CHINA CONSUMER STAPLES

Pork: 2Q26 preview: Earnings headwinds; lowering packaged meat in China; elevated costs overseas

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We expect WH Group's OP growth to turn soft into 2Q26 at HSD% yoy OP decline, bringing 1H26 yoy down to broadly flattish, specifically:

1) China business (also Shuanghui):, we expect a decline in OP at 11% yoy due to the lowering unit profits (-13% yoy) for packaged meat business to drive volume growth of 2%. Hog production remains soft on top of dropping hog prices, albeit showing narrowing losses versus 1Q thanks to the Company's operation improvement.

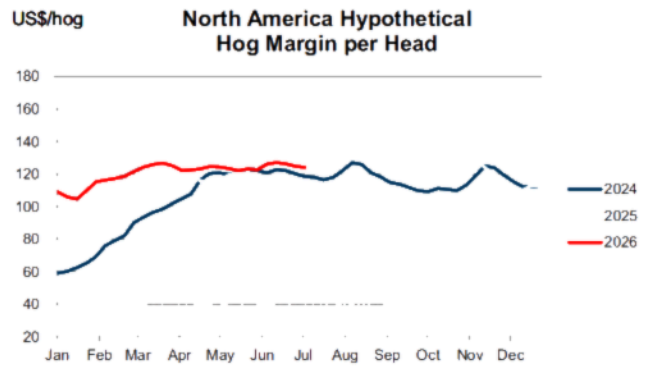
2) International business: our US team hosted SFD mgmt meeting on 12 Jun, highlighting elevated costs for beef and freight/diesel costs for packaged meat, but hog production remains in a supportive commodity backdrop. We present hypothetical trackers in Exhibit 1 & Exhibit 2. **Europe business:** was seeing major headwinds at high-DD% yoy decline, given tough base for hog production business, meanwhile packaged meats in Europe continues to be strong at DD% yoy growth.

Looking into 2H26, while current consumer backdrop stays mixed, we highlight Company's flexibility to control packaged meat promotions in China and improvement across its cost structure in US business. With hog prices to be stabilized, hog business in Europe would show narrowing losses from 3Q26.

We adjust our NI for WH Group/Shuanghui by -2% to 1%/ -9% to -10% for softer 2Q26, but we still look for a broadly stable full year OP yoy and high dividend yield at 7%. For WH Group, we lowered our TP from HK$11.8 to HK$11.1 on updated earnings, but unchanged SOTP methodology. We maintain Neutral on Shuanghui on fair valuation, with a 12m TP at Rmb25.0 (prior Rmb27.0) while maintaining target multiple unchanged at 17X 2026PE.

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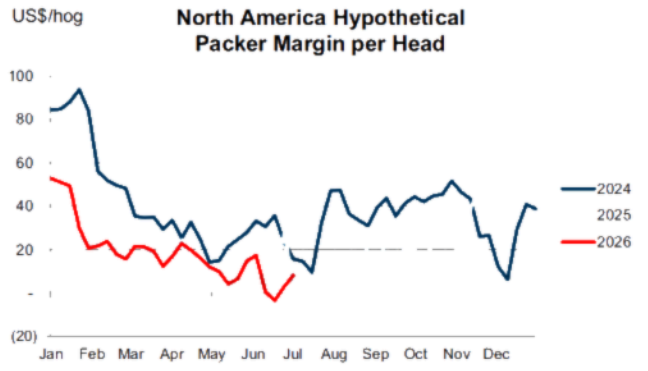
Exhibit 1: North America Hypothetical Hog Margin per Head



Hog Margin is calculated by 1) Mixed Feed Cost (10 bu corn + 150 lb soybean meal per head), subtracted by 2) North America live hog prices

Source: Bloomberg, Goldman Sachs Global Investment Research

Exhibit 2: North America Hypothetical Packer Margin per Head



Packer Margin is calculated by 1) Revenue per Hog, subtracted by 2) Cost per Hog

Source: Bloomberg, Goldman Sachs Global Investment Research

Exhibit 3: WH Group Earnings Summary

WH Group (USD mn)																				
Consolidated P&L (US$mn)	FY2022 Dec-22	FY2023 Dec-23	FY2024 Dec-24	FY2025 Dec-25	FY2026E Dec-26	FY2027E Dec-27	FY2028E Dec-28	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E
Revenue	28,136	26,236	25,941	28,026	29,502	30,257	31,241	6,745	6,375	6,658	6,459	6,182	6,113	6,835	6,810	6,554	6,836	7,306	7,330	6,994	7,068	7,507	7,679
Underlying EBIT (excl. bio adj.)	2,093	1,471	2,404	2,612	2,577	2,544	2,582	366	277	405	424	501	634	641	629	598	661	667	686	643	598	632	704
Underlying NPAT (excl. bio adj.)	1,401	604	1,464	1,591	1,559	1,567	1,622	174	211	184	35	301	389	391	383	364	401	401	425	396	363	401	412
Net one-offs	114	67	53	(26)	(25)	(25)	(24)						-87				121%						
Adj. underlying NPAT (excl. bio adj.)	1,288	537	1,411	1,617	1,584	1,592	1,646						302										
YoY Growth %																							
Sales	3%	-7%	-1%	8%	5%	3%	3%	2.9%	-6.9%	-8.9%	-13.1%	-8.3%	-4.1%	2.7%	5.4%	6.0%	11.8%	6.9%	7.6%	6.7%	3.4%	2.8%	4.8%
EBIT	6%	-30%	63%	9%	-1%	-1%	1%	-43%	-52%	-7%	-5%	37%	129%	58%	48%	19%	4%	4%	9%	8%	-9%	-5%	3%
EBITDA	9%	-27%	40%	7%	-4%	-2%	1%																
Underlying NPAT (excl bio adj.)	34%	-57%	142%	9%	-2%	0%	3%	-56%	-30%	-15%	-93%	73%	84%	113%	994%	21%	3%	3%	11%	9%	-10%	0%	-3%
Margins																							
EBIT	7.4%	5.6%	9.3%	9.3%	8.7%	8.4%	8.3%	5.4%	4.3%	6.1%	6.6%	8.1%	10.4%	9.4%	9.2%	9.1%	9.7%	9.1%	9.4%	9.2%	8.5%	8.4%	9.2%
USD mn China Operations	FY2022 Dec-22	FY2023 Dec-23	FY2024 Dec-24	FY2025 Dec-25	FY2026E Dec-26	FY2027E Dec-27	FY2028E Dec-28	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E
Segment revenue																							
Packaged meats	4,009	3,697	3,409	3,246	3,378	3,294	3,277	1,030	930	973	764	935	762	944	768	759	772	937	778	913	780	942	743
Fresh pork	4,415	3,805	3,799	3,761	4,062	4,062	4,062	1,020	961	948	876	835	821	1,062	1,081	919	873	973	996	899	809	1,158	1,196
Others	1,112	1,246	1,210	1,482	1,629	1,790	1,968	271	277	331	308	255	289	326	339	325	367	384	405	361	407	407	453
Total	9,536	8,748	8,418	8,489	9,068	9,145	9,307	2,321	2,168	2,252	2,008	2,025	1,872	2,332	2,189	2,003	2,012	2,294	2,179	2,173	1,996	2,507	2,392
Segment profit																							
Packaged meats	910	879	924	891	882	824	809	238	215	242	184	262	198	264	200	203	208	278	202	256	199	254	174
Fresh pork	100	104	73	57	56	56	56	53	17	25	9	17	26	14	16	19	13	8	17	19	9	15	13
Others	30	(35)	(54)	(14)	(34)	(34)	(34)	-11	7	1	-33	-28	-33	10	-2	-7	-1	3	-9	-23	-9	-9	6
Total	1,040	948	943	934	904	846	832	280	240	268	160	251	191	288	214	215	220	289	210	251	199	261	193
YoY Growth																							
Total Sales	-9%	-8%	-4%	1%	7%	1%	2%	5.4%	0.0%	-9.1%	-25.4%	-12.7%	-13.6%	3.6%	9.0%	-1.1%	7.5%	-1.6%	-0.4%	8.5%	-0.8%	9.2%	9.8%
EBIT	12%	-9%	-1%	-1%	-3%	-6%	-2%	-7.7%	3.0%	11.4%	-39.2%	-10.5%	-20.5%	7.3%	33.7%	-14.3%	15.2%	0.4%	-1.5%	16.7%	-9.2%	-9.8%	-8.3%
Margin																							
EBIT	10.9%	10.8%	11.2%	11.0%	10.0%	9.2%	8.9%	12.1%	11.1%	11.9%	8.0%	12.4%	10.2%	12.3%	9.8%	10.7%	10.9%	12.6%	9.7%	11.6%	10.0%	10.4%	8.1%
Packaged meats	22.7%	23.8%	27.1%	27.4%	26.1%	25.0%	24.7%	23.1%	23.1%	24.9%	24.1%	28.0%	26.0%	28.0%	26.0%	26.7%	26.9%	29.7%	26.0%	27.9%	25.5%	27.0%	23.4%
Fresh pork	2.3%	2.7%	1.9%	1.5%	1.4%	1.4%	1.4%	5.2%	1.8%	2.6%	1.0%	2.0%	3.2%	1.3%	1.5%	2.1%	1.5%	0.8%	1.7%	2.1%	1.1%	1.3%	1.1%
USD mn US and International	FY2022 Dec-22	FY2023 Dec-23	FY2024 Dec-24	FY2025 Dec-25	FY2026E Dec-26	FY2027E Dec-27	FY2028E Dec-28	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E
Segment revenue																							
Hog production	4,456	3,317	3,002	3,003	3,210	3,182	3,182	587	881	815	1,035	540	810	778	874	438	643	619	1,303	439	796	831	814
Packaged meats	9,260	8,279	8,317	8,754	8,956	9,090	9,273	2,076	1,871	1,928	2,404	1,999	1,944	1,916	2,456	2,023	2,079	2,089	2,563	2,148	2,208	2,068	2,532
Fresh pork	5,568	5,189	4,935	5,986	5,464	5,548	5,658	1,443	1,310	1,460	977	1,241	1,207	1,423	1,064	1,563	1,507	1,664	1,251	1,477	1,366	1,442	1,180
International & Others	3,479	4,193	4,508	5,039	5,542	6,097	6,707	964	1,060	1,050	1,039	987	1,128	1,230	1,163	1,074	1,358	1,394	1,213	1,358	1,494	1,464	1,226
Less: intersegment sales	(4,163)	(3,400)	(3,239)	(3,245)	(2,754)	(2,805)	(2,886)	(635)	(915)	(848)	(1,003)	(810)	(849)	(843)	(937)	(547)	(763)	(755)	(1,179)	(601)	(792)	(804)	(466)
Total consolidated	18,600	17,488	17,523	19,537	20,418	21,111	21,934	4,424	4,207	4,406	4,451	4,157	4,241	4,503	4,622	4,551	4,824	5,011	5,151	4,821	5,071	5,001	5,286
Segment profit					1.7%																1%	0.03	0.06
Hog production	-133	-754	-94	227	231	166	156	(271)	(271)	(82)	(130)	(173)	9	59	11	17	22	103	85	14	59	91	68
Packaged meats	1,058	1,072	1,174	1,097	1,113	1,167	1,195	301	277	187	307	288	326	240	320	266	303	227	301	278	281	234	320
Fresh pork	90	130	264	217	223	238	247	53	(6)	28	57	111	48	26	80	76	48	9	84	84	36	16	87
International & Others	113	193	274	285	195	217	241	23	60	54	56	59	90	76	49	53	96	72	84	45	51	63	35
Total	1,128	641	1,618	1,826	1,762	1,787	1,840	106	59	185	290	285	473	401	459	412	469	411	534	421	427	404	510
																		7%	15%	2%	-10%	-2%	7%
					-3.5%													0.94737	1.31				
YoY Growth																							
Sales	10.9%	4.0%	0.2%	11.5%	4.5%	3.4%	3.9%	1.6%	-10.0%	-8.8%	-6.1%	4.0%	0.8%	2.2%	3.8%	9.5%	13.7%	11.3%	11.4%	5.9%	5.1%	-0.2%	2.6%
Operating profit	1.6%	-50.3%	179.3%	14.9%	-0.3%	1.5%	3.1%	-74.8%	-90.0%	-30.3%	46.1%	192.5%	1221.2%	158.2%	55.3%	53.2%	-0.5%	7.2%	14.8%	2.3%	-9.6%	-1.9%	7.4%

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 4: WH Group New vs Old

WH Group
(USD mn)

Consolidated P&L (US$mn)	New forecast 2026E	New forecast 2027E	New forecast 2028E	Old forecast 2026E	Old forecast 2027E	Old forecast 2028E	% Chg 2026E	% Chg 2027E	% Chg 2028E
Revenue	29,502	30,257	31,241	29,502	30,257	31,241	0%	0%	0%
Cost of sales	-24,595	-25,326	-26,177	-24,495	-25,222	-26,067	0%	0%	0%
Underlying GP (excl. bio adj.)	4,907	4,931	5,064	5,006	5,035	5,174	-2%	-2%	-2%
SG&A	-2,418	-2,483	-2,564	-2,342	-2,400	-2,475	3%	3%	4%
Other Operating Income / (expenses)	69	70	70	69	70	70	0%	0%	0%
Reported EBIT (excl. bio adj.)	**2,577**	**2,544**	**2,582**	**2,753**	**2,731**	**2,782**	**-6%**	**-7%**	**-7%**
Underlying EBITDA	3,223	3,174	3,193	3,399	3,361	3,393	-5%	-6%	-6%
Underlying PBT (excl. bio adj.)	2,516	2,499	2,538	2,478	2,467	2,542	2%	1%	0%
Income tax	-566	-556	-543	-538	-527	-560	5%	6%	-3%
Underlying PAT (excl. bio adj.)	1,950	1,943	1,996	1,940	1,940	1,982	1%	0%	1%
Minority interests	-391	-376	-374	-360	-344	-373	9%	9%	0%
Underlying NPAT (excl. bio adj.)	**1,559**	**1,567**	**1,622**	**1,580**	**1,596**	**1,609**	**-1.3%**	**-1.8%**	**0.8%**
Margins							**ppt**	**ppt**	**ppt**
GP	16.6%	16.3%	16.2%	17.0%	16.6%	16.6%	-0.3%	-0.3%	-0.4%
EBIT	8.7%	8.3%	8.2%	9.3%	8.9%	8.9%	-0.6%	-0.6%	-0.6%
EBITDA	10.9%	10.5%	10.2%	11.5%	11.1%	10.9%	-0.6%	-0.6%	-0.6%
Recurring NPAT (excl. bio. adj.)	5.4%	5.3%	5.3%	5.4%	5.4%	5.2%	-0.1%	-0.1%	0.0%
Effective tax rate (%)	-23%	-23%	-21%	-22%	-22%	-22%	-0.8%	-0.9%	0.7%

USD mn China Operations	New forecast 2026E	New forecast 2027E	New forecast 2028E	Old forecast 2026E	Old forecast 2027E	Old forecast 2028E	% Chg 2026E	% Chg 2027E	% Chg 2028E
Operating metrics									
Slaughter volume (k heads)	14,453	14,453	14,453	14,453	14,453	14,453	0%	0%	0%
Packaged meats sales volume (k ton)	1,431	1,403	1,403	1,431	1,403	1,403	0%	0%	0%
Fresh pork sales volume (k ton)	1,712	1,712	1,712	1,712	1,712	1,712	0%	0%	0%
Packaged meat Profit/Ton (RMB)	4,408	4,200	4,126	4,695	4,486	4,410	-6%	-6%	-6%
Fresh pork Profit/Hog (RMB)	237	237	237	237	237	237	0%	0%	0%
Segment revenue									
Packaged meats	3,378	3,294	3,277	3,378	3,294	3,277	0%	0%	0%
Fresh pork	4,062	4,062	4,062	4,062	4,062	4,062	0%	0%	0%
Others	1,629	1,790	1,968	1,629	1,790	1,968	0%	0%	0%
Total	9,068	9,145	9,307	9,068	9,145	9,307	0%	0%	0%
Segment profit									
Packaged meats	882	824	809	940	880	865	-6%	-6%	-6%
Fresh pork	56	56	56	56	56	56	0%	0%	0%
Others	(34)	(34)	(34)	(15)	(13)	(11)	122%	155%	211%
Total	**904**	**846**	**832**	**980**	**922**	**910**	**-7.8%**	**-8.3%**	**-8.6%**
Margin									
EBIT	10.0%	9.2%	8.9%	10.8%	10.1%	9.8%	-0.8ppt	-0.8ppt	-0.8ppt

USD mn US Operations	New forecast 2026E	New forecast 2027E	New forecast 2028E	Old forecast 2026E	Old forecast 2027E	Old forecast 2028E	% Chg 2026E	% Chg 2027E	% Chg 2028E
Operating metrics									
Fresh pork profit / hog (US$)	7.93	8.42	8.70	7.93	8.42	8.70	0.0%	0.0%	0.0%
Packaged meats profit / pound (US$)	0.39	0.41	0.42	0.39	0.41	0.42	0.0%	0.0%	0.0%
Hog production profit / hog (US$)	21.0	15.0	14.2	21.0	15.0	14.2	0.0%	0.0%	0.0%
International OP margin (%)	4.1%	4.1%	4.2%	6.2%	6.2%	6.3%	-210bps	-210bps	-210bps
Segment revenue									
Hog production	3,210	3,182	3,182	3,210	3,182	3,182	0.0%	0.0%	0.0%
Packaged meats	8,956	9,090	9,273	8,956	9,090	9,273	0.0%	0.0%	0.0%
Fresh pork	5,464	5,546	5,658	5,464	5,546	5,658	0.0%	0.0%	0.0%
International & Others	5,543	6,097	6,707	5,543	6,097	6,707	0.0%	0.0%	0.0%
Less: intersegment sales	-3,356	-3,413	-3,500	-3,356	-3,413	-3,500	0.0%	0.0%	0.0%
Total consolidated	**19,816**	**20,503**	**21,320**	**19,816**	**20,503**	**21,320**	**0.0%**	**0.0%**	**0.0%**
Segment profit									
Hog production	231	166	156	231	166	156	0.0%	0.0%	0.0%
Packaged meats	1,113	1,167	1,195	1,113	1,167	1,195	0.0%	0.0%	0.0%
Fresh pork	223	238	247	223	238	247	0.0%	0.0%	0.0%
International & Others	195	217	241	294	327	362	n.m.	n.m.	n.m.
Total	**1,762**	**1,787**	**1,840**	**1,862**	**1,897**	**1,960**	**-5.4%**	**-5.8%**	**-6.2%**
Total segment with corporate expenses	**1,673**	**1,698**	**1,751**	**1,773**	**1,808**	**1,871**	**-5.6%**	**-6.1%**	**-6.5%**
Margin							**ppt**	**ppt**	**ppt**
EBIT	8.2%	8.0%	8.0%	8.7%	8.6%	8.5%	-0.5ppt	-0.5ppt	-0.6ppt
Packaged meat	12.4%	12.8%	12.9%	12.4%	12.8%	12.9%	0.0ppt	0.0ppt	0.0ppt
Fresh pork	4.1%	4.3%	4.4%	4.1%	4.3%	4.4%	0.0ppt	0.0ppt	0.0ppt

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 5: Shuanghui New vs old

Shuanghui New vs. Old	New forecast			Old forecast			Change		
Divisional P/L (Rmb mn)	**FY26E**	**FY27E**	**FY28E**	**FY26E**	**FY27E**	**FY28E**	**FY26E**	**FY27E**	**FY28E**
Revenues (external only)									
Meat products	24,656	24,042	23,921	25,009	24,387	24,265	-1.4%	-1.4%	-1.4%
HTMP	17,174	16,779	16,729	17,174	16,779	16,729	0.0%	0.0%	0.0%
LTMP	7,481	7,263	7,193	7,835	7,608	7,536	-4.5%	-4.5%	-4.6%
Fresh and frozen pork	26,600	26,600	26,600	26,600	26,600	26,600	0.0%	0.0%	0.0%
Others	13,269	14,596	16,056	13,269	14,596	16,056	0.0%	0.0%	0.0%
Operating Profit									
Meat products	6,428	6,002	5,896	6,946	6,503	6,393	-7.4%	-7.7%	-7.8%
Fresh and frozen pork	325	325	325	325	325	325	0.0%	0.0%	0.0%
Others	-203	-202	-198	-88	-75	-58	n.m	n.m	n.m
Total OP	**6,550**	**6,125**	**6,023**	**7,183**	**6,753**	**6,660**	**-8.8%**	**-9.3%**	**-9.6%**
Unallocated	(26)	(26)	(26)	(26)	(26)	(26)	0.0%	0.0%	0.0%
Group OP (reported, including interest)	**6,524**	**6,099**	**5,997**	**7,157**	**6,727**	**6,634**	**-8.8%**	**-9.3%**	**-9.6%**
Margins									
Operating Profit									
Meat products	26%	25%	25%	28%	27%	26%	-1.7ppt	-1.7ppt	-1.7ppt
Fresh and frozen pork	1%	1%	1%	1%	1%	1%	0.0ppt	0.0ppt	0.0ppt
Others	-2%	-1%	-1%	-1%	-1%	0%	-0.9ppt	-0.9ppt	-0.9ppt
Fresh pork profit per ton	190.0	190.0	190.0	190.0	190.0	190.0	0.0%	0.0%	0.0%
Packaged meat profit per ton	4,519.6	4,305.8	4,229.6	4,814.2	4,599.0	4,521.4	-6.1%	-6.4%	-6.5%
Consolidated P/L (Rmb mn)									
Revenue	64,525	65,238	66,577	64,878	65,583	66,920	-0.5%	-0.5%	-0.5%
COGS	(53,001)	(54,153)	(55,548)	(53,222)	(54,372)	(55,766)	-0.4%	-0.4%	-0.4%
GP	**11,523**	**11,084**	**11,029**	**11,657**	**11,211**	**11,154**	**-1.1%**	**-1.1%**	**-1.1%**
Operating surcharges	(408)	(413)	(421)	(411)	(415)	(423)	-0.5%	-0.5%	-0.5%
SG&A (excl. other rev/exp)	(4,332)	(4,313)	(4,352)	(3,830)	(3,810)	(3,838)	13.1%	13.2%	13.4%
Selling Exp.	(2,832)	(2,862)	(2,938)	(2,322)	(2,351)	(2,416)	22.0%	21.7%	21.6%
Admin Exp.	(1,500)	(1,451)	(1,415)	(1,508)	(1,459)	(1,422)	-0.5%	-0.5%	-0.5%
OP	**6,783**	**6,358**	**6,256**	**7,416**	**6,986**	**6,893**	**-8.5%**	**-9.0%**	**-9.2%**
EBIT	**6,524**	**6,099**	**5,997**	**7,157**	**6,727**	**6,634**	**-8.8%**	**-9.3%**	**-9.6%**
D&A	(1,595)	(1,654)	(1,710)	(1,595)	(1,654)	(1,710)	0.0%	0.0%	0.0%
EBITDA	**8,378**	**8,012**	**7,966**	**9,011**	**8,640**	**8,603**	**-7.0%**	**-7.3%**	**-7.4%**
Other Non-Op Income	3	3	3	3	3	3	0.0%	0.0%	0.0%
Profit Before Tax	**6,527**	**6,102**	**6,000**	**7,160**	**6,730**	**6,637**	**-8.8%**	**-9.3%**	**-9.6%**
Tax	(1,480)	(1,383)	(1,360)	(1,623)	(1,526)	(1,504)	-8.8%	-9.3%	-9.6%
Minority Interest	(54)	(51)	(50)	(59)	(56)	(55)	-8.8%	-9.3%	-9.6%
NPAT Attributable to S/holders	**4,993**	**4,668**	**4,590**	**5,477**	**5,148**	**5,077**	**-8.8%**	**-9.3%**	**-9.6%**
One-off's after tax	-	-	-	-	-	-			
Recurring NPAT	**4,993**	**4,668**	**4,590**	**5,477**	**5,148**	**5,077**	**-8.8%**	**-9.3%**	**-9.6%**
EPS - Basic (Rmb/Sh)	1.44	1.35	1.32	1.58	1.49	1.47	-8.8%	-9.3%	-9.6%
EPS - Diluted (Rmb/Sh)	1.44	1.35	1.32	1.58	1.49	1.47	-8.8%	-9.3%	-9.6%
Margins									
GP margin	17.9%	17.0%	16.6%	18.0%	17.1%	16.7%	-0.1ppt	-0.1ppt	-0.1ppt
Operating profit (GP less SG&A)	10.5%	9.7%	9.4%	11.4%	10.7%	10.3%	-0.9ppt	-0.9ppt	-0.9ppt
EBIT margin	10.1%	9.3%	9.0%	11.0%	10.3%	9.9%	-0.9ppt	-0.9ppt	-0.9ppt
Reported NPAT margin	7.7%	7.2%	6.9%	8.4%	7.9%	7.6%	-0.7ppt	-0.7ppt	-0.7ppt
SG&A/Sales	-6.7%	-6.6%	-6.5%	-5.9%	-5.8%	-5.7%	-0.8ppt	-0.8ppt	-0.8ppt
Effective Tax Rate	-23%	-23%	-23%	-23%	-23%	-23%	0.0ppt	0.0ppt	0.0ppt

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 6: WH SOTP valuation methodology

USD	%	Valuation	To WH	USD/sh	HKD/sh	% Val	Comment
Sum of parts	owned	USD mn	USD mn				
Shuanghui	70%	11,114	7,816	0.6	4.7	38%	GS target valuation
Smithfield	87%	13,029	11,335	0.9	6.9	56%	GS target valuation
Europe business	99%	1,222	1,215	0.1	0.7	6%	7x 2025E P/E
NAV (pre holdco discount)			**20,367**	**1.6**	**12.4**	**100%**	
Less Holdco discount	-10%		(2,037)	(0.2)	(1.2)	-10%	
NAV			**18,330**	**1.4**	**11.1**		

Source: Company data, Goldman Sachs Global Investment Research

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Price target, risks and methodology - WH Group

Our 12m TP of HK$11.1/sh is based on a SOTP, with 1) the US business SFD using the US team's valuation based on a risk-reward framework with target downside/base/upside EV/EBITDA of 7.0x/8.0x/8.5x; 2) China business P/E valuation at 17x; 3) European business at 2026E P/E at 7x, and applying a NAV discount of 9%. Key downside risks: **1) US business** (per our US team)**: Topline:** A slowdown in economic activity which could lead to a reduction of consumer spending, resulting in lower demand; shifts in consumption trends away from protein/pork or value-added options; lower-than-expected demand for US pork in the global market; **Margin:** Margin pressure from increased promotional spending; higher raw material costs; changes in regulation which could result in higher costs; labor shortages or wage cost pressure; retaliatory tariffs; and loss of sales or higher costs related to an outbreak of food-borne illnesses or diseases among livestock; **2) China business: Volatility in live hog prices, higher-than-expected corn prices in US/China to put pressure on Shuanghui pork and packaged meat margins:** Potential inflation risks in commodities incl. soybean, corn, and pork in China with US/China imposing tariffs on imports; **3) Food safety issues:** Any repeat of food safety issues could largely impact the trust of consumers in the brand and WH Group's financials negatively.

Price target, risks and methodology - Henan Shuanghui

Our 12-m TP of Rmb25.0 is based on 17X 2026PE. Key Risks: 1) Less intense/more intense competition in packaged meat; 2) Stronger/weaker demand for fresh pork/packaged meat from end markets; 3) Faster/slower progress of upstream business ramp up.