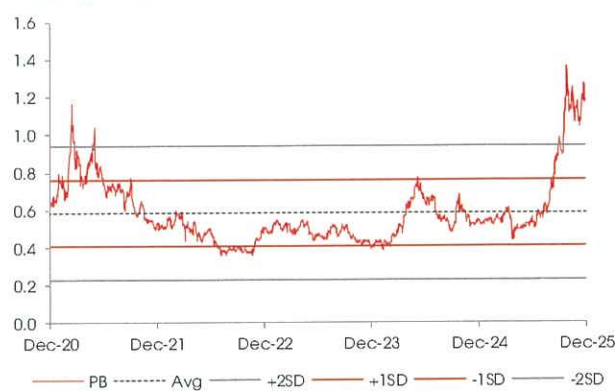
Source: Refinitiv

Price/Earnings chart



Source: Refinitiv

Price/Book chart



Source: Refinitiv

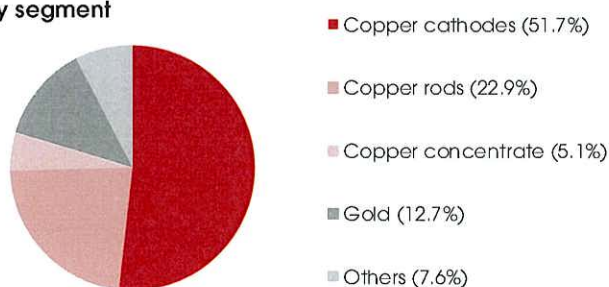
Company overview (as of 31 December 2024)

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

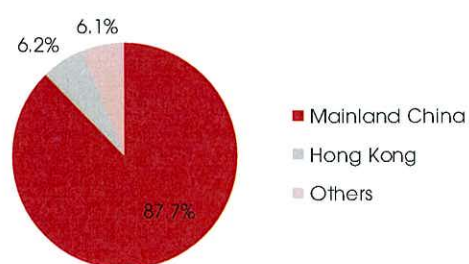
By segment



Source: Company

FY24 Revenue breakdown

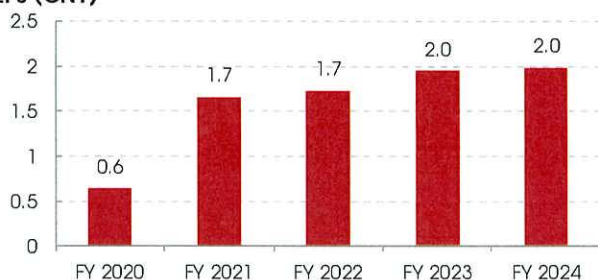
By region



Source: Company

Earning per share

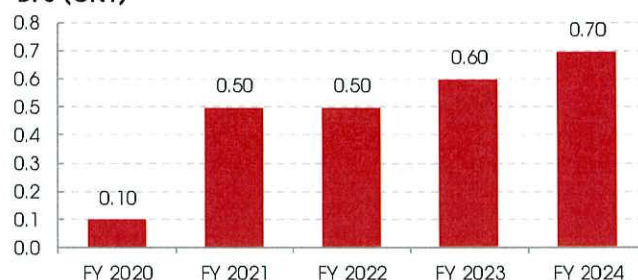
EPS (CNY)



Source: Company

Dividends per share

DPS (CNY)



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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