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The Impact of Patient Capital Shareholding on Market Capitalization Changes in the High?End Equipment Manufacturing Industry: Evidence from China’s Capital Market

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Abstract

Based on a sample of A?share listed firms in China’s high?end equipment manufacturing industry spanning 2014 to 2024, this paper investigates the impact of patient capital shareholding on changes in corporate market capitalization. A patient?capital indicator is constructed by integrating stable equity and relational debt, and an industry? and year?fixed?effect model is employed for empirical analysis. The empirical results show that patient capital significantly enhances corporate market valuation. This conclusion remains robust to alternative measures of core variables and market?capitalization proxies, the exclusion of special?year observations, and instrumental?variable estimation. Mechanism tests reveal that patient capital contributes to the market?capitalization growth of high?end equipment manufacturing firms in the subsequent period by cutting the operating cost ratio, boosting profitability, and improving information transparency. Heterogeneity analysis indicates that this effect is more salient in non?state?owned enterprises, whereas no meaningful difference is observed between eastern and western China. Further analyses suggest that long?term stable capital delivers not only financial support but also strengthens capital?market recognition of the long?run value of high?end equipment manufacturers through operational optimization and information transmission.

Keywords: Patient Capital; High End Equipment Manufacturing; Corporate Market Capitalization; Profitability; Information Transparency