

MIXUE Group's Path to HKEX Listing: A Study on Financing Strategies, Market Performance, and Industry Impact

Chenyue Zhu^{1*}

¹ Xi'an International Studies University, Xi'an, China

Email Address

18952707985@163.com (Chenyue Zhu)

*Correspondence: 18952707985@163.com

Received: 7 June 2025; Accepted: 30 June 2025; Published: 25 July 2025

Abstract:

This study examines MIXUE Group's successful IPO on the Hong Kong Stock Exchange (HKEX) in 2025, analyzing its unique capital-light franchise model, vertically integrated supply chain, and record-breaking market performance (achieving 5,258× over subscription and 43% first-day surge). The research demonstrates how the company overcame initial A-share and HKEX listing setbacks through strategic financial restructuring, while the IPO's success not only validated its "quality affordability" positioning but also intensified competition in China's saturated tea-drink market. The findings provide valuable insights into how consumer brands can navigate complex capital markets, optimize financial structures for global expansion, and balance rapid growth with sustainable governance in a volatile industry landscape.

Keywords:

MIXUE Group's, IPO, Hong Kong Stock Exchange, New-style Tea Beverage Industry

1. Company Introduction

Founded in 1997, MIXUE Ice Cream & Tea has rapidly grown into a dominant force in China's freshly made beverage industry, renowned for offering high-quality products at affordable prices. With over 45,000 stores globally as of 2024, the company operates primarily through a franchise model supported by a vertically integrated supply chain, enabling strong cost efficiency and standardized operations. Amid fierce competition and evolving consumer preferences, MIXUE has established itself as a leader in the low-price segment, particularly in China's lower-tier markets and Southeast Asia. [1]

Driven by the need for capital to support further expansion, digital transformation, and overseas market entry, MIXUE embarked on a challenging IPO journey. After two failed attempts—first in the A-share market and then in Hong Kong—the company finally succeeded in listing on the Hong Kong Stock Exchange in early 2025. This milestone not only marked a significant step in the company's capital strategy but

also reflected the broader dynamics of new-style tea beverage enterprises navigating regulatory hurdles and capital market volatility. This report analyzes MIXUE Ice Cream & Tea development path, listing process, financing strategies, and the financial impacts of its IPO, offering insights into the business model of scalable consumer chains in China.

1.1. Company profile

MIXUE Ice Cream & Tea was founded in 1997 and is a globally leading freshly made beverage enterprise, focusing on providing consumers with high-quality and affordable freshly made fruit drinks, tea drinks, ice cream and coffee products at a unit price of approximately 6 yuan (about 1 US dollar). [2] Since its establishment, the company has adhered to the concept of “enabling everyone to enjoy high-quality and affordable delicacies”, providing consumers with freshly made tea beverages and ice cream. It mainly engages in the research and development of ingredients for freshly made drinks and ice cream, raw material processing and production, store sales and brand operation. Through the business model of “direct operation as the guide and franchise as the main body”, the company has now become the largest ready-made beverage enterprise in China and the world, with the largest number of stores and the largest scale. As of September 30, 2024, the company has over 45,000 stores, with a store network covering 31 provinces. At the same time, its territory has extended to the Southeast Asian market, with approximately 1,304 and 2,667 stores opened in Vietnam and Indonesia respectively. In 2018, MIXUE Ice Cream & Tea carried out a comprehensive brand upgrade and created the IP image of “Snow King” as its brand ambassador. [3]

1.2. Business circumstance

MIXUE Ice Cream & Tea has achieved steady growth in both revenue and scale. From 2021 to 2023, operating income rose from 10.351 billion yuan to 20.302 billion yuan, with a CAGR of approximately 40%. In the first three quarters of 2024, revenue reached 18.66 billion yuan, up 21.2% year-on-year. The sale of goods remained the main income source, accounting for over 90% of revenue, with a CAGR of 42.3% from 2021 to 2023 and a growth rate of 21.3% in 2024 Q1-Q3.

Franchise stores are the company core channel, contributing over 96% of total revenue and achieving a CAGR of 39.7%. In contrast, self-operated stores contribute minimally and show unstable performance. E-commerce and non-franchise channels are growing but still represent small portions of total income.

Growth is driven by both store expansion and per-store sales. The number of stores rose from 20,001 in 2021 to 45,302 by Q3 2024, while average sales per store also increased. Domestic operations remain dominant, contributing 94.9% of revenue in Q1-Q3 2024, but overseas markets are expanding rapidly, with a CAGR of 445% between 2021 and 2023.

The company's financial are sound. Net profit grew from 1.912 billion yuan in 2021 to 3.187 billion yuan in 2023. Although net profit margin slightly declined, ROE remained high at 29.86%, reflecting solid capital efficiency. Gross profit increased steadily, reaching 5.999 billion yuan in 2023 and 6.04 billion yuan in Q1-Q3 2024, with a gross margin of 32.4%.

Expense control is effective. While sales expenses rose slightly, administrative and financial expenses declined. The R&D ratio remains low but stable. Overall, MIXUE

maintains strong profitability through optimized cost structure and operational efficiency. [4]

1.3. Equity structure

MIXUE Ice Cream & Tea's equity is highly concentrated. Zhang Hongchao and Zhang Hongfu each directly hold 40.84% of the company's shares and jointly control 85.56%. Through the employee stock ownership platform "Youth Fearless" and a concerted action agreement, their total control reaches 82.54%, granting them absolute control over the company's operations.

In its Series A financing, MIXUE attracted top-tier investors. Longzhu Meicheng (Meituan) and Shenzhen Yunki (Hillhouse) each hold 3.82%, while Tianjin Panxue (CPE Yuanfeng) owns 1.91%. This structure balances strategic control and financial flexibility, supporting long-term development and talent incentives.

However, such concentration poses risks: decision-making may rely too heavily on a few individuals, limiting governance diversity. Low market float could hinder stock liquidity and investor participation. Additionally, the family-owned nature may raise concerns over succession planning and governance transparency, potentially affecting the company's public image and investor confidence.

2. Listing Process

The capitalization process of MIXUE Ice Cream & Tea began in 2021. After the successful listing of its industry competitor Nayuki, the company promptly initiated its A-share listing plan and officially submitted an application for listing on the main board of the Shenzhen Stock Exchange to the China Securities Regulatory Commission in September 2022. However, due to factors such as the tightening of domestic IPO review policies and the valuation disputes in the new-style tea beverage industry, the plan failed to proceed smoothly and was eventually put on hold.

After being blocked from listing on the A-share market, MIXUE Ice Cream & Tea adjusted its capital strategy and submitted its prospectus to the Hong Kong Stock Exchange (HKEX) in January 2024, attempting to achieve its financing goal through the Hong Kong stock market. However, this application did not enter the hearing stage, and the application materials automatically became invalid in July 2024 due to the delay in approval. This result reflects the cautious attitude of the Hong Kong stock market towards the listing of new consumer enterprises, as well as the potential constraints on the IPO process caused by insufficient liquidity in the secondary market.

Facing the setbacks of its previous two attempts at going public, MIXUE Ice Cream & Tea updated its prospectus and resubmitted its application in January 2025. Eventually, it successfully listed on the Hong Kong Stock Exchange in March 2025, completing its capitalization journey that lasted for two and a half years. Although the company holds a significant leading position in the domestic new-style tea beverage market (ranking first in the industry in core indicators such as the number of stores, terminal retail share and the volume of beverages produced), the tortuous nature of its listing process highlights the multiple challenges faced by new consumer enterprises in the process of capitalization, including policy, market and valuation.

2.1. The First Attempt at Listing on the A-share Market Failed

MIXUE Ice Cream & Tea first submitted an application for listing on the A-share market in September 2022, but it eventually became invalid due to policy adjustments and stricter reviews. The reasons are as follows:

(1) Review of the strict listing standards of A-shares

The A-share market has always been renowned for its strict requirements on enterprises' financial indicators, governance structures, and sustainable profitability. Although MIXUE Ice Cream & Tea has strong profitability, it may deviate from the A-share standards in terms of the standardization of corporate governance. As A chain giant with stores all over the country, MIXUE Ice Cream & Tea urgently needed to build a more meticulous and complete internal control system in key links such as franchise model management and food safety control, in order to meet the strict requirements of the A-share market for the stability and standardization of enterprise operations, and this might precisely be its shortcoming at that time.

(2) The trade-off between industry competition and market risks

The competition in the new-style tea beverage industry is extremely fierce, and market trends change rapidly. The frequent fluctuations in raw material prices, the rapid changes in consumers' taste preferences, and the sudden rise of new brands, among many unstable factors, constantly threaten the performance of enterprises. When screening listed companies, the A-share market often prefers those with clear industry prospects and controllable risks. Although MIXUE Ice Cream & Tea is large in scale, in the context of high overall uncertainty in the industry, it is difficult to completely allay the concerns of the A-share market. In recent years, with the prevalence of the concept of healthy consumption, consumers' increasingly strict requirements for sugar content, ingredients, etc. of milk Tea are a vivid portrayal of the challenges faced by MIXUE Ice Cream & Tea and the entire industry in the dynamic changes of the market, and this is undoubtedly one of the core concerns of the A-share market.

(3) The influence of policy orientation and market preferences

At that time, the policy direction and market preferences of the capital market were clearly tilted towards emerging industries such as technology. Technology enterprises, with their outstanding traits such as innovation and high growth potential, highly meet the expectations of the A-share market for their long-term development potential. In contrast, consumer enterprises, especially those with traditional business models, are at a clear disadvantage during the listing review process. Although MIXUE Ice Cream & Tea has a place in the tea beverage field, its business model is somewhat lacking in innovation in the eyes of the capital market and is difficult to meet the strict expectations of the A-share market for listed companies at that time.

2.2. The second listing on the Hong Kong Stock Exchange failed

In September 2024, the China Securities Regulatory Commission (CSRC) decided to suspend the approval of overseas IPO for enterprises in the new-style tea beverage industry based on its assessment of the weak market performance of recent Hong Kong listings. Affected by this policy, the listing application previously submitted by MIXUE Ice Cream & Tea automatically became invalid six months after submission due to non-approval. This regulatory measure reflects the cautious attitude of the regulatory authorities towards the capital market performance of the new-style tea

beverage industry, and has also had a direct impact on the financing paths of related enterprises.

In the prospectus submitted in January 2024, MIXUE Ice Cream & Tea expounded its strategic considerations for choosing the Hong Kong Stock Exchange (HKEX) as the listing location. The company pointed out that as a core platform of the international capital market, the Stock Exchange of Hong Kong can help it enhance its global market visibility, expand international financing channels, optimize its capital structure, and increase its appeal to international talents. Based on this strategic positioning, MIXUE Ice Cream & Tea did not choose to reapply for listing on the A-share market but continued to advance its IPO plan on the Hong Kong Stock Exchange.

When MIXUE Ice Cream & Tea first submitted its listing application, investment bank analysts pointed out that although the Hong Kong stock market has advantages such as a short listing cycle, relatively lenient review standards and a high degree of internationalization, the new tea beverage industry still faces significant challenges. On the one hand, industry competition is intensifying, the market is approaching saturation, consumer brand loyalty is relatively low, and enterprises may face growth bottlenecks. On the other hand, the overall liquidity of the Hong Kong stock market is insufficient, and the secondary market environment is sluggish, which may lead to restrictions on the financing scale of enterprises and lower listing valuations than expected.

The IPO of MIXUE Ice Cream & Tea reflects the dual challenges of policies and markets that new-style tea beverage enterprises face during the process of capitalization. Although the Hong Kong stock market has advantages in terms of financing efficiency and internationalization, the industry competition landscape and market liquidity issues still pose potential constraints on the listing performance of enterprises. In the future, relevant enterprises need to further weigh the pros and cons of different capital markets in their strategic planning to optimize the financing effect.

2.3. The third successful listing on the Hong Kong Stock Exchange

On March 3, 2025, MIXUE Ice Cream & Tea Limited (hereinafter referred to as “MIXUE Ice Cream & Tea”) was officially listed on the Hong Kong Stock Exchange. On its first trading day, the company’s share price performed strongly, with an opening increase of over 30%, and its market value peak exceeded the 100 billion Hong Kong dollar mark. It is worth noting that during this initial public offering (IPO) process, MIXUE Ice Cream & Tea received high favor from the capital market. Its public offering portion was oversubscribed by 5,258 times, and the cumulative frozen funds exceeded 1.8 trillion Hong Kong dollars. This performance not only reflects the high recognition of the company by investors, but also enables it to surpass historical records, becoming the new share with the highest subscription multiple and the largest scale of frozen funds in the history of the Hong Kong Stock Exchange, earning the title of “Frozen Funds King” in the Hong Kong stock market.

Public performance, MIXUE Ice Cream & Tea early rising 29.38%, at hk \$262, up to hk \$98.79 billion in value. In the afternoon, the upward trend continued and it closed at HK \$283.6 per share. [5] On its first trading day, it rose by 43.21%, and its total market value was fixed at HK \$109.3 billion, breaking through the HK \$100 billion mark.

3. Background of Listing

3.1. Industry background

China's new-style tea beverage industry has experienced rapid expansion, with market size growing from 29.1 billion yuan in 2016 to 333.38 billion yuan in 2023. This reflects growing consumer acceptance, particularly among younger demographics and in lower-tier cities. However, the industry is now shifting from high-speed growth to a phase of refined competition, characterized by slower growth, intensified intra-industry rivalry, and product homogenization. [6]

Despite signs of saturation, the industry still has room for growth driven by consumption upgrades and regional market potential. The market is projected to reach 354.72 billion yuan in 2024 and exceed 400 billion yuan by 2028, entering a stage focused on brand building, supply chain optimization, and profit model sustainability.

Currently, over 163 brands operate in the space, with the franchise model dominating expansion. MIXUE Ice Cream & Tea and 1point1 lead the market with shares of 28.7% and 23.6%, respectively, supported by standardized franchise systems. Meanwhile, self-operated brands like Nayuki Tea are expanding in the mid-to-high-end segment.

The market structure resembles a pyramid: large-scale chains like MIXUE occupy the top with over 10,000 stores; mid-sized brands (e.g., Guming, Chabaodao) sit in the middle; and a large number of small brands form the long tail, facing intense competition and survival challenges due to limited scale and brand power.

3.2. Capital market environment

MIXUE Ice Cream & Tea was successfully listed in Hong Kong in 2025, benefiting from the gradual recovery of the capital market. After a downturn from 2022 to 2023 due to geopolitical risks and global liquidity tightening, the Hong Kong IPO market rebounded in late 2024. In H1 2025, IPO fundraising surged 287% year-on-year to HKD 17.7 billion, reflecting restored investor confidence and reactivated financing functions.

MIXUE's IPO timing aligned with rising market enthusiasm for consumer sectors such as catering, new retail, and FMCG. As a leading brand in the new tea beverage industry with strong profitability and nationwide franchise network, it was well positioned. Its IPO was priced at approximately 24× PE, consistent with 2025 market averages for consumer companies, showing strong recognition of its fundamentals.

The company's three-year revenue CAGR reached 40%, with net profit in 2023 exceeding 4.43 billion yuan and a margin above 20%. Its light-asset franchise model, strong cash flow, and high ROE (~30%) matched current investor preferences for "verifiable profitability+sustainable growth," attracting over 5,000× over subscription.

As market tolerance for valuation premiums increases, MIXUE's scalable store model and expanding overseas presence-especially in Southeast Asia-further support its long-term value. Compared to peers, its 2023 PE valuation is competitive, and its stable financial indicators reinforce its position as a "cash cow" among consumer stocks.

4. Financing Analysis

Given its business characteristics and development stage, MIXUE Ice Cream & Tea has not chosen debt financing tools such as bonds. As a fast-moving consumer goods

chain enterprise with a core franchise model and a light-asset operation feature, MIXUE Ice Cream & Tea has a high store replication efficiency and strong cash flow capacity. However, it lacks large-scale real estate or long-term collateralizable assets, and thus does not have the asset guarantee basis for large-scale bond financing. More importantly, the fixed interest payment and debt repayment pressure brought by bond financing are not suitable for a consumer brand in a period of rapid expansion, especially when facing the increasingly fierce competition and uncertain policy environment in the new tea drink industry. At this time, the enterprise needs more flexibility and risk resistance in its financing structure. In contrast, equity financing can not only provide sufficient long-term capital but also introduce investors with industrial resources and strategic synergy capabilities, which is conducive to supporting MIXUE Ice Cream & Tea's medium and long-term investment in brand building, digital transformation and global exploration. Therefore, taking equity financing as the core rather than bond financing is a rational choice for MIXUE Ice Cream & Tea to achieve sustainable growth at the current stage.

4.1. Motivation for going public

As of Q3 2024, MIXUE Ice Cream & Tea held net current assets of 7.218 billion yuan, including 5.98 billion yuan in cash and equivalents—a leading level in the tea beverage sector. Despite strong liquidity, MIXUE pursued a Hong Kong IPO aiming to raise about 3.08 billion yuan, reflecting its need for long-term capital in a competitive industry marked by low barriers, rapid product iteration, and weak brand loyalty. The company seeks to enhance its brand moat, strengthen risk resistance, and accelerate international expansion. Listing also supports its shift from rapid expansion to high-quality governance, improving brand credibility and overseas market recognition—especially in Southeast Asia and the Middle East. Going public helps optimize governance and transparency, attracting strategic global investors and improving long-term development sustainability through diversified financing and external oversight.

MIXUE's choice to list in Hong Kong reflects a strategic response to tighter A-share IPO conditions, where stricter disclosure and profitability standards have made consumer sector listings more difficult. In contrast, Hong Kong offers regulatory flexibility and strong policy support, including national and local facilitation measures.

The implementation of the FINI reform in late 2023 optimized IPO efficiency by shortening listing timelines, easing subscription liquidity, and reducing underwriting costs—thereby boosting investor demand and enabling MIXUE to benefit from high market interest.

Additionally, private equity investors behind MIXUE faced typical exit cycles. With strong profitability and a favorable valuation window, the IPO allowed them to maximize returns and mitigate future valuation risks, aligning interests between the company and its capital partners.

4.2. Analysis of financing scale and valuation

As of February 23rd, the subscription amount for MIXUE Group's (02097.HK) Hong Kong IPO margin financing exceeded 640 billion Hong Kong dollars, with a subscription multiple of over 1,800 times, setting a new record for frozen funds in Hong Kong's new share offerings. By February 24th, some brokerage data indicated that the margin financing subscription amount had surpassed 1 trillion Hong Kong dollars, with the oversubscription multiple climbing to 3,250 times, making it the

hottest new share offering in Hong Kong's history. On March 3rd, MIXUE Ice Cream & Tea was listed on the Hong Kong Stock Exchange. The issue price per share was 202.50 Hong Kong dollars, raising a net amount of approximately 3.291 billion Hong Kong dollars. By the close of trading on the same day, MIXUE Group's share price was 290.0 Hong Kong dollars per share, representing a 43.21% increase compared to the issue price of 202.5 Hong Kong dollars per share, with a total trading volume of 4.33 billion Hong Kong dollars. For this IPO, MIXUE Group globally issued 17,059,900 shares, raising a total of 3.455 billion Hong Kong dollars. In the public offering phase of the IPO, MIXUE Group set a new record for new share subscriptions in the Hong Kong market. The subscription multiple for the Hong Kong public offering reached 5,258.21 times, with a subscription amount of 1.82 trillion Hong Kong dollars.

Based on the expansion plans disclosed in the prospectus and the actual growth rate of stores in recent years, MIXUE Group still requires continuous and high-intensity capital investment in store expansion, supply chain improvement, and overseas compliance layout. Especially with MIXUE Group's "light asset franchise + heavy asset supply chain" model, its capital needs are concentrated in the cold chain logistics system, raw material production bases, and information systems. Considering the current financing amount and the company's cash flow situation, its capital volume can basically meet the medium and short-term expansion needs, and there is no obvious problem of excessive funds, demonstrating the company's forward-looking and cautious approach in financing decisions.

MIXUE Group's valuation level before and after the listing has attracted much attention from the market. According to the prospectus, MIXUE's market value has exceeded 100 billion yuan, with a corresponding PE ratio of around 21 times. Compared with similar companies: Luckin Coffee (PE 25 times), Starbucks (PE 28 times), and Ajisen Food (PE 28 times), the current valuation of MIXUE is relatively reasonable. MIXUE's price-to-sales ratio (PS) is about 4 times (100 billion market value / 24 billion revenue), slightly lower than that of Luckin Coffee (PS 4.2 times), reflecting the relatively optimistic expectations of the current capital market for its growth potential.

From the perspective of profitability, the company's net profit in 2024 is expected to exceed 1.5 billion yuan, with a net margin of 18% and a stable gross margin of around 30%. The EBITDA margin per store is as high as 22%. Relying on its self-built supply chain, the company has formed a cost control advantage, and its operation model is highly standardized, with an average payback period for stores of only 9 to 16 months, demonstrating strong replicability and stable cash flow. Therefore, there is a reasonable basis for the market to give it a certain valuation premium. In addition, many institutions gave MIXUE a "buy" rating in the early stage of listing, with a target PE of 30 to 31 times for 2026 and a target share price range of 509 to 566 Hong Kong dollars, further confirming that its valuation has medium and long-term growth potential.

4.3. Analysis of IPO methods and pricing mechanisms

MIXUE Ice Cream & Tea conducted its Hong Kong IPO through a "Global Offering" model, the most common form of IPO in the Hong Kong capital market. This approach typically includes both a Hong Kong Public Offering and an International Placement. In this issuance, 10% of the shares were allocated to retail investors in Hong Kong, while the remaining 90% were offered to global institutional

and professional investors. This hybrid structure not only broadened the investor base but also enhanced market acceptance of the offering.

For pricing, MIXUE adopted a market-oriented book-building mechanism. The sponsor conducted a global roadshow and investor presentations to collect subscription intentions and price feedback. Based on a comprehensive evaluation of the company's fundamentals, industry outlook, and market liquidity, the final issue price was determined. The offering received overwhelming market response, with total subscription reaching approximately HKD 1.77 trillion and an oversubscription ratio of 5,125 times—setting a new record in Hong Kong IPO history. This result highlights the effectiveness and flexibility of the book-building process under high demand conditions.

The final issue price was set at HKD 202.50 per share, reflecting strong market confidence in MIXUE's business model, profitability, and growth potential. To further stabilize post-listing market performance, the company and its sponsor implemented a greenshoe mechanism (over-allotment option), allowing the underwriters to repurchase or issue additional shares within 30 days after listing based on market performance. This arrangement not only enhances market flexibility but also demonstrates the company's commitment to maintaining offering stability.

4.4. The impact of IPO on the financial structure of MIXUE Group

MIXUE Group IPO was previously held by the founders, brothers Zhang Hongchao and Zhang Hongfu, who collectively held more than 80% of the equity, belonging to a highly concentrated family holding structure. According to the prospectus and the latest shareholder structure disclosure after listing, the proportion of IPO issued shares is approximately 4.5%, and the combined shareholding ratio of the two founders has dropped to about 86%. Although the equity has been slightly diluted, it still holds absolute control and has the leading ability to steer the company's strategic direction and make major decisions. From the perspective of corporate governance, control of the orderly dilution promoted company equity liquidity, improve the public shareholders structure, help to introduce long-term investors and external supervision mechanism; The stability of the equity of the core management team ensures the consistency and execution of the enterprise's long-term strategy. This kind of equity arrangement of "slight dilution and effective financing" is a common structural adjustment path for the IPO of mature chain brands, reflecting the institutional rationality of MIXUE Group in balancing financing needs and governance stability.

In the past, MIXUE Group relied on operating cash flow and bank loans to support its rapid expansion, and the proportion of short-term financial liabilities in its balance sheet was relatively high. According to the prospectus and the 2024 annual report data, the company's total liabilities before going public were approximately 2.5 billion yuan, among which current liabilities accounted for more than 70%. After the funds raised from the IPO were received, the company's cash on hand increased significantly to 6 billion Hong Kong dollars (approximately 5.4 billion yuan), which was significantly higher than its total liabilities during the same period. This change directly promote its capital structure from the "high debt and its own funds" to "equity capital and operating cash flow" transformation. On the one hand, the newly added capital has increased the company's net asset scale and the proportion of equity capital. On the other hand, the abundant capital reserves also provide space for it to repay some short-term debts and reduce the leverage ratio. According to the latest data disclosed after going public, the company's asset-liability ratio has dropped from

approximately 43% before listing to about 28%, significantly optimizing its capital structure, which is conducive to enhancing its credit rating and financing bargaining power.

The enterprise capital cost (WACC) is influenced by the weighted average of the cost of equity capital and the cost of debt capital. The IPO introduced long-term equity capital for MIXUE Group, increasing the proportion of equity capital in the capital structure and reducing the reliance on high-interest debt instruments such as bank loans. Since the cost of equity capital in the Hong Kong stock market is usually lower than the loan interest rate for small and medium-sized enterprises, and MIXUE went public at a time when the capital market was recovering, its stocks received oversubscription and were priced within a reasonable range, enabling the marginal equity capital cost to be controlled at an optimal level.

The following is a detailed analysis of the composition and rationality of MIXUE Group's WACC.

In constructing the DCF model, this study is based on the following specific parameters:

Cost of Equity: 12%

Cost of Debt: 5%

Debt-to-Equity Ratio (D/V) in the Target Capital Structure: 20%

Corporate Income Tax Rate (T): Calculated based on the statutory tax rate of 25% in China

The formula for calculating WACC is as follows:

$$WACC = E/V \times r_e + D/V \times r_d \times (1 - T)$$

Calculated on the basis of WACC = 10.35% look from actual effect, as the proportion of equity financing to improve, financial leverage to drop, MIXUE Group overall WACC levels tend to decline. This trend not only benefits enterprises in obtaining higher net present value (NPV) of projects in the new round of expansion, but also reduces the marginal cost of refinancing for enterprises, which is of great significance for improving long-term financial efficiency.

5. Conclusions

MIXUE Ice Cream & Tea successfully listed on the Hong Kong Stock Exchange in 2025, marking a major milestone after several rounds of capitalization attempts. This reflects the company's resilience and strategic adaptability in a complex market environment. Through a comprehensive analysis, several key conclusions emerge:

The company adopted an equity-focused financing strategy, avoiding debt in line with its "light asset, high turnover" model. IPO proceeds were directed toward supply chain upgrades, digitalization, and overseas expansion, aligning with its mid-term goals. The listing significantly optimized MIXUE's financial structure—shifting from high debt to high equity—improving liquidity, lowering leverage, and enhancing risk resistance. The introduction of long-term investors also advanced corporate governance and market value management.

The capital market responded enthusiastically, with record-breaking IPO oversubscription and strong post-listing performance, affirming confidence in

MIXUE's scalable, profitable, and sustainable business model characterized by affordable pricing and integrated franchising.

Nonetheless, going public brings new challenges. The company must meet higher standards for governance transparency and compliance, while maintaining brand affordability alongside innovation and service upgrades.

In conclusion, MIXUE's financing journey offers not only strategic financial support and governance improvement for itself but also serves as a model for capital path planning in the new-style tea industry. Its future success will hinge on aligning financing strategies with global expansion goals.

Conflicts of Interest

The author declares that there is no conflict of interest regarding the publication of this article.

Funding

This research received no specific grant from any funding agency in the public, commercial or not-for-profit sectors.

References

- [1] Wang, K. Analysis of the Profit Model of Affordable Tea Drinks Industry Based on Meishui Bingcheng. *Modern Commerce and Industry*, 2023, 44(17), 90-93. DOI: 10.19311/j.cnki.1672-3198.2023.17.030.
- [2] Bai, J.N. A Brief Analysis of the Operating Capacity and Development Prospect of Meixue Ice City. *Modernization of Shopping Malls*, 2023, 22, 53-55. DOI:10.14013/j.cnki.scxdh.2023.22.006.
- [3] Liang, S. Research on Brand IP Image Communication Based on Innovation Diffusion Theory: A Case Study of Meixue Ice City's "Snow King". *Modernization*, 2024, 01, 15-17. DOI: 10.14013 / j.carol carroll nki SCXDH. 2024.01.005.
- [4] Li, J. Observation on the IPO of New Tea Beverages: Meixue Ice City's Accelerated Internationalization and Overseas Layout Have Achieved Remarkable Results. *China Food Industry*, 2025, 01, 6-7.
- [5] Niu, Y.; Ren, Y.F. The "Frozen Deposit King" of Hong Kong Stock Market, MIXUE Ice Cream & Tea - Both Pros and Cons. *Economic Observer*, 2025-03-03 (012). DOI: 10.28421/n.cnki.njjgc.2025.000159.
- [6] Zheng, J.T.; Li, L.X. On its first trading day, Cha Bai Dao's stock price dropped below the issue price, posing a test to the IPO journey of new tea beverages. *Enterprise Observer*, 2024, 04, 45-47.



© 2025 by the author(s); licensee International Technology and Science Publications (ITS), this work for open access publication is under the Creative Commons Attribution International License (CC BY 4.0). (<http://creativecommons.org/licenses/by/4.0/>)