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Financial Performance Analysis of New Tea Industry: Taking Naixue Tea as an Example

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Abstract: The new tea industry relies on offline stores to achieve large-scale development, which has three typical characteristics: store-driven, high-frequency and low customer orders, and a sensitive supply chain. The financial performance evaluation system is obviously different from the traditional catering and Internet industries. Taking Naixue (NaiSnow), a Hong Kong-listed company, as a case study, combined with the annual report of the company from 2023 to 2024 and the public data of the industry, this paper constructs a financial performance evaluation index system suitable for the new tea industry from three dimensions: profitability, operational efficiency and growth ability, focusing on the core indicators such as the same-store sales growth rate, gross profit margin, store expansion speed and single-store profit model. The research shows that in 2024, due to the weak consumer market, intensified industry competition, fluctuations in raw material prices, and other factors, Naixue's tea performance declined in a short period of time; In the first half of 2025, enterprises achieved a recovery in performance by shutting down inefficient stores, adjusting product structure, and promoting refined operations. At this stage, the new tea industry has bid farewell to extensive scale expansion and officially entered the development stage of improving quality and efficiency. The profitability of a single store, the ability of supply chain management and control, and the repurchase rate of users will become the core competitive factors of the enterprise.

Keywords: New tea; Financial performance; Naixue tea; Store operation; Delicacy management

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1. Introduction

1.1. Research background and significance

1.1.1. Research background

In recent years, the consumption structure of Chinese residents has been continuously upgraded. With diversified products, fashionable consumption scenes, and young brand positioning, the new tea has quickly become a hot field in the catering track. New tea breaks the traditional tea business model, integrates fresh fruit, fresh milk, baking, and other categories, and relies on the offline store network to achieve a nationwide layout;

the market scale has climbed year after year. However, with the increasing number of entrants in the industry, the market competition is becoming increasingly fierce, and problems such as a fluctuating consumption environment, unstable prices of fresh raw materials, and rising operating costs of stores are superimposed. Enterprises in the industry are gradually exposed to problems such as profit differentiation, blind expansion, and insufficient efficiency of single stores.

New tea is a typical store-driven catering format, and its income, profit, and cash flow are deeply bound with store operations. It is impossible to comprehensively judge the quality of enterprise operation by relying solely on traditional financial indicators. Under this background, it is of practical reference value for the healthy development of the whole industry to construct an exclusive financial performance evaluation system and analyze the operating status of the head enterprise. Naixue (NaiSnow), as a representative enterprise of high-end new tea, was listed on the Hong Kong Stock Exchange in 2021. It adopted the differentiated model of "tea+soft European package," and successively implemented the dual-channel development strategy of direct selling and joining. It experienced a complete transformation process from high-speed store expansion to refined operation, which is a typical sample for studying the financial performance of new tea enterprises.

1.1.2. Research significance

Theoretical significance: The existing financial performance research mostly focuses on traditional manufacturing, the Internet industry, or ordinary catering enterprises, and there are few special studies on the new tea subdivision track. This paper combines the characteristics of new tea store-driven, high-frequency consumption, and a sensitive supply chain, constructs a targeted financial performance index system, and enriches the research content of financial evaluation in the field of catering segmentation.

Practical significance: Taking Naixue's tea as a case, this paper makes an empirical analysis, sorts out the advantages and problems in the process of profit, operation, and expansion, and summarizes the experience of business transformation, which can provide practical reference for new tea peer enterprises to optimize their operation strategies, control costs, rationally plan store expansion and improve financial performance.

1.2. Research contents and methods

1.2.1. Research content

This paper is divided into six parts: The first part is the introduction, which expounds the research background, significance, content and methods; The second part analyzes the overall characteristics of the new tea industry and builds an industry-specific financial performance evaluation index system; The third part analyzes the concept, calculation formula and application logic of each core financial and operational index; The fourth part takes Naixue's tea as a case, and analyzes the performance of core indicators item by item in combination with the public data from 2023 to the first half of 2025. The fifth part summarizes the research conclusions and looks forward to the future development trend of the new tea industry; The sixth part lists the references in this paper.

1.2.2. Research methods

Literature research method: combing the development report of the new tea industry and the relevant literature on the financial performance of catering enterprises, and combining the disclosure rules of annual reports of listed companies, determining the research framework and evaluation indicators.

Case analysis: Naixue's tea is selected as the core case, and in-depth analysis is carried out based on the annual report of the enterprise, the information disclosed by the Hong Kong Stock Exchange, and the public data of the industry.

Comparative analysis method: compare Naixue's tea gross profit rate, store growth rate, and other indicators with the industry average and head peers, and objectively judge its industry status and management level.

1.3. Literature review

Domestic academic research on the financial performance of the catering industry started earlier, and most of the studies used four traditional financial dimensions: profitability, solvency, operational ability, and growth ability to analyze. With the rise of new tea, some scholars began to pay attention to the tea track: some scholars pointed out that new tea is highly dependent on assets and offline, and the number of stores and the revenue of a single store directly determine the overall income of the enterprise; Some studies have also suggested that the high proportion of fresh raw materials leads to the large inventory loss of new tea enterprises and the difficulty of cost control is higher than that of traditional catering.

At present, the research on Naixue's tea mostly focuses on business model, brand marketing, joining strategy, and other directions, and the literature on in-depth analysis of special financial performance combined with industry characteristics is relatively scarce. Based on the bottom management logic of the industry, this paper combines financial data with store operation and store expansion strategy to make up for the shortcomings of existing research.

2. Characteristics of new tea industry and the construction of financial performance index system

2.1. Core business characteristics of the new tea industry

New tea is between traditional entity catering and new retail format, and its business logic is different from pure online internet industry and standardized dinner catering. It has three core characteristics and is also an important prerequisite for financial performance evaluation:

2.1.1. Store-driven development model

Offline physical stores are the core carriers for new tea enterprises to obtain customers, fulfill orders, and display brands. The mainstream growth logic of the industry is the expansion of regional encryption stores, and the growth of corporate income mainly depends on the expansion of the number of stores, rather than the substantial price increase of a single product. Store location, store number, and store operation efficiency directly determine the scale of enterprise revenue, so store-related indicators are the top priority of financial performance evaluation.

2.1.2. High-frequency low-passenger single consumption attribute

New tea belongs to mass leisure consumer goods, and the consumers are mainly young people, with high consumption frequency and low unit price per customer. Corporate profits cannot rely on a single high profit, but must rely on huge orders and users' repurchase support. Repurchase rate, daily average order volume, and single store flow become the key to measuring the viability of stores.

2.1.3. Highly sensitive supply chain

The core raw materials of new tea are fresh fruits, fresh milk, tea, coffee beans, and other fresh and agricultural products. The prices of these materials are easily affected by seasons, climate, logistics, and international commodity prices, and the prices fluctuate frequently. The cost of raw materials accounts for a high proportion of operating costs, which directly squeezes the profit space. The inventory turnover efficiency and supply chain management and control ability of enterprises directly affect the gross profit margin and the overall profit level.

2.2. Financial performance evaluation index system construction

Combining the three characteristics of the industry, abandoning the idea of single traditional financial indicators, starting from the three management levels of stock store profitability, new store expansion efficiency, and long-term development potential, dividing the three dimensions of profitability, operational efficiency, growth, and market competitiveness, and building a comprehensive evaluation index system suitable for the new tea industry. The specific classification is as follows:

2.2.1. Profitability indicators

It mainly measures the profit creation ability of enterprises and single stores, including: gross margin, net interest rate, single store EBITDA, average daily sales of single stores, and overall profit rate. This kind of index reflects the product pricing power, cost control ability, and basic profitability.

2.2.2. Operational efficiency indicators

Focus on the daily operation of the store and supply chain management, including: same-store sales growth rate, inventory turnover days, member repurchase rate. It is used to judge the vitality of stock stores, the ability to control the loss of fresh raw materials, and the stickiness of users.

2.2.3. Growth and market indicators

Measure the expansion ability of enterprises and the competitive position of the industry, including: income growth rate, total number of stores, expansion speed of stores, replicability of single-store model, cash flow recovery period, and market share. It mainly evaluates the large-scale development potential and long-term industry status of enterprises.

2.3. Application logic of index system

Combined with the development path of “opening a shop first, then making profits, and making scale for a long time,” the application of indicators is divided into three layers:

Store level: judge the operating health of existing stores with the same store sales growth rate, gross profit rate, inventory turnover days, and single store profit model as the core;

New store expansion layer: evaluate the feasibility and return on investment efficiency of expanding stores with the replicability of the single store model and the return period of new store cash flow as the core;

Long-term development layer: judge the market expansion ability of enterprises and the position in the industry competition pattern with the expansion speed and market share of stores as the core.

3. Core evaluation index analysis

3.1. Core indicators of stock stores

Stock stores are the basis of stable cash flow and profit of enterprises and the core plate of financial analysis.

3.1.1. Same-store sales growth rate

Same-store sales growth rate is the core index for catering and retail industries to judge the operating vitality of stock stores and the attractiveness of the brand market, especially referring to the year-on-year change of sales of stock stores after a certain period of operation, eliminating the interference of new stores and truly reflecting the changes of brand passenger flow, customer list, and consumer demand.

Calculation formula:

Same-store sales growth rate = (same-store sales in the current period-same-store sales in the previous period) ÷ same-store sales in the previous period ×100%

The indicator is positive, which means that the passenger flow and revenue of the stock stores are improving; The indicator continues to be negative, indicating that the brand appeal is declining and the store operation is under pressure.

3.1.2. Gross profit margin

Gross profit margin is the basic profit index that reflects the premium ability of products and the control level of raw material cost, and determines the bottom line of enterprise profit. The raw material cost and packaging cost of new tea products directly affect the gross profit margin.

Calculation formula:

Gross profit margin = (operating income-operating cost) ÷ operating income ×100%

The higher the gross profit margin, the higher the added value of products and the better the cost control effect; Gross profit margin continues to decline, which is usually caused by rising prices of raw materials, product price reduction and promotion, and low-end product structure.

3.1.3. Single store profit model

The overall profit of new tea enterprises is accumulated by the profits of all stores. The profit of a single store is the basic unit of the overall profit of enterprises and the core logic of industry analysis.

Core formula:

Single store profit = average daily sales of single store × gross profit margin-fixed cost of store (rent, labor, water and electricity, etc.)

Total profit of enterprise = single store profit × number of effective stores

Whether the single-store model is healthy and profitable directly determines the sustainability of enterprise expansion.

3.1.4. Inventory turnover days

Because raw materials are mainly fresh, the shorter the inventory turnover days, the less the backlog of raw materials, the higher the freshness and the lower the loss cost; Too long turnover days will lead to deterioration of ingredients and waste of costs, further reducing profits. This index is the key to measuring the new tea supply chain and store inventory management ability.

3.2. Core indicators of new store expansion

Store expansion is the main way for new tea enterprises to grow, and the expansion efficiency determines the growth quality of enterprises.

3.2.1. Replicability of single store model

Refers to whether the single-store profit model can be stably established in new stores in different cities and business districts. If the profit model of first-and second-tier cities cannot sink to third- and fourth-tier cities, or the profit difference between business district stores and community stores is too large, it means that the model has weak reproducibility, and blindly expanding stores will lead to large-scale losses. This index is a prerequisite for enterprises to expand across regions.

3.2.2. Cash flow recovery cycle

Refers to the time period from the opening of a new store to the realization of positive cash flow. The normal cash flow recovery period of new stores in the new tea industry is 12–18 months. The shorter the period, the higher the return on investment efficiency and the less the financial pressure. If the cycle is too long, it will increase the cash flow burden of enterprises.

3.3. Core indicators for long-term development

3.3.1. Store expansion speed

Calculation formula:

Store expansion speed (growth rate) = (number of stores at the end of the period-number of stores at the beginning) ÷ number of stores at the beginning ×100%

The growth rate of stores directly reflects the development strategy of enterprises: high-speed expansion means that enterprises take seizing market share as the core; The slowdown in growth means that enterprises turn to stock optimization and refined operation.

3.3.2. Market share

Reflecting the share of enterprises in the whole new tea market is a long-term indicator to measure the industry status and brand influence of enterprises. After the industry enters the stage of stock competition, the market concentration will gradually increase, and the market share of head enterprises will determine the future industry pattern.

4. Case analysis: Naixue's tea financial performance

4.1. Basic overview of the enterprise

Naixue's tea (stock code: 2150.HK) is a domestic high-end fresh-made new tea head enterprise, which was officially listed on the Hong Kong Stock Exchange in June 2021. The company has created a unique combination model of "tea + soft European package," which is different from a single tea brand and focuses on the middle and high-end consumer market.

In the early stage of development, Naixue adopted the all-direct mode to strictly control store operations and product quality; In July 2023, the franchise business was officially opened, and the dual-channel expansion model of direct operation and franchise was opened. By the end of 2024, there were 1,798 total tea stores in the world, including 1,453 directly operated stores and 345 franchised stores. The analysis data in this chapter are all from Naixue's annual report on tea in 2023–2024, the disclosure announcement by the Hong Kong Stock Exchange, and public statistics on the new tea industry.

4.2. Same-store sales growth analysis

The growth rate of same-store sales is the core index to judge the health of Naixue stores. Combined with the data of the first half of 2024–2025, the store operation shows a trend of "decline-recovery":

The first half of 2024: the operation is obviously under pressure. The revenue of direct stores decreased by 6.3% year-on-year, the average daily order volume of single stores decreased by 21.4% year-on-year, and the passenger flow and consumer demand shrank significantly.

The whole year of 2024: the decline continues. The revenue of direct stores decreased by 11.4% year-on-year, and the annual customer unit price dropped to 26.7 yuan. Affected by the weak overall consumption, the impact of low-priced competing products in the industry, and the shrinking demand for high-end tea consumption, the revenue of stock stores continued to decline [1].

The first half of 2025: the performance has picked up. Same-store sales increased by 2.3% year-on-year, and same-store sales increased from 1.721 billion yuan to 1.760 billion yuan, reversing the continuous decline. **Table 1** systematically presents the core operational logic and performance drivers of Naixue in the current weak consumption environment [2].

Table 1. Same-store sales performance of Naixue tea in the first half of 2024–2025

Time interval	Business performance	Core data
The first half of 2024	Revenue fell year-on-year	Direct sales revenue is -6.3%, and the average daily order volume of a single store is -21.4%.
The whole year of 2024	Revenue continued to decline.	Direct sales revenue is -11.4%, and the annual customer unit price is 26.7 yuan.
The first half of 2025	Revenue stopped falling and rebounded.	Same-store sales increased by +2.3%, with sales of 1.76 billion yuan.

Naixue locates high-end tea, and its anti-risk ability is weaker than that of cheap tea brands in the market environment with weak consumption. The recovery of performance in the first half of 2025 was mainly due to two major adjustment measures of enterprises: first, closing inefficient stores with long-term losses and optimizing the store structure; second, introducing healthy and lightweight new products, which fit the current consumption trend and effectively stimulate passenger flow and sales growth [3].

4.3. Gross profit margin analysis

Gross profit margin directly reflects Naixue's tea product premium ability and cost control level. This paper combines the financial data from 2023 to 2024 and makes a horizontal comparison of the industries. **Table 2** presents the gross profit margin data of Naixue from 2023 to 2024.

Table 2. Gross profit margin of Naixue in 2023–2024

Year	Operating income (100 million yuan)	Operating cost (100 million yuan)	Gross profit rate
2023	51.64	16.99	67.09%
2024	49.21	18.09	63.24%

According to the vertical data of enterprises, in 2023, Naixue's revenue was 5.164 billion yuan, its operating cost was 1.699 billion yuan, and its gross profit margin was as high as 67.09%. In 2024, revenue dropped slightly to 4.921 billion yuan, operating costs rose to 1.809 billion yuan, and gross profit margin fell to 63.24%. The main reasons for the decline in gross profit margin are: the prices of core raw materials such as fresh fruit and fresh milk have risen as a whole, the scale effect of superimposed stores has weakened, and the unit cost has increased. **Table 3** clearly shows the gross profit margin comparison results of leading enterprises in the new tea beverage industry in 2024.

Table 3. Comparison of gross profit margin of head enterprises in new tea industry in 2024

Enterprise name	Gross profit margin in 2024
Xicha	65.10%
Nayuki	63.24%
New tea industry average	57.38%

From the horizontal comparison of the industry, the gross profit margin of Naixue's tea in 2024 is second only to the high-end leading tea, which is much higher than the industry average. In the past five years, the gross profit margin of enterprises has been stable in the range of 63–67% for a long time, which fully proves that its high-end brand positioning has brought strong product premium ability and a solid profit base.

4.4. Store expansion speed analysis

The expansion speed of stores reflects the change of Naixue's overall development strategy, and the expansion growth rate is calculated based on the number of stores from 2023 to 2024. **Table 4** systematically sorts out the store operation data of Naixue in this period, clearly showing that after the large-scale store expansion in 2023, the brand significantly slowed down its store expansion pace in 2024, with the growth rate dropping sharply from 54.97% to 8.64%. This data change is highly consistent with its previously mentioned core adjustment strategy of closing long-term loss-making inefficient stores and optimizing the overall store network structure.

Table 4. Store expansion of Naixue in 2023–2024

Year	Number of opening stores	Number of stores at the end of the period	Store expansion growth rate
2023	1,068	1,655	54.97%
2024	1,655	1,798	8.64%

In 2023, the number of stores increased from 1,068 to 1,655, and the expansion growth rate reached 54.97%, which was a high-speed expansion stage. The core driving factor is that enterprises officially open their franchise business, relying on the franchise model to quickly seize the market and expand the store network.

In 2024, the number of stores only increased from 1,655 to 1,798, and the expansion growth rate dropped to 8.64%, and the pace of expanding stores slowed down significantly.

Analysis and summary: Naixue's tea adopts the staged development strategy of "first expanding the store at high speed, then fine operation." In 2023, with scale expansion as the core goal, complete the national store layout; In 2024, we will take the initiative to slow down the expansion of stores and shift the focus of business to upgrading existing stores and optimizing the profit of single stores. This strategic adjustment is fully in line with the overall trend of the transformation of the new tea industry from "staking the land" to "improving quality and increasing efficiency.”

4.5. Summary of comprehensive management status

Based on the comprehensive core indicators, we can see that Naixue’s tea financial fundamentals are sound as a whole, high-end brands have obvious premium advantages, and its gross profit margin has been in the first echelon of the industry for a long time. In 2024, affected by the external consumption environment, industry competition, and rising prices of raw materials, the revenue of stock stores declined, and the performance was under pressure for a short time. Facing operational pressure, the enterprise adjusted its strategy in time: slowing down the expansion of new stores, cleaning up inefficient stores, and optimizing product structure. Finally, in the first half of 2025, the same-store sales turned from negative to positive, financial performance gradually picked up, and the strategic transformation achieved initial results.

5. Research conclusion and industry development prospects

5.1. Main research conclusions

Based on the characteristics of the new tea industry, this paper builds an exclusive financial performance evaluation system, takes Naixue’s tea as a case to carry out empirical analysis, and draws the following conclusions:

The industry index system needs to adapt to the characteristics of the business format: new tea cannot directly apply the traditional financial evaluation standards of enterprises, but must combine the three characteristics of store-driven, high-frequency and low-customer-order, and sensitive supply chain, and combine the operating indicators such as same-store sales, single-store profit, store growth rate and inventory turnover with traditional financial indicators, so as to objectively evaluate the real operating level of enterprises.

Naixue’s strategic transformation has achieved remarkable results: Naixue has experienced three stages: “direct operation-opening to join in high-speed store expansion-slowing expansion and fine operation.” The decline in performance in 2024 is a short-term phenomenon caused by the superposition of the external environment and the industry cycle [4]. Enterprises adjust their business strategies in time, realize the recovery of performance through store optimization and product upgrade, and gradually enhance their ability to resist risks.

The anti-cyclical ability of high-end tea is weak: compared with cheap tea brands, high-end new teas such as Naixue and Xicha are more sensitive to changes in the consumption environment, and passenger flow and revenue are more likely to decline in the weak consumption stage. Brands need to hedge market risks through products being people-friendly and diversified scenes.

5.2. New tea industry development prospects

Combined with Naixue’s tea management changes and the overall trend of the industry, the new tea industry will present three major development directions in the future:

The industry bid farewell to extensive expansion and entered the era of refined operation in an all-round way: previously, the industry generally took “the number of stores” as its core competition goal, and the future competition focus will shift to the profitability of single stores. Blindly expanding stores and inefficient stores will gradually be eliminated by the market. Enterprises must deepen existing stores and improve the flow and profit of single stores.

Supply chain capability has become a core barrier: the fluctuation of fresh raw material prices is a long-term pain point in the industry [5]. In the future, head enterprises will increase the layout of the supply chain, stabilize raw material costs, reduce inventory loss, and stabilize gross profit margin through centralized procurement, direct production, and cold chain optimization.

User repurchase and brand stickiness determine the long-term vitality: at the moment of increasing product homogeneity, it is difficult to retain consumers for a long time simply by relying on low prices and marketing. Enterprises need to continuously create differentiated products, optimize the consumption experience, operate the membership system, improve the repurchase rate of users, and build the long-term competitiveness of brands.

Industry concentration continues to increase: with the continuous improvement of operating threshold and cost threshold, the survival pressure of small and medium-sized brands increases, market resources will gradually concentrate on the head enterprises, and the speed of industry integration will be further accelerated.

5.3. Business suggestions

In view of the future management of new tea enterprises, some suggestions are put forward in combination with this study:

Reasonably plan the pace of store expansion, avoid blindly opening stores, give priority to closing long-term loss-making stores, and optimize the network structure of stores;

Continue to deepen supply chain management, establish stable raw material procurement channels, and reduce costs and inventory losses;

Flexible adjustment of product structure, taking into account high-end positioning and mass consumption demand, and launching diversified product lines to hedge market fluctuations;

Attach importance to member operation and service experience, improve the repurchase rate of users, and build a basic stock of passenger flow.

Disclosure statement

The author declares no conflict of interest.

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