31 Aug 2026

CMB International Global Markets | Equity Research | Company Update

Mindray (300760 CH)

1H26 in line; overseas momentum and domestic recovery intact

BUY (Maintain)

Target Price	**RMB204.94**
(Previous TP	RMB204.54)
Up/Downside	**24.7%**
Current Price	**RMB164.30**

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Stock Data

Mkt Cap (RMB mn)	199,204.1
Avg 3 mths t/o (RMB mn)	1,520.0
52w High/Low (RMB)	248.24/133.98
Total Issued Shares (mn)	1212.4

Source: FactSet

Shareholding Structure

Smartco Development Limited	27.0%
Magnifice (HK) Limited	24.5%

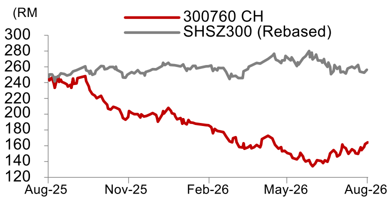
Source: SZSE

Share Performance

	Absolute	Relative
1-mth	9.1%	8.2%
3-mth	9.0%	16.2%
6-mth	-11.6%	-9.7%

Source: FactSet

12-mth Price Performance



Source: FactSet

Mindray reported 1H26 revenue of RMB17.75bn (+6.0% YoY) with 2Q26 growth accelerating to 10.5% YoY, broadly in line with our expectations. Attributable net profit decreased 3.6% YoY to RMB5.05bn, mainly due to FX losses. Excluding FX impact, net profit grew 8.7% YoY in 1H26. We leave our 2026E-28E revenue forecasts largely unchanged, which continue to assume a recovery in the domestic business and sustained solid growth overseas. We lower our 2026E earnings forecast to reflect near-term FX headwinds, while keeping our 2027E-28E earnings estimates broadly unchanged.

- **Overseas businesses remained strong led by Europe and emerging markets.** Overseas revenue reached RMB9.5bn (+13.7% YoY; +18.4% in USD terms), accounting for 53% of the total in 1H26. Europe remained the standout, with revenue up nearly 25% YoY. Key markets including the UK, France and Italy each delivered growth of over 30% YoY. Latin America grew nearly 20% YoY, while APAC rose 17% YoY in 1H26, supported by strong performance in India, Mexico and Brazil. Notably, growth was broad-based across product lines. Overseas IVD revenue increased 21% YoY, with immunoassay up 30% YoY. Overseas PMLS grew over 10% YoY, and overseas ultrasound delivered high-single-digit growth. We expect Europe, Latin America and APAC to drive continued double-digit overseas growth in 2026E.
- **Domestic recovery appears to be underway.** Domestic revenue was RMB8.3bn (-1.6% YoY), but we estimate 2Q26 already returned to positive growth (+~8.8% YoY). Emerging businesses and IVD are increasingly the main growth engines domestically. In 1H26, domestic emerging businesses rose 21% YoY and accounted for 24% of domestic revenue; together with IVD, they represent 74% of total domestic revenue. Mindray continued to gain market share in core IVD categories (CLIA, chemistry, coagulation), with share rising from 10% in 1H25 to 14% in 1H26. Its TLA installed base also expanded rapidly. In 1H26, Mindray secured over 260 new TLA orders and completed nearly 200 installations, driving an upward revision to its full-year TLA order intake target. Therefore, we continue to expect domestic revenue to resume single-digit growth in 2026E, supported by IVD share gains, continued growth in emerging businesses, and an easier comparison base.
- **Maintain BUY.** We maintain our FY26E-28E revenue forecasts largely unchanged and derive our target price of RMB204.94 based on a 9-year DCF model (WACC: 9.1%, terminal growth: 3.0%; both unchanged). **Risks:** centralized procurement-driven price cuts; domestic procurement demand weakness; overseas expansion underperformance.

Earnings Summary

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	36,726	33,282	35,909	39,460	43,524
YoY growth (%)	5.1	(9.4)	7.9	9.9	10.3
Attributable net profit (RMB mn)	11,668	8,136	7,871	9,381	10,497
YoY growth (%)	0.7	(30.3)	(3.3)	19.2	11.9
EPS (Reported) (RMB)	9.64	6.71	6.49	7.74	8.66
P/E (x)	17.1	24.5	25.3	21.2	19.0
Net gearing (%)	(46.4)	(46.4)	(49.2)	(52.6)	(56.0)

Source: Company data, Bloomberg, CMBIGM estimates

Figure 1: Earnings revision

	New			Old			Diff (%)		
RMB mn	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	35,909	39,460	43,524	35,708	39,351	43,477	0.56%	0.28%	0.11%
Gross profit	21,300	23,343	25,721	21,087	23,197	25,622	1.01%	0.63%	0.39%
Operating profit	10,445	12,052	13,471	10,627	11,948	13,393	-1.72%	0.87%	0.58%
Net profit	7,871	9,381	10,497	8,026	9,299	10,435	-1.93%	0.88%	0.59%
EPS (RMB)	6.49	7.74	8.66	6.62	7.67	8.61	-1.93%	0.88%	0.59%
Gross margin	59.32%	59.16%	59.10%	59.05%	58.95%	58.93%	+0.26ppt	+0.21ppt	+0.16ppt
Operating margin	29.09%	30.54%	30.95%	29.76%	30.36%	30.80%	-0.67ppt	+0.18ppt	+0.15ppt
Net margin	21.92%	23.77%	24.12%	22.48%	23.63%	24.00%	-0.56ppt	+0.14ppt	+0.12ppt

Source：CMBIGM estimates

Figure 2: Risk-adjusted DCF valuation

DCF Valuation (in RMB mn)	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
EBIT	10,426	11,281	12,590	13,972	15,646	17,576	19,773	22,317	25,267
Tax rate	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
EBIT*(1-tax rate)	8,862	9,589	10,702	11,877	13,299	14,939	16,807	18,969	21,477
+ D&A	1,817	1,851	1,838	1,838	1,831	1,814	1,794	1,768	1,736
- Change in working capital	-232	-283	-302	-297	-305	-625	-695	-792	-903
- Capex	-2,462	-2,362	-2,262	-2,162	-2,062	-1,962	-1,862	-1,762	-1,662
FCFF	**7,985**	**8,795**	**9,976**	**11,256**	**12,764**	**14,167**	**16,044**	**18,184**	**20,648**
Terminal value									**349,046**

Terminal growth rate	**3.0%**
WACC	**9.1%**
Cost of Equity	12.3%
Cost of Debt	3.8%
Equity Beta	0.90
Risk Free Rate	2.8%
Market Risk Premium	10.5%
Target Debt to Asset ratio	35.0%
Effective Corporate Tax Rate	15.0%

Terminal value	159,482
Total PV	233,709
Net debt	-20,593
Minority interest	5,823
Equity value	248,479
# of shares (mn)	1,212
DCF per share (in RMB)	**204.94**

Source: CMBIGM estimates

Figure 3: Sensitivity analysis (RMB)

		WACC				
		8.1%	**8.6%**	**9.1%**	**9.6%**	**10.1%**
Terminal growth rate	**4.0%**	291.23	258.52	232.30	210.82	192.92
	3.5%	266.93	239.70	217.40	198.81	183.10
	3.0%	247.40	224.24	**204.94**	188.63	174.66
	2.5%	231.36	211.32	194.38	179.88	167.33
	2.0%	217.95	200.36	185.30	172.28	160.91

Source: CMBIGM estimates

Figure 4: CMBIGM estimates vs consensus

	CMBIGM			Consensus			Diff (%)		
RMB mn	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	35,909	39,460	43,524	35,625	39,309	43,569	0.80%	0.38%	-0.10%
Gross profit	21,300	23,343	25,721	21,169	23,379	26,034	0.62%	-0.15%	-1.20%
Operating profit	10,445	12,052	13,471	10,103	11,371	12,750	3.39%	5.99%	5.66%
Net profit	7,871	9,381	10,497	8,323	9,520	10,724	-5.43%	-1.46%	-2.12%
EPS (RMB)	6.49	7.74	8.66	6.94	7.99	8.86	-6.39%	-3.16%	-2.31%
Gross margin	59.32%	59.16%	59.10%	59.42%	59.47%	59.75%	-0.11ppt	-0.32ppt	-0.66ppt
Operating margin	29.09%	30.54%	30.95%	28.36%	28.93%	29.26%	+0.73ppt	+1.62ppt	+1.69ppt
Net margin	21.92%	23.77%	24.12%	23.36%	24.22%	24.61%	-1.44ppt	-0.45ppt	-0.5ppt

Source: Company data, Bloomberg, CMBIGM estimates

Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Revenue	**34,932**	**36,726**	**33,282**	**35,909**	**39,460**	**43,524**
Cost of goods sold	(12,513)	(13,548)	(13,208)	(14,609)	(16,117)	(17,803)
Gross profit	**22,419**	**23,178**	**20,074**	**21,300**	**23,343**	**25,721**
Operating expenses	**(9,478)**	**(10,549)**	**(10,401)**	**(11,258)**	**(11,413)**	**(12,371)**
Selling expense	(5,010)	(5,283)	(5,145)	(5,386)	(5,840)	(6,398)
Admin expense	(1,524)	(1,600)	(1,551)	(1,652)	(1,776)	(1,915)
R&D expense	(3,433)	(3,666)	(3,579)	(3,699)	(3,985)	(4,309)
Others	489	(1)	(127)	(522)	189	251
Gain/loss on financial assets at FVTPL	79	126	0	0	0	0
Investment gain/loss	(10)	69	115	115	115	115
Other gains/(losses)	60	287	6	288	6	6
Operating profit	**13,070**	**13,112**	**9,795**	**10,445**	**12,052**	**13,471**
Others	(59)	(92)	(121)	(121)	(121)	(121)
Pre-tax profit	**13,011**	**13,020**	**9,674**	**10,324**	**11,931**	**13,350**
Income tax	(1,433)	(1,280)	(1,222)	(1,549)	(1,790)	(2,003)
Minority interest	4	(71)	(316)	(905)	(761)	(851)
Net profit	**11,582**	**11,668**	**8,136**	**7,871**	**9,381**	**10,497**
Adjusted net profit	**11,434**	**11,442**	**8,069**	**7,858**	**9,368**	**10,484**

BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Current assets	**26,875**	**25,647**	**27,410**	**30,645**	**34,928**	**39,820**
Cash & equivalents	18,787	16,644	17,690	20,597	24,253	28,458
Account receivables	3,297	3,226	3,410	3,383	3,501	3,623
Inventories	3,979	4,757	5,004	5,358	5,867	6,432
Prepayment	268	297	273	273	273	273
Other current assets	545	722	1,033	1,033	1,033	1,033
Non-current assets	**21,065**	**30,997**	**31,857**	**33,377**	**34,482**	**35,500**
PP&E	5,490	7,086	7,670	8,199	8,333	8,378
Deferred income tax	1,313	1,697	1,567	1,567	1,567	1,567
Intangibles	2,225	6,723	6,390	5,739	5,078	4,406
Goodwill	5,062	11,093	11,404	11,404	11,404	11,404
Other non-current assets	6,976	4,397	4,825	6,468	8,101	9,745
Total assets	**47,940**	**56,644**	**59,267**	**64,021**	**69,410**	**75,320**
Current liabilities	**10,103**	**10,427**	**11,600**	**11,695**	**12,039**	**12,424**
Short-term borrowings	8	5	0	0	0	0
Account payables	2,690	2,793	3,242	3,337	3,682	4,067
Tax payable	653	428	385	385	385	385
Other current liabilities	6,751	7,202	7,972	7,972	7,972	7,972
Non-current liabilities	**4,491**	**5,458**	**4,656**	**4,656**	**4,656**	**4,656**
Long-term borrowings	1	0	4	4	4	4
Deferred income	109	127	182	182	182	182
Other non-current liabilities	4,381	5,331	4,470	4,470	4,470	4,470
Total liabilities	**14,594**	**15,885**	**16,255**	**16,351**	**16,695**	**17,080**
Share capital	1,212	1,212	1,212	1,212	1,212	1,212
Capital surplus	608	608	608	608	608	608
Others	31,265	34,036	36,273	40,028	44,311	48,985
Total shareholders equity	**33,085**	**35,856**	**38,093**	**41,848**	**46,131**	**50,805**
Minority interest	261	4,902	4,918	5,823	6,583	7,434
Total equity and liabilities	**47,940**	**56,644**	**59,267**	**64,021**	**69,410**	**75,320**

CASH FLOW	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	**11,578**	**11,740**	**8,451**	**8,776**	**10,142**	**11,348**
Depreciation & amortization	1,039	1,503	1,747	1,817	1,851	1,838
Tax paid	(1,433)	(1,280)	(1,222)	(1,549)	(1,790)	(2,003)
Change in working capital	(1,652)	(727)	(439)	(232)	(283)	(302)
Others	1,528	1,196	1,608	1,774	1,545	1,648
Net cash from operations	**11,062**	**12,432**	**10,145**	**10,586**	**11,465**	**12,529**
Investing						
Capital expenditure	(2,689)	(1,959)	(2,038)	(2,000)	(1,900)	(1,800)
Acquisition of subsidiaries/ investments	(871)	(5,773)	0	0	0	0
Others	2,867	350	1,528	(462)	(462)	(462)
Net cash from investing	**(693)**	**(7,383)**	**(509)**	**(2,462)**	**(2,362)**	**(2,262)**
Financing						
Dividend paid	(10,670)	(8,843)	(5,743)	(5,217)	(5,447)	(6,063)
Net borrowings	(19)	(3)	(3)	0	0	0
Proceeds from share issues	79	79	36	0	0	0
Others	(166)	(114)	(1,014)	0	0	0
Net cash from financing	**(10,776)**	**(8,882)**	**(6,724)**	**(5,217)**	**(5,447)**	**(6,063)**
Net change in cash						
Cash at the beginning of the year	18,974	18,668	14,908	17,690	20,597	24,253
Exchange difference	101	72	(195)	0	0	0
Cash at the end of the year	**18,668**	**14,908**	**17,625**	**20,597**	**24,253**	**28,458**
GROWTH	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
YE 31 Dec						
Revenue	15.0%	5.1%	(9.4%)	7.9%	9.9%	10.3%
Gross profit	15.1%	3.4%	(13.4%)	6.1%	9.6%	10.2%
Operating profit	18.9%	0.3%	(25.3%)	6.6%	15.4%	11.8%
Net profit	20.6%	0.7%	(30.3%)	(3.3%)	19.2%	11.9%
Adj. net profit	20.0%	0.1%	(29.5%)	(2.6%)	19.2%	11.9%
PROFITABILITY	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
YE 31 Dec						
Gross profit margin	64.2%	63.1%	60.3%	59.3%	59.2%	59.1%
Operating margin	37.4%	35.7%	29.4%	29.1%	30.5%	31.0%
Adj. net profit margin	32.7%	31.2%	24.2%	21.9%	23.7%	24.1%
Return on equity (ROE)	35.6%	33.9%	22.0%	19.7%	21.3%	21.7%
GEARING/LIQUIDITY/ACTIVITIES	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
YE 31 Dec						
Net debt to equity (x)	(0.6)	(0.5)	(0.5)	(0.5)	(0.5)	(0.6)
Current ratio (x)	2.7	2.5	2.4	2.6	2.9	3.2
Receivable turnover days	31.1	32.4	36.4	34.4	32.4	30.4
Inventory turnover days	116.7	117.7	134.9	133.9	132.9	131.9
Payable turnover days	72.6	73.9	83.4	83.4	83.4	83.4
VALUATION	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
YE 31 Dec						
P/E	17.2	17.1	24.5	25.3	21.2	19.0
P/E (diluted)	17.2	17.1	24.5	25.3	21.2	19.0
P/B	18.6	18.0	16.3	16.2	15.8	15.3
Div yield (%)	3.5	3.8	2.7	2.6	3.1	3.4

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets.

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