

What’s Hot Today:

► China fresh-drink industry: the strong gets stronger

This is a rather unique sub-segment in the retail industry, similar to coffee chains, China has numerous established chains selling freshly made drinks. There are currently five fresh-drink brands listed on the HKEX and one on NASDAQ. From their 1H25 results, it is noted that leading players such as Mixue (2097 HK, HK\$409.00, HK\$62bn) and Guming (1364 HK, HK\$21.30, HK\$51bn) continued to strengthen their market position thanks to strong supply chain and operating efficiency. Chagee (CHA US, US\$18.50, US\$3.4bn), the only US listed peers saw a slowdown in growth, while the remaining brands faced challenges due to fiercer market competition and higher operating costs.

**Topline and profit:** Leveraging on the aggressive subsidies by the delivery platforms in 2Q25 and ongoing stores expansion, except Nayuki (2150 HK HK\$1.36, HK\$2.3bn), five of six operators reported YoY growth. Mixue and Guming achieved HDD growth in both revenue and net profit, with an impressive NPM of 18.1 and 19.2%, respectively. Meanwhile Chabaidao (2555 HK, HK\$8.73, HK\$ 12.9bn), Nayuki, and Auntea Jenny (2589 HK, HK\$ 132.4, HK\$13.9bn) remained weak. Chabaidao was the only brand that saw a YoY decline in NP, primarily due to increased marketing expenses. Nayuki, dragged by the high operating costs of its self-operated store model, was the only brand to report a net loss, although its net loss narrowed by 73% YoY.

Fig 1: 1H25 results of the six companies

RMB mn	Mixue	Guming	Chagee	abaidao	Nayuki	Auntea Jenny
Revenue	14,875	5,663	6,725	2,500	2,178	1,818
YoY	39.3%	41.2%	17.8%	4.3%	-14.4%	9.7%
Gross profit	4,706	1,786	3,598	815	1,434	572
YoY	38.3%	41.0%	35.6%	7.2%	-11.0%	10.4%
GPM	31.6%	31.5%	53.5%	32.6%	65.9%	31.4%
S&M expense	914	312	684	150	353	188
% of revenue	6.1%	5.5%	10.2%	6.0%	16.2%	10.3%
Admin. expense	438	185	1,297	257	291	93
% of revenue	2.9%	3.3%	19.3%	10.3%	13.4%	5.1%
R&D expense	41	113	N/A	14	N/A	25
% of revenue	0.3%	2.0%	N/A	0.6%	N/A	1.4%
Adjusted net profit	2,693	1,086	1,307	340	-117	244
YoY	42.9%	42.4%	7.0%	-13.9%	-73.1%	14.0%
NPM	18.1%	19.2%	19.4%	13.6%	-5.4%	13.4%

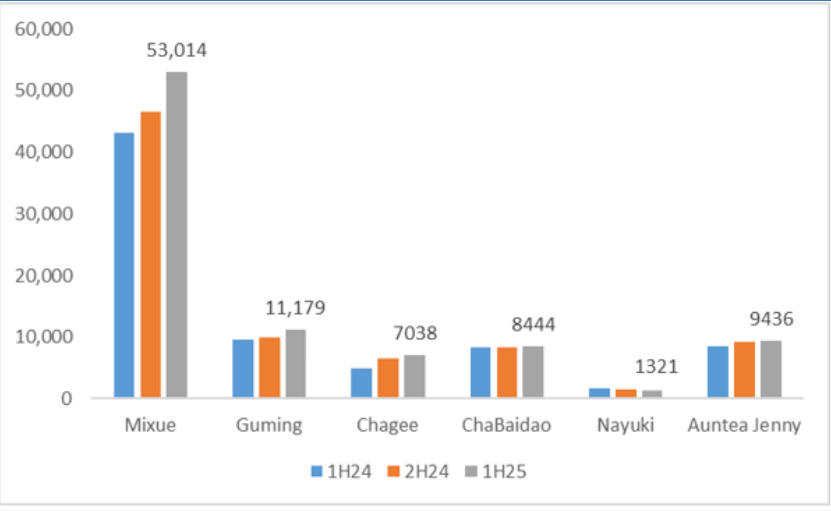
Source: Company Data, Sunwah Kingsway Research

China & HK Indices		CLOSE	1D	YTD		
HSI		25,343	-0.6%	26.3%		
HSCEI		9,050	-0.6%	24.1%		
HSCCI		4,230	-0.4%	11.9%		
CSI300		4,459	-0.7%	13.3%		
Shanghai A		3,997	-1.2%	-2.7%		
Shanghai B		260	-1.5%	-2.7%		
Shenzhen A		2,490	-1.4%	21.6%		
Shenzhen B		1,315	-0.5%	8.4%		
Key Int'l Indices		CLOSE	1D	YTD		
Dow Jones		45,271	-0.1%	6.4%		
S&P 500		6,448	0.5%	9.6%		
Nasdaq		21,497	1.0%	11.3%		
NIKKEI Index		42,287	0.8%	6.0%		
FTSE Index		9,177	0.7%	12.3%		
CAC Index		7,719	0.9%	4.6%		
DAX Index		23,594	0.5%	18.5%		
Commodities		CLOSE	1D	YTD		
GOLD (US\$/oz.)		3,559	0.7%	35.7%		
STEEL (US\$/oz.)		2,094	-2.1%	17.3%		
SILVER (US\$/oz.)		41	0.8%	42.3%		
CRUDE OIL (US\$/bbl)		63	-2.5%	-11.2%		
COPPER (US\$/oz.)		9,975	0.9%	13.8%		
ALUMINIUM (US\$/oz.)		2,619	0.3%	2.6%		
PLATINUM (US\$/oz)		1,424	1.0%	56.7%		
ZINC (US\$/oz.)		2,861	1.0%	-3.9%		
WHEAT (US\$/bu)		504	-2.7%	-8.6%		
CORN (US\$/bu)		418	-1.2%	-5.9%		
SUGAR (US\$/lb)		N/A	N/A			
SOYBEAN (US\$/bu)		1,031	-0.9%	0.5%		
P/C (US\$/t.)		N/A	N/A	-10.1%		
CRB		302	0.1%	3.0%		
BDI				99.2%		
Exchange Rates						
	USD	HKD	EUR	JPY	CHF	RMB
USD		7.800	0.858	148.100	0.804	7.142
HKD	0.128		0.110	18.988	10.310	0.916
EUR	1.166	9.096		172.710	1.066	8.329
JPY	0.007	5.266	0.579		0.543	0.048
CHF	1.244	9.700	1.066	184.142		8.880
RMB	0.140	1.092	0.120	20.719	0.113	
Market Sentiment			CURRENT		5D	
CDS Monitor - USD SR 5Y						
Greece				N/A	N/A	
Ireland				83	-2.4%	
Italy				139	-0.6%	
Portugal				207	-0.0%	
Spain				108	0.3%	
VIX				16	11.8%	
Source: Bloomberg						

Source: Bloomberg

**Store expansion:** Mixue and Guming accelerated their store expansion in 1H25, with store counts up by 14% and 13% HoH, respectively. Guming’s management indicated that its expansion pace in FY26 will remain in line with FY25’s level, and the total stores could reach 20k by FY27. On the other hand, Chagee’s expansion slowed sharply. Its HoH store growth dropped from 29% in 2H24 to just 9% in 1H25. Chabaidao and Auntea Jenny maintained LSD HoH growth. Notably, Nayuki, which focused on a self-operated model, saw a 9% net store closures for two consecutive halves.

Fig 2: POS of the six companies



Source: Company Data, Sunwah Kingsway Research

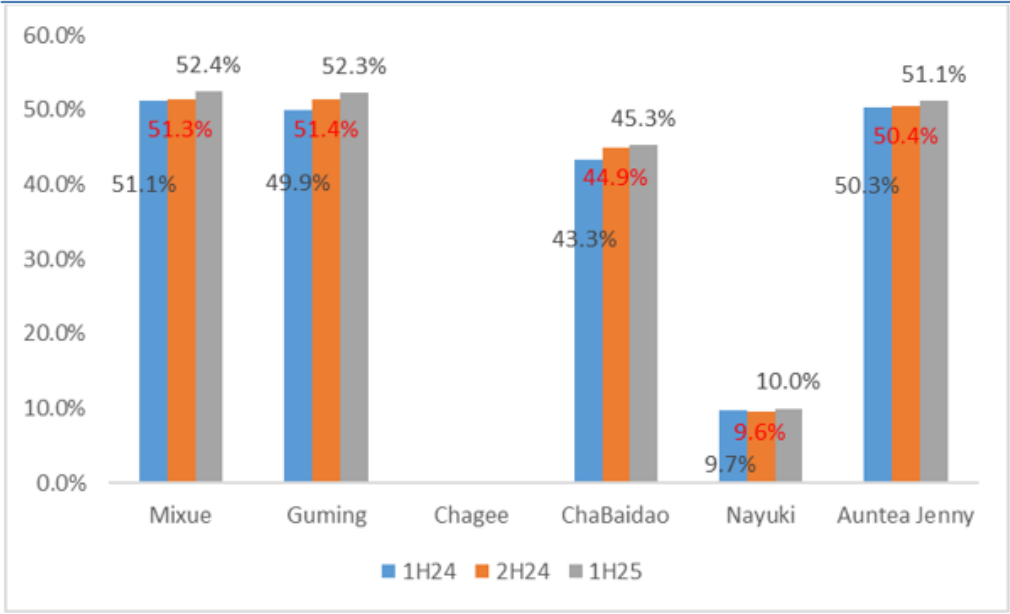
Fig 3: Store count of the six companies

	2H24	1H25	HoH	Self-operated stores	Overseas stores
Mixue	46,479	53,014	14%	less than 20	4,733
Guming	9,914	11,179	13%	less than 10	0
Chagee	6,440	7,038	9%	239	208
ChaBaidao	8,395	8,444	1%	14	21
Nayuki	1,798	1,638	-9%	1,321	22
Auntea Jenny	9,176	9,436	3%	24	1

Source: Company Data, Sunwah Kingsway Research

Major brands stepped up their expansion into third-tier and below cities. Mixue, Guming, and Auntea Jenny have over 50% of their total number of stores in lower-tier markets. Nayuki is on the opposite end of the spectrum and remains focused in high-tier cities, with only 10% of its stores in lower-tier markets.

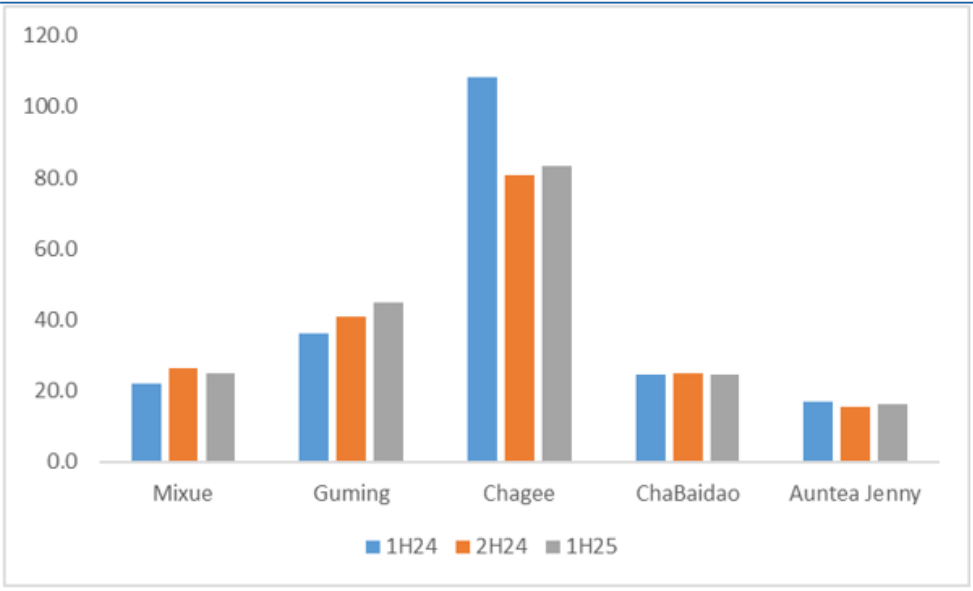
Fig 4: Store proportion in third-tier cities (Data not available for Chagee)



Source: Company Data, Sunwah Kingsway Research

**Average monthly revenue per store:** Mixue and Guming both recorded double-digit YoY growth in monthly average revenue per store (ARPS). Although the monthly ARPS of Chagee stood at RMB83k and far outpaced that of its competitors, a 23% YoY decline in this metric signaled that intensified market competition weighed on its traffic. Meanwhile, Chabaidao and Auntea Jenny saw stagnant sales in their monthly ARPS.

Fig 5: Average revenue per store per month of six companies



Source: Company Data, Sunwah Kingsway Research

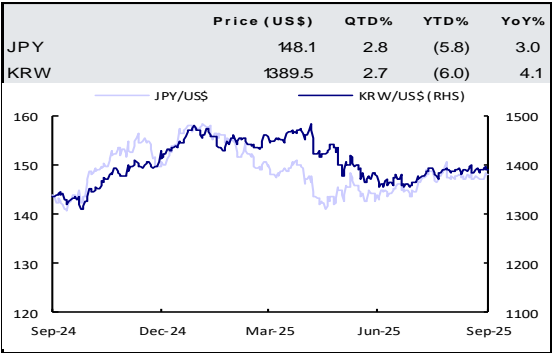
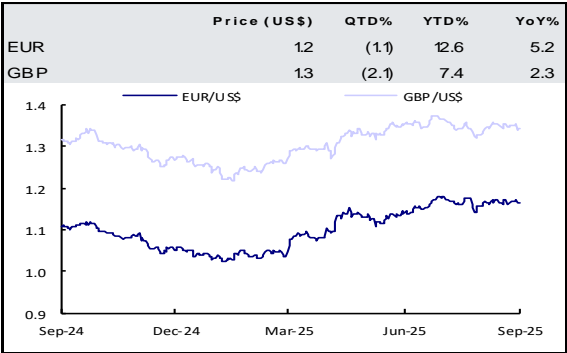
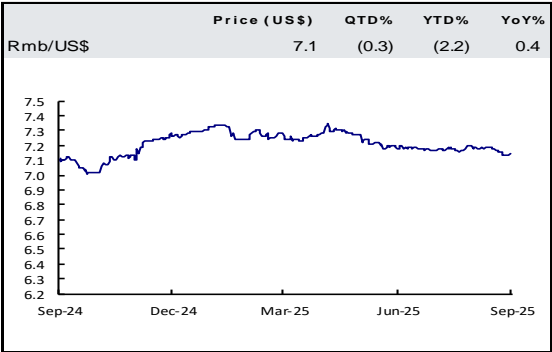
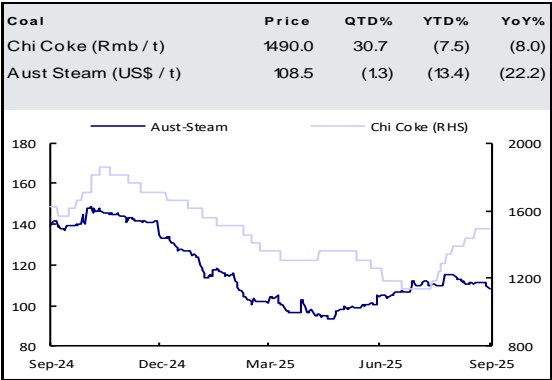
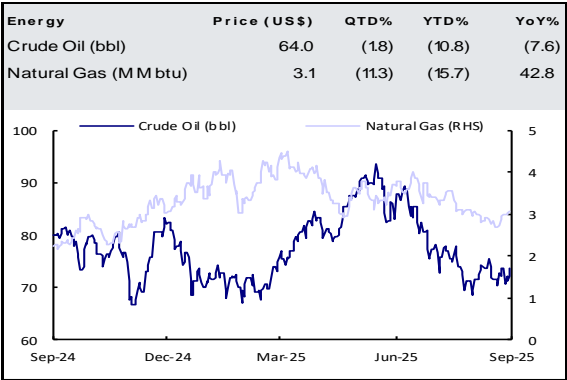
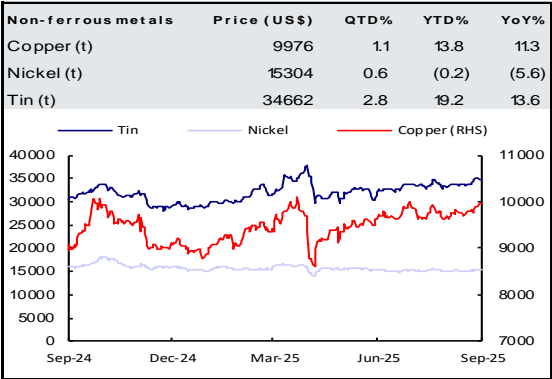
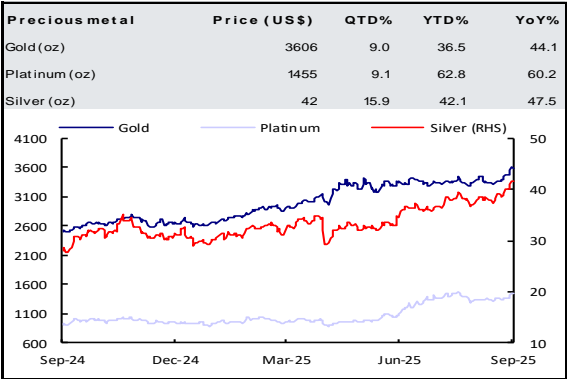
**Our view:** It is believed that the generous subsidies provided by the food delivery platforms have supported the underperforming brands in maintaining SSSG and store expansion, especially those with higher product prices. However, as these subsidies gradually normalize, SSSG is expected to face pressure, and the consolidation momentum is likely to pick up again. Leading players like Mixue (2097 HK, HK\$409.00, HK\$62bn) and Guming (1364 HK, HK\$21.30, HK\$51bn), which are leveraging on their strong supply chain and brand recognition, are well-positioned to capitalize on this trend. They are trading at 25x and 19.1x FY25E P/E, respectively.

Fig 6: Valuation of the six companies

	Stock code	Stock price	Market cap	PE		
				FY25E	FY26E	FY27E
Mixue	2097 HK	HK\$409.00	HK\$61.7bn	25.1	21.7	18.6
Guming	1364 HK	HK\$21.30	HK\$50.7bn	19.1	17.6	14.7
Chagee	CHA US	US\$18.50	US\$3.4bn	10.3	9.1	7.6
ChaBaidao	2555 HK	HK\$8.73	HK\$12.9bn	13.8	12.2	11.5
Nayuki	2150 HK	HK\$1.36	HK\$2.3bn	N/A	54.2	33.7
Auntea Jenny	2589 HK	HK\$132.40	HK\$7.9bn	N/A	N/A	N/A

Source: Bloomberg, Company Data, Sunwah Kingsway Research

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Durable Goods Orders	MoM		3-Sep-25
Factory Orders	MoM		3-Sep-25
Trade Balance	MoM		4-Sep-25
Initial Jobless Claims	WoW		4-Sep-25
Employment Report	MoM		5-Sep-25
Wholesale Inventories	MoM		10-Sep-25
PPI	MoM		10-Sep-25
CPI	MoM		11-Sep-25
Business Inventories	MoM		16-Sep-25
Retail Sales	MoM		16-Sep-25
Industrial Production	MoM		16-Sep-25
Housing Starts / Building Permits	MoM		17-Sep-25
Existing Home Sales	MoM		23-Sep-25
New home Sales	MoM		24-Sep-25
GDP	QoQ		25-Sep-25
Personal Income & Spending	MoM		26-Sep-25
Consumer Confidence	MoM		30-Sep-25
ISM Manufacturing PMI	MoM		1-Oct-25
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Foreign Exchange Reserves	QoQ		7-Sep-25
Trade Balance	MoM		8-Sep-25
Money Supply - M2	MoM		9-Sep-25
PPI	MoM		10-Sep-25
CPI	MoM		10-Sep-25
Retail Sales	MoM		15-Sep-25
Industrial Production	MoM		15-Sep-25
PMI Manufacturing	MoM		30-Sep-25
GDP	YoY		20-Oct-25

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Foreign Currency Reserve	MoM		5-Sep-25
Producer Prices Index	QoQ		15-Sep-25
Industrial Production	QoQ		15-Sep-25
Unemployment Rate	MoM		16-Sep-25
CPI	MoM		22-Sep-25
Trade Balance	MoM		25-Sep-25
Money Supply - M2	MoM		30-Sep-25
Retail Sales	MoM		2-Oct-25
PMI	MoM		6-Oct-25
GDP	QoQ		31-Oct-25
Composite Interest Rate	MoM		

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