Lianhetech targets double-digit growth as pharma, new energy and Malaysia expansion gain momentum

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RMB 3.995 billion H1 revenue and 64.41 per cent profit growth put Lianhetech on a broader growth path spanning pharmaceuticals, batteries and crop protection

Chinese chemical intermediates maker Lianhetech is targeting at least 10 per cent revenue growth in 2026 as stronger pharmaceutical deliveries, improving new-energy operations and the expansion of its overseas manufacturing footprint reshape the company's growth mix.

The company reported revenue of RMB 3.995 billion in the first half of 2026, up 26.84 per cent year-on-year, while net profit attributable to shareholders rose 64.41 per cent to RMB 368 million. Recurring net profit increased 71.82 per cent to RMB 358 million. Lianhetech attributed the sharp improvement in profitability primarily to concentrated deliveries in its pharmaceutical business and stronger revenue from new energy, with higher capacity utilisation also lifting its functional chemicals segment.

Revenue from functional chemicals increased 193.63 per cent year-on-year in the first half, reflecting a significant improvement in capacity utilisation. Against this backdrop, Lianhetech expects full-year revenue to increase by no less than

10 per cent from 2025.

The pharmaceutical business continued to deliver steady growth in commercial products, with more than five products generating individual annualised revenue of over RMB 100 million. The portfolio spans oncology, autoimmune and neurological products supplied to multiple clients. Innovative drug registration intermediates and active pharmaceutical ingredients now account for more than two-thirds of the company’s existing pharmaceutical sales, strengthening its exposure to higher-value pharmaceutical supply chains.

Lianhetech is also expanding into oligonucleotide manufacturing, with a dedicated production line scheduled for completion in 2026. The first phase has received environmental approval for a capacity of 2 tonnes a year and will be developed in stages in line with global customer demand and order requirements.

The new-energy business recorded year-on-year revenue growth in the first half while substantially narrowing its losses. Lianhetech is targeting more than 30 per cent revenue growth from the segment in 2026, with commercialisation efforts focused on lithium bis(fluorosulfonyl)imide, lithium hydroxide, high-purity lithium carbonate and lithium fluoride. Lithium hexafluorophosphate remains under technical improvement, with the company aiming to complete major customer qualification and begin commercial deliveries during 2026.

Beyond its current product portfolio, Lianhetech is directing research and development towards innovative electrolyte additives, sodium-ion battery electrolytes and semi-solid electrolytes, reflecting its effort to build a broader materials platform for emerging battery technologies.

The company’s overseas expansion is centred on its Malaysia base, which involves a planned investment of $ 200 million and is being developed in phases. Phase I is under construction and is focused on crop protection CDMO products. The facility is scheduled for completion in the fourth quarter of 2026, followed by a ramp-up in 2027 based on customer orders.

The first phase is designed around flexible production capacity, allowing multi-purpose manufacturing lines to switch between products according to customer requirements. Once the first phase reaches stable operations, Lianhetech plans to begin construction of Phase II by the end of 2027.

The Malaysia facility is expected to manufacture innovative, patented crop protection products, with the company targeting high-value and more environmentally friendly products. Lianhetech expects the combination of its Malaysia manufacturing footprint and its domestic supply-chain capabilities to begin generating stronger synergies for the crop protection business from 2028.

The overseas facility will also enable Lianhetech to offer customers multi-regional, full-lifecycle supply-chain services. The company plans to combine China's established chemical manufacturing ecosystem and cost-competitive basic chemical resources with Malaysia-based production to create differentiated, one-stop supply-chain solutions for global customers.

Lianhetech expects limited overall impact from patent expirations affecting certain crop protection products supplied to clients. The company plans to respond through product upgrades and technology modifications, which it says require significantly lower investment than building entirely new production capacity. Incremental business generated through these upgrades is expected to offset part of the natural decline in existing products.

The Malaysia base will prioritise patented crop protection technical materials, and Lianhetech expects the share of patented products in its portfolio to recover once the facility becomes operational. The company said improvements in crop protection gross margins over the past three years have primarily reflected technical upgrades, higher operating efficiency and better capacity utilisation.

With the Malaysia base expected to enter operations and domestic and overseas manufacturing capabilities becoming more integrated, Lianhetech expects crop protection margins to improve modestly once the new facility reaches stable utilisation. The company is positioning the expansion as a shift from capacity-led growth towards a more integrated, technology- and customer-driven supply-chain model across pharmaceuticals, new energy and crop protection.