Fast Take

Zijin Gold International

HEADLINE

Miss; H126 profit alert at US1.4bn (+169% YoY),imply Q2 at US0.6bn(-27% QoQ),below UBSe/cons US0.8bn

OUR TAKE

1H volume 27t (excl. Porgera), implying Q2 volume at c.14t. 1H vol accounts for 48% of FY guidance. The weaker Q2 earnings were mainly due to royalty-driven cost inflation and higher D&A following consolidation of newly acquired mines.

Equities

Hong Kong
Precious Metals

12-month rating	**Buy ***
12m price target	**HK$203.00**
Price (09 Jul 2026)	**HK$99.70**

RIC: 2259.HK **BBG:** 2259 HK

Trading data and key metrics

52-wk range	HK$253.20-88.50
Market cap.	HK$262b/US$33.4b
Shares o/s	2,624m (ORD)
Free float	100%
Avg. daily volume ('000)	7,638
Avg. daily value (m)	HK$994.3
Common s/h equity (12/26E)	US$10.4b
P/BV (12/26E)	3.3x
Net debt to EBITDA (12/26E)	NM

EPS (UBS, diluted) (US$)

	UBS	Cons.
12/26E	1.13	1.39
12/27E	1.30	1.58
12/28E	1.32	1.70

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Highlights (US$m)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Revenues	2,262	2,990	5,383	8,402	9,583	10,836	10,570	10,192
EBIT (UBS)	471	993	2,623	4,894	5,590	5,723	5,108	4,376
Net earnings (UBS)	230	481	1,602	3,025	3,469	3,532	3,245	2,899
EPS (UBS, diluted) (US$)	0.10	0.21	0.60	1.13	1.30	1.32	1.21	1.08
DPS (net) (US$)	0.00	0.00	0.19	0.36	0.42	0.43	0.39	0.35
Net (debt) / cash	(494)	(370)	3,035	4,892	7,319	8,334	9,639	11,016

Profitability/valuation	12/23	12/24	12/25	12/26E	12/27E	12/28E
EBIT (UBS) margin %	20.8	33.2	48.7	58.3	58.3	52.8
ROIC (EBIT) %	15.9	31.4	58.7	81.1	84.1	72.6
EV/EBITDA (UBS core) x	-	-	13.5	5.1	4.2	3.9
P/E (UBS, diluted) x	-	-	30.0	11.3	9.8	9.6
Equity FCF (UBS) yield %	-	-	3.8	8.6	10.8	7.0
Dividend yield (net) %	-	-	1.1	2.9	3.3	3.3

Source: Company accounts, LSEG Eikon, UBS estimates. Metrics marked as (UBS) have had analyst adjustments applied. Valuations: based on an average share price tha
price of HK$ 99.70 on 09-Jul-2026

This report has been prepared by UBS Securities Asia Limited. * Exception to core rating bands; See Required
**ANALYST CERTIFICATION AND REQUIRED DISCLOSURES, INCLUDING INFORMATION ON THE QUANT
REVIEW PUBLISHED BY UBS, BEGIN ON PAGE 3.**



Forecast returns

Forecast price appreciation	103.6%
Forecast dividend yield	2.9%
Forecast stock return	106.5%
Market return assumption	8.1%
Forecast excess return	98.3%

Company Description

Zijin Gold International is a subsidiary of Zijin Mining Group, the spin-off of its overseas gold business. Zijin Gold International's principal businesses are gold exploration, mining, processing and sales. Its major products are gold bullion, gold alloy and gold concentrate. Zijin Gold International focuses on the mining and development of quality global assets.

Valuation Method and Risk Statement

Our price target for Zijin Gold is based on PE methodology. We believe upside risks include better-than-expected gold prices and higher-than-expected production volumes. Downside risks include weaker-than-expected gold prices if the Fed continues to implement tighter-than-expected monetary policy, and worse-than-expected progress of expansion plans or potential.