Jefferies

China (PRC) | China Consumer

Gambol Pet

Equity Research
March 19, 2026

4Q25 Preview

We expect Gambol to report 18.8%/7% sales/NP growth in 4Q25, with sales mainly driven by strong growth of self-owned brands in China, but partly offset by continued OEM/ODM sales decline under tariff hiccups since 3Q25. 1-2Q26 OEM sales would still face the pressure on a high base, but we expect stabilization since 2H26. China self-owned brands continue to be the key sales driver/ margin contributor with premiumization. Maintain Buy with new PT of RMB86.2.

We expect Gambol to report 7% net profit growth to RMB165m in 4Q25 on 18.8% growth of sales to RMB1,869m. Our assumptions:

- **Self-owned brands** (JEFe: 68/80% sales mix in 1H/2H25E): We expect close to 40% sales growth for its self-owned brands, mainly driven by continuous strong performance in mainland China. During D-11, its self-owned brands achieved 44% growth yoy (Fig 2), with Myfoodie/Fregate up 35%/51% YoY, ranking No.2/3 in pet food and product category in Tmall, and No.1/No.4 in Douyin (Fig 1).
- **OEM/ODM** (JEFe: 32/20% sales mix in 1H/2H25E): We expect ~DD% sales decline YoY for overseas OEM/ODM business in 4Q25 under tariff hiccups, after the HSD% YoY decline in 3Q25. To recap, Thailand negotiated a reduced 19% tariff with US which has been in effect since 7 Aug 2025. It adjusted pricing with large clients (Walmart, etc) to share the costs together, but smaller client orders (who care more about pricing/costs, instead of quality/ consistency) have been impacted since 3Q25. Thus, we expect full-year OEM/ODM slow down to a +LSD% sales growth in 2025 (vs 19% growth in 2024), which is in line with mgmt expectations from mid 2025.
- **Gross margin** is expected to improve by 0.8pct yoy, thanks to strong growth of Fregate (premium cat food) and the premiumization of Myfoodie brand, too, but partly offset by lower GPM of OEM/ODM business (we factor in higher costs and relatively unfavorable FX in 4Q25).
- **SG&A ratio** is expected to grow by 2.3pct yoy, due to higher sales mix of China self-owned brands, although we expect the ratio as of self-owned brand sales to remain largely stable yoy.

Maintain Buy; new PT RMB86.2. We revise down our earnings forecasts in 25/26/27E by 3%/11%/13%, as we factor in a slower overseas OEM/ODM business under tariff headwinds, and competition in pet food industry in China in longer term. 1) OEM/ODM: We expect flat growth in 2026E, while 1Q/2Q top-line would continue to be dragged by OEM/ODM decline on a high base (to recap, 1Q25 many small clients ordered in advance in fear of tariffs and 2Q there were still some orders, and the true impact was since 3Q25), while 2H26E some recovery on a much lower base. 2) China self-owned brands would continue to be the key driver and margin contributor (high but stable expense ratio as of self-owned brand sales, and GPM continue to improve with premiumization).

We are still positive on its LT growth in China as the local pet food brand leader with a comprehensive brand portfolio & premiumization. Our new PT is RMB86.2, ie. 43x/35x 26/27E PE. Maintain Buy.

FY (Dec)	2024A	2025E	2026E	2027E
Rev. (MM)	5,245.0	6,606.9	7,921.0	9,417.4
FY P/E	36.3x	33.5x	28.4x	22.7x
EBIT (MM)	776.1	863.5	1,027.8	1,283.1
EBITDA (MM)	889.0	1,009.6	1,196.5	1,479.5

TARGET | ESTIMATE CHANGE

RATING	BUY
PRICE	Rmb56.65^
PRICE TARGET | % TO PT	↓Rmb86.20 (Rmb107.00) | +52%
52W HIGH-LOW	Rmb125.88 - Rmb56.22
FLOAT (%) | ADV MM (USD)	21.6% | 142.75
MARKET CAP	RMB22.7B | $3.3B
TICKER	301498 CH

^Prior trading day's closing price unless otherwise noted.

FY (Dec)	CHANGE TO JEFe		JEF vs CONS	
	2025	2026	2025	2026
REV	<-1%	-3%	+1%	-1%
EPS	-3%	-11%	+1%	-3%

2025 (RMB)	Q1	Q2	Q3	Q4	FY
EPS	--	--	--	--	↓1.69
PREV					1.75

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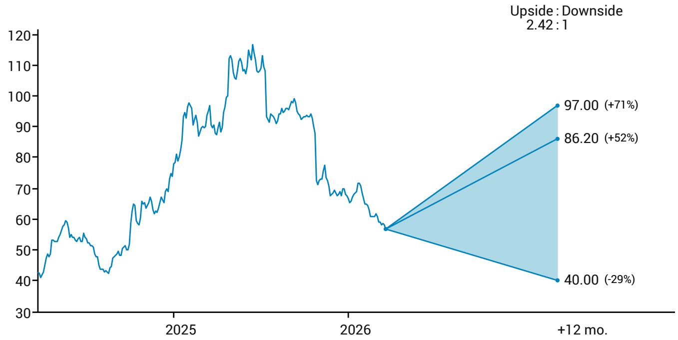
The Long View: Gambol Pet

Investment Thesis

We rate Gambol Pet a Buy due to 1) its leading position as No. 1 local brand in the thriving pet food market in China, with both premiumization and volume growth of Myfoodie and Fregate brands, and 2) GPM improvements helped by favorable products/channel mix for China self-owned brand business, which helps mitigate overseas OEM/ODM business volatility.

Risk/Reward - 12 Month View



Base Case,

CNY86.2, +52%

We expect NP growth of 8.5/17.6/25.1% on sales growth of 26/19.9/18.9% for 2025/26/27E. We assume:

- Self-owned brands growth of 37.8/26.9/24.1% in 25/26/27E.
- Overseas OEM/ODM growth of 1/0/0% in 25/26/27E.

Our DCF-based PT is RMB86.2. This translates into 43x/35x 2026/27E PE.

Upside Scenario,

CNY97, +71%

Higher-than-expected sales with raw material cost benefits. We assume:

- Brand development is faster than expected, leading to stronger domestic sales growth and premiumization.
- Overseas OEM/ODM less impacted by tariff hiccups.

DCF-based PT is RMB97.

Downside Scenario,

CNY40, -29%

Lower-than-expected sales with higher-than-expected cost inflation. We assume:

- Brand development is slower than expected, leading to slower domestic sales growth.
- Overseas OEM/ODM heavily impacted by tariff hiccups

DCF-based PT is RMB40.

Sustainability Matters

Top Material Issues: 1) Food safety is the most important issue for pet food manufacturers. Maintaining product quality and safety is crucial for Gambol Pet, as its food products are directly consumed by pets. Safety and quality control are important, and potential negative events could harm the brands. The company has acquired related safety/quality certificates, such as US FDA, Canada CFIA, Japan MAFF, European Union FVO, etc. 2) There are initiatives on **environmental issues**, such as reducing carbon emissions and implementing sustainable packaging.

Company Target(s): 1) Actively minimize environmental impact via responsible sourcing, eco-friendly production, and sustainable packaging. 2) Dedicated to animal welfare and community development, championing ESG initiatives while delivering healthier, more sustainable choices for pets and customers worldwide.

Qs to Mgmt: 1) On food safety, what has changed lately in the supply chain to ensure your raw material suppliers comply with your safety and quality standards? 2) What are your strategy and investment plans for using clean energy in your production processes?

Catalysts

Key share price drivers

- Quarterly sales momentum
- Potential investment/acquisition
- CNY depreciation against USD
- International trade policy changes

Figure 1 - Pet brand Double 11 ranking from 2021-2025 by GMV

Ranking	D-11 in 2021	D-11 in 2022	618 in 2023	D-11 in 2023	618 in 2024	D-11 in 2024	618 in 2025	D-11 in 2025
Tmall								
1	**Myfoodie**	**Myfoodie**	**Myfoodie**	**Myfoodie**	**Myfoodie**	**Myfoodie**	Rosy Fresh	Rosy Fresh
2	Royal Canin	Royal Canin	Royal Canin	Royal Canin	Royal Canin	Rosy Fresh	**Myfoodie**	**Myfoodie**
3	Orijen	Orijen	Neteast Yanxuan	Legend Sandy	Rosy Fresh	Legend Sandy	Legend Sandy	**Fregate**
4	Acana	Neteast Yanxuan	Orijen	Neteast Yanxuan	Legend Sandy	**Fregate**	Royal Canin	Legend Sandy
5	Nourse	Nourse	Rosy Fresh	Honest Bite	Neteast Yanxuan	Honest Bite	**Fregate**	Royal Canin
6	Pidan	Acana	Honest Bite	Rosy Fresh	Honest Bite	Royal Canin	Honest Bite	Honest Bite
Douyin								
1		**Myfoodie**	**Myfoodie**	**Myfoodie**	**Myfoodie**	**Myfoodie**	**Myfoodie**	**Myfoodie**
2		Neteast Yanxuan	Meow Fans	Meow Fans	Meow Fans	GoldenTales	GoldenTales	GoldenTales
3		Meow Fans	Puainta	Neteast Yanxuan	Kuanfu	**Fregate**	Nourse	Nourse
4		Nourse	Nourse	Nourse	Nourse	Honest Bite	**Fregate**	**Fregate**
5		Pure & Natural	Legend Sandy	Fregate	**Fregate**	Meow Fans	Legend Sandy	Legend Sandy

Source: Tmall, Douyin, Jefferies. Note: Highlight in yellow is local brand, white is foreign brand

Figure 2 - Gambol Double-11 GMV amount in 2021-2025

(RMBm)	2021	2022	2023	2024	2025
Total self-owned brands GMV	212+	301+	360+	670+	1000+
Reported YoY			*28+%*	*65%*	*44%*
Myfoodie, etc (excl. Fregate)	208+	281+	296+	470+	688+
Reported YoY					*35%*
BARF series			30+	79+	148+
Reported YoY			*91%*	*150%*	*79%*
Goat Milk series			15+	20+	29+
Reported YoY					3.84
Fregate	4+	20+	64+	200+	335+
Reported YoY	*104%*	*970+%*	*200+%*	*190%*	*51%*

Source: Gambol D-11 event reports, Jefferies. Note: Highlighted in blue are derived data, ie. Fregate were still under Myfoodie data in 2021 D-11

Figure 3 - Key assumptions on revenue growth

	2023	2024	2025E	2026E	2027E	1H24	2H24	1H25	2H25E	1H26E	2H26E
Self-owned brands mix	63%	68%	74%	78%	82%	63%	71%	68%	80%	76%	80%
Revenue	4,327	5,245	6,607	7,921	9,417	2,427	2,818	3,221	3,386	3,736	4,185
Self-owned brands	**2,745**	**3,545**	**4,886**	**6,199**	**7,694**	1,539	2,005	2,192	2,694	2,850	3,349
OEM/ODM	**1,407**	**1,675**	**1,692**	**1,692**	**1,692**	877	798	1,016	676	874	818
Brand Distribution	158	-	-	-	-	-	-				
Others	**17**	**25**	**29**	**30**	**32**	**10**	**15**	**13**	**16**	13	17
Total	4,327	5,245	6,607	7,921	9,417	2,427	2,818	3,221	3,386	3,736	4,185
					7,378						

YoY

	2023	2024	2025E	2026E	2027E	1H24	2H24	1H25	2H25E	1H26E	2H26E
Revenue	27.4%	21.2%	26.0%	19.9%	18.9%	17.5%	24.6%	32.7%	20.2%	16.0%	23.6%
Self-owned brands	**34.2%**	**29.1%**	**37.8%**	**26.9%**	**24.1%**	**24.6%**	**32.8%**	**42.4%**	**34.3%**	30.0%	**24.3%**
OEM/ODM	**18.0%**	**19.1%**	1.0%	0.0%	0.0%	**24.7%**	**13.5%**	**15.8%**	**-15.3%**	-14.0%	**21.0%**
Brand Distribution	12.5%	-100.0%	n/a	n/a	n/a	-100.0%	-100.0%				
Others	**-9.3%**	**49.4%**	15.0%	5.0%	5.0%	**31.7%**	**64.9%**	**25.6%**	**7.6%**	0.0%	**9.1%**
Total	27.4%	21.2%	26.0%	19.9%	18.9%	17.5%	24.6%	32.7%	20.2%	16.0%	23.6%

Source: Company data, Jefferies estimates. Note: Half year by business model are Jefferies estimates only as there is no interim breakdown by sales model

Figure 4 - Key assumptions on GPM & Selling expense

Gpm growth driver

	2023	2024	2025E	2026E	2027E	1H24	2H24	1H25	2H25E	1H26E	2H26E
Gross profit	1,594	2,217	2,846	3,441	4,229	1,020	1,196	1,378	1,469	1,619	1,823
Self-owned brands	**1,119**	**1,653**	**2,330**	**3,009**	**3,796**	724	930	1,052	1,278	1,396	1,613
OEM/ODM	**429**	**556**	**508**	**423**	**423**	294	262	322	186	218	205
Brand Distribution	40	-	-	-	-	-	-	-	-		
Others	**7**	**8**	**9**	**9**	**9**	3	4	4	5	4	5
Total	1,594	2,217	2,846	3,441	4,229	1,020	1,196	1,378	1,469		

	2023	2024	2025E	2026E	2027E	1H24	2H24	1H25	2H25E	1H26E	2H26E
Gpm	36.8%	42.3%	43.1%	43.4%	44.9%	42.1%	42.5%	42.8%	43.4%	43.3%	43.6%
Self-owned brands	**40.8%**	**46.6%**	**47.7%**	**48.5%**	**49.3%**	47.0%	46.4%	48.0%	47.4%	49.0%	48.2%
OEM/ODM	**30.5%**	**33.2%**	*30.0%*	*25.0%*	*25.0%*	33.5%	32.9%	31.7%	27.5%	25.0%	25.0%
Brand Distribution	25.0%	0.0%	n/a	n/a	n/a						
Others	**39.1%**	**30.3%**	30.0%	30.0%	30.0%	31.7%	29.3%	30.5%	29.6%	30.0%	30.0%
Total	36.8%	42.3%	43.1%	43.4%	44.9%						
Selling expense	721	1,055	1,515	1,866	2,308	462	593	680	835	855	1,011
Selling expense ratio	16.7%	20.1%	22.9%	23.6%	24.5%	19.0%	21.0%	21.1%	24.6%	22.9%	24.2%
Selling expense of self-owned brands' sales	26.3%	29.8%	31.0%	30.1%	30.0%	30.0%	29.6%	31.0%	31.0%	30.0%	30.2%

Source: Company data, Jefferies estimates. Note: Half year by business model are Jefferies estimates only as there is no interim breakdown by sales model

Figure 5 - JEF forecast vs market consensus

	Jefferies			Consensus			Difference		
CNYmn	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Sales	6,607	7,921	9,417	6,540	7,978	9,655	1.0%	-0.7%	-2.5%
Net profit	678	797	997	672.6	823.5	1,014.0	0.8%	-3.2%	-1.6%

Source: WIND, Jefferies estimates

Figure 6 - Forecast change

RMBm	New			Old			Changes		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Revenue	6,607	7,921	9,417	6,670	8,189	9,866	-1.0%	-3.3%	-4.5%
Gross profit	2,846	3,441	4,229	2,879	3,629	4,492	-1.1%	-5.2%	-5.8%
EBIT	864	1,028	1,283	892	1,156	1,468	-3.2%	-11.1%	-12.6%
Net profit	678	797	997	700	896	1,140	-3.1%	-11.0%	-12.5%
Gross margin	43.1%	43.4%	44.9%	43.2%	44.3%	45.5%	-0.1%	-0.9%	-0.6%
EBIT margin	13.1%	13.0%	13.6%	13.4%	14.1%	14.9%	-0.3%	-1.1%	-1.3%
Net margin	10.3%	10.1%	10.6%	10.5%	10.9%	11.6%	-0.2%	-0.9%	-1.0%
YoY growth									
Revenue	26.0%	19.9%	18.9%	27.2%	22.8%	20.5%	-1.2%	-2.9%	-1.6%
EBIT	11.3%	19.0%	24.8%	14.9%	29.6%	27.0%	-3.6%	-10.6%	-2.2%
Net profit	8.5%	17.6%	25.1%	12.0%	28.0%	27.3%	-3.5%	-10.4%	-2.2%

Source: Jefferies estimates

We would like to thank Zhaochen Zhang, employee of Evalueserve Inc., for providing research support services to our preparation of this report.

Company Description

Gambol Pet

Gambol Pet is a leading company in the pet food business in China. The company's major products are staple food, treat, and nutrition for dogs and cats, including self-owned brands in China and OEMs for overseas markets. Gambol Pet was established in 2006 and was listed on the Shenzhen Stock Exchange in 2023.

Company Valuation/Risks

Gambol Pet

Our primary valuation methodology is DCF, employing a WACC of 9.5%, including COE of 9.5%, beta of 1, and terminal growth rate of 2.0% (TGR is in line with our range of 0-3% set for China consumer stocks). Industry risks include international trade policy risk, intensifying market competition, and raw material cost inflation. Company risks include slower-than-expected capacity construction/utilization, loss of large clients, food safety issues, and unfavorable FX impact.

Walmart Inc.

Our $145 PT is based on a blended average of F'28E EPS of $3.21; ~45.5x P/E, ~23x EV/EBITDA. Risks include grocery price investment/ competition, continued fulfillment investment/inability to improve e-commerce margins, failure to capture margin expansion from higher-margin revenue streams (e.g., advertising, 3P marketplace), and inflation/deflation swings (including wage inflation/investments).

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(Article 3(1)e and Article 7 of MAR)

Recommendation Published	March 19, 2026 8:51 A.M.
Recommendation Distributed	March 19, 2026 8:51 A.M.

Company Specific Disclosures

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Buy - Describes securities that we expect to provide a total return (price appreciation plus yield) of 15% or more within a 12-month period.

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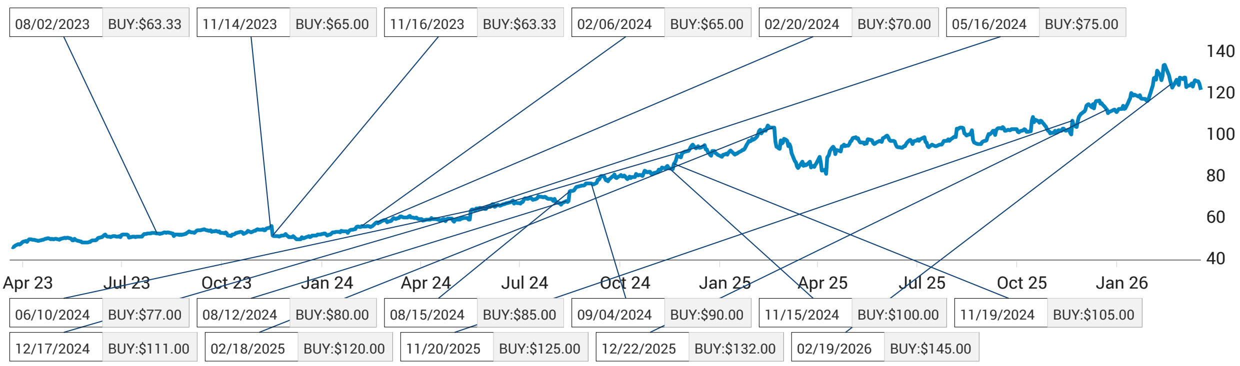
Other Companies Mentioned in This Report

- Walmart Inc. (WMT: $121.98, BUY)

Rating and Price Target History for: Gambol Pet Group Co.,Ltd. (301498 CH) as of 03-18-2026

Rating and Price Target History for: Walmart Inc. (WMT) as of 03-18-2026



Notes: Each box in the Rating and Price Target History chart above represents actions over the past three years in which an analyst initiated on a company, made a change to a rating or price target of a company or discontinued coverage of a company.

Legend:

I: Initiating Coverage

D: Dropped Coverage

B: Buy

H: Hold

UP: Underperform

Distribution of Ratings

			IB Serv./Past12 Mos.		JIL Mkt Serv./Past12 Mos.	
	Count	Percent	Count	Percent	Count	Percent
BUY	2159	61.51%	365	16.91%	107	4.96%
HOLD	1189	33.87%	99	8.33%	16	1.35%
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Other Important Disclosures

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