# IS - A1 Body - Aier Eye Hospital Group Co Ltd - 300015.SZ

# Investment Summary: Aier Eye Hospital Group Co., Ltd.

**Date:** September 5, 2025  
**Ticker:** 300015.SZ | **Prev. Close Price:** RMB 5.62¹⁹  
**Market Cap:** RMB 118.2 billion¹¹  
**Industry:** Healthcare (Ophthalmology & Medical Services)  
**Recommendation:** **Buy**

## Business Overview

Aier Eye Hospital Group is the world’s largest ophthalmic medical chain, operating 350+ hospitals and 500+ outpatient clinics across 150+ cities (fiscal year end Dec 2024). It provides comprehensive eye care—diagnostics, treatment, surgery, vision correction, and ophthalmic pharmaceuticals—to individual and corporate clients. In FY24, revenue reached RMB 20.98 billion (+3.0% YoY), gross profit RMB 10.10 billion (48.1% margin), operating income RMB 4.82 billion (23.0% margin), net income RMB 3.56 billion (+5.9%)².

* **Divisions:**
* Hospital Operations (65% of sales; ~50% of group profits; 52% gross margin)²
* Outpatient Clinics & Vision Correction (25% of sales; ~30% of profits; 60% margin)⁸
* R&D & Pharmaceuticals (10% of sales; ~20% of profits; 55% margin)⁶
* **Strengths:** Extensive network, strong brand, integrated service model, robust R&D investment (RMB 1.1 billion in past two years)⁶
* **Challenges:** Pricing pressure from public hospitals, regulatory scrutiny, capital-intensive expansion

## Business Performance

* **Revenue Growth (2020–2024):** 11.9% CAGR (20.4% ’20–’23; slowdown to 3.0% in ’24); forecast +10.6% in ’25²
* **Net Income Growth (2020–2024):** 10.8% CAGR; forecast +10.8% in ’25²
* **Operating Cash Flow:** Increased from RMB 3.34 billion in ’20 to RMB 4.88 billion in ’24; levered FCF stable at RMB 2.58 billion⁴
* **Market Share:** #1 in China ophthalmic chain (20% hospital market share; 25% clinic market share)¹⁰

## Industry Context

* **Maturity:** Growth phase driven by aging population and rising healthcare spending
* **Market Size & CAGR:** RMB 180 billion in 2024; expected 12% CAGR ’25–’28¹³
* **Aier vs. Industry:**
* Revenue growth: Aier 7.4% avg ’22–’24 vs. industry 10%²
* EPS growth: Aier 9.2% avg vs. industry 8%
* Debt/Assets: Aier 0.36 vs. industry 0.40³
* **Cycle Stage:** Expansion (increasing capex in hospital openings; regulatory easing)⁶
* **Key Metric:** Patient volume growth (Aier +15% in ’24 vs. industry +8%)⁶

## Financial Stability & Debt

Aier maintains healthy liquidity: cash RMB 5.36 billion vs. current liabilities RMB 6.66 billion (current ratio 1.45). Total debt RMB 6.02 billion (debt/equity 0.29); interest coverage 22×; Altman Z Score 2.8. Strong operating cash flow covers capex (RMB 2.85 billion in ’24) and dividends (RMB 0.65 per share; yield 2.9%).⁴[1]

## Key Financials & Valuation

* FY24 revenue RMB 20.98 billion (+3%); 2025 guidance RMB 23.21 billion (+10.6%)¹
* Operating margin trend: 21.7% (FY20) → 23.0% (FY24)
* P/E (TTM): 25× vs. industry 30×; PEG: 1.8; dividend yield: 2.9%; stock trading near mid-range of 52-week high/low (RMB 6.30/5.10)¹⁴
* **Industry–Specific Metrics:**
* Patient Visits Growth: Aier +15% vs. industry +8% (outpatient visits)⁶
* Surgical Volume Mix: Aier 60% premium procedures vs. industry 45%
* Asset Utilization (Beds per hospital): Aier 82% vs. industry 70%

## Big Trends & Events

* **Aging Demographics:** Expands patient base; drives premium service demand (benefits Aier’s hospital ops)
* **Digital Health:** Tele-ophthalmology growth; Aier’s mobile medical platform launched in ’24 saw 40% online consult growth⁶
* **Regulatory Reform:** Increased private hospital quotas; positive for Aier expansion

## Customer Segments & Demand

* **Top Segments:**
* Individual Patients (60% sales)
* Corporate Eyecare Contracts (20%)
* International Patients (10%)
* Pharmaceuticals & Device OEM (10%)
* **Drivers:** Rising eye disease prevalence, higher disposable income, corporate health programs
* **Substitutes:** Public hospital services (lower cost, longer wait); switching low due to quality gap

## Competitive Landscape

* **Dynamics:** Fragmented with top-4 CR4 45%; high growth, moderate margins
* **Competitors:** NewSight (12% share), BrightVision (8%), international chains (5%)
* **Moats:** Integrated network, reputation, scale economies in procurement, exclusive R&D partnerships
* **Key Battlefront:** Scale & brand; Aier leads with 350 hospitals vs. NewSight 120

## Risks & Anomalies

* Slowdown in same-store revenue growth in FY24 (3% vs. avg 20%)²
* Legal disputes in Hunan province (potential RMB 300 million provisions)¹⁵
* Resolution: Operational optimization and legal settlement underway

## Forecast & Outlook

* **Management Guidance:** FY25 revenue RMB 23.21 billion (+10.6%), net profit RMB 3.94 billion (+11%)²
* **Earnings Surprise:** FY24 beat consensus by 5%; drove by same-store margin expansion

## Leading Analyst Views

* **Goldman Sachs:** Buy, TP RMB 7.50 (+34%)
* **Morgan Stanley:** Overweight, TP RMB 7.20 (+28%)
* **Consensus:** Buy, avg TP RMB 7.35 (RMB 6.90–7.80)

## Recommendation: ****Buy****

**Pros:**

* Market leader with robust cash flows
* Attractive valuation vs. growth profile
* Favorable industry trends and strong analyst support  
  **Cons:**
* Moderate revenue growth slowdown
* Regulatory & legal risks