

What's Hot Today:

► Uni-President China (220 HK, HK\$8.04, HK\$34.5bn) – Soft 2H25 led FY25 results to miss expectations

Weak beverage sales weighed down on FY25 results – Uni-President China (UPC) reported a 4.6% YoY gain in revenue to RMB31.7bn, below the previous guidance of a 6%-8% growth. The weak performance was largely due to a soft 2H25 where 2H revenue declined by 1.7% YoY with 2H profit contracted by 13.6% YoY. It was primarily a result of intense competition in the beverage market, fueled by the heavily subsidized delivery services of fresh drinks. As such the Mgt indicated that the company had undergone a de-stocking exercise of beverage products in October 2025, which eroded profit though boosted sales.

However, both GPM and OPM expanded by 70bps to 33.2%/8.1% respectively, driven by lower raw material costs (e.g. white sugar and palm oil). Operating profit and net profit grew by 14.3%/10.9% YoY, respectively but lower than market consensus growth of 20.4%/19.6% respectively.

A final dividend of RMB0.4747 has been proposed for seven consecutive years of at least 100% pay-out.

Fig 1: Financial Performance FY2025 vs. FY2024

(RMB'mn)	2025	2024	YoY
Revenue	31,714	30,332	4.6%
Gross Profit	10,529	9,870	6.7%
Operating Profit	2,565	2,244	14.3%
Net Profit	2,050	1,849	10.9%
Earnings Per Share (RMB cents)	47.47	42.81	10.9%
Dividend Per Share (RMB cents)	47.47	42.81	10.9%
Gross Profit Margin	33.20%	32.50%	+0.7ppt
Operating Profit Margin	8.10%	7.40%	+0.7ppt

Source: Company Data, Sunwah Kingsway Research

Fig 2: Key Financial Performance 2H25 vs. 2H24

(RMB'mn)	2H25	2H24	YoY
Revenue	14,627	14,883	-1.7%
Gross Profit	4,664	4,642	0.5%
Operating Profit	916	1,011	-9.4%
Net Profit	763	883	-13.6%

Source: Company Data, Sunwah Kingsway Research

China & HK Indices	CLOSE	1D	YTD
HSI	25,321	0.3%	-1.2%
HSCEI	8,451	-0.4%	-5.2%
HSCCI	4,330	0.3%	7.8%
CSI300	4,647	1.0%	0.4%
Shanghai A	4,308	0.6%	4.8%
Shanghai B	266	0.8%	4.8%
Shenzhen A	2,796	1.2%	5.6%
Shenzhen B	1,222	0.5%	-3.3%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	47,954	-1.6%	-0.2%
S&P500	6,830	-0.6%	-0.2%
Nasdaq	22,748	-0.3%	-2.1%
NIKKEI Index	55,054	-0.4%	9.4%
FTSE Index	10,413	-1.5%	4.9%
CAC Index	8,045	-1.5%	-1.3%
DAX Index	23,815	-1.6%	-2.8%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	5,082	-1.1%	17.5%
STEEL (US\$/oz.)	2,832	-2.8%	11.4%
SILVER (US\$/oz.)	82	-1.6%	15.4%
CRUDE OIL (US\$/bbl)	81	8.5%	37.8%
COPPER (US\$/oz.)	12,902	-0.4%	3.9%
ALUMINIUM (US\$/oz.)	3,296	1.4%	10.0%
PLATINUM (US\$/oz.)	2,120	-1.8%	3.5%
ZINC (US\$/oz.)	3,227	-1.3%	3.5%
WHEAT (US\$/bu)	582	1.8%	14.9%
CORN (US\$/bu)	453	1.6%	1.2%
SUGAR (US\$/lb)	116	-7.8%	
SOYBEAN (US\$/bu)	1,179	0.7%	11.1%
PVC (US\$/t)	5,019	1.0%	10.8%
CRB	336	3.2%	3.0%
BDI		-0.4%	19.0%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.819	0.861	157.590	0.781	6.911
HKD	0.128		0.110	20.150	9.987	0.884
EUR	1.161	9.078		182.930	1.103	8.008
JPY	0.006	4.963	0.547		0.496	0.044
CHF	1.280	10.011	1.103	201.758		8.828
RMB	0.145	1.131	0.125	22.824	0.113	

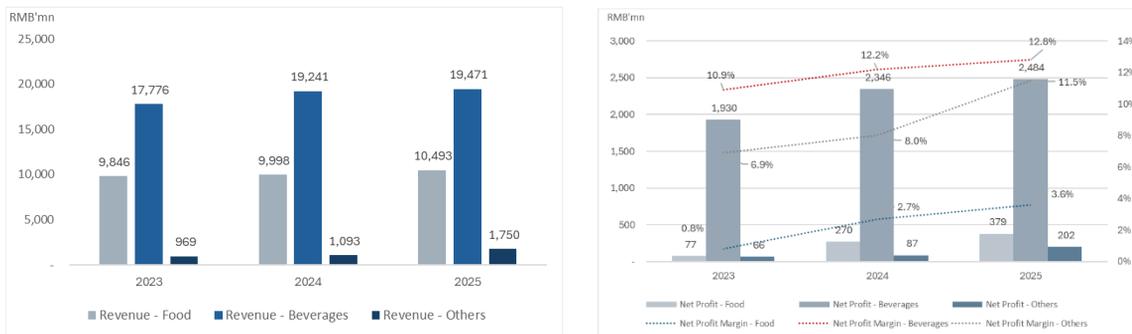
Market Sentiment	CURRENT	5D
CDS Monitor - USD SR 5Y		
Greece		N/A
Ireland	83	-2.4%
Italy	139	-0.6%
Portugal	207	-0.0%
Spain	108	0.3%
VIX	23	27.5%

Source: Bloomberg

Segments performance diverged – The company's food/beverage segments achieved revenue of RMB10.5/19.5 bn, representing a YoY increase of 5%/1.2%, respectively. OEM business revenue doubled to RMB1.18bn. While the food segment saw resilient growth from core brands, the beverage segment faced pressure. The revenue growth of tea/milk tea/juice stood at 2.6%/1.2%/-7.4%, with the juice category underperforming whilst pricing competition intensified (e.g., 1L packaged drinks).

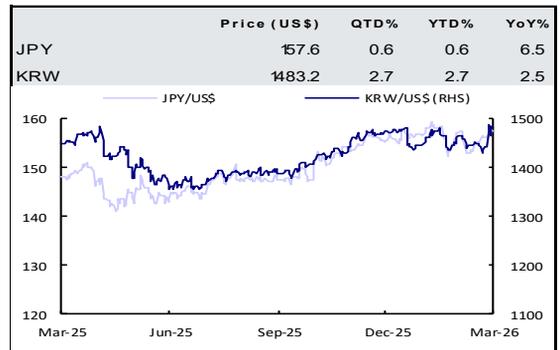
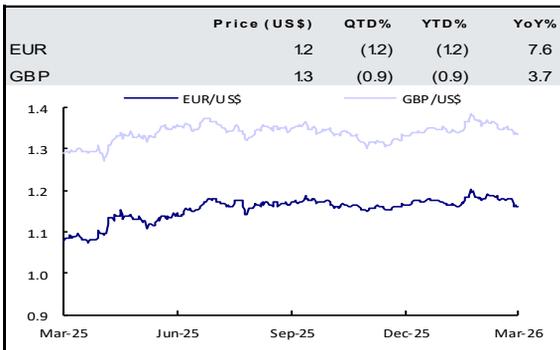
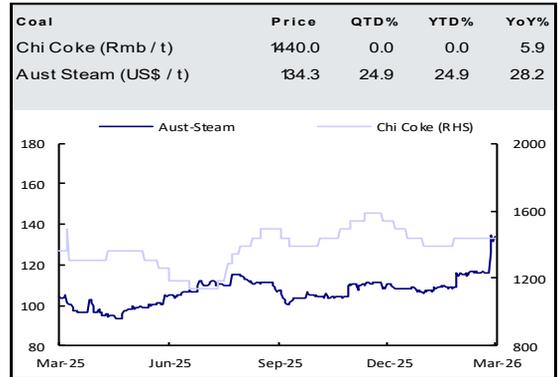
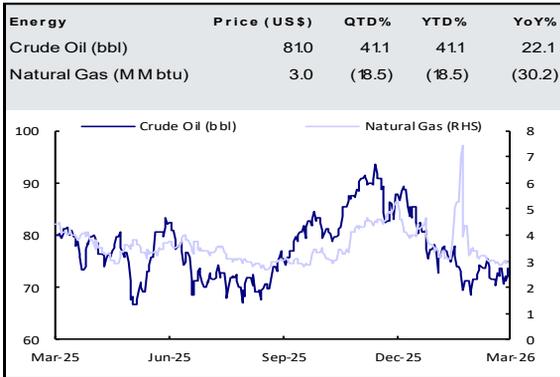
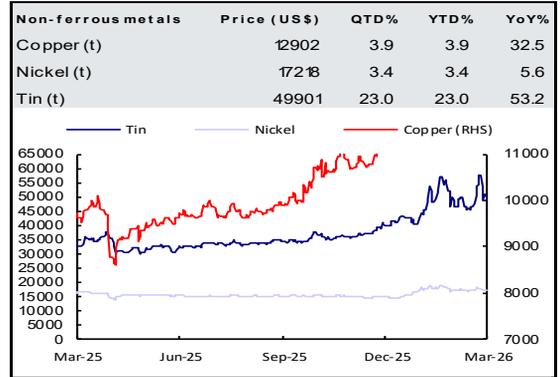
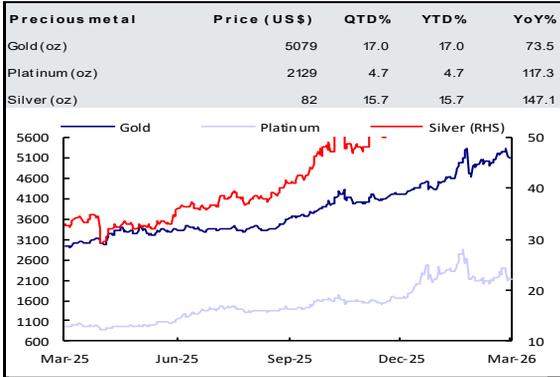
Our view – UPC's products are mostly leading brands in their respective categories and are likely to benefit from consumer preferences shifting toward value-for-money products. However, the intensifying competition in the beverage sector in 2H25 has led to aggressive pricing in large-format drinks, pressuring both top-line growth and profitability. Looking ahead, as delivery war of fresh drinks cools down, the overall beverage market is expected to stabilize. The counter is currently trading at 13.2x FY26E P/E with a yield of 6.69%. (Research Department)

Fig 3: Revenue and Net Profit by Segments



Source: Company Data, Sunwah Kingsway Research

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Employment Report	MoM		6-Mar-26
Retail Sales	MoM		6-Mar-26
Trade Balance	MoM		12-Mar-26
Housing Starts / Building Permits	MoM		12-Mar-26
Personal Income & Spending	MoM		13-Mar-26
Durable Goods Orders	MoM		13-Mar-26
PPI	MoM		18-Mar-26
ISM Manufacturing PMI	MoM		1-Apr-26
Factory Orders	MoM		18-Mar-26
Initial Jobless Claims	WoW		5-Mar-26
Wholesale Inventories	MoM		19-Mar-26
CPI	MoM		11-Mar-26
Existing Home Sales	MoM		10-Mar-26
Industrial Production	MoM		16-Mar-26
GDP	QoQ		13-Mar-26
Consumer Confidence	MoM		31-Mar-26
New home Sales	MoM		19-Mar-26
Business Inventories	MoM		6-Mar-26
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Foreign Exchange Reserves	QoQ		7-Mar-26
Money Supply - M2	MoM		9-Mar-26
PPI	MoM		9-Mar-26
CPI	MoM		9-Mar-26
PMI Manufacturing	MoM		31-Mar-26
Trade Balance	MoM		14-Apr-26
Retail Sales	MoM		16-Apr-26
Industrial Production	MoM		16-Apr-26
GDP	YoY		16-Apr-26

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Foreign Currency Reserve	MoM		6-Mar-26
Producer Prices Index	QoQ		13-Mar-26
Industrial Production	QoQ		13-Mar-26
Unemployment Rate	MoM		18-Mar-26
CPI	MoM		20-Mar-26
Trade Balance	MoM		26-Mar-26
Money Supply - M2	MoM		31-Mar-26
Retail Sales	MoM		1-Apr-26
PMI	MoM		8-Apr-26
GDP	QoQ		5-May-26
Composite Interest Rate	MoM		

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