BeOne Medicines (6160 HK)

3Q26: Results Outperform; Raising 2026 Guidance Again

Highlights

- BeOne's 3Q26 revenue rose 33.8% yoy to US$1.89b and adjusted net profit grew 77.4% yoy to US$539m, ahead of our and consensus expectations.
- Management raised its 2026 revenue guidance again, by US$250m at the midpoint to US$6.9b-7.0b, and GAAP operating income guidance to US$1.2b-1.3b, on BRUKINSA's momentum and improving operating leverage. With a deep late-stage pipeline, BeOne is well positioned for sustained long-term growth.
- Maintain BUY with a higher target price of HK$300.00.

3Q26 Results

Year to 31 Dec (US$m)	3Q25	3Q26	yoy % chg	9M25	9M26	yoy % chg
Revenue	1,412	1,890	33.8%	3,845	5,108	32.9%
Product revenue	1,395	1,855	33.0%	3,806	5,022	32.0%
Other revenue	17	35	101.3%	39	86	119.5%
Gross profit	1,216	1,673	37.6%	3,319	4,550	37.1%
SG&A expense	(529)	(593)	12.2%	(1,526)	(1,742)	14.1%
R&D expense	(524)	(661)	26.2%	(1,530)	(1,814)	18.5%
EBIT	163	419	156.7%	262	994	279.1%
Net profit	125	385	208.2%	220	849	285.2%
Adj. net profit	304	539	77.4%	693	1,358	96.1%
% of sales	**3Q25**	**3Q26**	**yoy ppt chg**	**9M25**	**9M26**	**yoy ppt chg**
Gross profit	86.1%	88.5%	2.4	86.3%	89.1%	2.7
SG&A expense	37.5%	31.4%	(6.1)	39.7%	34.1%	(5.6)
R&D expense	37.1%	35.0%	(2.1)	39.8%	35.5%	(4.3)
EBIT	11.5%	22.2%	10.6	6.8%	19.5%	12.6
Net profit	8.8%	20.4%	11.5	5.7%	16.6%	10.9
Adjusted net profit	21.5%	28.5%	7.0	18.0%	26.6%	8.6

Source: BeOne Medicines, UOB Kay Hian

Analysis

- **3Q26 results beat.** BeOne Medicines' (BeOne) 3Q26 revenue reached US$1,890m, up 33.8% yoy and 10.8% qoq, while adjusted net profit rose 77.4% yoy and 21.2% qoq to US$539m and reported net profit surged 208.2% yoy and 62.3% qoq to US$385m. 9M26 revenue was US$5,108m, up 32.9% yoy. 9M26 adjusted net profit came in at US$1,358m, up 96.1% yoy, significantly exceeding our and consensus estimates for 2026 growth.

Key Financials

Year to 31 Dec (US$m)	2024	2025	2026F	2027F	2028F
Net turnover	3,810	5,343	7,036	8,389	10,041
EBITDA	(382)	621	1,423	2,027	2,754
Operating profit	(568)	447	1,232	1,819	2,529
Net profit (rep./act.)	(645)	287	1,058	1,557	2,160
Net profit (adj.)	(55)	918	1,759	2,275	2,895
EPS (US$ cent)	(4.0)	62.2	119.3	154.3	196.3
PE (x)	n.a.	50.9	26.6	20.5	16.1
P/B (x)	13.0	10.3	8.3	6.4	4.9
EV/EBITDA (x)	n.a.	75.6	33.0	23.2	17.1
Dividend yield (%)	-	-	-	-	-
Net margin (%)	(1.4)	17.2	25.0	27.1	28.8
Net debt/(cash) to equity (%)	(48.6)	(82.3)	(88.8)	(90.3)	(90.6)
Interest cover (x)	n.m.	n.m.	n.m.	n.m.	n.m.
ROE (%)	(18.8)	7.5	21.6	25.1	26.8
Consensus net profit	n.a	n.a	878	1,262	1,684
UOBKH/Consensus (x)	n.a	n.a	1.20	1.23	1.28

Source: BeOne Medicines, Bloomberg, UOB Kay Hian

Analyst(s)

Carol Dou
carol.dou@uobkh.com
+ 852 22366749

Sunny Chen
sunny.chen@uobkh.com
+ 852 2826 4857

BUY (Maintained)

Share Price	HK$248.60
Target Price	HK$300.00
Upside	20.7%
Previous TP	HK$265.00

Stock Data

Sector	Health Care
Bloomberg ticker	6160 HK
Shares issued (m)	1,484.9
Market cap (HK$m)	406,246.8
Market cap (US$m)	51,786.2
3-mth avg daily t'over (US$m)	101.6

Price Performance (%)

52-week high/low				HK$250.00/HK$153.00
1mth	**3mth**	**6mth**	**1yr**	**YTD**
13.7	25.1	40.6	33.9	38.7

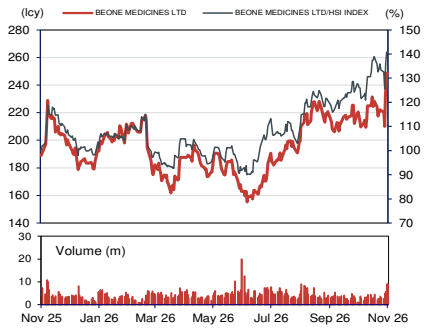
Major Shareholders (%)

Amgen	16.8
Baker Brothers	7.8

Balance Sheet Metrics

FY26 NAV/Share (US$)	3.8
FY26 Net Cash/Share (US$)	3.2

Price Chart



Source: Bloomberg

Company Description

BeOne Medicines is a global oncology company, which engages in the development and commercialisation of innovative molecularly targeted and immuno oncology.

- **Total revenue grew 33.8% yoy and 10.8% qoq to US$1,890m in 3Q26.** 3Q26 product revenue rose 33.0% yoy to US$1,855m, driven by BRUKINSA's robust global sales growth of 33.7% yoy to US$1,391m (about 73.6% of total revenue); US BRUKINSA sales increased 36.1% yoy to US$1,005m and European BRUKINSA sales expanded 33.3% yoy to US$218m. TEVIMBRA sales rose 27.6% yoy to US$243m and the products in-licensed from Amgen grew 26% yoy to US$167m. By region, US revenue rose 36.2% yoy to US$1,028m and made up 54.4% of total revenue in 3Q26, Europe went up 43.8% yoy to US$240m, the rest of the world increased 68.7% yoy to US$86m, and China grew 21.9% yoy to US$536m.
- **Margin expansion continued.** Gross margin improved to 88.5% in 3Q26, up 2.4ppt yoy, on a richer BRUKINSA sales mix and productivity gains in both BRUKINSA and TEVIMBRA, partly offset by a US$22m non-cash impairment charge after BeOne decided to stop promoting POBEVCY. The SG&A/revenue ratio fell 6.1ppt yoy to 31.4% and the R&D/revenue ratio dropped 2.1ppt yoy to 35.0%, although R&D expense rose 26.2% yoy as more programmes moved into late-stage development. Operating margin therefore widened 10.6ppt yoy to 22.2% and adjusted net margin expanded 7.0ppt yoy to 28.5% in 3Q26.
- **Management raised its 2026 revenue guidance again, by US$250m at the midpoint to US$6.9b-7.0b, reflecting improved performance through 3Q26.** The new range implies growth of 29-31% yoy, while gross margin guidance was kept at the high-80% range. Management also lifted its guidance for GAAP operating income to US$1.2b-1.3b (from US$1.0b-1.1b) and for non-GAAP operating income to US$1.9b-2.0b (from US$1.7b-1.8b), on combined R&D and SG&A expenses of US$4.9b-5.0b (from US$4.8b-5.0b). That implies 4Q26 revenue of US$1.79b-1.89b. BeOne also expects to reverse certain tax valuation allowances in 4Q26, which would bring a material tax benefit.
- **Pipeline progress supports long-term value.** The US FDA granted Priority Review to the BRUKINSA filing in 1L MCL (MANGROVE), and BeOne completed submissions in the EU and China, with Japan due in 4Q26; interim MANGROVE results will be presented at the ASH 2026 Plenary Session. TEVIMBRA won Japanese approval in 1L nasopharyngeal cancer, and the FDA approved a TEVIMBRA-based regimen with ZIIHERA for 1L HER2-positive GEA. Tacabrutideg (BGB-16673) met the primary endpoint of the pivotal Phase 2 portion of CaDAnCe-101 in r/r CLL, with a potential submission in mid-27. BeOne also signed a collaboration with Revolution Medicines that includes exclusive rights to its RAS(ON) inhibitors in selected Asian markets.

Valuation/Recommendation

- **Maintain BUY and raise target price to HK$300.00** (ONC US/BUY/ Target: US$497.45/ADS; 688235 CH/BUY/Target: Rmb394.07), based on our DCF model with WACC of 10.5% and terminal growth rate of 3.5%. The strong 3Q26 results and raised guidance underpin further share-price appreciation.

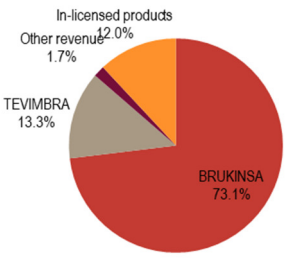
Earnings Revision/Risk

- We fine-tuned our forecasts based on the new guidance. Our estimates do not include the expected 4Q26 tax benefit.
- **Risks**: a) policy risks in the US, eg Most-Favoured-Nation drug pricing and Part-D re-design; b) intensifying market competition; and c) risks in R&D, product approval, and business collaborations etc.

Share Price Catalyst

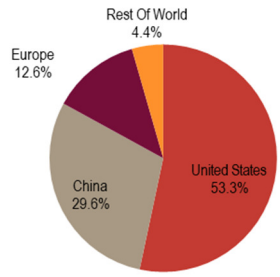
- Smooth R&D and market approvals, eg, US FDA approval of BRUKINSA in 1L MCL under Priority Review and the regulatory submission in Japan in 4Q26; China regulatory action on TEVIMBRA and ZIIHERA in 1L HER2-positive gastroesophageal adenocarcinoma (GEA) in 1H27.
- A strong BEQALZI launch, MANGROVE data at ASH 2026 and robust 2026 financial results.

Segmental Revenue (9M26)



Source: BeOne Medicines, UOB Kay Hian

Regional Revenue (9M26)



Source: BeOne Medicines, UOB Kay Hian

Near-Term Product/Indication Approvals

	Expected Indication / Market Approvals	Market	Estimated time of approval
TEVIMBRA	2L ESCC	CA	Approved in 1Q26
	1L NPC	UK	Approved in 1Q26
	1L ES-SCLC, Neo/adj NSCLC	UK	Approved in 1Q26
	1L GC	JP	Approved in 2Q26
	Alt Dosing Q6W	CN	Approved in 2Q26
	1L NPC	JP	Approved in 3Q26
	1L HER2+ GEA	US	Approved in Aug 26
	1L HER2+ GEA	CN	1H27
	1L HER2+ GEA	CA	2027
BRUKINSA	Tablet formulation	UK	Approved in 1Q26
	R/R MZL	JP	2026
	Tablet formulation	JP	2026
	TN MCL	US	2027
	TN MCL	CN	2027
Sonrotoclax	R/R MCL	CN	Approved in Dec 25
	R/R CLL	CN	Approved in Dec 25
	R/R MCL	US	Approved in May 26
	R/R MCL	EU	2026
	R/R MCL	BR	2027
Tarlatamab	3L+ SCLC	CN	Approved in Apr 26
	2L SCLC	CN	Approved in 2Q26
Zanidatamab	1L HER2+ GEA	CN	1H27

Note: ESCC: Esophageal Squamous Cell Carcinoma; NPC: Nasopharyngeal Carcinoma; GC: Gastric Cancer; ES-SCLC: Extensive-Stage Small Cell Lung Cancer; Neo/adj: Neoadjuvant or adjuvant chemotherapy; NSCLC: Non-Small Cell Lung Cancer, GEA: gastroesophageal adenocarcinoma; R/R: relapsed or refractory; MZL: marginal zone lymphoma; TN: treatment-naïve; MCL: mantle cell lymphoma; CLL: Chronic lymphocytic leukemia. Dosing frequency: Q2W:bi-weekly, Q4W: monthly, and Q6W: dose every six weeks.
Source: BeOne Medicines, UOB Kay Hian

Profit & Loss

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Net turnover	**5,343**	**7,036**	**8,389**	**10,041**
EBITDA	621	1,423	2,027	2,754
Deprec. & amort.	174	191	208	225
EBIT	447	1,232	1,819	2,529
Associate contributions	0	0	0	0
Net interest income/(expense)	12	12	12	12
Pre-tax profit	**417**	**1,244**	**1,832**	**2,541**
Tax	(130)	(187)	(275)	(381)
Minorities	0	0	0	0
Net profit	**287**	**1,058**	**1,557**	**2,160**
Net profit (adj.)	918	1,759	2,275	2,895

Balance Sheet

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Fixed assets	1,642	1,644	1,628	1,596
Other LT assets	313	317	317	317
Cash/ST investment	4,610	5,884	7,375	9,351
Other current assets	1,624	1,735	1,892	2,194
Total assets	**8,189**	**9,580**	**11,211**	**13,458**
ST debt	57.293	190.896	190.896	190.896
Other current liabilities	1,772	2,003	2,078	2,164
LT debt	961.913	882.163	882.163	882.163
Other LT liabilities	1,037	1,085	1,085	1,085
Shareholders' equity	4,361	5,419	6,976	9,136
Minority interest	0	0	0	0
Total liabilities & equity	**8,189**	**9,580**	**11,211**	**13,458**

Cash Flow

Year to 31 Dec (US$m)	2025	2026F	2027F	2028F
Operating	**1,128**	**1,352**	**1,677**	**2,163**
Pre-tax profit	417	1,244	1,832	2,541
Tax	(130)	(187)	(275)	(381)
Deprec. & amort.	174	191	208	225
Working capital changes	(178)	(45)	(81)	(216)
Non-cash items	0	0	0	0
Other operating cashflows	845	149	(6)	(6)
Investing	**(276)**	**(126)**	**(122)**	**(122)**
Capex (growth)	(186)	(193)	(193)	(193)
Proceeds from sale of assets	70.505	70.505	70.505	70.505
Others	(161)	(3)	-	-
Financing	**1,059**	**48**	**(65)**	**(65)**
Dividend payments	-	-	-	-
Issue of shares	0	0	0	0
Proceeds from borrowings	-58.234	-64.5531	-64.5531	-64.5531
Loan repayment	0	0	0	0
Others/interest paid	1,118	112	-	-
Net cash inflow (outflow)	**1,911**	**1,275**	**1,491**	**1,976**
Beginning cash & cash equivalent	**2,639**	**4,610**	**5,884**	**7,375**
Changes due to forex impact	60.024	0	0	0
Ending cash & cash equivalent	**4,610**	**5,884**	**7,375**	**9,351**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
Gross margin	87.5	89.2	89.7	90.2
Pre-tax margin	7.8	17.7	21.8	25.3
Net margin	5.4	15.0	18.6	21.5
ROA	4.1	11.9	15.0	17.5
ROE	7.5	21.6	25.1	26.8
Growth				
Turnover	40.2	31.7	19.2	19.7
Gross profit	45.3	34.2	19.9	20.4
Pre-tax profit	(178.2)	198.5	47.2	38.8
Net profit	(144.5)	268.6	47.2	38.8
Net profit (adj.)	(1,770.8)	91.7	29.4	27.3
EPS	(1,650.6)	91.7	29.4	27.3
Leverage				
Debt to total capital	18.94294	16.52945	13.3321	10.51102
Debt to equity	23.36988	19.80273	15.38297	11.7456
Net debt/(cash) to equity	(82.3)	(88.8)	(90.3)	(90.6)
Interest cover	n.m.	n.m.	n.m.	n.m.

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