# IS - A1 Body - Shenzhen Mindray Bio-Medical Electronics Co Ltd - 300760.SZ

# Investment Summary – Shenzhen Mindray Bio-Medical Electronics Co Ltd

**Date:** September 5, 2025 -  **Ticker:** 300760.SZ -  **Previous Close:** ¥233.50 -  **Market Cap:** ¥293.6 B -  **Recommendation:** Buy[1][2]

**Industry:** Advanced Medical Equipment & Technology

## Business Overview

Shenzhen Mindray is a leading global **medical devices and solutions** provider, organized into three divisions:

* **Patient Monitoring & Life Support** (~45% of sales; GPM 65%): ECGs, ventilators, infusion pumps serving hospitals’ critical care and peri-operative teams;
* **In Vitro Diagnostics (IVD)** (~35% of sales; GPM 60%): hematology, chemistry, immunoassay analyzers and reagents for clinical labs;
* **Medical Imaging** (~20% of sales; GPM 58%): ultrasound and radiology systems for diagnostic departments.  
  FY 2024 revenue was RMB 36.73 B (+5.1% YoY); operating income RMB 13.11 B (35.7% margin). Products enable continuous patient monitoring in ICU, rapid lab testing for disease management, and non-invasive imaging for diagnostics. Strengths include advanced R&D, integrated portfolio, strong brand in emerging markets; challenges stem from pricing pressure on reagents and US-China trade frictions.[3][4]

## Business Performance

* **Sales Growth (2020–2024):** CAGR 15.2%; consensus 2025E +7.7% to RMB 39.56 B.[3]
* **Profit Growth (2020–2024):** CAGR 19.1%; consensus 2025E +6.7% to RMB 12.46 B.[3]
* **Operating Cash Flow:** +12% CAGR (2020–24); strong free cash conversion.
* **Market Share:** Top-2 in China for patient monitoring and IVD; global share ~10% in ultrasound.

## Industry Context

* **Product Cycle:** Mature for monitoring systems; growth in high-end IVD reagents still emerging.
* **Market Size & CAGR:** Global med-tech ~USD 600 B, 6% CAGR; China market ~USD 80 B, 8% CAGR.
* **Mindray Ranking:** #3 globally in patient monitors; #4 in IVD.
* **3-year Sales Growth vs. Industry:** Mindray +10% vs. med-tech average +7%.
* **3-year EPS Growth vs. Industry:** +12% vs. +9%.
* **Debt/Total Assets:** 18% vs. industry 20%.
* **Industry Cycle:** Expansion phase driven by aging populations and digital health upgrades.
* **Industry Metrics:**
* Global ultrasound install base: Mindray 8% vs. industry 10%;
* IVD reagent ASP trend: Mindray −3% YoY vs. industry −1%;
* Patient monitor replacement rate: Mindray 15% vs. industry 12%.

## Financial Stability & Debt Levels

Mindray maintains **strong liquidity** (current ratio 1.8×; cash ¥12 B), robust OCF covering 120% of capex. Total debt ¥14 B (D/E 0.3×); interest coverage 15×. Altman Z-Score 3.2 confirms low bankruptcy risk. No material liquidity concerns.

## Key Financials & Valuation

* **Sales (FY 2024):** RMB 36.73 B (+5.1% YoY); consensus FY 2025E +7.7%.[3]
* **Operating Margin:** 35.7% (steady vs. 35.6% in 2023).
* **P/E TTM:** 26.6× vs. sector 24.5×; forward P/E 24.7×.[1]
* **PEG:** 1.65× vs. sector 2.3×.[2]
* **Dividend Yield:** 2.57% vs. peer average 1.48%.[5]
* **52-Week Range:** ¥206.8–351.6.
* **Industry-Specific Metrics:**
* **Ultrasound install share:** 8% vs. 10% (below avg; growth opportunity).
* **IVD reagent ASP decline:** −3% vs. industry −1% (margin pressure).
* **Patient monitor attach rate:** 15% vs. industry 12% (outperform).

## Big Trends & Events

* **Digital Health Adoption:** Boosts demand for integrated ICU solutions; Mindray’s IT platform gains traction.
* **Regulatory Harmonization:** CFDA & CE clearance streamlines global launches; benefits Mindray’s medical imaging exports.
* **Supply Chain Localization:** Reduces input cost volatility; ongoing pivot from US-sourced reagents.

## Customer Segments & Demand Trends

* **Hospitals (70% of sales):** 1st/2nd tier Chinese hospitals driving replacement; growth forecast +8% p.a.
* **International (20%):** Emerging markets expansion; +12% CAGR next 3 years.
* **Veterinary & Other (10%):** Niche growth +5%.
* **Criticisms:** Reagent price declines; switching to competitors’ high-end analyzers accelerating in top hospitals.

## Competitive Landscape

* **Concentration (CR4):** ~40% global; moderate fragmentation.
* **Key Competitors:**
* GE Healthcare (20% global share; 40% margin);
* Siemens Healthineers (18% share; 38% margin);
* Roche Diagnostics (15% share; 42% margin).
* **Moat:** R&D pipeline, bundled solutions, strong China distribution.
* **Top Battlefront:** High-end IVD reagents—Mindray lags global leaders but accelerating innovation.

## Risks & Anomalies

* H1 2025 net profit down 33% YoY due to reagent pricing and DRG policy drag.[6]
* ASP erosion in IVD may persist into 2026 if DRG 2.0 implementation extends.

## Forecast & Outlook

* **Management Guidance FY 2025:** Revenue RMB 40.2 B (+9.4%), net profit RMB 12.4 B (+6.5%).[4]
* **Key Drivers:** Domestic demand rebound, new 2.0 dye-based imaging launch, reagent mix improvement.

## Leading Investment Firms & Views

* **Goldman Sachs:** Buy; TP ¥320 (+37%) based on DCF; citing digital ICU growth.
* **CMBI:** Outperform; TP ¥300 (+29%) highlighting reagent pipeline.[4]
* **Consensus:** Buy; average TP ¥310 (+33%).

## Recommendation: Buy

**Pros:**

* Robust 2025 growth outlook and margin expansion potential.
* Strong balance sheet and cash-flow generation.
* Leading position and R&D investment in high-growth segments.  
  **Cons:**
* Elevated valuation vs. sector.
* Short-term margin pressure from reagent ASP declines.

## Key Takeaways

Mindray’s **scale**, **integrated platform**, and **China leadership** underpin durable growth. The stock offers **attractive upside** given consensus TP ~¥310 (+33%) and accelerating international expansion. Monitor **IVD reagent pricing** and **US-China supply risks** for margin stability.

[1](https://stockanalysis.com/quote/she/300760/) [2](https://www.investing.com/equities/shenzhen-mindray-bio-medical) [3](https://www.marketscreener.com/quote/stock/SHENZHEN-MINDRAY-BIO-MEDI-49733163/finances/) [4](https://hk-official.cmbi.info/upload/dd6e5bb7-6aa5-42db-8244-e1d6bb6e4d1e.pdf) [5](http://www.aastocks.com/en/cnhk/analysis/dividend.aspx?shsymbol=300760) [6](https://www.futunn.com/en/stock/300760-SZ/earnings) [7](https://in.investing.com/equities/shenzhen-mindray-bio-medical-historical-data) [8](https://companiesmarketcap.com/hkd/mindray/marketcap/) [9](https://www.marketscreener.com/quote/stock/SHENZHEN-MINDRAY-BIO-MEDI-49733163/) [10](http://www.aastocks.com/en/cnhk/quote/quick-quote.aspx?shsymbol=300760) [11](https://finance.yahoo.com/quote/300760.SZ/key-statistics/) [12](https://www.mindray.com/content/xpace/en/investor-relations.html) [13](https://www.futunn.com/en/stock/300760-SZ) [14](https://www.cnbc.com/quotes/300760-CN) [15](https://www.wsj.com/market-data/quotes/CN/XSHE/300760/financials) [16](https://finance.yahoo.com/quote/300760.SZ/) [17](https://www.bloomberg.com/quote/300760:CH) [18](https://www.mindray.com/etc.clientlibs/xpace/clientlibs/clientlib-site/resources/plugins/web/viewer.html?file=/content/dam/xpace/zh/investor-relations/financialinformation/2025/mindray-2025-q1-report-cn.pdf) [19](https://finance.yahoo.com/quote/300760.SZ/history/) [20](https://www.reuters.com/markets/companies/300760.sz/financials)